

FISCAL YEAR 2020-2021 BUDGET

moulton niguel water district

1960-2020
CELEBRATING SIXTY YEARS OF SERVICE

Letter of Transmittal

Dear President Probolsky and Directors:

Moulton Niguel Water District is proud to present this 2020-21 Fiscal Year (FY) Budget that continues to put our customers first. We have prepared this year's budget based on the guidance and direction provided by the Board of Directors and the public.

The FY 2020-21 Budget is a balanced budget that ensures our customers have ongoing access to safe water supplies, reinvests ratepayer funds into critical infrastructure and prudently plans for the future. That commitment to thoughtful long-term planning has added significance this year, as our community continues to face the uncertainty from the COVID-19 coronavirus epidemic and the resulting economic downturn.

Orange County is struggling from record job losses, mounting business closures, and looming economic uncertainty. With so much uncertainty, this FY 2020-2021 Budget has adopted a cautious and prudent approach to our long-term planning. The ongoing impact of the COVID-19 emergency has shown that the District's prior planning and investment in emergency preparedness have never been more critical for our customers.

For 60 years, Moulton Niguel Water District has delivered safe and reliable water services to our customers in South Orange County in the face of major challenges and severe droughts. Our experiences have taught us how to be a resilient agency. We are a resilient workforce that can adapt to any circumstance. We have been resilient in our planning to prepare for the unforeseen and adjust as new information becomes available.

All of this starts by maintaining the trust of our customers. During these challenging times, we will continue to meet that commitment to our customers by offering enhanced services at the lowest possible costs. By empowering our customers and embracing technology, we are confident that we will exit this current challenge posed by COVID-19 as a stronger water and wastewater utility.

As a public agency, the budget document presented for your consideration provides transparency and public accountability for the District's finances, spending and operations. Upon approval by the Board of Directors, this document will provide the District with the legal and fiscal authority for the General Manager and MNWD staff to execute the programs and projects identified in this document subject to the District's governing policies.

BOARD OF DIRECTORS | Duane D. Cave VICE PRESIDENT | Richard Fiore DIRECTOR | Donald Froelich VICE PRESIDENT | Kelly Jennings DIRECTOR | Gary R. Kurtz DIRECTOR | Bill Moorhead DIRECTOR | Brian S. Probolsky PRESIDENT

This budget document also includes the District's FY 2020-21 Long-Range Financial Plan, which forecasts expenses and revenue projections for the next ten years. As recent events demonstrate, no one can predict the future. However, this planning document provides our agency with a valuable tool for anticipating the unforeseen, minimizing rate increases, and providing customers with a predictable and transparent understanding of our preparations for the future.

Balanced Budget: $144.3 Million Spending Plan for Fiscal Year 2020-21

The following shows a summary of sources and uses of all funds:

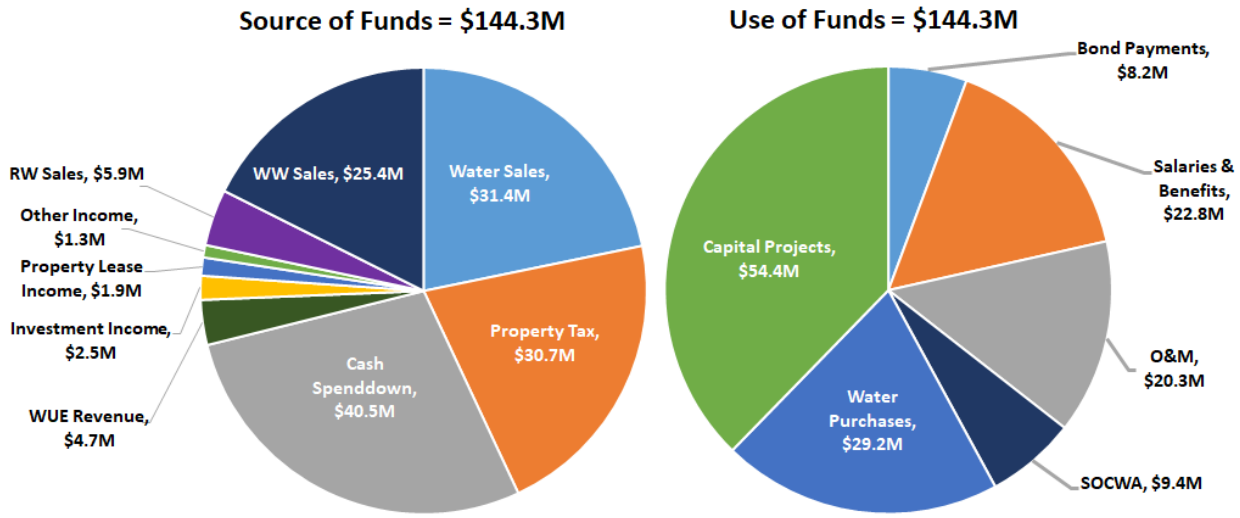


Figure LOT 1: FY 2020-21 Budget Summary

Prudent with Every Dollar: Enhanced Services at the Lowest Possible Cost

The proposed FY 2020-21 Budget seeks to be prudent and efficient with every dollar and has reduced spending by $13.4 million from the projected FY 2020-21 budget included in last year's Long-Range Financial Plan. The FY 2020-21 Budget presented includes a $4 million decrease from the previous year's budget and funds necessary investments in the District's critical infrastructure while being cognizant of the broader economic impacts facing our customers.

Public Engaged in Open & Transparent Budget Process

Moulton Niguel is committed to an open and transparent budget process that engages the public. We are proud to have earned the Government Finance Officers Association's Distinguished Budget Award for last year's budget and have once again abided by industry best practices for accountability and transparency. Each year, the budget process begins with a joint strategic planning session between the Board of Directors and District staff to identify priority

initiatives for the upcoming fiscal year. At this year's strategic planning session, conducted on February 13, 2020, Board members and staff discussed each of the prioritized initiatives which identified four consistent areas of focus: proactive asset management, enhanced customer service, reliable service, and cost efficiency.

Helping Customers Experiencing Financial Hardships

During the COVID-19 public health emergency, the District took steps to help our customers experiencing financial hardships, including:

- No customer shutoffs for non-payment or assessment of late bill payment fees implemented prior to Governor Newsom's Executive Orders
- Easing the bill adjustment process to provide more immediate relief for customers
- Expanding temporary bill adjustments for customers due to economic hardships

In the year ahead, we know many customers will struggle with financial hardships, including some customers who may be unable to pay their bills. The proposed FY 2020-21 Budget will provide help to customers experiencing immediate hardships.

Financial Responsibility & Accountability: Strong Financial Position & AAA-Credit Rating

The District enters the new fiscal year in a strong financial position with a reaffirmed AAA-rating from Fitch Ratings and AAA-rating from S&P Global Ratings. Financial resiliency, low customer bills, continued investment in infrastructure, and risk mitigation strategies were key factors in the reaffirmed ratings by S&P and Fitch. The District saved ratepayers more than $11 million in future liabilities by refunding the 2009 Build America Bonds.

31,700 Customers Signed Up for MyWater MNWD App

Additionally, MyWater MNWD, the District's customer portal developed by Smart Energy Water (SEW), has seen over 31,700 customers login to get access to water usage information, pay their bill, and learn about water conservation programs all through a single sign-on experience. We have seen nearly 5,000 new portal registrations year over year, highlighting the District as a leader in providing digital services to our customers. The District was awarded the "Best Analytics Project" from CS Week 2020 for our smart meter data integration with the customer portal.

District Assumed Operations of Plant 3A

The District assumed operations of Plant 3A on March 1, 2019 and FY 2020-21 represents the second full year of operations of the plant by District staff. Staff has made several early investments in the plant to maintain the reliability of its treatment systems and will continue to evaluate opportunities to put the plant to the highest and best use. Staff will also continue to ensure appropriate investments are made and utilize its internally developed forecasting and cross-departmental collaboration to ensure cost controls are maintained.

Continued Investments in Water Reliability

Ensuring continued system reliability through reinvestment in the District's two-billion-dollar infrastructure remains a priority: nearly 60 percent of the $54.4 million in capital expenses budgeted for FY 2020-21 and over 82 percent of the 10-year Capital Improvement Program (CIP) can be attributed to the replacement or refurbishment of existing infrastructure. The 10-year CIP invests in ongoing reservoir rehabilitation, rehabilitation of the District's pump stations, transmission main rehabilitation, investment in future water reliability projects, and continued execution of the valve replacement programs that have been outlined in previous budgets. Staff in Finance and Engineering regularly coordinate and work collaboratively to improve the budgeting and planning for capital expenditures.

10-Year Capital Improvement Program: $531 million

The ten-year capital financing plan total of $431 million is utilized in the ten-year cashflow modeling to forecast revenue requirements in the future. The District maintains a capital financing plan to better account for the difference between actual expenses and projected costs for future capital projects. This approach aligns with best practices to account for the unexpected impacts to the timing of capital projects such as condition assessments identifying assets that may have more remaining useful life than expected or permitting delays to ensure a more accurate projection of cash needs for the near future. The total 10-year capital improvement plan totals $531 million. The 10-year CIP includes new projects to meet ongoing service level expectations. These include a pipeline replacement program to invest in the District's aging infrastructure and further investments in the District's vertical assets such as pump stations to ensure reliable service.

Utilizing Data to Save Ratepayer Funds

The District has seen enormous value from investments in skills such as data science and interdisciplinary collaboration, as these in-house resources have since developed innovative solutions that have improved the District's finances, water reliability, infrastructure investments and customer engagement.

Technology to Improve Service, Reduce Costs

The District regularly evaluates the deployment of new technologies to streamline and reduce the cost of providing high levels of service. The District has been utilizing cloud-based software to provide customers with resources and tools that help them visualize data such as potential bill changes from proposed rate adjustments and a live picture of the variation in watering needs across the District, as well as easier access to District services, such as Bill Adjustments and Payment Plan Requests, by moving many of its previously paper-based service requests to web-based forms, saving both time and money.

Summary of Factors and Assumptions Guiding the Fiscal Year 2020-21 Budget

Over the past decade, the Board of Directors have made prudent investments in infrastructure investment and pragmatic fiscal decisions to control costs and operate efficiently. The factors and assumptions that guided the development of this budget are summarized below:

- Asset Management Planning for the renewal and replacement of the District's infrastructure.
- Water supply and reliability investment and planning needs.
- Reduced water purchases and sales from historical averages due to continued customer water use efficiency
- Total water purchases are budgeted at 24,230 acre-feet, to provide a conservative estimate of water purchases for FY 2020-21.
- Potable water deliveries from the Baker Water Treatment Plant for FY 2020-21 are budgeted at 8,908 AF, reflecting a full year of water deliveries. The remaining 15,322 AF of potable water deliveries will be supplied from imported sources via Metropolitan Water District of Southern California through purchases furnished by the District's wholesaler, the Municipal Water District of Orange County (MWDOC).
- Recycled water production is budgeted at 6,149 acre-feet, a decrease of approximately 1,000 AF from the budget for FY 2019-20 recycled water use.
- The budget continues funding water efficiency programs, such as commercial site assessments and incentives, the direct install smart timer program, turf removal program, and customer portal to make efficient water use easier and actionable with timely information for customers.
- Continued educational programs and resources for customers to maintain the District's investment in landscape transformation with nearly 5.5 million square feet of turf removed to date.
- FY 2020-21 represents the second full fiscal year of operating the Plant 3A wastewater treatment plant to ensure more direct oversight of the District's wastewater treatment costs as rising wastewater treatment costs from regional wastewater treatment had been the primary cost driver for the 2017 Rate Study.
- Based on data and forecasts from the Orange County's Treasurer-Tax Collector and the District's property tax consultant, property tax revenue is expected to increase due to the appreciation of home values and the recapture of adjusted property values due to Proposition 8. Staff are actively monitoring property tax projections and will update as conditions change given the broad economic uncertainty facing FY 2020-21.
- Water and wastewater rates are budgeted at scheduled levels adopted by the Board in December 2017 and are consistent with the District's Long-Range Financial Plan.
- This budget covers year four of the adopted Memorandum of Understanding with employees.

- All state loans have been paid off, including the State Revolving Fund and California Investment & Economic Development Bank Loans.
- In April 2020, the District made the last outstanding debt payments on its last General Obligation Bond for improvement districts from historical District developments.

In a time of increased scrutiny and financial stress, the District has proven its ability to mitigate risk and adapt to changing conditions. The forward-thinking policies implemented by the Board of Directors have protected our customers, while continuing to promote the efficient use of water, increasing water reliability, and allowing for reinvestment in infrastructure. As conditions invariably change from the assumptions laid out in the budget, the District will provide monthly reports on financials and seek your direction to meet unanticipated needs.

I appreciate the thoughtful attention and effort provided by the Board of Directors, staff, and the community as we all work together to preserve our resources and continue to provide safe, reliable, cost-effective, and high-quality water and wastewater service that meets the needs of our customers, protects public health, and promotes water-use efficiency.

Respectfully Submitted,



Joone Lopez
General Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Moulton Niguel Water District

California

For the Fiscal Year Beginning

July 1, 2019

Christopher P. Morrill

Executive Director

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Glossary of Terms

Abbreviation	Definition
ACWA/JPIA	Association of California Water Agencies/Joint Powers Insurance Authority
AF	Acre-Foot
AFY	Acre-feet per Year
Allocation	Personalized Water Budget per Customer
AMI	Advanced Metering Infrastructure
AMP	Allen-McColloch Pipeline
AWE	Alliance for Water Efficiency
AWS	Amazon Web Services
AWT	Advanced Wastewater Treatment
AWWA	American Water Works Association
BMP	Best Management Practices
Board	District Board of Directors
BU	Billing Unit = 748 gallons or 100 Cubic Feet of Water
CAFR	Comprehensive Annual Financial Report
ccf	hundreds of cubic feet
CDR	Center for Demographic Research
CEC	California Energy Commission
CERBT	California Employers' Retiree Benefit Trust
cfs	Cubic Feet per Second
CIP	Capital Improvement Plan
CMMS	Computerized Maintenance Management System
COP	Certificates of Participation (debt instrument)
CPI	Consumer Price Index
CY	Calendar Year
DOHS	Department of Health Services
DPR	Direct Potable Reuse
DWR	Department of Water Resources
EOCF #2	East Orange County Feeder No.2
ET	Evapotranspiration is both the evaporation of water from the land surface and the transpiration of water through plants into the atmosphere
ETM	Eastern Transmission Main
ETWD	El Toro Water District
FEMA	Federal Emergency Management Agency
FOG	Fats, Oils & Grease
FY	fiscal year ending June 30
GAAP	Generally Accepted Accounting Principals
GASB	Governmental Accounting Standards Board

Abbreviation	Definition
GFOA	Government Finance Officers Association
GIS	Geographic Information System Mapping
GMFP	Groundwater Management & Facility Plan
GO or GOB	General Obligation (bond type)
GPCD	Gallons Per Capita per Day
GPM	Gallons per Minute
GWRP	San Juan Groundwater Recovery Project
HCF	Hundred Cubic Feet
IPR	Indirect Potable Reuse
IRP	Integrated Resources Plan
IRWD	Irvine Ranch Water District
IT	Information Technology
JPA	Joint Powers Authority
JRTP	SOCWA's Joint Regional Treatment Plant
JRWSS	Joint Regional Water Supply System
LAFCO	Local Area Formation Commission
LRFP	Long-Range Financial Plan
MAF	Million Acre-Feet
MG	Million Gallons
MGD	Million Gallons per Day
MNWD	Moulton Niguel Water District
MOU	Memorandum of Understanding
MWDOC	Municipal Water District of Orange County
MWDSC	Metropolitan Water District of Southern California
O&M	Operations and Maintenance
OPEB	Other Post-Employment Benefits
R&R	Replacement and Refurbishment
SBX7-7	Senate Bill 7, Water Use Reduction Target
SCADA	Supervisory Control and Data Acquisition
SCP	South County Pipeline
SCWD	South Coast Water District
SJBA	San Juan Basin Authority
SJC	San Juan Capistrano
SMWD	Santa Margarita Water District
SOCWA	South Orange County Wastewater Authority
SWP	State Water Project
SWRCB	State Water Resources Control Board
USBR	U.S. Department of the Interior, Bureau of Reclamation

Abbreviation	Definition
USEPA	U.S. Environmental Protection Agency
UWMP	Urban Water Management Plan
WBBRS	Water Budget Based Rate Structure
WBIC	Weather Based Irrigation Controller
WEF	Water Environment Federation
WUE	Water Use Efficiency

Executive Summary

Budget Overview

With the current global COVID-19 pandemic, a rigorous lens was taken to all aspects of the Fiscal Year 2020-21 budget development to ensure that customer value is commensurate with proposed spending. The upcoming year is faced with a high degree of uncertainty in global supply chains, the ability of customers to pay their bills, and impacts to financial markets. In recognition of these challenges, the proposed budget reflects a $4.4 million reduction from the FY 19-20 annual budget and a $13.4 million reduction from the FY 20-21 forecast in the Long-Range Financial Plan.

The Operating & Maintenance and Capital expenditures for the Fiscal Year 2020-21 Budget are included in the budget document and broken down by the fund in which expenditures are authorized. Fund 1 is the General Fund for the District, which is utilized for operating expenditures and small capital outlays. Fund 6 is the Water Efficiency Fund which is accounted for separately and utilized to fund water efficiency and reliability projects to offset wasteful water usage. Funds 7, 12 and 14 make up the Capital Improvement Program funds which are replenished at the beginning of each fiscal year through budget transfers authorized through the budget resolution and will be drawn down throughout the year to meet capital expenditures. The debt service funds are restricted bond accounts which, through transfers authorized through the budget resolution, are utilized to fund debt service payments. The total District's overall sources and use of funds for FY 2020-21 is shown in Figure ES 1.

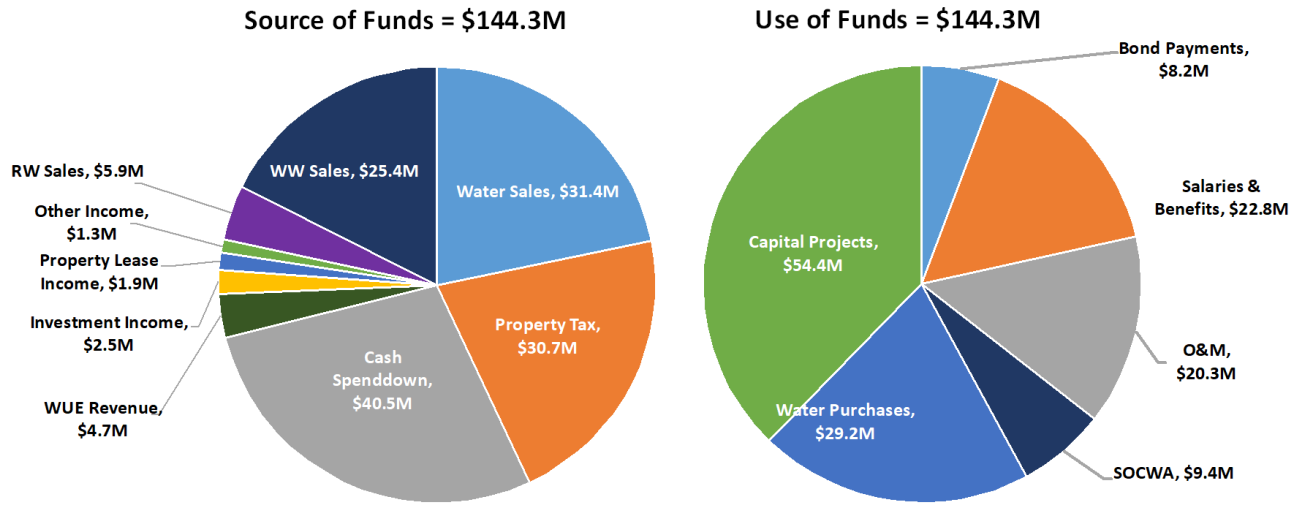


Figure ES 1: FY 2020-21 Budget Summary

The largest portion of the District's budget reflects spending down of existing cash reserves to fund investments in Capital Improvements, per the Long-Range Financial Plan (LRFP). The following budget sections will detail the components that make up each of the expenditures for the FY 2020-21 budget. This budget continues the practice of evaluating the long-term implications of annual budget decisions by utilizing a ten-year projection of the financial position of the District as a tool to inform fiscally prudent decisions.

Integrated Financial Planning

The objective of the LRFP is to identify strategies and actions which ensure sufficient financial resources are available for the District to achieve its mission, and to ensure that those financial resources are utilized effectively. The plan projects the annual operating budget and incorporates the ten-year capital financing plan to determine the financial impact of future operating and capital needs and develops strategies to address those needs. Hence, the District's annual budget serves as a key input into the long-range financial outlook for the District. Additionally, the District's ten-year cash flow summary serves to aid in making near-term financial decisions.

The long-range financial planning model (Ten-Year Cash Flow Model or Model) is District built, owned, and operated. Updates are regularly made to the model to reflect changes in existing assumptions and future outlooks to create adaptive financial management strategies. The long-range planning and annual operating and capital budgeting processes are interrelated and form a single planning and budgeting system.

The availability of funds required to finance the capital improvement program and day-to-day operations of the District is tracked through the model. Capital typically spans across a long-time horizon; hence, a ten-year plan enables the District to plan out the financing needs for future capital expenditures through internal reserves, grants, state loans, property tax and rate revenues, or proceeds from bond issuances. The long-range financial plan identifies the projected rate revenue adjustments and bond issuances needed to maintain the long-term financial health of the District.

The District has historically maintained a strong financial position based upon conservative planning and budgeting, maintenance of adequate cash balances, and solid debt service coverage. A major objective of the LRFP is to ensure that this strong performance continues into the future through timely and thoughtful financial analysis, budgeting, and planning. The District's debt obligations were recently reaffirmed at "AAA" by Fitch Ratings and "AAA" by Standard & Poor's, each with a "Stable" Rating Outlook.

As the District transitions its focus from developing new infrastructure to maintaining and replacing existing infrastructure, the LRFP in conjunction with other long-term planning efforts provide a roadmap for future needs and actions. Currently, the District is implementing a $533 million Capital Improvement Plan, implementing the strategies outlined in the 2015 Urban Water Management Plan, and evaluating local and regional supply reliability projects in the Long-Range Water Reliability Plan. The Model provides the ability to evaluate the outputs of these planning processes in addition to changes in financial determinants such as water usage. Given the volume of future considerations to account for, the Model provides a tool to create adaptive management strategies to be evaluated as major assumptions fluctuate. One such change in assumptions is the inclusion of the Capital Financing Plan. The District's Operations and Engineering staff annually develop the ten-year CIP based on prioritization of needed projects and potential replacement costs for large projects over the ten-year planning horizon. Potential future projects are identified by remaining useful asset life; however, actual costs can vary based on condition assessments or better data. Recognizing that these actual costs will differ from their projected costs, the District's Finance staff and Engineering staff worked collaboratively to develop a Capital Financing Plan which identifies funding amounts for future years based on historical trends of capital budgets to actuals and expectations of future project costs. The $431 M Capital Financing Plan can be seen below in the shaded blue area plot in the lower left quadrant of Figure ES 2.

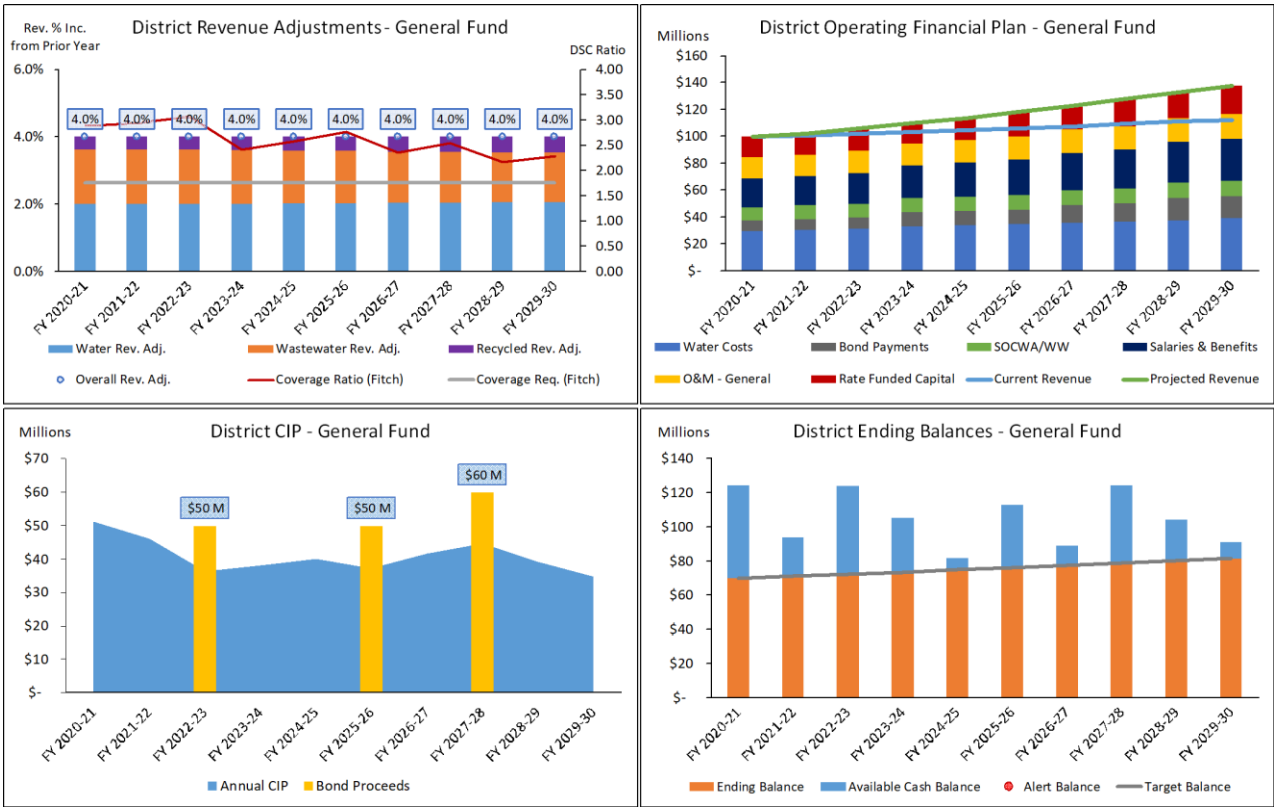


Figure ES 2: Ten-Year Cashflow with Proposed Budget

As the District has integrated long range and near-term planning documents, a higher degree of resolution and accuracy has been realized yielding a consistent plan and message to rate payers. This is realized through the regular update of the Ten-Year Cash Flow Model in discussions with the Board of Directors to provide context and clarity in making short term financial fiduciary and policy decisions. As shown in Figure ES 2, the proposed FY 2020-21 budgets provide for investment in infrastructure while maintaining forecasted rates and ensuring that reserves are fully funded in all years.

Below in Table ES 1, the dates of previous outputs of the Ten-Year Cash Flow Model are shown alongside the current projections:

Table ES 1: Ten-Year Cashflow Model Outputs Comparison

LRFP Update	Approved Rate Adjustment				Projected Bond Issuance	
	2017 18	2018 19	2019 20	2020 21	Fiscal Year	Amount
May 2017	4.0%	4.0%	4.0%	4.0%	2017-18, 2021-22	$64 million, $48 million
May 2018	4.0%	4.0%	4.0%	4.0%	2018-19, 2021-22, 2024-25	$64 million, $45 million, $25 million
May 2019	4.0%	4.0%	4.0%	4.0%	2019-20, 2021-22, 2024-25, 2026-27	$68 million, $70 million, $55 million, $44 million
May 2020	4.0%	4.0%	4.0%	4.0%	2022-23, 2025-26, 2027-28	$50 million, $50 million, $60 million

Overall, the District's ten-year financial outlook for rate increases has remained consistent across updates to the Long-Range Financial Plan. The increased bond issuances shown between May of 2019 and May of 2017 are primarily driven by changes to the 10-Year CIP. The District's projected bond issuances have stabilized between FY 2019-20 and FY 2020-21 with a larger increase in the FY 2019-20 increase as updated information on asset needs was incorporated, in particular: updated regional wastewater capital plans, improvements to the District's Plant 3A, and updates to the District's pipeline replacement program. The District's high bond rating and strong financial position, aided by the Ten-Year Cash Flow Model, will serve as tools to aid in appropriately sizing future issuances to mitigate volatile rate increases and maintain a consistent financial plan. Each year the District reviews the rate increases regardless of whether they have been approved in December before the increases go into effect in the following January.

Board of Directors

The District's elected Board of Directors (Board) is dedicated to providing our community with safe and reliable water services and wastewater treatment, along with the latest water efficiency and conservation programs. The Board of Directors is responsible for providing policy guidance to meet the District's mission and provide a forum for stakeholders to provide input. The Board actively encourages the local community to participate in the ongoing conversation about water policy and programs in our area.

The District is governed by a seven-member Board of Directors, who are publicly elected to staggered four-year terms through an at-large voting process by registered voters within the District's service.

Policy-making and legislative authority are vested with the Board. The Board has the authority to set rates and charges for water, recycled water, and wastewater services. The Board is responsible for, among other things, adopting resolutions, adopting the budget, appointing committees, and hiring the General Manager. The General Manager is responsible for carrying out the policies of the Board, for overseeing the day-to-day operations of the District, and for hiring staff for the various divisions (e.g. Finance & Water Resources, Human Resources, Engineering, and Operations).



President Brian S. Probolsky has served on the Board since 2008. Under his leadership, the District continues to provide its customers with safe and reliable water service at the lowest average monthly bill in South Orange County.

Current term through 2020



Vice President Duane D. Cave joined the Board in 2014. In his capacity as chair of the Board s Technical Committee, Mr. Cave has worked to build a robust infrastructure, approve balanced budgets, and maintain prudent emergency reserves. He serves as a delegate for the San Juan Basin Authority.

Current term through 2020



Vice President Donald R. Froelich has served on the Board since 2008. During his previous term as president of the Board, Mr. Froelich helped develop the District's ten year capital improvement plan, investing millions of dollars into upgrading Moulton Niguel's extensive water infrastructure system.

Current term through 2022



Director Richard S. Dick" Fiore was first elected to the Board in 1977. Mr. Fiore has held numerous leadership positions at Moulton Niguel, including serving as President of the Moulton Niguel Board of Directors and Chairman of the District's Finance, Legal, Engineering, Outreach, and Community Relations committees. He currently chairs the Administrative Committee.

Current term through 2020



Director Kelly A. Jennings was first elected to the Board in 2018. Before being elected to serve on the Moulton Niguel Board of Directors, Mrs. Jennings worked for nearly two decades at the District, where she was involved with all aspects of its operations and customer relations.

Current term through 2022



Director Gary R. Kurtz is as an elected Director of the Board. Mr. Kurtz has held numerous leadership positions at Moulton Niguel, including as chairman of the District's Community Relations, Investment, Personnel and Salary, Audit and Financial Committees. He is an alternate delegate for Moulton Niguel on the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA).

Current term through 2020



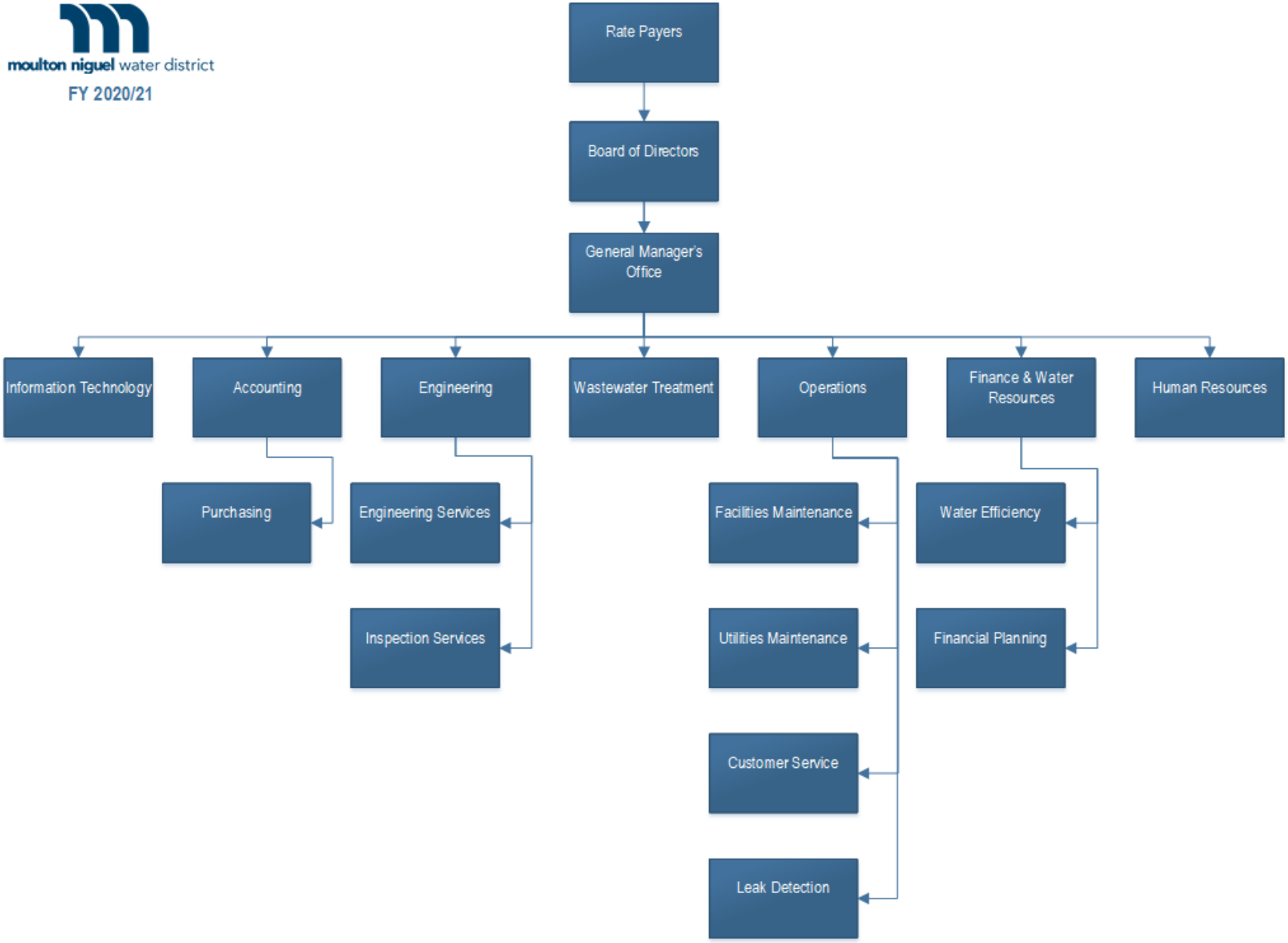
Director William Bill" Moorhead serves as an elected Director of the Moulton Niguel Water District and was first elected to the Board in 2018. Mr. Moorhead serves as Moulton Niguel's representative on the South Orange County Watershed Management Area (SOCWMA) and an alternate for the California Association of Sanitation Agencies (CASA).

Current term through 2022

Functional Organization Chart

moulton niguel water district

FY 2020/21



Organizational Division Descriptions

The District is organized in in the overall structure shown in the functional organization chart above. However, the District prides itself on cross-departmental collaboration and each employee is taught to be a Moulton H.E.R.O. which stands for Honesty, Effort, Respect and One team. These guiding principles create a number of operational efficiencies as crews and departments cross-train, share resources and provide support to one another.

Accounting Department

The Accounting Department works collaboratively with the Finance and Water Resources Division in support of the District's financial functions. The department oversees payroll, accounts receivable, accounts payable, capital expenses, purchasing/ warehouse inventory, and the Comprehensive Annual Financial Report.

Engineering Division

The Engineering Division consists of the Engineering Services and Inspection Services. The Engineering Services Department manages the day to day implementation of the District's 10-Year Capital Improvement Program and works collaboratively with the Finance and Water Resources group in the Development of the CIP Budget. The Inspection Services Department oversees the construction management, recycled water program, cross-connection program, and private development functions of the District.

General Managers Office

The General Manager's Office oversees the other Divisions and Departments of the District and includes administrative support for the District's operations as well as government affairs and outreach.

Human Resources Division

The Human Resources Division works to maintain strong employee morale and enhance organizational performance through recruiting top talent, enhancing the existing labor force's skillsets, complying with all labor regulations and enforcement of District labor policies and MOUs.

Information Technology Department

The Information Technology Department oversees the telemetry, business information systems, and technology needs of the District.

Operations Division

The Operations Division consists of the Utilities Maintenance Department, the Facilities Maintenance Department, the Customer Service Department, and the Leak Detection Crew. The Operations Division is responsible for the day to day operation of the water, wastewater collection, and recycled water systems to meet service expectations of the District's approximately 55,000 customers. Additionally, staff provide best in class customer service to the public and oversee the monthly billing of all customers.

Finance and Water Resources Division

The Finance and Water Resources Division consists of the Financial Planning Department and the Water Efficiency Department. The Financial Planning Department oversees the management of the District's

existing debt and planning to support potential future issuances, setting rates, oversight of the District's investment portfolio as well as analytical support to all departments through planning and decision support. The Water Efficiency Department manages the District's water efficiency programs, provides customer service to customers with questions related to water efficiency programs and inefficient water usage, the analysis of program effectiveness, and water usage/ water loss reporting to the State.

Wastewater Treatment Department

The Wastewater Treatment Department oversees the District's wastewater treatment functions, including operations of the District's Plant 3A and coordination with the District's regional contract wastewater treatment provider.

FY 2020-21 Proposed Staffing Plan

Division, Department and Position Title	Adopted FY 2018-19	Adopted FY 2019-20	Proposed FY 2020-21	Notes
Board of Directors				
BOARD MEMBERS	7	7	7	
	7	7	7	
Board of Directors Total	**7**	**7**	**7**	
Administration				
General Manager				
ADMINISTRATIVE ANALYST	1	1	1	
ASSISTANT GENERAL MANAGER	1	1	1	
BOARD SECRETARY/EXECUTIVE ASSISTANT	1	1	1	
COMMUNICATIONS COORDINATOR	2	1	1	
DIRECTOR OF REGIONAL & LEGAL AFFAIRS	1	1	0	
GENERAL MANAGER	1	1	1	
GOVERNMENT AFFAIRS OFFICER	1	1	1	
OUTREACH	0	0	1	New Position Proposed for FY 2020/21
	8	7	7	
Human Resources				
DIRECTOR OF HUMAN RESOURCES	1	1	1	
HUMAN RESOURCES ANALYST	0	1	1	
SENIOR HUMAN RESOURCES ANALYST	1	1	1	
	2	3	3	
Information Technology				
INFORMATION SYSTEMS ADMINISTRATOR	3	3	3	
INFORMATION SYSTEMS ANALYST	1	2	3	New Position Proposed for FY 2020/21
INFORMATION SYSTEMS MANAGER	1	1	1	
INFORMATION SYSTEMS OFFICER	1	1	1	
SCADA ANALYST	1	0	0	
	7	7	8	
Administration Total	**17**	**17**	**18**	
Engineering				
Administrative Services				
ADMINISTRATIVE ANALYST	1	1	2	
ADMINISTRATIVE ASSISTANT	1	1	0	
CONTRACTS ANALYST	1	1	1	
DIRECTOR OF ENGINEERING	1	1	1	
	4	4	4	
Engineering Services				
CROSS CONNECTION INSPECTOR	3	3	3	
CROSS CONNECTION SUPERVISOR	1	1	1	
DEVELOPMENT SERVICES SPECIALIST	1	1	1	
ENGINEERING MANAGER	1	1	2	
GIS ADMINISTRATOR	1	1	1	
GIS ANALYST	1	1	1	
GIS TECHNICIAN	1	1	1	
INSPECTION SUPERVISOR	1	1	1	
INSPECTOR	4	4	5	New Position Proposed for FY 2020/21
PRINCIPAL ENGINEER	3	4	3	
RECORDS AND MAPPING COORDINATOR	1	0	0	
RECORDS AND MAPPING TECHNICIAN	1	1	1	
RECYCLED WATER INSPECTOR	3	3	3	
SENIOR ENGINEER	2	2	2	
SUPERINTENDENT OF ENGINEERING	1	1	1	
	25	25	26	
Engineering (Cont.)				
Wastewater Treatment Plant Operations				
SUPERINTENDENT OF WASTEWATER OPERATIONS	1	1	1	
WASTEWATER TREATMENT PLANT OPERATOR	4	4	4	
WASTEWATER TREATMENT PLANT OPERATOR IN TRAINING	0	1	1	
	5	6	6	
Engineering Total	**34**	**35**	**36**	

Operations				
Administrative Services				
DIRECTOR OF OPERATIONS	1	1	1	
REGULATORY COMPLIANCE COORDINATOR	0	0	1	
SAFETY AND COMPLIANCE COORDINATOR	1	1	1	
	2	2	3	
Facilities Maintenance				
ELECTRICAL/INSTRUMENTATION SERVICES SUPERVISOR	1	1	1	
ELECTRICAL/INSTRUMENTATION TECHNICIAN	4	4	4	
MAINTENANCE WORKER - FACILITIES	8	8	9	New Position Proposed for FY 2020/21
STATION MAINTENANCE SUPERVISOR	1	1	1	
SUPERINTENDENT OF OPERATIONS	1	1	1	
WATER DISTRIBUTION SUPERVISOR	1	1	1	
WATER SYSTEMS OPERATOR	4	4	4	
	20	20	21	
Utilities Maintenance				
COLLECTION SYSTEM SUPERVISOR	1	1	1	
LEAK DETECTION TECHNICIAN	0	3	3	
MAINTENANCE WORKER - COLLECTION SYSTEM	6	6	6	
MAINTENANCE WORKER - STREETS	14	14	14	
MECHANIC	3	3	3	
STREET CREW SUPERVISOR	2	2	2	
SUPERINTENDENT OF OPERATIONS	1	1	1	
SUPPORT SERVICES SUPERVISOR	1	1	1	
	28	31	31	
Customer Service				
CUSTOMER ACCOUNT REPRESENTATIVES	13	13	12	
CUSTOMER ACCOUNT SUPERVISOR	1	1	2	
CUSTOMER SERVICE FIELD TECHNICIAN	14	14	13	
CUSTOMER SERVICE SUPERVISOR	2	2	2	
SUPERINTENDENT OF CUSTOMER SERVICE	1	1	1	
	31	31	30	
Operations Total	**81**	**84**	**85**	
Finance & Water Resources				
Administrative Services				
DIRECTOR OF FINANCE & WATER RESOURCES	1	1	1	
MARKETING & SOCIAL MEDIA COORDINATOR	0	1	1	
	1	2	2	
Water Efficiency				
SENIOR WATER EFFICIENCY SPECIALIST	1	1	1	
SENIOR WATER RESOURCES ANALYST	1	1	1	
SENIOR WATER RESOURCES PLANNER	0	1	1	
WATER EFFICIENCY ANALYST	1	1	1	
WATER EFFICIENCY MANAGER	1	1	1	
WATER EFFICIENCY REPRESENTATIVE	3	3	4	New Position Proposed for FY 2020/21
WATER EFFICIENCY SUPERVISOR	1	1	1	
	8	9	10	
Finance				
CUSTOMER ENGAGEMENT COORDINATOR	1	1	1	
FINANCIAL DATA ANALYST	1	1	2	
MANAGER OF FINANCIAL PLANNING	1	1	1	
	3	3	4	
Finance & Water Resources Total	**12**	**14**	**16**	
Accounting and Purchasing				
Administrative Services				
CONTROLLER	1	1	1	
	1	1	1	
Accounting				
ACCOUNTANT	4	4	4	
ACCOUNTING SUPERVISOR	1	1	1	
	5	5	5	
Purchasing				
BUYER	1	1	1	
INVENTORY CLERK	1	1	1	
	2	2	2	
Accounting and Purchasing Total	**8**	**8**	**8**	
Full Time Total	**159**	**165**	**170**	

Account Category Breakdown

Account Category	Category Components
Operating Revenues:	
Water Sales	Potable Water Usage Charges, Wholesale and Service Charges
Recycled Water Sales	Recycled Water Usage Charges and Service Charges
Sewer Sales	Wastewater Service Charges
Other Operating Income	Meter Sales, User Fees (Reconnect, Tag, Back Flow Notice, Service Installation, Site Visit, Meter Removal/Re-Set, Returned Check), FOG Fees, Plan Check & Inspection Fee, Reimbursements for operating costs at jointly owned facilities
Water Efficiency Revenue	Charges for inefficient potable and recycled water usage
Non-Operating Revenues:	
Property Tax Revenue	Secured Property Taxes, Secured Taxes paid to SCWD, Supplemental and Miscellaneous Taxes, Unsecured Taxes
Investment Income	Interest earned on reserve balances and investments
Property Lease Income	Lease agreements with cell carriers for placement of cell towers on District property
Misc. Non-Operating Income	Board Room Rental Fees, Sale of Scrap, Cash Discounts, General Obligation Property Tax, AMP RPOI, Tax Credit Subsidy (Historical), InterGovernmental Revenue, Secured, Unsecured, Supplemental, Miscellaneous I/R Taxes
Capacity Fees	Charges on new development to buy-in to existing assets
Demand Offset Fees	Capacity fees collected to offset impacts to existing supply reliability from new potable irrigation
Bond Proceeds	Proceeds received from anticipated bond issuance
Operating Expenses:	
Salaries	Directors Fees, Full Time, Part Time, Overtime, Compensatory Time Expense, Standby, Merit
PERS Employer Contributions	District share of annual CalPERS contribution requirements
Defined Contribution 401A	401A Employer Contribution
Educational Courses	Educational Courses, Certifications
Travel & Meetings	Seminar, Conferences, Training, Travel Costs
Employee Relations	Employee Relations (Recognition, Medical, Safety), Pre-Employment Costs
General Services	Billing Services, Accounting Services, Tax Collection Charges, Bad Debt Write-Offs, Mapping Updates, Uniform Service, Employee Support Services
Annual Audit	Financial Audit and other AUPs
Member Agencies O&M	San Juan Basin Authority (SJBA), Upper Chiquita Reservoir (UCR), 5B Reservoir, R6 Reservoir, IRWD Emergency Interconnection, Upper Oso Reservoir System
Dues & Memberships	District Dues and Memberships, Staff Dues and Memberships
Election Expenses	Election cost estimates from Registrar of Voters Office
Consulting Services	Costs related to consultants and contractors needed to support District initiatives
Equipment Rental	Office Equipment Rentals (multifunction printers), Overall Tools & Equipment Rentals (forklifts, generators, equipment, etc.)

Account Category	Category Components
Operating Expenses:	
District Fuel	Unleaded Fuel - Vehicles, Diesel Fuel - Generators, Diesel Fuel - Vehicles, Vehicle Oil
Insurance - District	Automobile and General Liability, Property Insurance
Insurance - Personnel	Employer FICA, Medicare Insurance, State Unemployment, Workers Comp
Insurance - Benefits	Life and Health Insurance, Dental Insurance, Vision Insurance, Disability Insurance, Auto Allowance, OPEB Costs, Wellness Benefit, Sick Accrual, Vacation Accrual
Legal Services - Personnel	Personnel-related legislation and other HR policy inquiries
Legal Services - General	Legal counsel, contract and agreement review
District Office Supplies	Billing Supplies, Community Relations, General Office Supplies, Shipping Costs, Advertising, Sales Tax Expense, Freight Expense
District Operating Supplies	Chemicals, Warehouse Stock
Repairs & Maint. - Equipment	Computer Support Contracts, Field Equipment, Office Equipment, Infrastructure Technology Hardware, Vehicle Maintenance and Repair, Hardware/Software Equipment
Repairs & Maint. - Facilities	Contract & Maintenance Agreements, Waste Disposal, Electrical & Instrumentation, Landscape and Tree Maintenance, Paving Repairs, Pest Control, System Maintenance, System Repairs, Janitorial Services, Underground Service Alert, Permits, Raising Valves and Manholes
Safety & Compliance	Regulatory Compliance, Safety Equipment and Supplies, Safety Shoes, Safety Training
SOCWA	PC 2 - JB Latham Treatment Plant, 3A Treatment Plant (Historical), PC 5 - San Juan Creek Ocean Outfall, PC 2SO - Recycled Water Permit, PC 15 - Coastal Treatment Plant, PC 17 - Regional Treatment Plant, PC 21 - Effluent Transmission Main, PC 24 - Aliso Creek Ocean Outfall, Pretreatment Program
Special Outside Assessments	Department of Health Services (DOHS) Fees, LAFCO Fees, Property Tax Assessment (Historical)
Utilities	Electric Utilities (SCE and SDG&E), Gas Utility (Southern CA Gas), Water Utility, Overall Telephone, Mobile Communication
Water Purchases	MWD Water Purchases (Treated and Untreated), MWDOC Charges (Capacity, Connection, and RTS), MWDOC Reclaimed Water Rebate, Baker Water Treatment Plant, Joint Regional Water Supply System (JRWSS), Santiago Aqueduct Commission (SAC), East Orange County Feeder #2 (EOCF2), South County Pipeline (SCP)
Meter Purchases	Replacement meters and warehouse inventory (Historical)
Labor (Fund 6 Only)	Personnel costs attributed to water efficiency or water reliability programs and management
Conservation Supplies	Community Relations and Outreach supplies attributed to water efficiency or water reliability programs and management
Water Efficiency	Rebates and administration of rebate programs attributed to water efficiency or water reliability programs and management

Fund Descriptions and Fund Structure

The overall flow of funds is shown in Figure 1: Flow of Funds The section is divided by the primary purpose of each fund into operating funds used for operating and capital expenses where appropriate, capital funds utilized entirely for capital expenses, and debt service funds to pay annual debt payments as well as fund restricted debt service reserves. Classification of expenditures into operating or capital expenses provided in more detail in the description of the Capitalization and Surplus Policy.

Operating Funds

Fund 1 – General Fund

The General Fund balance includes both the Operating Reserves and Emergency Reserves used to meet the cashflows of the District and unplanned operating repairs that may be necessary due to natural disaster. Expenses from the annual operating budget and capital outlays are paid from the General Fund.

Fund 4 – Self Insurance Fund

The Self Insurance Fund consists of the Self-Insurance Reserve used to meet the insurance claims by the District.

Fund 52 – Rate Stabilization Fund

The District maintains a Rate Stabilization Reserve to provide for losses of revenue, significant increases in water purchase costs, and other extraordinary financial impacts to revenues and expenses. This helps to mitigate the risk and impact on rates in case of the loss of property tax revenues and helps avoid large fluctuations in customer water and wastewater rates caused by the timing of property tax receipts. The target balance of the Rate Stabilization Reserve is equal to fifty percent of the District's budgeted 1% ad valorem property tax revenue. The Rate Stabilization Reserve will be maintained in the Rate Stabilization Fund.

Fund 6 – Water Efficiency Fund

The Water Efficiency Fund holds funds collected by customers who use water in excess of their individually calculated water budget. Expenses for water supply reliability projects and planning as well as programs to improve water efficiency are paid for from the Water Efficiency Fund. Both capital expenses as well as operating expenses that meet the test of improving water supply reliability for the District are budgeted and expended from the fund.

Capital Funds

Fund 7 – Replacement and Refurbishment Fund

The purpose of the Replacement and Refurbishment (R&R) Fund is the financial fund containing the R&R Reserve and is to fund 1) capital expenditures to replace existing assets, 2) expenditures that refurbish or materially extend the useful life of existing assets and 3) expenditures that upgrade assets. The R&R Reserve will fund the ongoing costs related to the replacement and refurbishment of existing assets in conjunction with the District's Capital Improvement Plan. Funding for the R&R Reserve will be from new debt issuances or fund transfers as part of the budget process.

Fund 12 – Water Supply Reliability Fund

The Water Supply Reliability Fund is used to pay for expenditures associated with projects to enhance the system reliability of the water and recycled water systems as identified in the District Capital Improvement Plan. Funding for the Water Supply Reliability Fund will be from bond proceeds or fund transfers as part of the budget process.

Fund 14 – Planning and Construction Fund

The Planning and Construction Fund will fund the development of new capital facilities that do not result in new water or recycled water supplies as identified in the District Capital Improvement Plan. Funding for the Planning and Construction Fund will be from new debt issuances or fund transfers as part of the budget process.

Fund 15 – Capital Facilities Fund

The Capital Facilities Fund serves as a restricted fund to collect capacity fees paid by developers for connecting to the water and wastewater systems. Annually as part of the budget process, deposited funds are deposited into Fund 7 to pay for capital projects in the upcoming year.

Debt Service Reserve Funds

The District has established debt service funds to ensure the timely payment of debt and to hold restricted funds debt service reserve funds consistent with each issuance's covenants.

Fund 12 – 2019 Revenue Bond ('09 Refunding) Fund

On March 1, 2019, the District issued $60,000,000 of 2019 Revenue Refunding Bonds ("2019 Refunding Bonds"). Proceeds from the issuance were used to refund the 2009 Certificates of Participation ("COP") federally taxable "Build America Bonds" and pay the cost of issuing the 2019 Refunding Bonds. The refunded COPs were originally issued to construct projects that provide greater water system reliability for the distribution of potable and recycled water.

Fund 70 – 2014 GOB ('03 Refunding) Fund

On February 4, 2014, the District refinanced $21,315,000 of 2014 Consolidated Refunding Bonds ("2014 Refunding Bonds") General Obligation Bonds. Proceeds from the issuance were used to refund the 2003 Consolidated Refunding Bonds and to pay costs of issuing the Bonds. The refunded Bonds constitute the consolidated obligations of Improvement District Number 6 ("ID 6") and Improvement District Number 7 ("ID 7"). A voter approved tax assessment is levied each year to pay the debt service on these bonds. The 2014 GOB obligations have been fully paid off after the final payment was made in September 2019. The District will transfer any funds remaining in Fund 70 at he end of FY 2019-20 and transfer them into Fund 1.

Fund 71 – 2015 Revenue Bond ('03 Refunding) Fund

On June 1, 2015, the District issued $12,265,000 of 2015 Revenue Refunding Bonds. Proceeds from the issuance were used to refund the 2003 Refunding Certificates of Participation, fund a debt service reserve fund for the Bonds, and pay the costs of issuing the Bonds. The Bonds are special obligations of the District and are payable exclusively from Tax Revenues and Net Revenues of the District, and from amounts on deposit in certain funds and accounts established under the Indenture. As of June 30, 2017, the refunded 2003 Certificates were redeemed in full.

Fund 73 – 2019 Certificates of Participation Fund

On November 6, 2019, the District issued $64,570,000 of 2019 Revenue Refunding Bonds. Due to favorable market conditions, the District issued at a premium and received approximately $68 million in proceeds from the issuance which are being used to finance construction and other project costs related to the replacement and upgrade of the District's reservoir management system and pump stations, lift station enhancements, pipeline improvements, and other projects that have been identified as part of the District's adopted Capital Improvement Program.

Flow of Funds

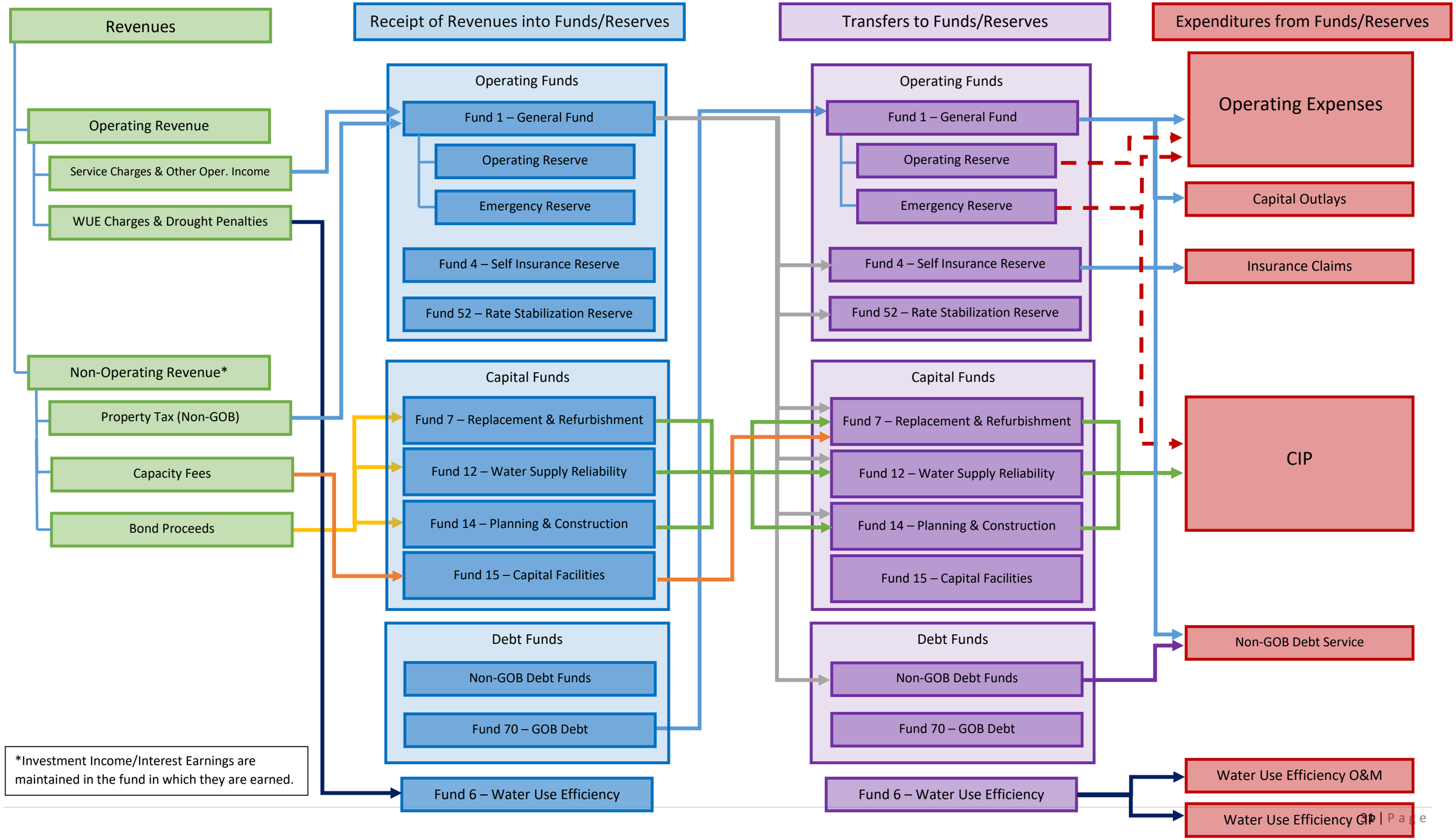


Figure 1: Flow of Funds

Financial Policies

All Financial Policies are set by the Board of Directors with the General Manager authorized to implement the following Financial Policies to ensure the financial goals are being achieved in the District's day-to-day operations. Financial Policies are reviewed annually by the Board of Directors and as needed to provide timely updates as public agency laws or conditions change. The below are included as a high-level synopsis of the relevant Financial Policies and Plans with appendices of the full financial policies which are adopted annually included as appendices in Financial Policies for Fiscal Year .

Financial Reporting

All District's accounting and financial reporting systems will be maintained in conformance with all state and federal laws, Generally Accepted Accounting Principles (GAAP), standards of the Governmental Account Standards Board (GASB), and strives to meet the stringent requirements of the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting requirements.

An Annual Audit will be performed by an independent public accounting firm; with an Audit Opinion to be included with the District's published Comprehensive Annual Financial Report (CAFR). The District has over ten years of continued receipt of the GFOA Award for Excellence in Financial Reporting.

Financial Plans

The District will continue to utilize internally developed short-term financial planning tools, while continuing to emphasize long-range planning and ongoing effective District management.

District Staff maintains a monthly cashflow model to forecast temporal distributions of cash inflows and outflows and ensure that there are sufficient liquid funds available for anticipated expenses as they are needed throughout the year. District finance staff receive monthly capital expense projections from the engineering department and update the monthly cashflow model to identify anticipated cashflow shortfalls and coordinate portfolio restructurings with the District's asset management group as needed. This regular and proactive communication between departments has allowed the District to maximize its investment earnings as cash reserves are drawn down between planned bond issuances.

The objective of the LRFP is to identify strategies and actions to ensure sufficient financial resources to enable the District to achieve its mission and to utilize those financial resources effectively. The plan projects the operating budget and incorporates the capital improvement program to determine the financial impact of future operating and capital needs and develops strategies to address those needs. Hence, the District's operating budget serves as a key input into the long-range financial outlook for the District. Additionally, the District's ten-year cashflow summary serves as key contextual information to aid in making near-term financial decisions.

The long-range financial planning model (also known as the "Ten-Year Cash Flow Model" or "Model") is a working model that is regularly updated to reflect changes in existing assumptions and future outlooks to create adaptive financial management strategies. The long-range planning and annual operating and capital budgeting processes are interrelated and form a single planning and budgeting system.

Budget Appropriations

The District maintains a balanced operating budget for all funds, with total ongoing revenues equal to or greater than total ongoing expenditures, so that at year-end, all these funds have a positive fund balance and the General Fund reserve balance is maintained as required.

Enterprise Funds - Rates

The District will set water, recycled water, and wastewater rates at levels which, in addition to other revenues and available cash balances, fully cover the total direct and indirect costs of providing these services – including operations and maintenance, capital outlay, reserve requirements, and cash flow and debt service requirements.

The District will review and adjust enterprise fees and rate structures as required to ensure that they remain appropriate, equitable and reflect the cost of service.

Article XIII D of Proposition 218 requires that fees for water and wastewater services meet strict cost of service requirements including:

1. Revenues for the fee cannot exceed the cost to provide the service
2. Revenues for the fee cannot be used for something other than what the fee was imposed for
3. Property owner must be able to use or have service immediately available to them

In addition to meeting the requirements of Prop. 218, the District's water budget-based rate structure is designed to encourage the beneficial uses of water and prevent the unreasonable use of water, consistent with California Constitution Article X Section 2.

California Constitution Article X Section 2: *"It is hereby declared that because of the conditions prevailing in this State the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, and that the waste or unreasonable use or unreasonable method of use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use thereof in the interest of the people and for the public welfare. […]."*

Debt Management

The District maintains debt as a tool to provide intergenerational equity between past, present, and future customers as well as to smooth out future rate adjustments to provide customers with predictable and incremental adjustments. The District maintains a strong financial position and a key strategy is maintaining a policy to have a debt service coverage ratio above 1.75. The District's Debt Management Policy was last updated in June 2019 and is attached as Appendix FP - A for Board consideration in June 2020.

Capital Management – Infrastructure Capitalization

The District will maintain a long-range fiscal perspective through the use of Capital Improvement Plan (CIP) to ensure the reliability of District water and wastewater infrastructure. The purpose of a long-term CIP is to systematically plan, schedule, and finance capital projects to ensure cost-effectiveness, as well as conformance to established District policies. The CIP will be updated annually in conjunction with the District's budget preparation, including anticipated funding sources. In June 2019, the Board adopted updates to the District's Capitalization & Surplus Policy to include Regulated Assets, consistent with GASB 62, as well as a revision to the capitalization threshold for assets. The adopted revision established that expenses must have an initial estimated useful life of five years or more and an initial

value of at least $3,000 to be eligible for capitalization. The Policy is attached as Appendix FP - D for Board consideration in June 2020.

Risk Management

The District will identify and quantify all areas of financial and operating risk, and prepare contingencies for those risks, including legal liabilities, infrastructure maintenance, refurbishment and replacement, emergency response, contract and employee obligations.

Investments

Investments and cash management are the responsibility of the District Treasurer or designee. The District's primary investment objective is to achieve a reasonable rate of return while minimizing the potential for capital losses arising from market changes or issuer default. Accordingly, the following factors will be considered in determining individual investment placements: 1.) Safety, 2.) Liquidity, and 3.) Yield. The priorities of these factors are further established by the adopted Statement of Investment Policy. The Policy was last updated in June 2019 and is attached as Appendix FP - B, for Board consideration in June 2020.

Procurement

The purchasing and procurement system will encourage transparency and sufficient fiscal controls on all purchases and sales to the extent required by law for Special Districts or by District policy. The District's Purchasing Policy was last updated in June of 2019 and is attached as Appendix FP - C, for Board consideration in June 2020.

Federal Grant Management

In 2014, the Federal Office of Management and Budget approved the Uniform Guidance with specific requirements for the procurement of goods and services reimbursed from federal funds. This policy requires procurement for services and materials included in Federal Grants to comply with the Uniform Guidance documented as Appendix FP - F, initially adopted in June 2019 and for Board consideration in June 2020 to meet these requirements solely for the procurement of goods and services subject to Federal Grant funding.

Reserves

The District has adopted reserves to mitigate potential revenue and expense volatility and reduce the risk of requiring unplanned, large rate adjustments. The reserve policies help to maintain the District's credit-worthiness by adequately providing for:

- Economic uncertainties, extraordinary costs, and other financial impacts;
- Revenue uncertainties, such as loss of property tax receipts, and capacity fees or water sales;
- Disasters or catastrophic events;
- Losses not covered by insurance;
- Compliance with debt obligations; and
- Funding designated infrastructure replacement and refurbishment.

The District currently maintains four types of reserves: a General Operating Reserve, a Self-Insurance Reserve, a Rate Stabilization Reserve, and an Emergency Reserve.

General Operating Reserve - The District maintains a General Operating Reserve to provide sufficient liquidity for funding the day-to-day operating expenses and District cashflow needs during normal

operations due to normal delays between the payment of expenses and the receipt of revenues. The target balance in the General Operating Reserve is equal to three months of operating expenses, consistent with best practices in the industry for agencies with monthly rate revenue. The General Operating Reserve is maintained in the General Fund (Fund 1).

Self-Insurance Reserve – The District maintains a Self-Insurance Reserve to provide for expenses incurred to the District for the deductible amounts on insurance claims for repairs to facilities by outside contractors and expenses related to the State Unemployment Insurance for unemployment claims made against the District. The target level of the Self-Insurance Reserve is equal to five times the current Joint Powers Insurance Authority (JPIA) property insurance deductible (the current deductible is up to $50,000). The Self-Insurance Reserve is maintained in the Self-Insurance Fund (Fund 4).

Rate Stabilization Reserve - The Rate Stabilization Reserve was established to provide funds to be used to smooth out potential fluctuations in water service rates of the District that may result from changes in wholesale water rates. The Rate Stabilization Reserve target level is set equal to 50 percent of the District's property tax revenue. The Rate Stabilization Reserve is maintained in the Rate Stabilization Fund (Fund 14).

Emergency Reserve - The Emergency Reserve was created to provide funds to enable the District quickly to quickly repair critical assets in the event of a natural disaster or facility failure. The target balance of the Emergency Reserve is equal to two percent of the replacement costs of the District's assets as outlined in current guidelines from the Federal Emergency Management Agency (FEMA). The Emergency Reserve is maintained in the General Fund (Fund 1).

The District's Reserve Policy was last updated in June of 2019 and is attached in Appendix FP - E, for Board consideration in June 2020.

Budget Process & Schedule

Budget Development, Review, and Adoption

The budget process is initiated by District staff in mid-December of each year. The Financial Planning Department works with each District department to develop a budget based on expected resource needs to meet overall District goals. Requests for new personnel are submitted to executive management for thorough review. Additionally, in mid-December the Engineering Department coordinates with District staff to collect new capital projects to integrate into the Ten-Year Capital Improvement Program.

In February, the District held a long-range planning session to discuss the District's goals and strategic objectives that drive resource needs in order to best serve ratepayers. A dedicated section, District Key Objectives for FY 2020-21, identifies the goals and details their impact on operations and the proposed budget. The District budgets on an annual basis in order to integrate the long-range planning developed in the internal Ten-Year Cashflow Model and Ten-Year Capital Improvement Program. With the declaration of Federal and California state of emergencies in March, staff took a hard lens to the entire budget to ensure that the budget proposed reflects the new economic reality. Overall, the proposed budget shows a $4.4 million decrease from the FY 2019-20 Budget.

At a public Board Workshop on April 23, 2020, staff presented the proposed Ten-Year Capital Improvement Program, Capital Financing Plan, and Operations & Maintenance Budget for FY 2020-21. Opportunities for Board discussion and public comment are an integral part of the budget process and as such the proposed budgets were agendized for discussion at each Board meeting prior to the budget's adoption. District staff integrated feedback and have presented the final Fiscal Year 2020-21 budget, which is scheduled for Board consideration and action on June 11, 2020.

Table BP 1: Budget Process & Schedule

Budget Process	Date
FY 2020-21 Budget Development Plan Review with Board of Directors	**January 9, 2020**
FY 2020-21 MWDOC Budget & Rates Review	**February 27 2020**
FY 2020-21 MWD Budget & Rates Review	**March 26, 2020**
Board of Directors FY 2020-21 Budget Workshop	**April 23, 2020**
FY 2020-21 Proposed Budget	**May 4, 2020**
FY 2020-21 Proposed Budget Review	**May 6, 2020**
FY 2020-21 Proposed Budget Review	**May 14, 2020**
FY 2020-21 Proposed Budget Review	**June 1, 2020**
FY 2020-21 Proposed Budget Review	**June 3, 2020**
FY 2020-21 Budget Adoption	**June 11, 2020**

Budget Amendments and Transfers between Funds

Through adoption of the annual budget resolution, the District's Board of Directors authorize the expenditure and appropriation of funds for the fiscal year and place fiscal controls on the use and transfer of budgeted funds.

As outlined in Sections 4 and 5 of the annual budget resolution, attached as Appendix FP - G, any unexpected expenses that require additional funding beyond the annual authorized budgeted expenses and fund transfers requires a budget amendment via resolution by the District's Board of Directors.

The budget resolution also outlines the fiscal controls placed on the use and transfer of budgeted funds. All transfers of amounts from category to category within the same fund may be authorized by the General Manager, who may subsequently delegate authority to Director level staff, the Assistant General Manager and/or Controller to transfer amounts between categories as necessary. The transfer and expenditure of amounts between the Funds may be authorized by the General Manager, or her designee, only to the extent of the specific Funds and maximum amounts set forth in the budget resolution. Transfers may be made at one or more times during the Fiscal Year so long as the total amounts do not exceed the maximum amounts for the specific Funds identified in the budget resolution.

All Funds – Budget Summary

The All Funds Budget section presents the annual flow of funds consolidated across all District functions. The operating expenses are presented consistent with the Monthly Financials presented by the Accounting Department at each Board meeting.

All Funds – Consolidated Financial Schedules

The All Funds presentation breaks out the overall annual operating revenues, operating expenses, non-operating revenues, non-operating expenses, capital expenses, and bond expenses.

Budgeted totals for each fund are reported on a modified-accrual basis and have been developed so that the use of funds is carefully balanced with identified funding sources, consistent with the District's definition of a balanced budget. Revenues and expenses are recognized in the period they are earned and incurred. Depreciation and amortization are not included; payment of debt service is included. The modified-accrual basis of accounting provides a better match of revenues and expenses for budgeting and reporting.

As shown in Table AF 1, the District is projecting a net drawdown of $39.9M to its fund balances for FY 2020-21. In total, the difference between the $144.3M in budgeted expenses and $104.3M in projected income for FY 2020-21 represents a planned $39.9M spenddown of available fund balances. Table AF 1 includes historical and budgeted activity in Funds 1, 4, 6, 7, 12, 14, and 15. Transfer activity that occurs across funds is captured in Table AF 2.

Table AF 1: Budgetary Statement of Revenues, Expenses, and Changes in Net Position for All Funds

MOULTON NIGUEL WATER DISTRICT - ALL FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget*	Proposed vs Approved Difference	Proposed vs Approved %Δ
Operating Revenues:								
Water Sales	29,719,565	28,539,750	(1,179,815)	31,512,227	31,438,154	32,453,759	(74,073)	0%
Recycled Water Sales	6,126,568	5,161,153	(965,415)	6,438,316	5,941,355	6,694,582	(496,961)	-8%
Sewer Sales	22,677,534	25,463,110	2,785,576	24,065,352	25,446,037	25,433,620	1,380,684	6%
Water Efficiency Revenue	3,835,379	4,140,795	305,417	4,764,604	4,587,175	4,769,756	(177,429)	-4%
Other Operating Income	643,065	644,182	1,117	911,436	1,079,522	924,048	168,086	18%
Total Operating Revenues	63,002,110	63,948,989	946,879	67,691,936	68,492,243	70,275,764	800,307	1%
Non-Operating Revenues:								
Property Tax Revenue	28,194,179	29,110,656	916,477	28,599,883	30,744,255	29,580,859	2,144,372	7%
Investment Income	1,758,346	6,067,416	4,309,070	2,108,233	2,469,486	2,088,904	361,254	17%
Property Lease Income	1,732,671	1,769,978	37,307	1,800,265	1,943,911	1,870,512	143,646	8%
Misc. Non-Operating Income	3,034,711	2,958,810	(75,901)	933,435	245,312	247,804	(688,123)	-74%
Capacity Fees	614,970	162,673	(452,297)	384,339	324,305	64,032	(60,034)	-16%
Demand Offset Fees	65,000	37,702	(27,298)	36,000	96,079	36,000	60,079	167%
Bond Proceeds	48,846,567	-	(48,846,567)	67,750,000	-	-	(67,750,000)	-100%
Total Non-Operating Revenues	84,246,443	40,107,235	(44,139,208)	101,612,154	35,823,348	33,888,110	(65,788,807)	-65%
Total Revenues	147,248,553	104,056,225	(43,192,329)	169,304,091	104,315,591	104,163,875	(64,988,500)	-38%
Operating Expenses:								
Salaries	14,190,862	13,262,289	(928,572)	14,413,800	16,159,959	15,200,707	1,746,159	12%
PERS Employer Contributions	2,259,904	2,258,932	(972)	2,547,924	2,824,211	2,858,373	276,287	11%
Defined Contribution 401A	251,587	232,721	(18,866)	265,601	294,546	279,701	28,945	11%
Educational Courses	78,920	47,667	(31,253)	80,934	81,360	82,553	426	1%
Travel & Meetings	328,210	323,576	(4,634)	387,140	391,501	394,883	4,361	1%
Employee Relations	93,343	87,729	(5,614)	93,813	98,055	95,689	4,242	5%
General Services	488,149	380,883	(107,266)	490,292	528,874	496,758	38,582	8%
Annual Audit	54,000	34,468	(19,532)	62,500	55,000	63,750	(7,500)	-12%
Member Agencies O&M	319,266	510,296	191,030	541,714	515,520	552,548	(26,194)	-5%
Dues & Memberships	160,899	207,264	46,364	203,082	208,647	207,143	5,566	3%
Election Expenses	135,000	101,675	(33,325)	-	180,000	180,000	180,000	-
Consulting Services	2,217,200	2,315,418	98,218	3,543,300	3,277,000	3,587,266	(266,300)	-8%
Equipment Rental	61,500	50,611	(10,889)	66,500	63,010	67,830	(3,490)	-5%
District Fuel	260,000	284,618	24,618	315,000	330,000	321,300	15,000	5%
Insurance - District	507,850	355,498	(152,352)	532,850	558,300	543,507	25,450	5%
Insurance - Personnel	395,425	388,153	(7,272)	369,692	402,638	389,284	32,947	9%
Insurance - Benefits	3,941,106	3,826,407	(114,700)	3,799,415	3,535,028	3,783,248	(264,387)	-7%
Legal Services - Personnel	50,000	25,539	(24,461)	50,000	50,000	51,000	-	0%
Legal Services - General	1,520,000	1,629,933	109,933	1,020,000	620,000	320,400	(400,000)	-39%
District Office Supplies	703,975	1,021,738	317,763	840,305	1,093,053	1,083,711	252,748	30%
District Operating Supplies	522,904	808,078	285,174	1,045,269	1,159,250	1,066,175	113,981	11%
Repairs & Maint. - Equipment	756,362	914,673	158,311	1,074,550	1,406,595	1,096,041	332,045	31%
Repairs & Maint. - Facilities	4,170,831	5,289,528	1,118,697	3,950,249	4,359,324	4,029,254	409,075	10%
Safety & Compliance	324,725	443,761	119,036	366,898	363,787	374,235	(3,110)	-1%
SOCWA†	11,454,088	9,482,006	(1,972,082)	9,471,915	9,374,975	9,612,796	(96,940)	-1%
Special Outside Assessments	114,500	141,070	26,570	33,600	153,967	34,272	120,367	358%
Utilities	2,359,573	2,229,358	(130,214)	2,992,102	3,079,533	3,051,944	87,431	3%
Water Purchases	27,333,491	23,670,442	(3,663,049)	28,997,811	28,637,921	29,740,043	(359,890)	-1%
Meter Purchases	441,000	360,439	(80,561)	-	-	-	-	-
Water Efficiency	2,750,000	1,080,142	(1,669,858)	1,883,000	1,850,000	1,889,160	(33,000)	-2%
Total Operating Expenses	78,244,670	71,764,911	(6,479,759)	79,439,255	81,652,054	81,453,572	2,212,799	2.8%
Change in Operating Position	69,003,884	32,291,314		89,864,836	22,663,537	22,710,303		-75%
Debt Service Expense	9,622,591	10,293,689	671,098	7,672,124	8,150,081	9,876,339	477,958	6%
Capital Expenses:								
General Fund	429,189	147,452	281,737	1,652,552	1,690,404	461,588	37,852	2%
R&R Fund	36,591,389	22,342,871	14,248,518	37,711,841	32,529,800	34,165,008	(5,182,041)	-14%
Water Supply Reliability Fund	2,150,000	24,543	2,125,457	-	80,000	-	80,000	-
Planning & Construction Fund	4,925,000	2,588,457	2,336,543	18,626,834	16,838,803	28,002,260	(1,788,030)	-10%
WUE Fund	1,000,000	641,936	358,064	4,019,915	3,280,000	4,181,984	(739,915)	-18%
Total Capital Expenses	45,095,578	25,745,259	19,350,319	62,011,142	54,419,007	66,810,840	(7,592,135)	-12%
Projected Change in Funds	14,285,714	(3,747,635)		20,181,570	(39,905,551)	(53,976,875)		-298%

*Forecasted values based on projections developed for 2017 Long Range Financial Plan and Cost of Service Study

†Proposed FY 2020-21 wastewater treatment costs for Plant 3A are accounted for in their respective cost categories

A detailed summary of the revenues and expenses that comprise each of the line items presented in Table AF 1 is provided in the subsequent sections. Note that as a result of the District's efforts to realign

its accounts to reflect changes in operations, the totals related to *Employee Relations* and *General Services* will differ from those reported above. The totals shown in Table AF 1 are consistent with the account mapping used for the development of the respective budget or fiscal year the costs were incurred, whereas the detailed tables reflect the historical trends of the individual expenses that make up today's accounts.

Operating Revenues

Rate Revenue

In December 2017, the Board adopted a four-year rate schedule for potable, recycled, and wastewater service charges based on recommendations from the 2017 Cost of Service Study. The FY 2020-21 projected rate revenue for *Water Sales, Recycled Water Sales, and Sewer Sales* shown in Table AF 1 includes a three percent rate revenue increase for the potable and recycled water rates and a 5.5 percent increase for wastewater service rates. The Board of Directors will review the current financial requirements of the District in conjunction with the current economic climate prior to implementing any approved rate adjustment, which is particularly pertinent in light of the expected financial impacts from the COVID-19 pandemic. The projected decrease in *Water Efficiency Revenue* is a conservative projection of usage by customers outside their water budget. Any revenue collected in these tiers is accounted for and dedicated to resources and programs to help customers get back in budget and develop new water supplies to improve water reliability.

Other Operating Income

Other operating Income includes many of the user fees customers pay to utilize specific services such as turn on, turn off, late bill payments, and other service fees. Revenues from permitting related activities such as the Fat, Oils, and Grease (FOG) program and Plan Check and Inspection (PCI) process are also captured here. Added to this category in FY 2019-20 are payments for wastewater treatment services at the District's Wastewater Treatment Plant 3A. The 18 percent increase in budgeted revenues for FY 2020-21 are attributable to increased revenues from PCI fees.

Discussed in detail in Capacity Fees, the District's private development group works closely with local cities to develop forecasts of planned building activity. The increase in PCI fees proposed for FY 2020-21 reflects an anticipated increase in planned development associated with a multi-family housing development and a shopping center.

The remaining revenue sources that comprise Other Operating Income are not proposed to increase above FY 2019-20 levels.

Non-Operating Revenues

Property Tax Revenue

The District receives an apportionment of Ad Valorem property taxes from the County of Orange. Property tax revenue has accounted for more than 25 percent of the District's total revenue over the past four years. This has been a key component of the District's revenue base and provided customers with the lowest average monthly bills in South Orange County. Property tax revenue budgeted for FY 2020-21 represents about a seven percent increase over the budget for FY 2019-20. Finance staff work with the District's property tax consultants to develop the forecasts for property tax revenues based on current housing values and recapture of Prop. 8 adjustments from prior years. It is not currently

anticipated that property tax payments will decline during FY 2020-21; however, staff actively monitors property tax receipts during the year to track performance.

Additionally, in 1997 a portion of the South Coast Water District (SCWD), an area called Laguna Sur/ Monarch Pointe, was annexed into the District service area. However, SCWD continues to provide wastewater service to the area. Consistent with the terms of the annexation, the District maintains the SCWD procedure of collecting wastewater service charges on the property tax bill as supplementary tax collected by the County and remits payment to SCWD. The increases are reflective of the rate increase passed through from South Coast Water District.

Investment Income

The District currently holds a diverse portfolio of investments to meet both short term liquidity, mid-term cash funded Capital Improvement Programs, and long-term earnings. The goals for the District's investments are:

- Safety
- Liquidity
- Earning a total rate of return commensurate with the first two goals

The average investment earnings rate projected for FY 2020-21 is 1.75 percent which yields the projected $2.5M based on the expected level of capital invested throughout the fiscal year. The District continues to adhere to the financial plan and policies outlined in the 2015 Long Range Financial Plan, updated in the 2017 Long Range Financial Plan, and has effectively leveraged its available unrestricted cash balances to minimize rate impacts to customers during the transition to regular rate revenue adjustments. The planned spenddown of unrestricted cash balances has necessarily reduced the District's investment income; however, increased coordination between the District's Financial Planning, Accounting, and Engineering departments has increased the accuracy of short-term and long-term cashflow forecasts, which has allowed the District's Investment Advisor to confidently restructure the District's investment portfolio to meet short-term liquidity needs and mid-term cash funded Capital Improvement Program costs, while maintaining long-term earnings. The assumed 1.75 percent factor was developed in coordination with the District's Investment Advisor and reflects realistic expectations of portfolio performance over the fiscal year.

Property Lease Income

The main source of revenue for the Property Lease Income line item is from leasing District facilities to cell carriers to place cell towers and equipment on reservoirs and other District locations. In the 1990s, the District approved the first communication facility to be constructed at one of the District's sites. As the communication industry grew, the District was approached about use of District sites for cell tower equipment installations. The District developed the Communications License Program with a primary objective to provide economic benefit to District ratepayers through a monthly license program. The District's first responsibility is to provide water and wastewater service to its customers, and development of the Program can not interfere with District's ability to provide quality service. With those objectives in place, the Board of Directors approved a Communications Lease Agreement and Lease Policy, which was implemented on January 1, 2001, and updated to a Communication License Agreement and License Policy on March 15, 2012. On December 14, 2015, the Board of Directors adopted an update to the Communication License Agreement and License Policy.

Since implementation of the Communications Lease Agreement and Lease Policy, the Program has grown to include 48 agreements with various amendments on several of those agreements. These communications facilities are distributed among approximately 20 District sites. Revenues are projected eight percent above FY 2019-20 levels at $1.9M for the FY 2020-21 Budget. The increase is due to annual rent increases on existing agreements and a new agreement that commenced during FY 2019-20.

Misc. Non-Operating Income

The line item for Miscellaneous Non-Operating Income includes Board Room rental fees, sale of scrap, GOB property tax revenue (historical), 2009 COP tax credit (historical), and other revenues sources that are not directly related to the operations of the District. The approximately $2M decrease between FY 2018-19 and FY 2019-20 was attributable to the refinancing of the District's 2009 COPs. The taxable 2009 COPs were refunded by the tax-exempt 2019 Revenue Refunding Bonds, and the 2009 COPs' tax credit was removed from the budgeted total for FY 2019-20 to reflect the refinancing. The 74 percent decrease from FY 2019-20 is due to the elimination of property tax revenues associated with the 2014 General Obligation bond having been fully paid off in September 2019. As these were essentially pass-through revenues the reduction has no net impact on the District's financial position.

Capacity Fees

The District assesses charges on new development to buy into the system assets existing customers have paid to develop. The District's private development group actively works with the local cities to produce a ten-year private development forecast which is regularly updated to reflect changes in planned development. This forecast is utilized to inform the District's long-range supply planning efforts, in particular the Urban Water Management Plan (UWMP). The proposed budget for FY 2020-21 of $324,305 represents a 16 percent decrease from FY 2019-20 budget.

Demand Offset Fees

In FY 2016-17, the Board of Directors amended the existing Water and Wastewater Capacity Charges to include Demand Offset Fees, consistent with California Government Code Section 66000 et. seq., to fund as-yet unknown, future water reliability and water use efficiency projects, programs, and capital improvement projects, in order to offset additional potable outdoor demand from new development that would otherwise impact existing supply reliability.

Consistent with the rationale used to establish the District's Water Efficiency Fund (Fund 6), revenues from *Demand Offset Fees* are received and maintained in Fund 6 as the fees are intended to offset the impact of incremental increases in potable water demands associated with new demands. As the new demands are highly correlated with new development, budgeted revenues from *Demand Offset Fees* are expected to increase 167 percent, reflecting the with unplanned increases in development. It should be noted that the increased development is within available supplies identified in the UWMP.

Operating Expenses

In 2011, the District's Board of Directors recognized two distinct cost centers beginning to develop: costs related to providing continued service to customers for the efficient use of water, and costs related to conservation. Though presented in the aggregate in Table AF 1, operating expenses are classified according to these two categories with the costs of conservation and water efficiency efforts reported and budgeted in Fund 6 – Water Efficiency Fund while the remaining costs of providing continued

services are reported and budgeted in Fund 1 – General Fund. Operating expenses for each of the funds are described in detail in the Fund 1 – General Fund and Fund 6 – Water Efficiency Fund sections.

Capital Expenditures

Discussed in detail in the Capital Improvement Program Budget for Fiscal Year 2020-21 budget, capital expenses represent the largest cost category for the proposed FY 2020-21 budget, accounting for more than one third of total District expenses.

All Funds – Change in Fund Balances

Table AF 2: Change in Fund Balances – Summary of Revenues, Expenditures, and Transfers

Moulton Niguel Water District
FY 2020-2021
Change in Fund Balances - Summary of Revenues, Expenditures, and Transfers

Fund No.	Fund	Projected Cash/Fund Balance 6/30/2020	Designated/ Reserved	Net Available	Increases		Total Available	Decreases		Total Decreases	Projected Ending Balance 6/30/2021	Fund Balance Change
					Revenue	Transfer[3]		Expense	Transfer			
1	General[1]	118,041,347	54,184,259	63,857,089	99,308,675	403,630	163,569,394	77,227,438	39,628,769	116,856,207	100,897,446	-14.52%
6	Water Efficiency	6,074,616	-	6,074,616	4,688,111	-	10,762,727	9,396,242	-	9,396,242	1,366,484	-77.51%
	Capital Improvement Funds											
7	Replacement & Refurbishment	14,153,554	-	14,153,554	-	18,376,245	32,529,800	32,529,800	-	32,529,800	-	-100.00%
12	Water Supply Reliability[2]	-	-	-	-	80,000	80,000	80,000	-	80,000	-	-
14	Planning and Construction	1,468,557	-	1,468,557	-	15,370,246	16,838,803	16,838,803	-	16,838,803	-	-100.00%
	Miscellaneous Funds											
15	Capital Facilities	268,741	-	268,741	324,305	-	593,046	-	268,741	268,741	324,305	20.68%
4	Self Insurance	239,858	250,000	(10,142)	-	15,642	5,500	5,500	-	5,500	250,000	4.23%
52	Rate Stabilization	14,860,758	15,372,127	(511,369)	-	511,369	-	-	-	-	15,372,127	3.44%
	Debt Service Funds											
73	2019 COPS	1,357,694	1,226,500	131,194	-	3,220,138	3,351,331	3,351,331	-	3,351,331	1,226,500	-
12	2019 Revenue Bonds[2]	4,433,875	-	4,433,875	-	-	4,433,875	2,430,250	-	2,430,250	2,003,625	-
70	2014 GOB ('03 Refunding)	403,630	-	403,630	-	-	403,630	-	403,630	403,630	-	-100.00%
71	2015 COPS ('03 Refunding)	1,271,131	1,226,500	44,631	-	2,323,870	2,368,500	2,368,500	-	2,368,500	1,226,500	-3.51%

[1] Operating Reserves and Emergency Reserves are included in General Fund Designated/Reserved in the amounts of 35,300,000 and 18,884,259 respectively

[2] Though Water Supply Reliability and 2019 Revenue Bonds comprise Fund 12, the are shown separately to differentiate debt service payments from Capital Improvement Funds

[3] Transfers for Funds 7 and 14 include remaining proceeds from the 2019 COP bond issuance. All proceeds are received into the General Fund and transferred to the respective Capital Fund. The remaining proceeds allocated to each fund are consistent with anticipated CIP expenses.

Changes in Fund Balance

Table AF 2 summarizes anticipated cashflow activity for each of the District's major funds for FY 2020-21. The below discussion provides rationale for changes in each fund greater than positive or negative 10 percent.

General Fund – Fund 1

The projected decrease in General Fund balance at the end of FY 2020-21 is attributable to transfers out of the last remaining proceeds for the 2019 COPs into the Capital Improvement Funds. The individual revenues and expenses that make up the aggregate totals reported in Table AF 2 are presented in detail in Fund 1 – General Fund. In addition to the $77.2M budgeted operating and capital outlay expenses, total use of funds for the General Fund includes $39.6M in transfers to the Capital and Debt Service Funds for total annual expenditures of $116.8M in FY 2020-21.

Water Efficiency – Fund 6

The District's Water Efficiency Fund receives revenue from the customers who use water in excess of their individually calculated water budgets. Expenditures fund investments to improve customer water efficiency and water supply reliability. The District has identified a spenddown of the Water Efficiency Fund with the rollout of Advanced Metering Infrastructure, investments in new water supply and developing new water efficiency programs as detailed in Fund 6 – Water Efficiency Fund. The spenddown in the fund balance is consistent with the overall plan.

Capital Improvement Funds

A detailed account of the capital projects that make up the expenses shown in Table AF 2 can be found in the Capital Improvement Program Budget for Fiscal Year 2020-21. The discussion below will instead provide a high-level summary of major project categories and highlight significant non-recurring capital expenses within the context of their impact on operating costs and the development of the FY 2020-21 budget.

Replacement and Refurbishment – Fund 7

As noted in the Capital Funds section, annual funding for the Replacement and Refurbishment Fund consists of bond issuance proceeds and transfers in from the General Fund and Capital Facilities Fund that are identified as part of the budget process. The large decrease in fund balance shown for fiscal year end is consistent with the District's practice of annually transferring sufficient funds for the fiscal year budget and drawing that amount down to zero by year end.

The proposed $32.5M FY 2020-21 budget for Fund 7 includes: $5.9M in funding for improvements to several District sites including master meter replacements, asset management program, vault removals and hatch replacements, replacements and refurbishments at its pump and lift stations, SCADA network improvements; $2.3M for service line and valve replacement programs; $3.2M for safety and efficiency related electrical improvements and generator replacements; $6.2M for reservoirs including continued upgrades to the reservoir management system, rehabilitation of several tanks, seismic and structural retrofits; $1.2M for customer meter replacements; and $2.6M for main and pipeline. Wastewater treatment related expenses continue to account for a large share of total Fund 7 costs: SOCWA treatment facilities are budgeted at $7M, while $3M is budgeted for improvements to Plant 3A. The FY 2020-21 budget also includes provisions for deploying a new asset management program/computerized maintenance management system (CMMS).

Planning and Construction – Fund 14

Annual funding for the Planning and Construction Fund consists of bond issuance proceeds and transfers in from the General Fund that are identified as part of the budget process. The large decrease in fund balance shown for fiscal year end is consistent with the District's practice of annually transferring sufficient funds for the fiscal year budget and drawing that amount down to zero by year end.

The proposed $16.8M FY 2020-21 budget for Fund 14 includes $14.7M in funding for the upgrades to the District's operations facility, Plant 2A, as well as $2.1M for improvements at several sites, including Camino Capistrano Operations Yard improvements, Regional Lift Station enhancements, and secondary feed for the 1050-zone.

Capital Facilities – Fund 15

The Capital Facilities Fund serves as a restricted fund to collect capacity fees paid by developers for connecting to the water and wastewater systems. Activity for the fund is projected based on private development activity provided through coordination from the Cities within the District's service area. The increase in the fund balance reflects increased infill projects as areas within the District are primarily built-out but are increasing in density which is consistent with the ten-year projected activity in the District's 2015 Urban Water Management Plan.

Debt Service Funds

The District has established debt service funds to ensure the timely payment of debt and to hold as restricted funds debt service reserve funds consistent with each issuance's covenants.

2014 GOB – Fund 70

As noted in Debt Service Reserve Funds, a voter approved tax assessment is levied each year to pay the annual debt service associated with this fund. The levy rates are determined annually based on the upcoming year's debt service payment and any remaining balances in the fund. The final debt service payment was made in September 2019 and the remaining balance is going to be transferred to reimburse Fund 1 for the final bond payment.

Fund 1 – General Fund

As an enterprise fund, the District operates as a self-sufficient entity that oversees the operations, maintenance, and capital infrastructure needed to provide potable, recycled, and wastewater services to its customers. This autonomy allows the District to structure its costs to accurately reflect both its approach to management and planning and its commitment to maintaining exemplary service, while continuing to maintain the lowest average bill in south Orange County. In 2011, the District's Board of Directors recognized two distinct cost centers beginning to develop: costs related to providing continued service to customers for the efficient use of water, and costs related to conservation.

The District's General Fund, identified as Fund 1, accounts for the programs and activities related to providing service for the efficient use of its potable and recycled water systems, and the management of its wastewater collection and treatment systems.

Fund 1 – Summary Statement

The General Fund budget is reported on a modified-accrual basis and is prepared such that the use of District funds is balanced with identified funding sources, consistent with the District's definition of a balanced budget. Revenues and expenses are recognized in the period they are earned or incurred. Depreciation and amortization are not included; payment of debt service is included. The modified-accrual basis of accounting provides a better match of revenues and expenses for budgeting and reporting.

The difference between the $77.2M in operating and capital outlay expenses budgeted for FY 2020-21 and $63.9M in projected sales and operating income the District expects are met by property tax receipts and other non-operating revenues. As shown in Table F1 - 1, the District is projecting a net increase of $22.1M to its General Fund, prior to any transfers to other funds for capital projects and debt service related costs, or as needed to replenish reserves to meet bond covenant and financial policy requirements.

Table F1 - 1: Budgetary Statement of Revenues, Expenses, and Changes in Net Position

MOULTON NIGUEL WATER DISTRICT - GENERAL FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget*	Proposed vs Approved Difference	Proposed vs Approved %Δ
Operating Revenues:								
Water Sales	29,719,565	28,539,750	(1,179,815)	31,512,227	31,438,154	32,453,759	(74,073)	0%
Recycled Water Sales	6,126,568	5,161,153	(965,415)	6,438,316	5,941,355	6,694,582	(496,961)	-8%
Sewer Sales	22,677,534	25,463,110	2,785,576	24,065,352	25,446,037	25,433,620	1,380,684	6%
Other Operating Income	643,065	644,182	1,117	911,436	1,079,522	924,048	168,086	18%
Total Operating Revenues	59,166,731	59,808,194	641,463	62,927,332	63,905,068	65,506,008	977,736	2%
Non-Operating Revenues:								
Property Tax Revenue	28,194,179	29,110,656	916,477	28,599,883	30,744,255	29,580,859	2,144,372	7%
Investment Income	1,667,272	3,836,389	2,169,117	2,076,671	2,464,629	2,157,491	387,958	19%
Property Lease Income	1,732,671	1,769,978	37,307	1,800,265	1,943,911	1,870,512	143,646	8%
Misc. Non-Operating Income	250,812	(508,887)	(759,699)	250,812	250,812	250,812	-	0%
Total Non-Operating Revenues	31,844,934	34,208,136	2,363,202	32,727,631	35,403,607	33,859,674	2,675,976	8%
Total Revenues	91,011,665	94,016,330	3,004,665	95,654,963	99,308,675	99,365,682	3,653,712	4%
Operating Expenses:								
Salaries	13,164,836	12,351,646	(813,190)	13,073,384	14,531,475	13,783,077	1,458,092	11%
PERS Employer Contributions	2,204,117	2,103,329	(100,788)	2,374,048	2,610,595	2,665,295	236,547	10%
Defined Contribution 401A	240,620	216,790	(23,830)	240,739	263,876	253,556	23,137	10%
Educational Courses	76,420	42,309	(34,111)	79,934	80,360	81,533	426	1%
Travel & Meetings	299,710	291,470	(8,240)	347,140	340,301	354,083	(6,839)	-2%
Employee Relations	93,343	24,361	(68,981)	93,813	98,055	95,689	4,242	5%
General Services	488,149	444,251	(43,898)	490,292	528,874	496,758	38,582	8%
Annual Audit	54,000	34,468	(19,532)	62,500	55,000	63,750	(7,500)	-12%
Member Agencies O&M	319,266	510,296	191,030	541,714	515,520	552,548	(26,194)	-5%
Dues & Memberships	134,415	189,586	55,171	139,857	131,147	142,654	(8,710)	-6%
Election Expenses	135,000	101,675	(33,325)	-	180,000	180,000	180,000	-
Consulting Services	1,317,200	1,242,708	(74,492)	1,603,300	1,799,000	1,608,466	195,700	12%
Equipment Rental	61,500	50,611	(10,889)	66,500	63,010	67,830	(3,490)	-5%
District Fuel	260,000	284,618	24,618	315,000	330,000	321,300	15,000	5%
Insurance - District	507,850	355,498	(152,352)	532,850	558,300	543,507	25,450	5%
Insurance - Personnel	373,746	370,874	(2,872)	339,306	371,257	357,486	31,951	9%
Insurance - Benefits	3,433,156	3,595,607	162,451	3,267,475	3,216,962	3,467,585	(50,513)	-2%
Legal Services - Personnel	50,000	25,539	(24,461)	50,000	50,000	51,000	-	0%
Legal Services - General	1,500,000	1,595,834	95,834	1,000,000	600,000	300,000	(400,000)	-40%
District Office Supplies	511,475	779,536	268,061	493,680	706,803	499,634	213,123	43%
District Operating Supplies	522,304	805,368	283,064	1,044,654	1,158,250	1,065,547	113,596	11%
Repairs & Maint. - Equipment	743,362	841,901	98,539	969,300	1,381,595	988,686	412,295	43%
Repairs & Maint. - Facilities	4,170,831	5,289,528	1,118,697	3,950,249	4,359,324	4,029,254	409,075	10%
Safety & Compliance	322,975	442,214	119,239	364,548	361,137	371,838	(3,410)	-1%
SOCWA†	11,454,088	9,482,006	(1,972,082)	9,471,915	9,374,975	9,612,796	(96,940)	-1%
Special Outside Assessments	114,500	141,070	26,570	33,600	153,967	34,272	120,367	358%
Utilities	2,359,573	2,229,358	(130,214)	2,992,102	3,079,533	3,051,944	87,431	3%
Water Purchases	27,333,491	23,670,442	(3,663,049)	28,997,811	28,637,921	29,740,043	(359,890)	-1%
Meter Purchases	441,000	360,439	(80,561)	-	-	-	-	-
Total Operating Expenses	72,686,926	67,873,335	(4,813,591)	72,935,711	75,537,236	74,780,131	2,601,526	4%
Change in Operating Position	18,324,739	26,142,995		22,719,252	23,771,439	24,585,551		5%
Capital Expenses:								
Capital Outlay Expense	429,189	147,452	281,737	1,652,552	1,690,404	461,588	37,852	2%
Projected Change in Fund	17,895,550	25,995,543		21,066,700	22,081,035	24,123,963		5%

*Forecasted values based on projections developed for 2017 Long Range Financial Plan and Cost of Service Study
†Proposed FY 2020-21 wastewater treatment costs for Plant 3A are accounted for in their respective cost categories

A detailed accounting of the revenues and expenses that comprise each of the line items presented in Table F1 - 1 are provided in the subsequent sections.

Fund 1 – Detailed Budget – Revenues

Table F1 - 2: District Revenues

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference	FY 2019-20 Approved Budget	FY 2020-21 Proposed Revenue	FY 2020-21 Forecasted Revenue	FY 2020-21 Difference	FY 2020-21 % Change
Operating Revenue								
Water Sales	29,719,565	28,539,750	(1,179,815)	31,512,227	31,438,154	32,453,759	(74,073)	0%
Recycled Water Sales	6,126,568	5,161,153	(965,415)	6,438,316	5,941,355	6,694,582	(496,961)	-8%
Sewer Sales	22,677,534	25,463,110	2,785,576	24,065,352	25,446,037	25,433,620	1,380,684	6%
Other Operating Income	643,065	644,182	1,117	911,436	1,079,522	924,048	168,086	18%
Total Operating Revenue Budget	**59,166,731**	**59,808,194**	**641,463**	**62,927,332**	**63,905,068**	**65,506,008**	**977,736**	**2%**
Non-Operating Revenue								
Property Tax Summary								
Secured Property Taxes	26,678,993	27,464,843	785,851	27,083,230	28,990,945	28,012,184	1,907,715	7%
Unsecured Taxes	860,007	827,986	(32,021)	805,485	998,654	833,113	193,169	24%
Supplemental and Miscellaneous Taxes	965,364	1,187,221	221,857	1,069,911	1,117,232	1,106,609	47,321	4%
Secured Taxes paid to SCWD	(310,185)	(369,394)	(59,209)	(358,743)	(362,576)	(371,048)	(3,833)	1%
Total Property Tax Summary Budget	**28,194,179**	**29,110,656**	**916,477**	**28,599,883**	**30,744,255**	**29,580,859**	**2,144,372**	**7%**
Other Non-Operating Revenue								
Investment Income	1,667,272	3,836,389	2,169,117	2,076,671	2,464,629	2,157,491	387,958	19%
Property Lease Income	1,732,671	1,769,978	37,307	1,800,265	1,943,911	1,870,512	143,646	8%
Misc. Non-Operating Income	250,812	(508,887)	(759,699)	250,812	250,812	250,812	-	0%
Total Other Non-Operating Revenue Budget	**3,650,755**	**5,097,480**	**1,446,725**	**4,127,749**	**4,659,352**	**4,278,815**	**531,604**	**13%**
Total Revenue Budget	**91,011,665**	**94,016,330**	**3,004,665**	**95,654,963**	**99,308,675**	**99,365,682**	**3,653,712**	**4%**

Operating Revenues

Water Sales

Based on increased water efficiency efforts of customers, the District has seen an overall decline in water use since FY 2006-07. As water sales are seasonal by nature, water utilities are particularly susceptible to financial stress from reduced sales if they are recovering even a small portion of their fixed costs on a volumetric basis. As part of the 2015 Long Range Financial Plan and update in the 2017 Long Range Financial Plan, an analysis of demand reduction was conducted to determine what financial impact the District could expect from increased conservation and efficiency. The District's rates are structured so that any incremental revenue collected from the higher tiers is allocated to the Water Use Efficiency fund for water efficiency and water reliability expenditures. As a result, the decrease in sales from the higher tiered water does not affect the District's General Fund or daily operating revenues, which means that the District does not have to increase rates as a result of decrease water sales. This result was validated empirically during the last drought, as the District's financial position improved while meeting the 20 percent reduction target implemented by the State. This flexibility in financial structure allows the District to focus water efficiency efforts without concern for the financial impacts of decreased water sales; however, the success of a marginal cost-based price structure depends on maintaining alignment between fixed and variable revenues and fixed and variable costs.

In December 2017, the Board adopted a four-year rate schedule for potable, recycled, and wastewater service charges based on recommendations from the 2017 Cost of Service Study. The approved rate schedules incorporated a realignment of the District's rate revenue structure with underlying costs by decreasing water service charges and increasing volumetric rates. To reduce potential financial impact on customers, the adjustment will be phased in over four years by gradually shifting the allocation of Ad Valorem property tax revenues between volumetric rates and water services charges. This will improve

revenue stability and provide the additional benefit of giving customers more control over their bills. The proposed FY 2020-21 revenue projections for *Water Sales* represent the final year of the phase-in as well as annual rate revenue adjustments.

The operations and financial benefits of the District's rate structure are made clear by the negligible impact that water sales reductions have had on the development of the FY 2020-21 General Fund operating budget; however, the success of a marginal cost-based price structure is dependent on accurate projections of underlying operating costs. The District's Financial Planning Department actively monitors any potential changes in wholesale or utilities rates to ensure the District will continue to fully recover its operating costs.

Water Sales are projected at $31.4M for FY 2020-21, a less than one percent increase from FY 2019-20 projected revenues. Potable water supply is projected at 24,230 AF for FY 2020-21, a four percent decrease from water supply assumed in the for FY 2019-20 budget. The methodology used to develop water supply projections is consistent with the methodology used to develop the long-term demand projections reported in the District's 2015 Urban Water Management Plan and reflect maintained low usage through most of the current fiscal year. Projected water sales revenue for FY 2020-21 includes an approved three percent rate increase that is scheduled for January 1, 2021. As previously noted, the Board of Directors will review the approved rate adjustment prior to implementation.

Recycled Water Sales

Recycled Water Sales are projected at $5.9M, 11 percent below forecasted sales and eight percent below FY 2019-20 projected values. Recycled water customers have maintained their water efficiency over the last year and the proposed FY 2020-21 recycled water sales are projected to remain below historical averages. Recycled water supply is projected at 6,149 AF for the development of the FY 2020-21 *Recycled Water Sales* budget, 13 percent below the projected recycled water supply used in developing the FY 2019-20 recycled water sales budget. Projected recycled water sales revenue for FY 2020-21 includes an approved three percent rate adjustment that is scheduled for January 1, 2021. As previously noted, the Board of Directors will review the approved rate adjustment prior to implementation.

Sewer Sales

Wastewater Service revenues are projected at $25.4M, six percent above FY 2019-20 projected revenues and consistent with forecasted values for the budget year. Projections for FY 2020-21 include an approved 5.5 percent rate revenue adjustment that is scheduled for January 1, 2021. As previously noted, the Board of Directors will review the approved rate adjustment prior to implementation.

Discussed further in the *Wastewater Treatment* section of Operating Expenses, continued escalation of administration and operating costs from the District's regional wastewater treatment provider is a major reason for the Wastewater System rate increases needed to meet revenue requirements. As part of the rate structure change approved in December 2017, the previous fixed wastewater service charge for Residential and Multi-Family customers was split into a reduced fixed service charge, representing the share of the District's fixed costs associated with providing ongoing wastewater service to the property, and 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 cost of wastewater treatment.

Other Operating Income

As noted in All Funds – Consolidated Financial Schedules, *Other Operating Income* includes many of the user fees customers pay to utilize specific services such as turn on, turn off, late bill payments, and other service fees. Revenues from permitting related activities such as the Fats, Oils, and Grease (FOG) program and Plan Check and Inspection (PCI) process are also captured here. Added to this category in FY 2019-20 are payments received for wastewater treatment services at the District's Wastewater Treatment Plant 3A. The 18 percent increase in budgeted revenues for FY 2020-21 are attributable to increased revenues from PCI fees.

Discussed in detail in Capacity Fees, the District's private development group works closely with local cities to develop forecasts of planned building activity. The increase in PCI fees proposed for FY 2020-21 reflects an anticipated increase in planned development associated with a multi-family housing development and a shopping center.

The remaining revenue sources that comprise Other Operating Income are not proposed to increase above FY 2019-20 levels.

Non-Operating Revenues

Property Tax

The District receives an apportionment of the one percent Ad Valorem property taxes from the County of Orange. Property tax revenue has accounted for more than 25 percent of the District's total revenue over the past four years. This has been a key component of the District's revenue base and provided customers with the lowest average monthly bills in South Orange County. Property tax revenue budgeted for FY 2020-21 represents about a seven percent increase over the budget for FY 2019-20. Finance staff work with the District's property tax consultants to develop the forecasts for property tax revenues based on current housing values and recapture of Prop. 8 adjustments from prior years. It is not currently anticipated that property tax payments will decline during FY 2020-21; however, staff actively monitors property tax receipts during the year to track performance.

Additionally, in 1997 a portion of the South Coast Water District (SCWD), an area called Laguna Sur/ Monarch Pointe, annexed into the MNWD service area. However, SCWD continues to provide wastewater service to the area. Consistent with the terms of the annexation, the District maintains the SCWD procedure of collecting wastewater service charges on the property tax bill as supplementary tax collected by the County and remits payment to SCWD.

Investment Income

The District currently holds a diverse portfolio of investments to meet both short term liquidity, mid-term cash funded Capital Improvement Programs, and long-term earnings. The goals for the District's investments are:

- Safety
- Liquidity
- Earning a total rate of return commensurate with the first two goals

The average investment earnings rate projected for FY 2019-20 is 1.75 percent which yields the budgeted $2.5M of investment income for Fund 1 based on the expected level of capital invested throughout the fiscal year. The 19 percent increase in *Investment Income* above FY 2019-20 levels is

attributable to the higher than forecasted available cash in the General Fund that no longer needs to be transferred out to fund debt service payments due to the cashflow savings of the 2009 COP refinancing and early payoff of SRF/CIEBD loans. The District continues to adhere to the financial plan and policies outlined in the 2015 Long Range Financial Plan and has effectively leveraged its available unrestricted cash balances to minimize rate impacts to customers during the transition to regular rate revenue adjustments. Increased coordination between the District's Finance, Accounting, and Engineering departments has increased the accuracy of short-term and long-term cashflow forecasts, which has allowed the District's Investment Advisor to confidently restructure the District's investment portfolio to meet short-term liquidity needs and mid-term cash funded Capital Improvement Program costs, while maintaining long-term earnings. The assumed 1.75 percent factor was developed in coordination with the District's Investment Advisor and reflects realistic expectations of portfolio performance over the fiscal year.

Property Lease Income

The main source of revenue for the Property Lease Income line item is from leasing District facilities to cell carriers to place cell towers and equipment on reservoirs and other District locations. In the 1990s, the District approved the first communication facility to be constructed at one of the District's reservoir sites. As the communication industry grew, the District was approached about use of District sites for cell tower equipment installations. The District developed the Communications License Program (Program) with a primary objective to provide economic benefit to District ratepayers through a monthly license program. The District's first responsibility is to provide water and wastewater service to its customers, and development of the Program can not interfere with District's ability to provide quality service. With those objectives in place, the Board of Directors approved a Communications Lease Agreement and Lease Policy, which was implemented on January 1, 2001, and updated to a Communication License Agreement and License Policy on March 15, 2012. On December 14, 2015, the Board of Directors adopted an update to the Communication License Agreement and License Policy.

Since implementation of the Communications Lease Agreement and Lease Policy, the Program has grown to include 48 agreements with various amendments on several of those agreements. These communications facilities are distributed among approximately 20 District sites. Revenues are projected above historical levels at $1.9 M for the FY 2020-21 Budget.

Misc. Non-Operating Income

The line item for Miscellaneous Non-Operating Income includes Board Room rental fees, sale of scrap, and other revenues sources that are not directly related to the operations of the District. As seen in a comparison to the FY 2019-20 budget and FY 2020-21 forecast, revenues for Misc. Non-Operating Income are conservatively held fixed.

Fund 1 – Detailed Budget – Expenses

Operating Expenses

Salaries and Benefits

Table F1 - 3: Salaries and Benefits

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
Salaries								
Staff Salaries	12,165,189	11,311,339	(853,850)	11,998,338	13,217,797	12,672,983	1,219,459	10%
Directors Fees	189,930	138,512	(51,418)	194,040	203,742	197,921	9,702	5%
Overtime	620,178	645,499	25,321	690,802	899,598	721,888	208,795	30%
Standby	184,615	195,624	11,009	185,704	210,339	185,704	24,635	13%
Compensatory Time Expense	4,923	60,672	55,749	4,500	-	4,581	(4,500)	-100%
Total Salaries Budget	**13,164,836**	**12,351,646**	**(813,190)**	**13,073,384**	**14,531,475**	**13,783,077**	**1,458,092**	**11%**
CalPERS Budget								
PERs Employer Contributions	2,204,117	2,103,329	(100,788)	2,374,048	2,610,595	2,665,295	236,547	10%
Defined Contribution 401A	240,620	216,790	(23,830)	240,739	263,876	253,556	23,137	10%
Total CalPERS Budget	**2,444,737**	**2,320,119**	**(124,618)**	**2,614,788**	**2,874,471**	**2,918,851**	**259,683**	**10%**
Insurance - Benefits Budget								
Life and Health Insurance	2,386,860	2,149,601	(237,258)	2,267,126	2,156,140	2,388,513	(110,986)	-5%
Dental Insurance	248,051	164,084	(83,967)	196,351	202,582	207,150	6,231	3%
Vision Insurance	35,151	27,964	(7,187)	27,825	27,485	29,355	(340)	-1%
Disability Insurance	90,443	89,490	(953)	87,827	95,904	91,059	8,077	9%
OPEB Costs	250,278	253,815	3,537	253,441	259,028	290,697	5,587	2%
Auto Allowance	46,954	35,700	(11,254)	54,975	59,975	56,075	5,000	9%
Wellness	44,983	17,618	(27,365)	41,295	42,480	41,295	1,185	3%
Sick Leave Accrural	182,096	336,646	154,550	186,374	205,538	196,395	19,164	10%
Vacation Accrural	148,340	520,689	372,349	152,261	167,831	167,046	15,570	10%
Total Insurance - Benefits Budget	**3,433,156**	**3,595,607**	**162,451**	**3,267,475**	**3,216,962**	**3,467,585**	**(50,513)**	**-2%**
Total Salaries and Benefits Budget	**19,042,729**	**18,267,373**	**(775,356)**	**18,955,646**	**20,622,908**	**20,169,513**	**1,667,262**	**9%**

Total salary and benefits costs for Fund 1 are budgeted at $20.6M: a nine percent increase from FY 2019-20 budget and a two percent increase above the forecasted total for FY 2020-21. Relative to all fund expenditures, S*alaries and Benefits* (inclusive of labor costs budgeted in Fund 6) make up approximately 16 percent of District FY 2020-21 proposed budgeted expenses. The proposed budget includes the addition of five full time staff members, four of which are budgeted in Fund 1: an Outreach Position, an Information Systems Analyst, an Inspector, and a Maintenance Worker – Facilities position. Forecasted totals for FY 2020-21 were developed as part of the FY 2019-20 approved budget and did not consider these new positions. As part of this budget, staff reviewed the functional allocation of labor and through the efforts to evaluate a new Computerized Maintenance Management System and collaboration across departments, staff identified approximately $2.5 M in labor costs associated with capital projects that are proposed for FY 2020-21. The proposed budget has enhanced our time and expense tracking to move those labor costs into the Capital Budgets for the associated projects. Including the capitalized labor costs, the total FY 2020-21 budget for Salaries and Benefits (inclusive of labor costs budgeted in Fund 6) would have increased to $25.3M. Though it aligns with industry best practices, it is important to note that this change in reporting does not reduce actual personnel costs and that proposed staffing increases consider the full long-term cash impacts to the District.

In March 2017, the District and its employees developed a four-year MOU that invests in a quality workforce to meet the public's expectations on performance and transparency while protecting the financial health of the District by mitigating long term liabilities. The proposed budget reflects the year four salary and benefits adjustments that were negotiated between the District's employees and the labor negotiation team as part of the four-year MOU. The differences between the FY 2020-21 forecasted and budgeted salary expenses shown in Table F1 - 3 are due to the terms of the MOU, which

include a two percent Cost of Living Adjustment during year four of the four-year MOU and the additional staffing positions. Despite these changes, the General Fund salaries and benefits costs increased only 1.9 percent above forecasted levels for FY 2020-21. It should also be noted that the FY 2020-21 proposed budget for the *Full-Time Salaries* line item incorporates changes to the District's reporting of salary and benefits costs that were initiated during the FY 2018-19 budget development: vacation and sick leave accruals are now reported in the *Vacation Accrual* and *Sick Leave Accrual* line. As was the case in FY 2018-19, this change in reporting does not impact the total proposed budget for salaries and benefits related costs.

In December 2016, the CalPERS Board of Administration elected to reduce the discount rate used by CalPERS actuaries from 7.5 percent to 7 percent over a period of three years. District staff developed conservative estimates of the potential impacts caused by this methodology change into the FY 2020-21 budget totals and forecasts of future year costs. Retirement costs represent 2.2 percent of the District's total FY 2020-21 budget.

The District recognizes the long-term financial commitment additional staffing represents and incorporates ten-year cashflow impacts from its LRFP into its staffing decisions. Consistent with its overall cost-alignment approach, the District utilizes consultants to meet temporary or project specific resource needs and carefully matches increases in staffing to identified long-term needs. A detailed discussion of the District's planned use of consultants for FY 2020-21 can be found in the Consulting Services section. It is important to note that the cashflow impacts of staffing decisions also consider potential cost savings from bringing resources in-house. The decision to rely on outside resources for the management of a particular project, program, or other cost center of the District, is continually re-evaluated. Should the District determine it is no longer cost-effective to outsource, a plan will be developed to bring in resources to shift management in-house.

The FY 2020-21 Proposed Staffing Plan was developed cooperatively by the District's supervisory and management staff and presented to the District's Board of Directors for approval.

Specific Factors

- **Salaries:** As part of the new MOU, salary schedules are to be adjusted in each year over the term. The FY 2020-21 Budget is year four of the latest MOU. The salary adjustment represents a two percent Cost of Living Adjustment.
- **CalPERS Budget:** In 2009, the Board took action to reduce the District's outstanding retirement benefits liabilities through the creation of a new CalPERS tier and a plan to gradually move employees towards a retirement benefit cost-sharing partnership with the District. This fiscal year is the fourth year of full cost-sharing between the District and its employees. Based on recent CalPERS actuarial valuations, the District has a funded ratio of 74.3 percent of the present-value of its projected benefits. The District's current funding ratio is above average in the industry.
- **Medical Insurance:** Historically, the District has done an exemplary job of controlling medical insurance costs, with the most recent example being the zero percent increase in plan premiums for dental, vision, and medical care for FY 2019-20. However, health care premiums have increased over three of the last four fiscal years: four percent in FY 2018-19, nine percent in FY 2017-18, and six percent in FY 2016-17. Initial medical rate increases proposed for the FY 2020-21 HMO plan were at 15.9 percent and 24 percent for the PPO plan. As it has done in the

past, the District responded to rising premiums by issuing a Request for Proposals to ensure its medical plan costs remain competitive. As a result of this process, plan premiums for medical care will only increase an average of 3.4 percent above current rates. Employees share any medical plan cost increases with the District 50/50 as part of the four-year MOU.

- **Other Postemployment Benefits (OPEB) Costs**: Cognizant of the long-term liabilities the District faces as a result of changing market conditions, the Board of Directors has prioritized reducing the District's outstanding retirement benefit commitments. Along with the restructuring of its CalPERS tiers, the District restructured its post-employment health benefits for employees to work in unison with Medicare benefits and began making annual payments to the California Employer's Retiree Benefit Trust (CERBT) to prefund health benefits and reduce outstanding liabilities. This plan has had a significant impact on budgeted OPEB costs for FY 2020-21. Because of the Board's commitment to reducing outstanding benefits liabilities, the District was well positioned for changes in market conditions, and as a result OPEB costs for the proposed budget have increased only two percent from FY 2019-20 budget totals. It should be noted that zero OPEB related costs were capitalized.
- **Overtime and Standby Costs**: In 2018, the California Legislature adopted Senate Bill 998 (SB 998) and the District implemented several process changes regarding increased noticing to customers prior to discontinuation of water service for nonpayment and related matters to ensure uninterrupted service for community. This has driven potential increase in overtime costs. It is likely that costs will be lower than the anticipated budget when District staff is augmented with proposed full-time and temporary staff.

Education and Training, Travel and Meetings, and Employee Relations

Table F1 - 4: Education and Training, Travel and Meetings, and Employee Relations

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
Educational Courses								
Educational Courses	58,633	25,364	(33,269)	54,280	58,850	55,366	4,570	8%
Certifications	17,787	16,945	(842)	25,654	21,510	26,167	(4,144)	-16%
Total Educational Courses Budget	**76,420**	**42,309**	**(34,111)**	**79,934**	**80,360**	**81,533**	**426**	**1%**
Travel & Meetings								
Travel and Expenses	118,459	131,421	12,962	132,200	139,506	134,844	7,306	6%
Seminars, Conferences, and Meetings	181,251	160,049	(21,202)	214,940	200,795	219,239	(14,145)	-7%
Total Travel & Meetings Budget	**299,710**	**291,470**	**(8,240)**	**347,140**	**340,301**	**354,083**	**(6,839)**	**-2%**
Employee Relations								
Pre-Employment Costs	24,660	24,361	(299)	25,343	23,950	25,850	(1,393)	-5%
Employee Relations (Recognition, Medical, Safety)	68,683	63,368	(5,315)	68,470	74,105	69,839	5,635	8%
Total Employee Relations Budget	**93,343**	**87,729**	**(5,613)**	**93,813**	**98,055**	**95,689**	**4,242**	**5%**

The District places considerable value on its staff's ability to adapt to a changing operating environment, not only from a regulatory compliance standpoint but also from a technological and risk management standpoint. While the total costs reported in Table F1 - 4 represent a small fraction of the proposed FY 2020-21 budget, they include provisions for ongoing training and education for Accounting, IT and SCADA system security, contracts management, enterprise billing, capital planning, GIS, and vocational training, as well as the costs for maintaining the environmental, distribution, collections, backflow, and safety certifications necessary for the continued operation of the District. These costs vary from year to year with certification and license cycles and are adjusted annually as the upcoming year's budget is developed. As a result, the proposed *Certifications* budget for FY 2020-21 has been decreased by 16 percent below FY 2019-20 budget amounts. In addition to providing for the known education and training needs of its staff, the District also encourages staff to attend regional seminars and keep themselves apprised of developing technologies that could make the District more efficient or of potential legislation that could affect operations or management practices. As part of its TAP and FLOW initiatives, the District has been hosting many of its own regional workshops and meetings on a variety of topics from water reliability to smart watershed planning. Refinements to the development of the proposed Seminars, Conferences, and Meetings budget for FY 2020-21 are the driver for the seven percent decrease from FY 2019-20 budgeted amounts. It should be noted that the proposed budgets for these cost areas were developed based on "normal" operations and an end to the restrictions in place due to the COVID-19 pandemic emergency.

Reflected in *Pre-Employment*, the District's Human Resources Department continues to improve upon the early successes of Neo-Gov Insight, an automated application processing and online job posting system that was implemented in the beginning of FY 2015-16. Since implementation, application processing times have been reduced dramatically, which has facilitated more competitive recruitments and enabled the District to maintain near-full employment despite multiple retirements and other normal turnover. The proposed FY 2020-21 budget assumes continued utilization of Neo-Gov and other service platforms that have streamlined the recruitment and on-boarding process. This has caused the proposed budget for *Pre-Employment Costs* to decline five percent from FY 2019-20 budget, whereas *Employee Recognition* has increased eight percent to reflect nearly full employment levels.

As stated previously, the line items listed under *Employee Relations* do not match those reported in Table F1 - 1, as the totals above are intended to provide a historical comparison of the individual costs that comprise today's accounts.

Election Expenses, General Services, and Annual Audit

Table F1 - 5: Election Expenses, General Services, and Annual Audit

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
Election Expenses								
Registrar of Voters	135,000	101,675	(33,325)	-	180,000	180,000	180,000	-
Annual Audit								
Annual Financial Records Audit	54,000	34,468	(19,532)	62,500	55,000	63,750	(7,500)	-12%
General Services								
Financial Services								
Billing Services	167,000	91,413	(75,587)	167,000	167,000	167,000	0	0%
Accounting Services	90,000	100,110	10,110	92,500	95,000	94,350	2,500	3%
Tax Collection Charges	73,549	71,065	(2,484)	73,192	74,974	74,656	1,782	2%
Unpaid Accounts Write-Off	105,100	72,030	(33,070)	95,100	132,500	97,002	37,400	39%
Engineering Services								
Mapping Updates	12,500	11,773	(727)	17,500	14,400	17,850	(3,100)	-18%
Overall Services								
Uniform Service	40,000	34,492	(5,508)	45,000	45,000	45,900	0	0%
Total General Services Budget	**488,149**	**380,883**	**(107,266)**	**490,292**	**528,874**	**496,758**	**38,582**	**8%**

The costs in Table F1 - 5 represent administrative, records keeping, and reporting activities for the District. As with other less-capital intensive items in the proposed FY 2020-21 budget, the expenses captured in Table F1 - 5 do not make up a significant portion of the District's total costs; however, they provide for critical District functions, without which operations could not function efficiently.

Annual Audit costs are proposed to decrease 12 percent for FY 2020-21. It is important to note that the decrease is expected as a result of cost savings from the audit firm's familiarity with District data and processes, not because of decreased scope.

Despite continued cost savings from the implementation of revisions to the District's existing bill printing and payment processing platforms that began in FY 2017-18, proposed costs for *Billing Services* have been kept at FY 2019-20 budget, to reflect potential increased printing costs associated with increased noticing requirements mandated by SB 998.

Records retention review identified unpaid account balances that should have been written off in previous years resulting in an increase in the *Unpaid Accounts Write-Off* line item. As such, the increased costs for *Unpaid Accounts Write-Off* is not expected to stay at these levels in future years.

Proposed costs for *Mapping Updates* have been decreased 18 percent below FY 2019-20 to reflect a typical year as the FY 2019-20 budget included costs for replacing front ends of all of the field sectional map books.

Cost estimates for *Election Expenses* are provided to the District by the Registrar of Voters. The $180,000 budget proposed for FY 2020-21 reflects four Board positions that will be up for election in 2020; however, actual costs may vary significantly from the provided estimates.

As stated previously, the line items listed under *General Services* do not match those reported in Table F1 - 1, as the totals above are intended to provide a historical comparison of the individual costs that comprise today's accounts.

Member Agency Operations and Maintenance

Table F1 - 6: Member Agency Operations and Maintenance

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
Potable Water Facilities								
San Juan Basin Authority (SJBA)	144,089	163,863	19,774	141,714	116,743	144,548	(24,971)	-18%
Upper Chiquita Reservoir (UCR)	42,158	63,195	21,037	47,821	48,777	48,777	956	2%
5B Reservoir	6,000	-	(6,000)	6,806	10,000	6,942	3,194	47%
R6 Reservoir	20,000	13,947	(6,053)	22,687	20,000	23,140	(2,687)	-12%
IRWD Emergency Interconnection	20,000	-	(20,000)	22,687	20,000	23,140	(2,687)	-12%
Total Potable Water Facilities	**232,247**	**241,006**	**8,759**	**241,714**	**215,520**	**246,548**	**(26,194)**	**-11%**
Recycled Water Facilities								
Upper Oso Reservoir System	87,019	269,291	182,272	300,000	300,000	306,000	-	0%
Total Recycled Water Facilities	**87,019**	**269,291**	**182,272**	**300,000**	**300,000**	**306,000**	**-**	**0%**
Total Member Agencies O&M	**319,266**	**510,296**	**191,030**	**541,714**	**515,520**	**552,548**	**(26,194)**	**-5%**

In order to maintain efficiencies regionally, the District participates in many shared facilities operated under agreement for regional benefit. The District is a member of the San Juan Basin Authority, a joint powers authority created in 1971 for the purpose of carrying out water resources development of the San Juan Basin. The members of the San Juan Basin Authority (SJBA) are the District, Santa Margarita Water District (SMWD), South Coast Water District (SCWD), and the City of San Juan Capistrano (SJC). The San Juan Basin is located in southern Orange County within the San Juan Creek Watershed. The San Juan Basin is comprised of four sub-basins: Upper San Juan, Middle San Juan, Lower San Juan, and Lower Trabuco and is bound on the west by the Pacific Ocean and by tertiary semi-permeable marine deposits. Budgeted expenses for FY 2020-21 include the District's share of the administration of the SJBA and salinity management for the Basin to support the continued use of recycled water. The 18 percent decrease in costs is largely attributable to realignment of participation percentage for cost allocation among member agencies that occurs as part of the SJBA budget process. For context, there was only an $11,000 reduction in the total SJBA proposed budget from FY 2019-20. It should be noted that with the exception of SJBA costs, proposed budgets for the remaining shared regional facilities had not been received and placeholder estimates developed by MNWD staff are shown.

The District has an emergency interconnection agreement with Irvine Ranch Water District (IRWD) to supply treated water at 10.6 million gallons per day (MGD) with a maximum flow rate of 15.6 cfs for 30 days. The maximum incident volume IRWD will supply is 1,768 AF. The agreement also provides emergency water to the City of San Clemente, Laguna Beach County Water District, SMWD, and SCWD. Under the agreement, IRWD and the participating agencies jointly constructed various projects to transfer water to the Aufdenkamp Transmission Main and Joint Transmission Main. In 2007, the District had fewer than two days of average day demand in available supplies in the event that a catastrophic earthquake disabled the District's access to the Metropolitan Water District of Southern California (MWDSC) importation system or the Deimer Water Treatment Plant. Recognizing the risk such an event posed to the service area populace, the District's Board of Directors voted to adopt Resolution 08-38, which set a policy establishing a system reliability goal of 31 days of average day demand.

The District has invested over $70M in system reliability projects since 2008. The proactive foresight and action by the District's Board of Directors to make investments in regional system reliability projects such as the Upper Chiquita Reservoir, the Baker Water Treatment Plant and the IRWD Interconnection brought emergency storage and capacity up to nearly 15 days of average day demand. The District has capacity rights of 55 percent in the IRWD Interconnection and is responsible for the same percentage of

project costs and ongoing operations and maintenance. As noted, the budgeted FY 2020-21 expenses are based on MNWD staff's estimates of costs for the operation and maintenance of the interconnection. Upper Chiquita Reservoir is operated by SMWD and the budgeted expenses for FY 2020-21 are based on MNWD staff's estimates of costs for the operations and maintenance of the joint facilities.

In an effort to expand emergency storage in south Orange County, the District entered into an agreement in 2002 with neighboring water districts for joint use of the El Toro R6 Reservoir. The District owns 13 MG of capacity in the reservoir. The budgeted expenses are based on MNWD staff's estimates of costs for FY 2020-21 are for the District's share of the operations and maintenance of the R6 Reservoir and 5B Reservoir facilities operated by El Toro Water District and SCWD, respectively.

Lastly, the District owns a capacity share in the Upper Oso Reservoir operated by SMWD. SMWD's Upper Oso Reservoir, one of the largest recycled water reservoirs in Orange County, has been in operation since 1979. It is located near the 241 Toll Road in the cities of Mission Viejo and Rancho Santa Margarita. The reservoir holds up to 1.3 billion gallons of recycled and runoff water used for outdoor irrigation in the surrounding communities, therefore conserving over a billion gallons of drinking water each year through multiple use of every drop. The benefit received from Upper Oso Reservoir will continue to increase as the cost of water purchased from the MWDSC continues to rise. The proposed budget for FY 2020-21 is for the District's 25 percent share of the operations and maintenance costs of the reservoir. Not having received a proposed budget from SMWD with sufficient time for inclusion in the proposed budget, forecasted FY 2020-21 amount shown in the Upper Oso Reservoir line item is used for budget amount and is intended to capture the large potential swings in annual costs that have been seen historically. Staff will continue to closely monitor this line item and adjust forecasts for future years as appropriate.

Dues and Memberships

Table F1 - 7: Dues and Memberships

Description	FY 2020-21 Proposed Budget
District Dues and Memberships - Fund 1	
Aliso Viejo Chamber of Commerce	1,200
Association of California Cities Orange County (ACC-OC)	4,660
Association of California Water Agencies (ACWA)	31,000
California Association Sanitation Agencies (CASA)	8,000
California Special Districts Association (CSDA)	4,660
Dana Point Chamber of Commerce	705
Laguna Hills Chamber of Commerce	2,495
Laguna Niguel Chamber of Commerce	2,500
Mission Viejo Chamber of Commerce	1,000
San Juan Capistrano Chamber of Commerce	575
South Orange County Economic Coalition (SOCEC)	4,660
South Orange County Watershed Management Area (SOCWMA)	8,000
Southern California Water Alliance of POTW (SCAP)	2,500
Southern California Water Coalition (SCWC)	10,000
Technology Approval Group (TAG)	10,000
WateReuse Association of California	5,500
Total District Dues and Memberships Budget	**97,455**
Staff Dues and Memberships	
Staff Development Memberships	33,692
Total Staff Dues and Memberships Budget	**33,692**
Total Dues and Memberships Budget	**131,147**

The District controls Dues and Membership expenses by comparing the cost of District-wide membership and individual membership costs for specific groups. The detailed proposed dues and membership budget for FY 2020-21 is presented without historical comparison because annual participation decisions are not made on the basis of past participation, see Table F1 - 1 for historical budget and actual expenses. The District participates in groups which either serve a professional function of its operations, provide insight into opportunities for technological innovation or provide opportunities for regional coordination.

Consulting Services

Table F1 - 8: Consulting Services

Description		FY 2020-21 Proposed Budget
Fund 1 Consulting		
General Outreach		300,000
Govt. Affairs		96,000
Finance Consultants		182,500
Contract & Document Management		27,600
IT Support		116,000
Engineering Support		325,000
Wastewater Treatment Support		60,000
Infiltration & Inflow Assessment		250,000
Eastern Transmission Main Assessment		90,000
Inspection Services		50,000
Cell Site Management		100,000
FOG Program		130,000
GIS Support		31,900
Human Resources Support		20,000
Electrical Services		20,000
Total Fund 1 Overall Consulting Expenses		**1,799,000**

As discussed in the Salaries and Benefits section, the District utilizes consultants or contractors to meet temporary or project specific resource needs. The proposed *Consulting Services* budget for FY 2020-21 is presented without historical comparison as annual contract costs are based on specific projects and resource needs requiring multi-year contracts may be more appropriately met with additional staff, see Table F1 - 1 for a comparison of historical budgets and actual expenses.

The proposed *Consulting Services* budget for FY 2020-21 includes provisions for several engineering and operations studies, enterprise and software development, document management system development, and external financial review, as well as for temporarily meeting resource needs while the District develops its marketing strategy and determines appropriate long term-staffing levels.

Specific Factors

- **Outreach:** The District has expanded the outreach function of its operations significantly over recent years and established itself as a trusted and customer service-oriented industry leader through communications tools such as newsletters, community events, website, news media, and social media. The District's Outreach Department has identified a need for marketing materials that are specific to the local service area and District activities. The proposed *Consulting Services* budget includes provisions for as-needed graphic design, website maintenance, and development of District videos and other media.
- **Government Affairs:** Discussed in greater detail in the Government Affairs section of the District Goals for FY 2020-21, there has been a dramatic increase in the volume of proposed federal legislative initiatives, as well as local and regional activities that potentially impact the District and its customers. The Board has expressed the need to be more engaged in local, regional, and statewide issues that impact its communities, and District staff has supported that effort. The proposed *Consulting Services* budget includes provisions for local advocacy services to maintain awareness of regional opportunities as well as for grant applications and administration services to ensure that the District can secure as much funding for its projects as is possible.

- **Finance Consultants:** The Financial Planning Department will continue to rely on financial consultants to gather property tax collection data and compile bond disclosure information, as well as assist with the assessment on the property tax roll of the South Coast Water District wastewater service charges for residents in the Laguna Sur/Monarch Point area. Finance consultant costs also include funds for a peer review of the Cost of Service rate study that will begin during FY 2020-21. Other new initiatives include a pilot project to integrate an Artificial Intelligence platform into the District's invoice processing to automate data quality checks that are currently performed manually by staff.
- **Contract & Document Management Software:** Consistent with the approach outlined in the Salaries and Benefits section, the District utilizes consultants or contractors to meet its project specific or highly specialized repair and maintenance needs. Additionally, the District relies on contracts or agreements with external vendors to supply the equipment and materials it needs when repairs are handled in-house. As a result, the number of contractual vehicles that are issued and tracked by staff continue to remain above historical averages. The selection of vendors and services occurs through a competitive and transparent procurement process as outlined in the District's Purchasing Policy. The proposed *Consulting Services* budget includes provisions for a contract management software to support both the selection of vendors and the management of contracts after they are awarded. Additionally, the proposed budget includes provisions for E-Sign software and other document management services
- **IT Support:** The proposed *Consulting Services* budget includes provisions for the District to retain consultants to assist with cloud hosting of its enterprise system, as well as other services, such as AWS and SharePoint, as the District continues to pursue cloud-based software solutions as appropriate. As with all consulting contracts, the District will re-evaluate the use of consultants for these services as staffing resources are developed and based on continued utilization of these services.
- **Engineering Support:** The proposed *Consulting Services* budget includes provisions for the District to support the planning needs of its Engineering department. As discussed in the Salaries and Benefits section, because of the one-time or project specific nature of these costs, staff has recommended that these needs be fulfilled by consultants.
- **Wastewater Treatment Support:** With the District's operation of the Plant 3A wastewater treatment plant, these services are to support planning studies to help operate the plant more efficiently.
- **Infiltration & Inflow Assessment:** This project is a continuation and expansion of previous efforts to identify sources of I&I throughout the District's sewer collection system. Assessment activities will include consultant and vendor-led visual assessment of pipelines and manholes, data collection and analysis, as well as in-pipe assessment technologies.
- **Eastern Transmission Main Assessment:** This project will assess the condition of the 30 and 33-inch diameter cement mortar lined and coating steel water transmission main, which supplies water to several District takeout facilities, as well as the City of San Juan Capistrano. The assessment will include in-pipe assessment of the pipeline using a consultant-recommended technology. The result of the assessment will be to recommend the nature, extent, and timing of any required repair, rehabilitation, and/or replacement activities for the pipeline.
- **Inspection Services:** The proposed *Consulting Services* budget includes provisions for the District to support the inspection needs of its Engineering department. Based on the addition of the

proposed Inspector, the *Consulting Services* budget was reduced $330,000 from what it would have been if outside Inspection services were utilized.

- **Cell Site Management:** The proposed *Consulting Services* budget includes provisions to support the management of the District's cell site carriers that generate approximately $1.9 million in annual revenue.
- **FOG Program:** The proposed *Consulting Services* budget includes provisions to support the regular inspection of over 400 restaurants throughout the District to ensure their compliance with maintaining grease interceptors or other devices as part of the District's FOG program.
- **GIS Support:** The GIS Department has dedicated significant staff time and resources to cataloguing the District's assets and developing a comprehensive asset registry as part of the planned deployment of a Computerized Maintenance Management System (CMMS). The proposed *Consulting Services* budget includes provisions for the District to support enhancements to its Geocortex platform, GIS data modifications to support the CMMS implementation, and an IT-recommended Disaster Recovery Enterprise GIS system.
- **Human Resources Support:** The proposed *Consulting Services* budget includes funds for an Interactive Accommodation Specialist to help the District's Human Resources department navigate work restrictions ordered by a physician for an employee with a disability to determine if and when the District can safely allow an employee to return to work.
- **Electrical Services Support:** The proposed *Consulting Services* budget includes provisions for the District to support electrical repairs at several District sites that were identified from the Arc Flash Analysis performed in FY 2017-18. As discussed in the Salaries and Benefits section, because of the one-time or project specific nature of these costs, staff has recommended that these needs be fulfilled by consultants.

Equipment Rental and District Fuel

Table F1 - 9: Equipment Rental and District Fuel

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference		FY 2019-20 Approved Budget		FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
Equipment Rental										
Office Equipment	60,012	50,611	(9,401)		65,000		62,010	66,300	(2,990)	-5%
Misc. Field Equipment	1,488	-	(1,488)		1,500		1,000	1,530	(500)	-33%
Total Equipment Rental Budget	**61,500**	**50,611**	**(10,889)**		**66,500**		**63,010**	**67,830**	**(3,490)**	**-5%**
District Fuel										
Unleaded Fuel	150,000	132,970	(17,030)		185,000		190,000	188,700	5,000	3%
Diesel Fuel	100,000	141,942	41,942		120,000		130,000	122,400	10,000	8%
Vehicle Oil	10,000	9,706	(294)		10,000		10,000	10,200	-	0%
Total District Fuel Budget	**260,000**	**284,618**	**24,618**		**315,000**		**330,000**	**321,300**	**15,000**	**5%**

Equipment Rental costs consist of leases for multifunction printers and other as needed field equipment. Costs are determined on a contract basis and are expected to decrease below budgeted amounts for FY 2019-20 and forecasts for FY 2020-21.

Though costs have been declining historically due to improved fleet and fuel storage management by the Utilities Maintenance Department, District fuel costs for FY 2020-21 are expected to increase five percent from budget FY 2019-20 amounts due to increases in gasoline taxes.

Insurance

Table F1 - 10: District Insurance

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
Insurance - District								
Property Insurance	100,000	62,720	(37,280)	100,000	100,000	102,000	-	0%
Automobile and General Liability	400,000	295,439	(104,561)	425,000	450,000	433,500	25,000	6%
Misc. Insurance General	7,850	(2,660)	(10,510)	7,850	8,300	8,007	450	6%
Total Insurance - District Budget	**507,850**	**355,498**	**(152,352)**	**532,850**	**558,300**	**543,507**	**25,450**	**5%**
Insurance - Personnel								
State Unemployment	25,000	3,092	(21,908)	25,000	25,000	26,798	-	0%
Workers Comp	163,178	183,898	20,720	125,084	136,002	131,853	10,918	9%
Medicare Insurance	170,998	176,023	5,025	175,567	193,545	184,907	17,978	10%
Employer FICA	14,570	7,860	(6,710)	13,655	16,709	13,928	3,054	22%
Total Insurance - Personnel Budget	**373,746**	**370,874**	**(2,872)**	**339,306**	**371,257**	**357,486**	**31,951**	**9%**

The District maintains several broad insurance policies through its membership with Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA). District related insurance costs have been increased by slightly less than three percent from forecasted levels to reflect updated liability assumptions and historical trends. Budgeted Property Insurance and Misc. Insurance General costs are almost same as forecasted levels for FY 2020-21, while Automobile and General Liability costs have been increased to accommodate a potential increase in premiums. Safety is a key priority of the District, and staff will continue to evaluate opportunities to reduce these costs.

Proposed *Insurance – Personnel* costs have increased nine percent from FY 2019-20 levels. Approximately 38 percent of the increase from FY 2019-20 is attributable to the proposed staff positions with the remaining increase being in line with forecasts for FY 2020-21. It should be noted that the budgeted *Insurance – Personnel* costs are not increasing due to rising insurance premiums. Workers Compensation premiums for District employees are based on a formula that accounts for a number of operational factors that are intended to capture the relative claim risk among the ACWA/JPIA member agencies and allocates the total pool premium accordingly. The "Experience Modification Factor" or "E-Mod" reflects an agency's overall level of safety and is adjusted up or down annually based on the number and severity of claims. As the District has increased its emphasis on worksite safety and training for field staff, the number of claims the District has made have gone down and as a result the District's E-Mod has been reduced from prior years so that instead of the District paying more than the standard premium the District instead pays only a percentage of the standard premium. It is important to note the insurance cost savings when evaluating the proposed Safety Programs and Regulatory Compliance budget presented later in the document.

Legal Services

Table F1 - 11: Legal Services

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference		FY 2019-20 Approved Budget		FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
Legal Services										
Legal Service - General	1,500,000	1,595,834	95,834		1,000,000		600,000	300,000	(400,000)	-40%
Legal Services - Personnel	50,000	25,539	(24,461)		50,000		50,000	51,000	-	0%
Total Legal Services	**1,550,000**	**1,621,373**	**71,373**		**1,050,000**		**650,000**	**351,000**	**(400,000)**	**-38%**

The District separately accounts for its general and personnel related legal expenses to more accurately account for costs. The District has retained Best, Best, and Krieger (BBK) for its general legal services, Alvarado Smith as special counsel and Liebert Cassidy Whitmore for its personnel related legal services. The proposed budget for FY 2020-21 for *Legal Services-General* was decreased below FY 2018-19 and FY 2019-20 budgeted amounts. However, the proposed budget for FY 2020-21 has been increased above forecasts for FY 2020-21 due to an ongoing review of the Joint Powers Agreement and all Project Committee agreements that that District participates in at the South Orange County Wastewater Authority. Additionally, the District is optimistic that the studies in partnership with Orange County Water District will result in a potential groundwater exchange program which is also reflected in the budgeted expenses for next fiscal year.

District Supplies

Table F1 - 12: District Supplies

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference		FY 2019-20 Approved Budget		FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
District Office Supplies										
General Office	151,150	447,585	296,435		139,680		122,303	142,474	(17,377)	-12%
Billing Supplies	196,000	200,295	4,295		196,000		217,000	196,000	21,000	11%
Community Relations	143,825	100,417	(43,408)		135,000		345,000	137,700	210,000	156%
Shipping	20,500	31,239	10,739		23,000		22,500	23,460	(500)	-2%
Total District Office Supplies Budget	**511,475**	**779,536**	**268,061**		**493,680**		**706,803**	**499,634**	**213,123**	**43%**
District Operating Supplies										
Operating Supplies	400,589	636,322	235,733		387,188		437,250	394,931	50,063	13%
Chemicals	121,715	169,047	47,332		657,467		721,000	670,616	63,533	10%
Total District Operating Supplies Budget	**522,304**	**805,368**	**283,064**		**1,044,654**		**1,158,250**	**1,065,547**	**113,596**	**11%**

Table F1 - 12 provides a detailed accounting of the District's office and operating supplies. In addition to everyday supplies such as paper, ink, envelopes, postage for monthly bills, keys, small tools, and cleaning supplies, the FY 2020-21 proposed budget for District Supplies includes provisions for community education materials and other promotional items. Increased educational and outreach efforts to engage communities including direct mail pieces, customer information packet distribution, smart meter awareness, 60th anniversary milestone, theater advertisements, and multiple community events have driven *Community Relations* costs. *Chemicals* costs have increased in line with the broader chemical market between FY 2019-20 and FY 2020-21. *Chemicals* costs increased from the level in FY 2018-19 to FY 2019-20 due to adding the chemicals procured to provide for the operation of the Plant 3A wastewater treatment plant.

Repairs and Maintenance, and Meter/Vault Purchases

Table F1 - 13: Repairs and Maintenance, and Meter/Vault Purchases

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference		FY 2019-20 Approved Budget		FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
Repairs and Maintenance - Equipment										
Office Equipment	14,300	17,467	3,167		12,050		279,000	12,291	266,950	2215%
Field Equipment	22,000	30,850	8,850		28,250		29,500	28,815	1,250	4%
Infrastructure Technology Hardware	85,500	172,579	87,079		114,700		165,600	116,994	50,900	44%
Computer Support Contracts	391,562	360,614	(30,948)		584,300		667,495	595,986	83,195	14%
Vehicle Maintenance and Repair	230,000	260,393	30,393		230,000		240,000	234,600	10,000	4%
Total Repairs and Maintenance - Equipment Budget	**743,362**	**841,901**	**98,539**		**969,300**		**1,381,595**	**988,686**	**412,295**	**43%**
Repairs and Maintenance - Facilities										
System Maintenance	733,000	908,074	175,074		809,744		676,554	825,939	(133,190)	-16%
System Repairs	1,158,000	2,224,218	1,066,218		944,500		1,735,500	963,390	791,000	84%
Janitorial Services	15,000	17,152	2,152		29,460		42,000	30,049	12,540	43%
Landscape and Tree Maintenance	326,760	343,550	16,790		341,742		372,988	348,577	31,246	9%
Waste Disposal	30,000	166,386	136,386		361,814		330,000	369,050	(31,814)	-9%
Underground Service Alert	5,000	6,688	1,688		8,000		8,000	8,160	(0)	0%
Contract & Maintenance Agreements	195,532	216,040	20,507		315,307		222,600	321,613	(92,707)	-29%
Pest Control	32,539	26,015	(6,524)		34,682		34,682	35,376	(0)	0%
Paving Repairs	1,150,000	967,998	(182,002)		650,000		300,000	663,000	(350,000)	-54%
Electrical & Instrumentation	105,000	95,582	(9,418)		115,000		67,000	117,300	(48,000)	-42%
Raising Valves and Manholes	300,000	175,020	(124,980)		220,000		450,000	224,400	230,000	105%
Permits	120,000	142,806	22,806		120,000		120,000	122,400	(0)	0%
Total Repairs and Maintenance - Facilities Budget	**4,170,831**	**5,289,528**	**1,118,697**		**3,950,249**		**4,359,324**	**4,029,254**	**409,075**	**10%**
Meter/Vault Purchases										
Meter/Vault Replacement	441,000	360,439	(80,561)		-		-	-	-	-
Total Meter/Vault Purchases Budget	**441,000**	**360,439**	**(80,561)**		-		-	-	-	-

The ongoing repair and maintenance of equipment and facilities is one of the largest components of the Fund 1 operating budget. Controlling these costs requires efficient management of activities within each department as well as extensive coordination and collaboration across departments. All aspects of District operations have improved as a result of increased coordination and collaboration across departments; however, the repair and maintenance of the District's facilities, equipment, and other assets provide one of the most tangible examples of the potential cost savings cross-department coordination can yield. It is important to note two accounting changes that were implemented in FY 2019-20 which have significant impacts to the totals presented in this table: cost capitalization and costs for Plant 3A. Discussed in greater detail in their respective sections below, capitalization offsets roughly $300,000 in costs while including the line item costs from Plant 3A add $361K that were previously captured in Wastewater Treatment. As noted throughout the budget document, these presentment changes do not change the cash liabilities of the District and are in line with prior year amounts or approved contracts.

Specific Factors

- **Repairs and Maintenance – Equipment**
  - *Office Equipment* - Much of the District's office equipment has not been replaced in over a decade and is past its useful life. The increased budget is to provide an adequate workspace for employees and is a one-time cost not expected in future years.
  - In addition to general office equipment, the FY 2020-21 proposed budget for *Repairs and Maintenance – Equipment* includes provisions for: the IT Department's continued maintenance of the District's on-site and cloud servers, SCADA system, enterprise

billing, technology support services contracts, computer hardware, and existing software licenses, as well as planned upgrades of many of the District's workstations and laptops; and the Support Services Department for regular maintenance and refurbishment of stationary auxiliary generators at critical wastewater and potable water stations, as well as scheduled fleet maintenance and repair. The prices and rates for the equipment, infrastructure, hardware, and software are largely determined through contracts with individual vendors. The increase in *Infrastructure technology hardware and Computer Support Contracts costs* reflects an evolving approach to the District's utilization of cloud-based services for supplementing its daily operations and long-range planning efforts.

- The FY 2020-21 proposed budget for *Infrastructure Technology Hardware* includes provisions for computer replacements, new cyber security for cloud infrastructure and continued reliance on cloud services.
- The FY 2020-21 proposed budget for *Computer Support Contracts* includes provisions for: the District's Microsoft Office 365 licenses; GIS license, managed services for the Districts ERP system which include technical services, cloud hosting, and proactive monitoring; annual support for the new CMMS; and expanded utilization of AWS cloud services.

- **Repairs and Maintenance – Facilities**
  - The proposed budget for FY 2020-21 also includes provisions for the maintenance and repair of District facilities. The costs are delineated by type to accurately track budgets throughout the year as well as identify where the District is maintaining or reinvesting in its facilities and systems. As noted above, the proposed FY 2020-21 budget for *Repairs and Maintenance – Facilities* is not completely captured by in Table F1 - 13 due to changes in cost accounting.
  - **System Maintenance and System Repairs**
    - *System Maintenance* costs include the maintenance and upkeep of District facilities and pump refurbishments, while *System Repairs* costs include planned reservoir cleaning, reservoir or pipeline repair, and manhole repairs, as well as emergency repairs for the District's three utility systems. Budgeted costs are determined on an annual basis and reflect identified needs and provisions for emergency repairs based on historical spending. The increase shown in *System Repairs* is attributable to emergency repairs for potable, recycled and wastewater systems, supplies for unforeseen conditions during repairs, two potable main abandonments and short-liners for infiltration and inflow.
  - **Paving Repairs, Raising Valves and Manholes, and Permits**
    - The Inspections and Street crews coordinate regularly with planning departments from the six cities the District serves to ensure continued access to District valves and manholes after streets have been repaved and to minimize the cost of repaving streets after system repairs have been made by the District. The District continues to benefit from the improved timing of system repairs and increased coordination between District staff and their City counterparts. The proposed 105 percent increase from FY 2019-20 budget for *Raising Valves and Manholes* was developed based on planned street paving projects provided

by City staff. The 54 percent decrease in *Paving Repairs* budget reflects an increase in costs associated with capital projects, not a decrease in planned activity.

- **Janitorial Services, Landscape and Tree Maintenance, and Waste Disposal**
  - The District maintains approximately 50 facilities between its potable and recycled pump stations, reservoirs, and wastewater lift stations throughout the service area. Over the past year, the District has increased expenditures on irrigation repairs due to system age and vandalism. This trend is expected to continue due to the age of the irrigation systems and proximity to public access points. The proposed budgets for *Janitorial Services, Landscape and Tree Maintenance, and Waste Disposal* now include costs associated with maintaining the facilities at the District's Plant 3A that were previously captured in Wastewater Treatment. The increase in *Janitorial Services* costs reflects the addition of Plant 3A and reservoirs in Trash Pick-Up services contract as well as increased cleaning to provide a clean and sanitary environment with the COVID-19 pandemic.
- **Contract and Maintenance Agreements**
  - Consistent with the approach outlined in the Salaries and Benefits and Consulting Services sections, the District utilizes consultants or contractors to meet its project specific or highly specialized repair and maintenance needs. Additionally, the District relies on contracts or agreements with internal vendors to supply the equipment and materials it needs when repairs are handled in-house. Annual budget expenses are determined based on contract or agreement terms with vendors that have been selected through a competitive procurement process. The individual costs that comprise *Contract and Maintenance Agreements* are consistent with forecasts for FY 2020-21: The 29 percent reduction from costs from forecast and prior year totals is attributable to a decrease in contracted services related to the District's former administration building.

- **Meter/Vault Replacement**
  - The decrease shown in *Meter/Vault Replacement* is attributable to $1.2M of costs for meter replacements that are now classified as Regulated Assets per GASB 62. Without capitalization, the total budget for *Meter/Vault Replacement* is $1.2M, a 181 percent increase from FY 2018-19 budget, but no change from the FY 2019-20 budget. The continued increase over FY 2018-19 levels reflects the targeted replacement of the District's commercial meters, which are being upgraded to ultrasonic smart water meters which more accurately capture low-volume water flows. The decision to upgrade these meters is based on both analysis of potential sources of the District's water loss and the age of the meters.

Safety Programs and Regulatory Compliance

Table F1 - 14: Safety Programs and Regulatory Compliance

Description	FY 2018-19				FY 2019-20		FY 2020-21			
	Approved Budget	Actuals	Difference		Approved Budget		Proposed Budget	Forecasted Budget	Difference	% Change
Safety Program and Regulatory Compliance										
Safety Equipment and Supplies	77,000	227,033	150,033		100,600		98,340	102,612	(2,260)	-2%
Safety Shoes	34,975	26,844	(8,131)		38,323		39,557	39,089	1,235	3%
Safety Training	31,000	22,975	(8,025)		35,000		35,700	35,700	700	2%
Regulatory Compliance	180,000	165,361	(14,639)		190,625		187,540	194,438	(3,085)	-2%
Total Safety Program and Regulatory Compliance Budget	**322,975**	**442,214**	**119,239**		**364,548**		**361,137**	**371,838**	**(3,410)**	**-1%**

Table F1 - 14 provides a detailed accounting of the District's *Safety Program and Regulatory Compliance* costs. The Safety and Compliance Department oversees the development of the District's safety programs and ensures continued compliance with all regulatory safety requirements. The proposed *Safety Program and Regulatory Compliance* budget for FY 2020-21 has remained consistent with FY 2019-20 budget and with forecasted budget for FY 2020-21. The proposed budget for equipment and supply purchases reflects maintaining well-stocked inventory as well as the replacement of existing or purchase of new training equipment based on a multi-year schedule maintained be the Safety and Compliance department. The District has kept the safety equipment costs controlled even in uncertain times of the COVID-19 pandemic.

Assessments

Table F1 - 15: Assessments

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
Special Outside Assessments								
Department of Health Services (DOHS) Fees	5,000	96	(4,905)	5,000	5,000	5,100	-	0%
LAFCO Fees	27,500	27,412	(88)	28,600	28,382	29,172	(218)	-1%
Property Tax Assessment	82,000	113,562	31,562	-	120,585	-	120,585	-
Total Special Outside Assessments Budget	**114,500**	**141,070**	**26,570**	**33,600**	**153,967**	**34,272**	**120,367**	**358%**

The District pays fees to other government agencies as part of regulatory, or other governmental services provided to the District. Fees to the Local Area Formation Commission (LAFCO) and Department of Health Services (DOHS) are projected to remain relatively flat into the next Fiscal Year. Property Tax Assessment costs consist of fees paid to the County of Orange for collection of Property Taxes. The proposed Property Tax Assessment budget for FY 2019-20 had been removed as those costs were to be captured in Fund 70 where the GOB property tax revenues and bond payments are budgeted; however, after working with the District's property tax consultant it was determined that these costs are more accurately captured here.

Utilities

Table F1 - 16: Utilities

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
Utilities								
Electric Utilities (SCE and SDG&E)	2,152,500	1,994,055	(158,445)	2,753,033	2,826,439	2,808,093	73,406	3%
Gas Utility (Southern CA Gas)	7,073	8,498	1,426	10,069	7,894	10,271	(2,175)	-22%
Water Utility	-	-	-	9,000	-	9,180	(9,000)	-100%
Overall Telephone	120,000	134,712	14,712	140,000	153,000	142,800	13,000	9%
Mobile Communication	80,000	92,093	12,093	80,000	92,200	81,600	12,200	15%
Total Utilities Budget	**2,359,573**	**2,229,358**	**(130,214)**	**2,992,102**	**3,079,533**	**3,051,944**	**87,431**	**3%**

Beginning in FY 2019-20, budgeted totals for *Utilities* include costs associated with operating the District's Plant 3A that were previously captured in Wastewater Treatment cost category. The inclusion of these costs in the *Utilities* line item is the major driver of the increase in costs above FY 2018-19. Factoring out the methodology change, costs associated with the *Utilities* line item are expected to increase slightly based on general inflation for utilities. The continued trend of minimal year-over-year increases reflect recent operational efficiency improvements by District staff. Through collaboration with other departments, the District's Distribution Department has controlled this cost by pumping water to storage facilities at night when electricity rates are low and releasing the stored water to pressurize the system via gravity to meet daytime demands. Additionally, the utilization of the Central Intertie Pipeline saves the District over one million dollars per year in electricity costs, which would otherwise have to be recovered through higher rates to customers. Though only a small component of the overall *Utilities* costs, the proposed increase in *Mobile Communication* costs reflects the District's increasing utilization of connected devices and hot spots in the field along with annual cellular carrier rate increases.

Wastewater Treatment

Table F1 - 17: Wastewater Treatments Operations and Maintenance

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference		FY 2019-20 Approved Budget		FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
Wastewater Treatment										
General Fund	-	-	-		-		-	-	-	-
PC 2 - JB Latham Treatment Plant	1,417,106	1,363,096	(54,010)		1,427,491		1,412,881	1,448,722	(14,610)	-1.0%
PC 5 - San Juan Creek Ocean Outfall	116,534	102,573	(13,961)		117,388		116,187	119,134	(1,201)	-1.0%
PC 2SO - Recycled Water Permit	28,256	71,694	43,438		28,463		28,172	28,886	(291)	-1.0%
PC 15 - Coastal Treatment Plant	316,339	235,722	(80,617)		318,657		315,396	323,397	(3,261)	-1.0%
PC 17 - Regional Treatment Plant	7,247,912	6,991,238	(256,674)		7,301,025		7,226,303	7,409,617	(74,722)	-1.0%
PC 21 - Effluent Transmission Main	13,305	13,480	175		13,402		13,265	13,602	(137)	-1.0%
PC 24 - Aliso Creek Ocean Outfall	211,499	238,376	26,877		213,049		210,868	216,218	(2,180)	-1.0%
Pretreatment Program	52,058	50,304	(1,754)		52,439		51,903	53,219	(537)	-1.0%
Use Audit Refund	-	(292,939)	(292,939)		-		-	-	-	-
Total Wastewater Treatment Budget	**9,403,009**	**8,773,544**	**(629,465)**		**9,471,915**		**9,374,975**	**9,612,796**	**(96,940)**	**-1.0%**

Given the significant annual financial contributions to wastewater treatment (approximately $36.3M annually for both operating and capital expenses) there is a growing need to ensure the District's ratepayers receive high-quality and cost-effective wastewater treatment services from its contract service providers. It is imperative that the treatment of wastewater be closely monitored to ensure compliance with all regulations, protection of public health and the local environment, and financial accountability and transparency for the benefit of the District's ratepayers. The District intends to work with its contract service providers and partners to review opportunities to identify the most effective ways to treat wastewater and managing costs to do so.

The District will continue to evaluate options for increasing recycled water production, primarily from operational and site improvements at the District's Plant 3A, while ensuring that any expansion of the recycled water program is cost-effective for the District's ratepayers. Recycled water production is a critical component of the District's water reliability strategies. As such, the District will continue to review the available recycled water production opportunities, available treatment technologies, and recycled water needs of its ratepayers.

FY 2020-21 represents the second full year of operations of Plant 3A by District Staff. The total costs for FY 2018-19 do not line up with those presented in the table above due to Plant 3A costs. With the transition of operations to the District, costs are accounted for in their respective object account per the District's chart of accounts.

Water Purchases

Table F1 - 18: Water Purchases

Description	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget	FY 2020-21 Difference	FY 2020-21 % Change
Variable Water Purchase Cost								
MWD Full Service - Tier 1 Treated	16,368,110	13,464,480	(2,903,630)	17,416,845	16,707,334	17,801,209	(709,511)	-4%
MWD Full Service - Tier 1 Untreated	6,344,042	6,075,903	(268,139)	6,613,736	6,819,029	6,836,027	205,293	3%
Baker Variable Cost	917,129	725,504	(191,625)	940,057	958,858	958,858	18,801	2%
Total Variable Water Cost	**23,629,281**	**20,265,887**	**(3,363,393)**	**24,970,638**	**24,485,221**	**25,596,094**	**(485,417)**	**-2%**
Fixed Water Purchase Cost								
MWDOC Ready-to-Serve Charge	1,274,926	1,251,254	(23,671)	1,303,683	1,344,688	1,380,371	41,005	3%
MWDOC Capacity Charge	487,713	361,429	(126,284)	499,056	401,090	533,082	(97,966)	-20%
MWDOC Connection Charge	645,064	644,506	(557)	648,956	650,882	664,975	1,926	0%
Reclaimed Water Rebate	(196,504)	(49,908)	146,596	-	-	-	-	-
Joint Regional Water Supply System	448,092	473,598	25,506	500,570	479,087	482,061	(21,483)	-4%
Santiago Aqueduct Commission (SAC)	20,820	30,458	9,638	26,051	26,344	26,344	293	1%
East Orange County Feeder #2 (EOCF2)	76,875	212,722	135,847	119,893	308,953	115,460	189,060	158%
South County Pipeline (SCP)	141,738	88,960	(52,778)	103,340	99,519	99,519	(3,821)	-4%
Baker Fixed Cost	805,487	391,535	(413,952)	825,624	842,137	842,137	16,512	2%
Total Fixed Water Cost	**3,704,211**	**3,404,555**	**(299,656)**	**4,027,173**	**4,152,699**	**4,143,949**	**125,527**	**3%**
Total Water Purchase Cost	**27,333,491**	**23,670,442**	**(3,663,049)**	**28,997,811**	**28,637,921**	**29,740,043**	**(359,890)**	**-1%**

The District has been proactive in its planning efforts to ensure water reliability. The Long-Range Water Reliability Plan provides an adaptive management approach to planning for reliability. It is a working document that needs to be updated given the changes in customer demands and changes to the status of some of the local supply projects. Opportunities to expand recycled water, participate in groundwater exchange programs as well as potential for direct potable reuse are being evaluated by staff. Other local efforts such as ocean desalination are also being closely monitored to determine the District's and South County interest.

The District's Board President submitted a letter to MWDOC requesting both MWDOC and MWD review the projected rate projections in light of the COVID-19 global pandemic. Both agencies took the comments and approved reductions from the initially proposed rates that resulted in decreased costs to the District. MWD rates increased on average three percent in January 2021 and MWDOC rates went from an initial increase to a decrease of $0.05 per metered connection per the latest MWDOC budget. East Orange County Feeder #2 has a proposed increase in budget due to planned work by Metropolitan Water District on the pipeline. The reductions in projected rate increases in combination with District customers maintaining their water efficiency efforts resulted in a net decrease in the water purchases budget of approximately $290,000.

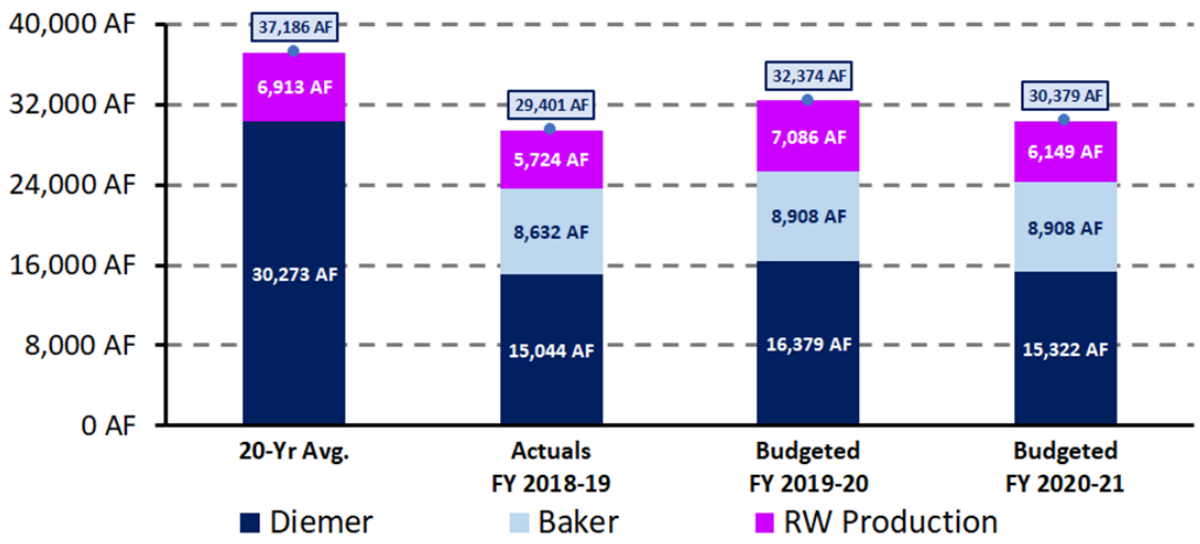


Figure F1 - 1: Water Deliveries and Recycled Water Production

Total water purchases for FY 2020-21 are budgeted at 24,230 AF, which represents a four percent decrease from FY 2019-20 budgeted water purchases. This projection assumes a water loss factor of approximately 7.5 percent. The methodology used to develop water usage projections is consistent with the methodology used to develop the long-term demand projections reported in the District's 2015 Urban Water Management Plan and reflect maintained low usage through most of the fiscal year as customers continue to use water efficiently.

As part of the Board policy to improve water supply reliability for the service area, the District participated in the construction of the Baker Water Treatment Plant (Baker), a 28.1 million gallon per day (MGD) potable water treatment facility that receives untreated water via the Baker pipeline. The plant came online in January 2017 and provides increased water supply reliability to southern Orange County as well as provides a reliable local potable water supply in the event of emergency conditions or scheduled maintenance on the MWDSC treated water delivery system (Diemer Filtration Plant, Lower Feeder Pipeline, or Allen-McCullough Pipeline).

The District owns 13 cubic feet per second of capacity in the plant, representing approximately 9,400 AF in new supply annually. Water deliveries from Baker for FY 2020-21 are budgeted below full-capacity volumes at 8,908 AF, reflecting planned downtime for maintenance and repairs at the treatment plant. The remaining 15,322 AF of water deliveries will be supplied by MWDSC via the Municipal Water District of Orange County ("MWDOC").

Projected variable water rates for deliveries from both sources are inflated consistently with their input water type. Baker deliveries are based on the MWDSC untreated tier 1 rate and MWDSC deliveries to the District are based on the MWDSC treated tier 1 rate, which are expected to increase on January 1, 2021 by 2.9 percent and 2.4 percent, respectively. The total water purchase costs reported in the budget also include fixed costs from wholesalers and other partner agencies for service or facilities operation related to delivering water into the District.

Capital Expenses

Capital Outlays

Capital outlays are small capital costs primarily for rolling stock, equipment, and electronics that meet the threshold for the District's capitalization policy. Each item is tracked as an individual capital project. A ten-year projection of capital outlay expenses in Fund 1 is provided in the 10-year CIP.

Table F1 - 19: Capital Outlays

Description	FY 2018-19	FY 2019-20	FY 2020-21
Requested Capital Outlays			
Pumps & Equipment	$67,009	$737,500	$344,378
Heavy Equipment	$100,000	$326,101	$246,026
Trucks	$232,180	$870,000	$1,090,000
Technology	$30,000	$16,000	$10,000
Total FY 2020-21 Capital Outlays	**$429,189**	**$1,949,601**	**$1,690,404**

Requested Capital Outlays for FY 2020-21 have decreased compared to the amounts in FY 2019-20. The same "needs-based" budgeting used to develop the non-capital components of the Fund 1 budget are used when developing annual capital outlay requests. The proposed FY 2020-21 *Capital Outlays* budget includes provisions for the replacement of a number of trucks, pumps, and pieces of heavy equipment that have reached the end of their useful lives.

Pumps and Equipment

Table F1 - 20: Capital Outlays-Pumps and Equipment

Description	FY 2020-21
Pumps & Equipment	
Dri-Prime Critically Silenced Bypass Pump	$184,378
Generator	$150,000
Inflatable Sewer Plug 24"-46"	$10,000
Subtotal - Pumps & Equipment	**$344,378**

The District's Operations staff reviews all pumps and distribution equipment to provide contingencies for emergency backup needs at critical facilities and identify assets that have reached the end of their useful lives. The proposed capital outlays for *Pumps and Equipment* identify the asset needs required to maintain the level of service that the District's customers have come to expect.

Heavy Equipment

Table F1 - 21: Capital Outlays-Heavy Equipment

Description	FY 2020-21
Heavy Equipment	
Meter Testbench	$199,026
On Board Truck Scales	$12,000
Replacement of 2A ForkLift	$35,000
Subtotal - Heavy Equipment	**$246,026**

Requested Heavy Equipment for FY 2020-21 consists of three items. The proposed budget includes provisions for a Meter Testbench for the District's Customer Service Field team to test and calibrate meters up to 6" in size. Also included are two On Board Truck Scales that enable staff to monitor the gross weight of large vehicles as they are loaded. Last in *Heavy Equipment* is a new forklift for use at the District's 2A facility. The existing forklift is over 20 years old and is beyond its useful life.

Trucks

Table F1 - 22: Capital Outlays-Trucks

Description	FY 2020-21
Trucks	
Replacement of Truck Unit #3	$125,000
Replacement of Truck #7	$53,500
Replacement of Truck #10	$35,000
Replacement of Truck #28	$53,500
Replacement of Truck #54	$85,000
Replacement of Truck #57	$53,500
Replacement of Truck #59	$35,000
Replacement of Truck #73	$495,000
Replacement of Truck #93	$85,000
Replacement of Truck #109	$34,500
Proposed Inspector Truck	$35,000
Subtotal - Trucks	**$1,090,000**

The District actively monitors the age and mileage of the fleet. Ten of the eleven requested trucks are to replace trucks that have reached the end of their useful lives and are beginning to experience maintenance and reliability issues. The majority of the replacement trucks are Ford F-150 to F-450 class trucks, with the two notable exceptions being the replacement for Truck Unit #3, which is a Ford F-550 tool truck for the District's Street Crew, and the replacement Truck Unit #73, which is a Vactor truck or like hydro-excavator The remaining vehicle is for the proposed Engineering Inspector.

Technology

Table F1 - 23: Capital Outlays-Technology

Description	FY 2020-21
Technology	
Field Tough Books (2)	$10,000
Subtotal - Technology	**$10,000**

Technology capital outlays for FY 2020-21 have decreased more than 50 percent from the average of the FY 2019-20 and FY 2018-19 capital outlay budgets. The "needs-based" approach to budgeting and Staff's efforts to reduce costs through the "needs-based" approach to budgeting by the reduction from historical average costs. The requested *Technology* budget for FY 2020-21 includes provisions for field laptops for valve turning crew with chargers, additional batteries, and accessories.

Fund 6 – Water Efficiency Fund

Fund 6 – Overview and Purpose of the Water Efficiency Fund

The District's rate structure allocates a water budget to each customer based on individual needs and certain parameters to promote the efficient use of water. Customers who use water inefficiently (i.e. in excess of their calculated water budgets) place greater demands on the District's water and recycled water systems and supplies. Inefficient customers are therefore subject to higher water use rates to offset the costs that are created as a result of the higher demand they place on the District's water and recycled water systems. The District invests the incremental rate difference in alternative water supply programs, rebates, and water conservation and/or demand management measures to increase the efficient use of water and offset their demand.

The drought crisis presented a unique opportunity for the District to demonstrate an innovative and resourceful approach to addressing major challenges. We work closely with agencies throughout the State to drive decisions and policies that will have immediate and long-term effects on the public. The Water Efficiency Fund is critical to the District's contribution and impact to the statewide discussions as the District has been recognized by the State and our peers in the water community as being a leader in demand management. Our conservation programs, partnerships with academic institutions, coordination of the statewide California Data Collaborative, and budget-based rate structure are just some of the reasons why we have been successful. Developing strategies and tools to further achieve efficiency and conservation while ensuring reliable service and economic health of our communities will be paramount going forward. Additionally, with water demands trending much lower than existing and historical water use levels, and new opportunities projected to be available in potable reuse and stormwater capture in the next few years, it is timely to update the District's long-range water reliability planning.

Highlighted Successes

- Updated the Direct Install Smart Timer Program and began participating in Metropolitan's Contractor Direct Install Program, which broadens customer access to professional installation of smart irrigation technology; combined these programs have received over 3,000 applications in three years resulting in over 2,000 residential smart timer installations, making it the most successful rebate program the District has ever implemented.
- Engaged in a research project with Rachio and the Massachusetts Institute of Technology's (MIT) Applied Cooperation Team to evaluate the most effective messaging for our customers.
- District continues to see adoption of outdoor water savings devices consistently outpace that of indoor water savings devices, a significant benchmark in the District's effort to improve outdoor water efficiency across the service area.
- In collaboration with Metropolitan Water District and the California Native Plant Society, the District launched the Calscape Nursery Program and Calscape Nursery Training Series to introduce more native plants into regional nursery supply chains, provide professional development materials on CA native plants to nursery professionals, educate the public on the benefits of native plants and connect them to online and local resources related to CA native plants.

- NatureScape Turf-to-Native Garden Program has received 190 applications since the start of the program as a full-scale turf replacement and education program.
- NatureScape Turf-to-Native Garden Program has received national recognition from the American Society of Landscape Architect and was selected by their Blue Ribbon Panel on Climate Change and Resilience to be featured at an exhibition in Washington, D.C..
- Produced "NatureScapers: The Real Landscapes of Orange County", an educational, HGTV-style video featuring a start-to-finish NatureScape landscape transformation from grass-dominant landscape to a watershed-friendly, native plant garden. The video was an initiative of the Urban Runoff Reduction Partnership and emphasizes the watershed benefits of sustainable landscape choices.
- Continued to implement the District's comprehensive Water Loss Control Program:
    - Annual Update of Water Loss Control Program Potable Water System Audit
    - Implementation of ArcGIS Survey 123 tool to remotely collect water loss data
    - Launched proactive leak detection team
    - Completed a pilot program leveraging AMI metering to evaluate water loss in the recycled water distribution system.
- Continued to offer commercial site assessments and water efficiency programming to help businesses and institutions.
- Continued to implement the School Device Retrofit Program, which provides free site assessments and high efficiency device retrofits to local schools; the following schools received retrofits in FY 19-20: La Paz Intermediate, Glen Yermo Elementary, De Portola Elementary, and Esperanza Education Center.
- Provided two Project WET (Water Education for Teachers) workshops to elementary school teachers in the Capistrano Unified School District (CUSD), held the District's first-ever Project WET Facilitator Training, and hosted the District's first-ever distance learning Project WET training for CUSD elementary school teachers.
- Conducted the District's third and largest H2O for HOAs workshop to date, with 17 participating cities and water agencies, 21 vendors, and 150 attendees consisting of HOA board members, property managers, and professional landscapers.
- Completed HOA Coordination Services pilot program to assist HOAs with outdoor efficiency improvements.
- Hosted two annual 10-week professional landscape training programs for professional landscapers through the Bilingual Training Institute; one training was conducted in Spanish and the other in English.
- Continued to track subcommittees related to the "Making Conservation a California Way of Life" legislation and provided regular updates to the Board on significant changes.

- Forged a partnership with Southern California Gas to implement the Energy Savings Assistance Program, which provides low-income customers with direct install high efficiency water and energy devices; 259 high efficiency water using devices were installed in the first quarter of the program alone.
- Continued to partner with San Diego Gas and Electric on the Business Energy Solutions program to provide commercial kitchens with direct install of high efficiency water and energy devices.
- In collaboration with the Southern California Water Coalition, District staff acted as primary authors of a white paper entitled: "Rewiring Water Conservation for Energy: How Southern California Utilities Make it Work", which details the potential for water and energy sector partnerships to achieve additional resource efficiencies.
- Adopted the Narco Channel, part of the Aliso Creek, through Orange County Public Works' Adopt-A-Creek Program; partnered with the Orange County Conservation Corps (OCCC) to maintain the channel; OCCC is an organization dedicated to conserving the region's natural resources and the professional development of youth in the environmental workforce.
- Continued partnership with Orange County Coastkeeper to provide local schools with watershed education programming through in-class presentations and field trips; expanded this program to include online learning options for local educators and students during COVID-19 emergency.
- Updated the Board quarterly on water efficiency and water resources to include program activity and upcoming key initiatives.
- Increased days of system reliability to 24 from 1.5 over past 10 years through $70 M infrastructure investment and comprehensive demand management strategies, including rate structure refinement and water efficiency programs
- Continued Urban Runoff Reduction Partnership (URRP) to engage local cities, the County of Orange, and local non-governmental organizations in efforts to reduce urban runoff through data sharing and collaboration
- In collaboration with URRP partners, continued implementing the "Smart Watershed Network Project" to minimize stormwater runoff towards aiding our mutual ratepayers by evaluating potential use of stranded wastewater assets and demand management strategies through data driven approaches.
- Initiated study of potential conversion of Sulfur Creek for seasonal recycled water storage and evaluation of potential IPR/ DPR project
- Initiated historic partnership with OCWD to study potential exchange program costs and infrastructure to meet District water reliability objectives
- Staff presented at several conferences on multiple topics including:
    - WaterSmart Innovations 2019 Conference:

        - Smart Timer Program Iteration using Program Evaluation Tool
        - ArcGIS Survey Tool Used for Remote Water Loss Data Collection
    - AWWA ACE Conference
        - Urban Runoff Reduction Partnership
    - Sustain OC:
        - Urban Runoff Reduction Partnership
    - Imagine H2O
        - Workforce & Innovation
    - WaterNow Conference:
        - Presentation on District's successful rate study outreach
    - 2018 American Water Resources Association Conference
        - Presentation on Innovative Watershed Solutions
    - ACWA Panel on Urban Runoff Collaboration and Smart Watershed Network Project
    - California State Association of Counties
        - Presentation on Innovative Stormwater Collaborations
    - Orange County WateReuse Chapter
        - Data Driven Recycled Water Efficiency
    - Ongoing presentations at MWD and MWDOC's Water Efficiency monthly meetings

Fund 6 – Summary Statement

Table F6 - 1: Budgetary Statement of Revenues, Expenses, and Changes in Net Position

MOULTON NIGUEL WATER DISTRICT - WATER EFFICIENCY FUND

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	FY 2018-19 Approved Budget	FY 2018-19 Actuals	FY 2018-19 Difference	FY 2019-20 Approved Budget	FY 2020-21 Proposed Budget	FY 2020-21 Forecasted Budget*	Proposed vs Approved Difference	Proposed vs Approved %Δ
Operating Revenues:								
Projected Water Efficiency Rev.	3,835,379	4,140,795	305,417	4,764,604	4,587,175	4,769,756	(177,429)	-4%
Non-Operating Revenues:								
Investment Income	91,074	157,725	66,651	-	4,857	(68,587)	4,857	-
Demand Offset Fees	65,000	37,702	(27,298)	36,000	96,079	36,000	60,079	167%
Operating Expenses:								
Labor	1,514,774	1,313,493	201,282	2,101,479	2,222,217	1,984,314	120,738	6%
Educational Courses	2,500	5,358	(2,858)	1,000	1,000	1,020	-	0%
Travel & Meetings	28,500	32,106	(3,606)	40,000	51,200	40,800	11,200	28%
Dues & Memberships	26,484	17,677	8,807	63,225	77,500	64,490	14,275	23%
Consulting Services	900,000	1,072,709	(172,709)	1,940,000	1,478,000	1,978,800	(462,000)	-24%
Legal Services	20,000	34,099	(14,099)	20,000	20,000	20,400	-	0%
Conservation Supplies	293,100	244,911	48,189	347,240	387,250	584,705	40,010	12%
Repairs & Maint. - Equipment	13,000	72,771	(59,771)	105,250	25,000	107,355	(80,250)	-76%
Safety & Compliance	1,750	1,547	203	2,350	2,650	2,397	300	13%
Water Efficiency	2,750,000	1,080,142	1,669,858	1,883,000	1,850,000	1,889,160	(33,000)	-2%
Total Operating Expenses	5,550,108	3,874,814	1,675,295	6,503,544	6,114,817	6,673,441	(388,727)	-6%
Change in Operating Position	(1,558,656)	461,409		(1,702,940)	(1,426,707)	(1,936,272)		-16%
Capital Expenses:								
Capital Outlays	-	-	-	36,025	-	-	(36,025)	-100%
RW Retrofits	50,000	-	50,000	8,476	8,000	9,232	(476)	-6%
AMI - Potable	600,000	587,962	12,038	3,585,501	3,000,000	3,785,019	(585,501)	-16%
AMI - RW Meters	-	-	-	-	-	-	-	-
RWOS - System Improvements	300,000	53,974	246,026	389,913	272,000	387,734	(117,913)	-30%
Total Capital Expenses	950,000	641,936	308,064	4,019,915	3,280,000	4,181,984	(739,915)	-18%
Projected Change in Fund	(2,508,656)	(180,527)		(5,722,855)	(4,706,707)	(6,118,256)		-18%

*Forecasted values based on projections developed for 2017 Long Range Financial Plan and Cost of Service Study

The budget presented for Fund 6 includes programs and projects continuing the District's success in demand management and planning for future water reliability investments. The proposed budget for FY 2020-21 is presented in the above table and includes the projects and programs discussed below. This budget provides resources assuming that programs will be available to customers for the full year. Programs will be run consistent with public health guidelines in response to the current COVID-19 pandemic but the full year of budget provides that programs will be available when safe to do so.

NatureScape Turf-to-Native Garden and Smart Timer Direct Installation programs are proposed in the Water Efficiency line item in the FY 2020-21 Budget as key efforts to make water efficiency programs easier for the District's customers as well as to streamline the administrative process to make the programs more cost effective.

Table F6 - 2: Consulting Services

Description		FY 2020-21 Proposed Budget
Fund 6 Consulting		
Turf Inspection Support		45,000
Residential Landscape Assessments		60,000
Customer Portal		60,000
Educational Water Efficiency Videos		50,000
Conservation Outreach		108,000
Plant Database		35,000
Commercial Assessment Program		75,000
Form Builder		20,000
Large Landscape Program		120,000
Sulphur Creek Study		175,000
Pressure Management Study		100,000
Water Reliability Consulting		180,000
Smart Watershed Project		160,000
Sulphur Creek Study Follow-up		120,000
Urban Water Management Plan		50,000
Data Analytics		95,000
Misc. Consulting Services		25,000
Total Fund 6 Overall Consulting Expenses		**1,478,000**

These programs are based on the final results from the UC Riverside study, which highlighted the need to simplify or modify the rebate process, which in the past took approximately 8-12 weeks to get a check from the time of applying, and as program interest spiked in 2015, took up to 6 months. A key priority for FY 2020-21 is to expand education resources and tools to customers to help in maintaining the District's investment in landscape transformation and assist additional customers in converting their landscapes. The key result from the final UC Riverside study was to make programs easy and providing information and resources to customers in a simple and accessible way is paramount to implementing that recommendation. The continuation of the District's landscape workshops, providing customers with more landscaping and design resources, and the form builder all provide support for educational resources and make participation easier.

To support the District's rebate programs and to ensure consistent program implementation as program interest scales up and down, consultants are utilized to mitigate the volatility and keep customer wait times low, which is shown in the Turf Inspections consulting support. With the addition of the new leak detection program, staff will work on inspection of the 850 miles of District pipelines and service connections to proactively find leaks. This builds on the leadership efforts by the District in piloting projects in water loss control.

Table F6 -3: Dues and Memberships

Description	FY 2020-21 Proposed Budget
District Dues and Memberships - Fund 6	
California Water Efficiency Partnership (CalWEP)	6,000
ImagineH2O	5,000
Industry–University Cooperative Research Centers Program (IUCRC)	30,000
Sustain SoCal	5,000
Water Research Foundation (WRF)	19,000
Water Energy Efficiency Alliance (WEEA)	2,500
UC Davis CWEE	10,000
Total District Dues and Memberships Budget	**77,500**

The District is a statewide leader in demand management and participates in a number of memberships to support sharing the lessons learned. Additionally, these efforts expose staff to new research and innovations from other agencies to continue to find ways to better serve our customers. Staff are continuously looking for ways to improve water reliability and customer water efficiency programs, and these memberships provide an opportunity to continue to learn and share for the benefit of the community.

The District successfully implemented Advanced Metering Infrastructure (AMI) for all dedicated landscape meters (both potable and recycled water) within the District (about 2,650 meters) as well as a residential pilot program on a legacy AMI system (about 1,800 meters). The District also completed Phase 2 of the AMI program to install 4,500 multi-family and commercial meters onto AMI. Once on AMI, customers can log into the now deployed SEW Customer Portal to gain access to near real time water usage information and receive alerts for potential leaks. For FY 2020-21, the District is looking to expand AMI to all remaining residential customers in Phase III. Other key initiatives for the FY 2019-20 Budget include:

- Update 2008 Board Policy on Water Reliability Goals to include both system reliability in the event of an emergency and Board policy for drought supply reliability
- Update Long Range Water Reliability Plan as a component of an Integrated Resources Plan
- Evaluate potential pilot program to provide water storage with the Orange County Water District
- Complete study of potential conversion of Sulfur Creek for seasonal recycled water storage and continue engagement with regulatory agencies to support a pathway to direct potable reuse for the District's remaining wastewater
- Implement the "Smart Watershed Network Project" through our MOU with cities, the County of Orange and neighboring agencies to minimize urban runoff and storm flows utilizing data-driven approaches to evaluate mutually beneficial demand management strategies and potential use of wastewater assets
- Continue to monitor and review local water supply options, i.e. ocean desalination and storm water capture

- Initiate evaluation of potable water system pressure to identify opportunities to reduce real system water losses, and update the water loss graphics
- Pursue additional state/federal funding opportunities for demand management and recycled water program expansion
- Engage with the Board on positions (support or opposition) regarding any statewide water loss policy issues
- Continue full rollout of AMI to residential customers
- Further develop water efficiency programs and marketing in support of Homeowner's Association water use efficiency
- Host NatureScape garden tour in coordination with the California Native Plant Society annual tour in South Orange County
- Partner with California Data Collaborative & Sustain SoCal on 5th Annual Water Data Summit at UC Irvine Beall Applied Innovation Center

The upcoming fiscal year budget provides a portfolio of resources for customers and initiatives to cost effectively expand the District's water reliability into the future.

Debt Service Summary

As the District has developed over the past 60 years, issuing bonds has been a key strategy to expanding infrastructure across the service area while also keeping rates and charges affordable. Currently, the District has a portfolio of bonds. The District refunded its outstanding general obligation bonds (GOBs) in 2014, which were to fund the last of specific improvement district development in ID 6 and 7 paid for by special property tax assessments. The 2014 GOBs are fully paid off moving into FY 2020-21 with the last payment in April 2020. In the Fall of 2019, the District paid off in full its remaining state loans. In 2009, the District issued Certificates of Participation to fund reliability improvements including Upper Chiquita Reservoir, an interconnection to Irvine Ranch Water District, and to fund the District's portion of the Baker Water Treatment Plant. These projects in total increased the District's system reliability, or ability to maintain service in the event of an outage at the Deimer Water Treatment Plant, from two days to almost 24 days on average, when coupled with the District's demand management programs. Additionally, the District actively works with its Financial Advisor to identify potential refunding opportunities to make sure that the debt portfolio is at optimal interest rates. Both the 2010 COPs and 2015 Revenue Bonds initially funded water and sewer infrastructure. The 2019 Revenue Bonds and 2015 Revenue bonds were all refinanced in the last six years to save ratepayers on debt service payments. Table Debt - 1 presents the scheduled debt service payments for FY 2020-21 for each of the District's existing bonds, certificates, and loans.

Table Debt - 1: Summary of Debt Service Payments for Fiscal Year 2020-21

Description	FY 2020-21		
	Principal	Interest	Total
2019 Certificates of Participation - Fund 73	$ 1,215,000	$ 2,136,331	$ 3,351,331
2019 Revenue Bonds (Refunding of 2009 COPs) - Fund 12	$ -	$ 2,430,250	$ 2,430,250
2015 Revenue Bonds (Refunding of 2003 COPs) - Fund 71	$ 1,990,000	$ 378,500	$ 2,368,500
Total FY 2020-21 Debt Service Expense	$ 3,205,000	$ 4,945,081	$ 8,150,081

The District currently holds a AAA rating from Fitch and a AAA rating from Standard and Poor's, which enables the District to go to the public finance markets competitively when needing to borrow to fund future infrastructure projects. A key component of funding the Ten-Year Capital Improvement Program presented following, is to issue debt to smooth out rate increases. This is also presented in the District's internally created Long Range Financial Plan which is updated every year as part of the Budget process. Figure Debt - 1 presents the expected debt service over the next ten years and includes three bond issuances: one in FY 2022-23, one in FY 2025-26, and one in FY 2027-28. This is to maintain a consistent 4 percent rate increase over the next ten years. Additionally, this strategy meets the District's guiding financial policies to be above a 1.75 debt service coverage ratio and meets the Reserve Policy targets.

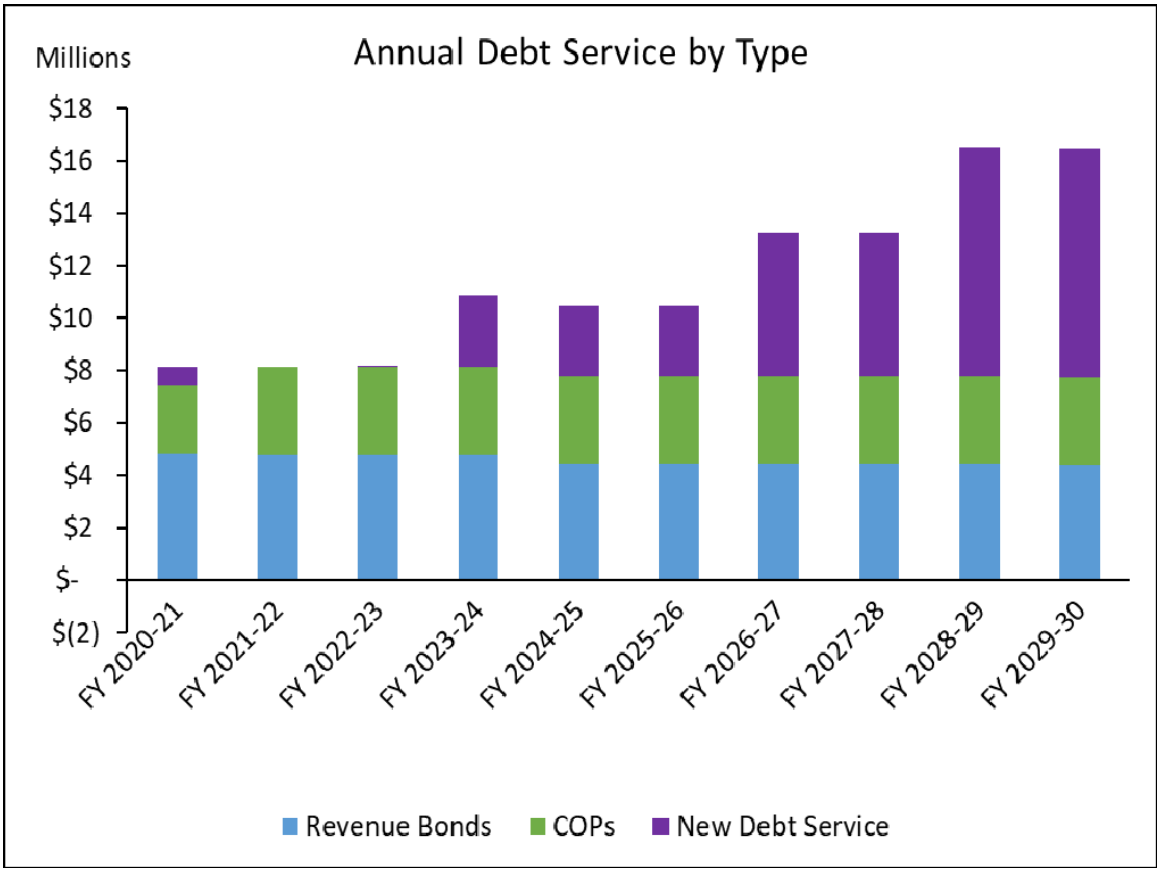


Figure Debt - 1: Ten-Year Summary of Forecasted Debt Service

Debt Limits

Pursuant to Section 18 of Article XVI of the California Constitution (the "Constitutional Debt Limit"), no county, city, town, township, board of education, or school district may incur any indebtedness or liability for any purpose exceeding in any year the income and revenue provided for such a year without the consent of two-thirds of the voters voting at an election to be held for that purpose. Special districts, like the District, are not subject to the Constitutional Debt Limit because they are not one of the entities described in Section 18 of Article XVI.

Though not subject to the Constitutional Debt Limit, as a California water agency, the District is subject to certain restrictions relating to its debt under the Water Code and covenants governing its outstanding obligations relating to the District's ability to issue additional parity and other lien obligations. Summary discussion of these restrictions are provided below.

SUMMARY OF DEBT LIMITS APPLICABLE TO CALIFORNIA WATER DISTRICTS:

Revenue Bonds:

1. Discussion: Revenue bonds can be issued pursuant to the Water Code. They are not a general debt, liability or obligation of the district. The bonds may be subject to call and redemption before maturity, at the option of the district, at such price or prices as may be fixed in the resolution, not exceeding a premium of 6% of the par value of the revenue bonds so subject to

redemption. Generally, revenue bonds shall bear interest at a rate not in excess of 8% per annum. The maturity shall not be more than 40 years from the date of issuance.

2. Procedural Requirements: An estimate must be provided, including every expense of the district that may be incurred for and limited to the purpose of acquiring or constructing works for irrigation, domestic, municipal, and industrial water supply and more. This estimate is required by Water Code Section 35950 to determine the amount of money necessary to raise for the purpose for which bonds may be issued.
3. Statutory Law: Water Code Sections 35950 - 36064 (relating to all bonds) and Water Code Sections 36300 - 36393 (relating to revenue bonds specifically).

GO Bonds:

1. Discussion: GO bonds can be issued pursuant to the Water Code. They constitute a general obligation of the District. GO Bonds may not bear interest in excess of 8% per annum. The maturity shall not be more than 40 years from the date of issuance. Under 36252, GO bonds may be issued for the purposes of acquiring or constructing works for irrigation, domestic, municipal and industrial water supply and to furnish facilities and services within or without the district to the extent provided for in Section 35500 for the collection, treatment and disposal of sewage, waste and storm water including the acquisition of necessary property for these works, acquiring funds to fulfill contractual commitments to carry out the powers and purposes of the district contained in contracts with other agencies, acquiring all or part of the operating funds for the district, the total amount of such funds so acquired not to exceed at any time an amount equal to the total operating costs of the district for a two-year period as estimated by its board, acquiring any property necessary for the purposes of the district, and otherwise carrying out the provisions of this division.
2. Procedural Requirements: If a general obligation bond issue is contemplated, there shall be included in the estimate required by Section 35950 every expense of the district that it is probable will be incurred and become payable before the expiration of one year from the completion of the irrigation works, including the interest on any bonds of the district due and payable prior to that date, for which the money of the district then in the treasury or thereafter to be received from an assessment previously levied is inadequate.
3. Statutory Law: Water Code Sections 35160 - 36215; 36251- 36262

Short Term Borrowings:

1. Discussion: A district may borrow money/incur indebtedness evidenced by warrants or negotiable notes by action of board without holding an election (except as provided in section 36402.1) for any purpose for which the district is authorized to expend funds, including provisions for payment of current expenses of the district and funding/refunding of outstanding warrants. Indebtedness must be evidenced by warrants or negotiable notes of district payable at stated times fixed by the board and bearing interest at a rate not exceeding 8% per annum, payable annually or semiannually. This debt must be paid back within five years (pursuant to section 36407.1)

   36402.1 states that no warrants or negotiable notes issued pursuant to the code shall be valid unless their issuance is authorized by a majority of the voters voting at an election called by the board, except as provided in 36407.1 (warrants/negotiable notes payable in five years or less

from date of issuance may be issued without approval of voters and shall constitute obligations of the district payable from annual max property tax rates contained in Rev and Taxation Code).

Warrants or negotiable notes payable at a future date or time may also be issued to obtain funds or property for any lawful purpose of the district; provided, the total amount of the warrants or negotiable notes payable in any one year shall not exceed one-fourth of one percent of the total valuation of the land in the district according to the last equalized assessment roll.

A district may additionally borrow money in anticipation of, but not in excess of the principal amount of, bonds authorized but not yet issued.

2. Procedural Requirements: Specified in sections 36403 - 35407 of the Water Code.
3. Statutory Law: Water Code Sections 36400 - 36509.

Lease and Installment Sale Financings:

1. Discussion: By statute, a district may acquire by purchase, condemnation, or other legal means all property or rights in property necessary or proper for the district works and to supply the land with sufficient water for all district purposes. A district may also lease, sell or contract for the sale of any property of the district whenever it may be necessary or for the best interests of the district.
2. Procedural Requirements: None specified.
3. Statutory Law: Water Code Sections 35600 - 35604.

SUMMARY OF COVENANTS GOVERNING FUTURE DEBT ISSUANCES:

2015 Refunding Bonds

SECTION 3.05. *Issuance of Parity Obligations*.

(a) No Superior Obligations. In order to further protect the availability of Net Revenues and the security for the Bonds and Parity Obligations, the District hereby agrees that the District shall not, so long as any Bonds or Parity Obligations are outstanding, issue or incur any obligations payable from the Net Revenues which are superior to the Bonds or Parity Obligations.

(b) Issuance of Parity Obligations. The District further covenants that, except for obligations issued or incurred to refund the Bonds, or to otherwise prepay or refund Parity Obligations which are presently outstanding, District shall not issue or incur any Additional Obligations unless, except as set forth in Section 3.07 below:

(i) The District is not in default under the terms of this Indenture or outstanding Parity Obligation Instruments;

(ii) Either (A) the Net Revenues, as shown by the books and records of the District for the latest Fiscal Year or for any 12 consecutive month period within the last complete 18-month period ended not more than one month before the issuance of or incurrence of such Additional Obligations, as set forth in a certificate of an Independent Consultant or (B) the estimated Net Revenues for the first complete Fiscal Year when the improvements to the water, recycled water or sewer system financed with the proceeds of the Additional Obligations shall be in operation, as estimated by and set forth in a certificate of an Independent Consultant, plus, at the option of the District, any or all of the items set forth hereinafter in this covenant designated under

subsection (c) below, shall have amounted to not less than 1.10 times Maximum Annual Debt Service in any Fiscal Year thereafter; and

(c) Adjustments to Net Revenues. For purposes of the calculations required in (b)(ii) above, Net Revenues may be adjusted to include:

(i) the estimated annual amount expected to be received from any increase in District rates or charges, calculated on the basis of any percentage or dollar increase authorized by the Board of Directors either during or subsequent to the reporting period, but in no event later than the date of the Parity Obligation Instrument authorizing the Additional Obligations for which the calculation is made; and

(ii) to the extent not included in (c)(i), an amount equal to 75% of the anticipated Net Revenues expected to be derived from each addition, betterment, extension or improvement to the water, recycled water or sewer system which may be acquired or constructed from proceeds of the Additional Obligations for which the calculation is made. Such estimates are required to be based upon rates and charges which are in effect on or prior to the date of the Parity Obligation Instrument authorizing the Additional Obligations for which the calculation is made.

(d) Credit For Certain Funds. For purposes of the calculations required in (b)(ii) above, Maximum Annual Debt Service shall exclude: (i) amounts on deposit in the Debt Service Fund under this Indenture and debt service funds created under Parity Debt Instruments for Parity Obligations; and (ii) amounts on deposit in any debt service funds created under Governmental Loan Instruments for Governmental Loans.

SECTION 3.06. *Government Loans; Limitations on Additional Governmental Loans*.

(a) Additional Governmental Loans. The District covenants that, except for obligations issued or incurred to prepay or refund Governmental Loans which are presently outstanding, the District shall not issue or incur any Additional Governmental Loans unless:

(i) The District is not in default under the terms of this Indenture or outstanding Governmental Loan Instruments;

(ii) Either (A) the Governmental Loans Pledged Revenues, as shown by the books and records of District for the latest Fiscal Year or for any 12 consecutive month period within the last complete 18-month period ended not more than one month before the issuance of or incurrence of such Additional Governmental Loan, as set forth in a certificate of an Independent Consultant, or (B) the estimated Governmental Loans Pledged Revenues for the first complete Fiscal Year when the improvements to the water, recycled water or sewer system financed with the proceeds of the Additional Governmental Loan shall be in operation, as estimated by and set forth in a certificate of an Independent Consultant, plus, at the option of the District, any or all of the items set forth hereinafter in this covenant designated under subsection (c) below, shall have amounted to not less than 1.10 times Maximum Annual Debt Service in any Fiscal Year thereafter.

(b) Adjustments to Governmental Loan Pledged Revenues. For purposes of the calculations required in (b)(ii) above, Governmental Loan Pledged Revenues may be adjusted to include:

(i) the estimated annual amount expected to be received from any increase in District rates or charges, calculated on the basis of any percentage or dollar increase authorized by the Board of Directors either during or subsequent to the reporting period, but in no event later than the date of the Governmental Loan Instrument authorizing the Additional Governmental Loan for which the calculation is made; and

(ii) to the extent not included in (b)(i), an amount equal to 75% of the anticipated Governmental Loan Pledged Revenues expected to be derived from each addition, betterment, extension or improvement to the water, recycled water or sewer system which may be acquired or constructed from proceeds of the Additional Governmental Loan for which the calculation is made. Such estimates are required to be based upon rates and charges which are in effect on or prior to the date of the Governmental Loan Instrument authorizing the Additional Governmental Loan for which the calculation is made.

(c) Credit For Certain Funds. For purposes of the calculations required in (a)(ii) above, Maximum Annual Debt Service shall exclude: (i) amounts on deposit in any debt service funds created under Governmental Loan Instruments for Governmental Loans; and (ii) amounts on deposit in the Installment Payment Fund under the Trust Indenture and debt service funds created under Parity Debt Instruments for Parity Obligations.

District Key Objectives for FY 2020-21

Since fiscal year 2013-14, the District has annually reviewed and updated its key objectives associated with the District's major core functions as part of the strategic planning process and budget development with the Board of Directors. Each core function is updated with specific objectives identified for the immediate time period to ensure focus and completion on key areas that are critical to the District's success. The necessary resources to support the identified objectives are incorporated into the annual fiscal budget for the Board to consider each year.

As we have developed this process over the years, the District has identified eight core functional areas that substantially define the scope of activities executed by the District Board of Directors and staff on an annual basis. These core functional areas are: Asset Management, Community Engagement and Outreach, Demand Management, Financial Planning, Government Affairs, Labor Relations, System Operations, and Water Reliability. As part of the annual planning process, the District reviewed these eight core functional areas to develop key actionable objectives that have been identified to implement the associated management strategy as follows:

1. **ASSET MANAGEMENT**

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

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

   Completed:

   a. Substantial completion of required asset attribute data in GIS
   b. Refinement and advancement of recently developed programs (e.g. Valve Replacement and Maintenance, Reservoir Management Systems, Electrical Systems, Reservoir Recoating, Manhole Rehabilitation, Service Line Replacements, Pipeline/Station Rehabilitation and Replacements
   c. Commenced construction on the Plant 2A Upgrade Projects
   d. Developed and initiated comprehensive capital improvement program for Plant 3A

e. Initiated implementation of a new Computerized Maintenance Management System
f. Completed several key studies associated with major pipeline rehabilitation/replacement projects

Planned:

a. Completion of the pipeline replacement project at I-5 and Oso Creek
b. Substantial construction of the following significant projects:
    i. Regional Lift Station Force Main Replacement Project
    ii. Regional Lift Station Enhancements
    iii. Southerly Influent Sewer Improvement Project at RTP
c. Confirm solids treatment requirements and wastewater liquids capacity for Plant 3A
d. Complete implementation of the Computerized Maintenance Management System
e. Complete update to the 10-year Capital Improvement Program

2. COMMUNITY ENGAGEMENT AND OUTREACH

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

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

Completed:

a. Facilitated social media training and communications meetings with our Board and Staff
b. Evaluated the scope and structure of Citizens' Advisory Committee (CAC), including issuing feedback survey, and developed new plan and approach to host future CAC meetings
d. Launched a customer appreciation campaign to thank customers who remain in their monthly water budgets
e. Increased real-time monitoring and responses to customer questions on social and digital media platforms
f. Initiated a Customer Communications Survey to inform the District's customer communication and outreach strategies

g. Developed District Year-in-Review video and produced a District Fact Sheet to highlight information about Moulton Niguel, key facts, and achievements
h. Developed information video, fact sheet, and additional materials in support of FLOW (Future Leaders of Water) Initiative

Planned:

a. Continue multi-faceted, multi-year customer and public communications surrounding smart meter technology
b. Continue campaign commemorating the District's 60th anniversary
c. Support FLOW Initiative through promotion of a video, information materials, and website; continue work to trademark FLOW logo
d. Finalize Customer Communications Survey and implement new communication strategies based on survey findings
e. Encourage cross-promotion through the development of a policy surrounding bill inserts for external organizations
f. Develop new program to recognize local businesses and organizations that are "water efficiency champions"
g. Develop customer information packet and begin sending to targeted customers

3. DEMAND MANAGEMENT

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

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

Completed:

a. AMI Phase 2 to all commercial and multi-family customers (about 4,000 more AMI meters in addition to the current 4,500)
b. Awarded 3rd Bureau of Reclamation award for Phase 3 expansion of AMI
c. Conducted third H2O for HOA workshops and a focused HOA working meeting to inform the development of new HOA programs
d. Retrofitted Mission Viejo High School water devices with high efficiency devices with four schools in process

e. Identified opportunities for energy and water integrated efficiency from the awarded California Energy Commission grant in coordination with UC Davis
    i. San Diego Gas and Electric Low-Income water efficient device direct install program developed
    ii. San Diego Gas and Electric commercial kitchens direct install program developed
f. Expanded watershed education to local schools through integrated field trips and classroom instruction

Planned:

a. Implement Phase 3 to expand AMI to all customers
b. Implement an acoustic leak detection program to reduce real system water losses
c. Pursue additional state/federal funding opportunities for demand management and recycled water program expansion
d. Host California Native plant tour in coordination with the California Native Plant Society annual tour in South Orange County
e. Host 4th H2O for HOAs workshop
f. Partner with California Data Collaborative & Sustain SoCal on 5th Annual Water Data Summit at UC Irvine Beall Applied Innovation Center

4. FINANCIAL PLANNING

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

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

Completed:

a. Updated Long-Range Financial Plan and 10-year cash flow model
b. Successfully completed the audit; and achieved a clean audit with no findings
c. Evaluated rate increase projections; implemented rate recommendations

d. Conducted short-term cash forecasting & coordinated restructuring of investment portfolio with advisors to fund capital improvements
e. Performed annual review of investment policy, reserve policy, debt management policy, capitalization & surplus policy and purchasing policy as well as added new grant management policy
f. Implemented labor capitalization to more accurately track labor to function and improve debt coverage ratio.
g. Successful Issuance of 2019 COPs and maintained AAA rating for S&P and Fitch

Planned:

a. Review and update financial policies as part of the annual review
b. Achieve the Distinguished Budget & CAFR Award from the Government Finance Officers Association
c. Maintain AAA rating from Fitch & S&P
d. Issue late bill payment collections RFP and select vendor
e. Prepare for 2021 Cost of Service and Rate Study

5. GOVERNMENT AFFAIRS

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

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

Completed:

a. Involved local, state, federal and other policy makers and their staff in several District events and activities (e.g., water and housing forums, facility tours, public safety appreciation events, federal agency official briefings)
b. Planned and expanded water and housing forum series to educate community leaders on local and regional water issues
c. Monitored regional, state, and federal discussions related to key issues that may directly impact the District (e.g., South Coast AQMD, water tax

proposals, WaterFix/Delta Conveyance, water grant programs, federal property in Laguna Niguel near Regional Treatment Plant)

d. Met with city managers in our service area to discuss best ways to keep them and their city councils informed of new Moulton Niguel programs, services and activities

Planned:

a. Evaluate upcoming District projects and programs and identify possible new grant opportunities to help fund them
b. Meet with new elected and appointed officials from our service area and continue to involve local, state, federal and other policy makers and their staff in several District events and activities (e.g., water and housing forums, facility tours, public safety appreciation events, state and federal agency official briefings)
c. Host water forum and expand partnerships in the water and housing industry
d. Continue to work with the South Orange County Wastewater Authority (SOCWA) member agencies on the evaluation of the strategic direction for SOCWA going-forward and potentially any associated amendments to the Joint Powers Authority Agreement

6. LABOR RELATIONS

Management Strategy: Maintain strong employee morale and enhance organizational performance through: recruitment, selection and retention of the best qualified staff; maintenance and enhancement of staff skills through training and development; utilization of the District's benefit programs; compliance with labor regulations; enforcement of District policies and provisions of the MOUs; and resolution of personnel matters in a timely manner with the highest standards of confidentiality, integrity, courtesy and respect.

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

Completed:

a. Won the Top Workplace in Orange County designation for the third year in a row; continued to maintain a close working relationship with employees and OCEA

b. Filled 153 of 158 budgeted full-time positions (97% staffed). Hired 32 employees (24 FTE + 8 Temp) January 2019 to January 2020
c. Monitored labor relations legislation and took appropriate action
d. Created job descriptions for Leak Detection Technician job family and recruited for vacant positions
e. Negotiated 0% increase in Anthem health insurance rates

Planned:

a. Continue to develop the FLOW Initiative through continued collaboration and partnerships with education institutions, such as UC Irvine, local community college programs, and local school districts, to create local pipelines for water and wastewater careers
b. Initiate update of MNWDEA Memorandum of Understanding
c. Implement new Deferred Compensation plans
d. Review and update the Substance Abuse Policy-draft under review; met with supervisors to discuss new FMCSA clearinghouse requirements and trained all safety sensitive drivers on how to register
e. Review and update the Personal Computer Purchase Plan Policy

7. SYSTEMS OPERATIONS

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

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

Completed:

a. Successfully assumed Plant 3A operations, maintenance, and capital planning
b. Substantial completion of recommendations from the District-wide electrical system assessment
c. Developed innovative leak detection program with dedicated staffing
d. Established secondary operations yard at Camino Capistrano location

e. Completed update to Sewer System Management Plan
f. Completed upgrade to phone and voicemail system and customer service call software
g. Initiated American Water Infrastructure Act's Risk and Resiliency Assessment

Planned:

a. Substantial completion of initial targeted inflow and infiltration efforts
b. Complete the American Water Infrastructure Act's Risk and Resiliency Assessment and begin implementing recommendations
c. Begin replacement of high frequency radios (18GHz) of our SCADA communication network, including relocating the Moulton Peak tower
d. Replace Board agenda management system
e. Initiate condition assessment of Eastern Transmission Main
f. Complete Fire Risk Assessment of closed zone pump stations and major lift stations
g. Substantial completion of initial targeted operational items at Plant 3A, such as pump rehabilitations, aeration systems, lighting systems, electrical, tertiary treatment system, and SCADA

8. WATER RELIABILITY

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

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

Completed:

Participated in the 2018 MWDOC Orange County Reliability Study Update
Completed the Recycled Water Optimization Study and commenced implementation of required capital projects

Increased days of system reliability to 30 from 1.5 over past 10 years through $70 M infrastructure investment and comprehensive demand management strategies, including rate structure refinement and water efficiency programs
Added 20 new recycled water service connections and completed 64 retrofits over the last 5 years
Continued to make progress on key studies with OCWD to evaluate potential exchange program costs and infrastructure needs to meet District water reliability objectives

Planned:

a. Update 2008 Board Policy on Water Reliability Initiatives
b. Update 2014 Long Range Water Reliability Plan
c. Evaluate opportunities to extend the Emergency Services Program with Orange County Water District for conveyance of groundwater during an emergency outage
d. Develop potential pilot program to provide water storage with the Orange County Water District
e. Complete study for potential use of Sulfur Creek Reservoir as forebay to advanced treatment at the Regional Treatment Plant and continue engagement with regulatory agencies to support a pathway to indirect or direct potable reuse at the Regional Treatment Plant
f. Implement the "Smart Watershed Project" through our MOU with cities, the County of Orange and neighboring agencies to minimize urban runoff and storm flows utilizing data-driven approaches to evaluate mutually beneficial demand management strategies and potential use of wastewater assets
g. Participate in the Met 2020 IRP Update
h. Prepare the District's 2020 Urban Water Management Plan



Capital Improvement Program Budget for Fiscal Year 2020-21

June 2020

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Overview

The Moulton Niguel Water District (District) Capital Improvement Program (CIP) outlines the projected future capital projects for the next decade and provides a CIP budget for the upcoming Fiscal Year (FY). The 10-year look-ahead should best be viewed as a projection of capital needs based on all identified projects. Many of the identified projects are ultimately refined in scope or deferred following additional investigations or condition assessments. Project costs are planning estimates and are reviewed and further refined each year. Spending authorization is given only at the time the District's Board of Directors formally adopts the proposed FY budget, and, at that time, funds are only appropriated for the FY. Information is shown in subsequent years to provide a snapshot of the facilities the District plans to construct or existing infrastructure requiring replacement, refurbishment, or potentially a condition assessment. The District uses an additional expenditure check through various contracting instruments. The District's Board of Directors authorized the General Manager to approve contractual expenses up to $75,000. Contracts and agreements above that level require specific Board of Directors action on a contract by contract basis.

The CIP will be funded from five sources: General (G) Fund 1, Water Efficiency (WE) Fund 6, Replacement and Refurbishment (R&R) Fund 7, Water Supply Reliability (WSR) Fund 12, and Planning and Construction (P&C) Fund 14.

The development of the CIP is an on-going process. Facilities that need replacement and refurbishment (R&R) are identified through a continuous process of inspections and assessments. In addition, staff develops and refines annual R&R programs such as reservoir recoating, valve replacement, pump and lift station rehabilitation, pipeline rehabilitation and replacement, manhole rehabilitation, meter replacement, service line replacement, and fire hydrant replacement. Through various planning processes staff also identifies projects to enhance water reliability and system performance. All the projects are compiled into one document to provide as complete a picture as possible of projected CIP projects. The projects are spread out over the next ten years via a prioritization process that looks at such factors as criticality, operational efficiency, liability, and probability of failure. Engineering and Operations staff conduct a series of annual budget development workshops to individually review and discuss all on-going and new projects based on each of these factors. These workshops help prioritize projects within the ten-year program and are used as a basis for selecting specific projects for implementation in the upcoming Fiscal Year.

10-Year Capital Improvement Program

The 10-year CIP represents potable, recycled, and wastewater and multi-system projects that are required to maintain and operate the District's infrastructure. Appendix CIP - A lists the projects in the 10-year CIP. The budgets are planning level costs based on similar completed projects and engineering estimates and are refined as new information becomes available. The planning efforts that contributed to the list of projects include the staff knowledge of replacement, repair and improvement needs; staff- and consultant-led planning studies and assessments; and both local and regional water reliability needs identified through various planning efforts.

The 10-year CIP contains projected CIP projects totaling $533 million for FY 2020-21 through FY 2029-30. About 25 percent ($133 million) of these projected CIP projects are associated with the District's participation in regional activities such as Joint Power Authorities (JPAs). Figure CIP - 1 shows the breakdown of costs for the 10-year CIP between the various systems:

- Multi-System – projects associated with facilities that provide benefits to the entire District such as office space, geographic information systems, and any project that covers more than one system
- Potable – projects associated with rehabilitation, replacement, and improvement of the potable water system
- Recycled – projects associated with rehabilitation, replacement, and improvement of the recycled water system
- Wastewater – projects associated with rehabilitation, replacement, and improvement of the wastewater collection system and wastewater treatment plants including Plant 3A and facilities operated by South Orange County Wastewater Authority (SOCWA).
- Regional – projects in which there is more than one agency participating, such as: Joint Regional Water Supply System (JRWSS), Upper Oso Reservoir, and Upper Chiquita Reservoir.

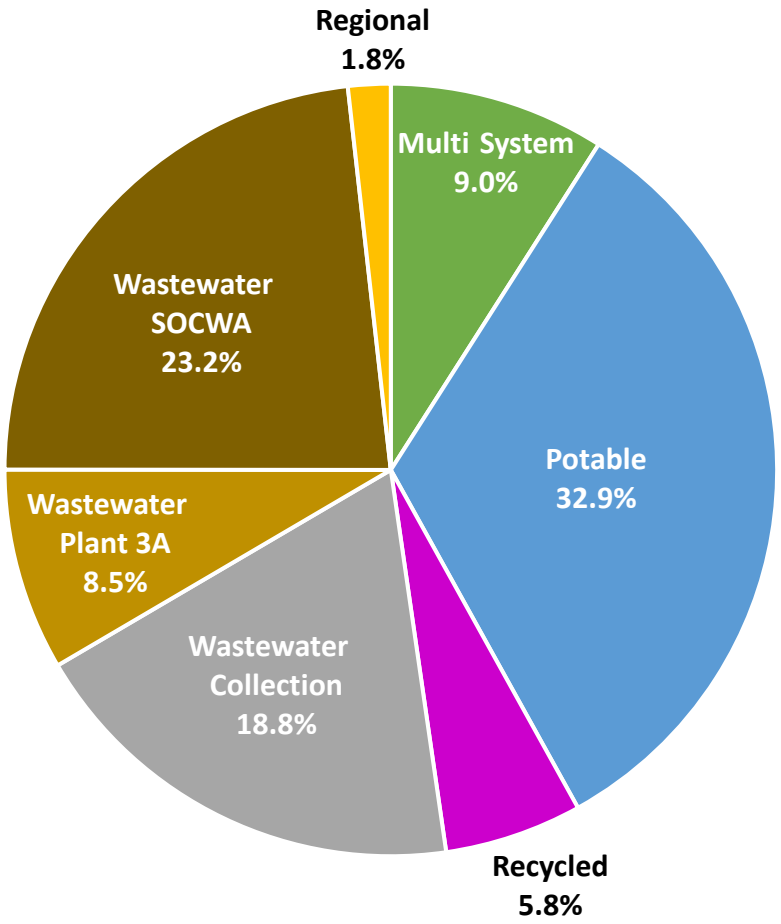
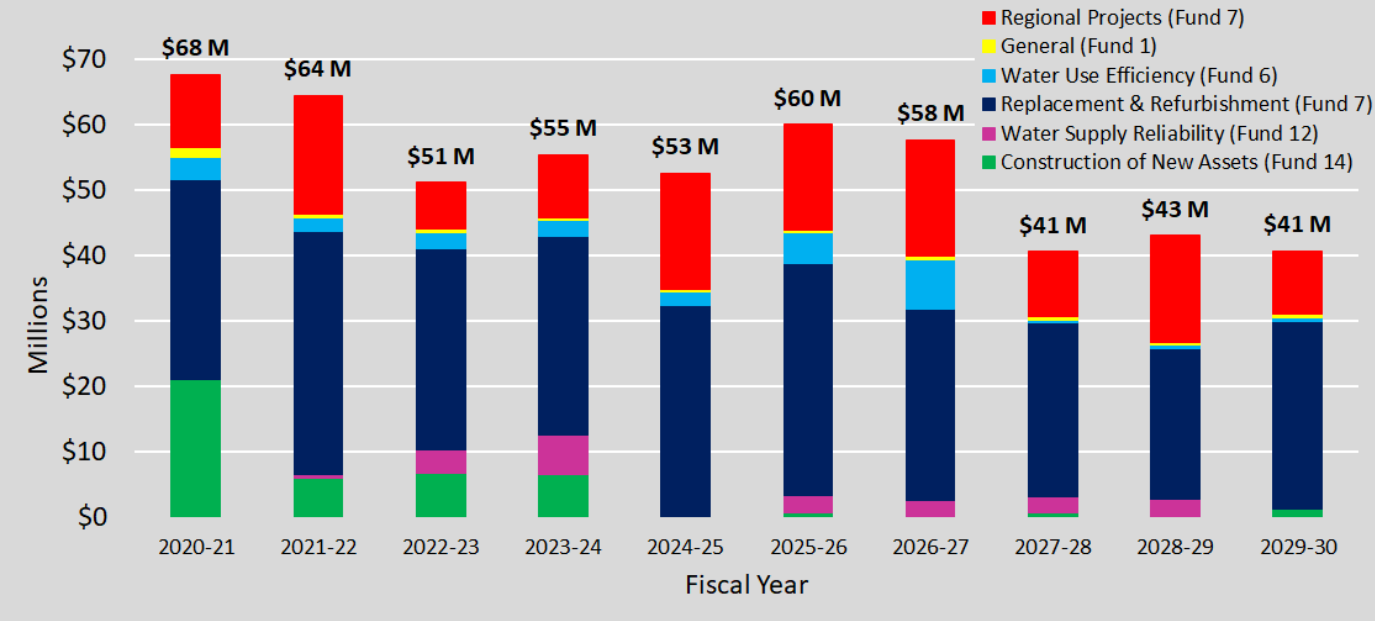


Figure CIP - 1: Distribution of the 10-Year Capital Improvement Program

Figure CIP - 2 shows the distribution of the budget over the next 10 years.

Figure CIP - 2: Proposed Budget Distribution over 10-Year Planning Horizon



Fiscal Year 2019-20 Adopted Budget

The CIP for the FY 2019-20 as adopted by the Board of Directors in June of 2019 had a budget of $71.7 million. The FY 2019-20 budget contained 69 individual projects, along with regional projects. District Engineering staff anticipates that at fiscal year-end, 31 projects will have been completed, 35 projects will be in construction and 16 projects will be in various stages of design. Staff estimates that by fiscal year-end, $105 million will be contracted or otherwise committed (includes multi-year projects with expenditures beyond the end of FY 2019-20) and approximately $60 million will have been expended.

Table CIP - 1 summarizes the FY 2019-20 adopted budget.

Table CIP - 1: FY 2019-20 Adopted Capital Improvement Program Budget

Item/Fund		FY 2019-20 Adopted Budget
General - Fund 1		$1,949,601
Water Efficiency - Fund 6		$4,742,500
Replacement and Refurbishment - Fund 7		$27,066,964
SOCWA, IRWD, JRWSS & SMWD - Fund 7		$16,557,424
Planning and Construction - Fund 14		$21,413,204
	Total	$71,729,693
Projected Expenditures for FY 2019-20 (1)		$60,676,065
Projected Committed Funds/Contracts (2)		$104,833,604

Note 1. Expenditures based on data through March 31, 2020 and projected expenditures through the end of the fiscal year

Note 2. Includes multi-year projects with expenditures beyond the end of FY 2019-20

Fiscal Year 2020-21 Proposed Budget

The FY 2020-21 CIP outlines $67.6 million in appropriations to continue funding of existing projects and provide funding for new projects. Projects carried forward from FY 2019-20 account for about $42.7 million of the FY 2020-21 CIP budget - $33.8 million is currently in construction and $8.9 million is in various design phases. Appropriations for new projects are about $13.9 million, primarily for design and bidding. Construction of the new projects will occur during later fiscal years and is projected in the ten-year CIP. The regional projects, totaling $11.0 million, include projects proposed by Irvine Ranch Water District (IRWD) for the Baker Water Treatment Plant; El Toro Water District (ETWD) for R6 Reservoir Cover Replacement; South Coast Water District (SCWD) for the JRWSS; Santa Margarita Water District (SMWD) for jointly-owned facilities such as Upper Oso and Upper Chiquita Reservoirs; and SOCWA for wastewater treatment. Appendix CIP - B lists the projects proposed for the 2020-21 budget. The projects are described individually in Appendix C.

Table CIP - 2 summarizes the proposed budget for each of the various Funds while Figure CIP - 3 shows the percentage allocation. Rehabilitation and replacement of infrastructure generally drive budget requirements and account for approximately 60 percent of the fiscal year budget. This is in line with the age of the District and its transition from growth to maintenance. Staff expects that replacement and refurbishment activities of the District will increase as the District's assets reach their useful-life expectancies and/or annual operating costs dictate replacement.

Table CIP - 3 summarizes the proposed expenditure by system while Figure CIP - 4 displays the percentage distribution across systems. The Wastewater, Potable, and Multi-System classifications each account for approximately 30 percent of the fiscal year budget due in large part to regional projects, Reservoir Management Systems Replacements, Advanced Metering Infrastructure (AMI), reservoir rehabilitations, pump and lift station rehabilitations, major pipeline replacements, and Plant 2A Upgrades.

The District maintains a capital financing plan to better account for the difference between actual expenses and projected costs for future capital projects. This approach aligns with best practices to account for the unexpected impacts to the timing of capital projects such as condition assessments identifying assets that may have more remaining useful life than expected or permitting delays to ensure a more accurate projection of cash needs for the near future. Staff meets annually to revise these assumptions for capital spending projections based on new asset data and current trends. This past year saw the highest internal execution of capital projects in the District's 60-year history, with nearly 95 percent of internal project budgets spent. However, external execution rates for projects at regional facilities have lagged at less than 50 percent. Recognizing this discrepancy, the District's Finance and Engineering staff have jointly developed a ten-year capital financing plan which identifies budgeted funding levels for next fiscal year assuming the high internal execution rate is maintained while conservatively assuming a medium external execution rate for projects at regional facilities. The ten-year capital financing plan total of $431 million is utilized in the ten-year cashflow modeling to forecast revenue requirements in the future. The capital financing plan projects $54.4 million in expenditures for FY 2020-21.

Table CIP - 2: Proposed Budget for FY 2020-21 by Fund

Item/Fund	FY 2020-21 Proposed Budget
General - Fund 1	$1,690,404
Water Efficiency - Fund 6	$3,350,000
Replacement and Refurbishment - Fund 7	$30,421,088
SOCWA, IRWD, ETWD, JRWSS & SMWD - Fund 7	$10,972,505
Water Supply Reliability - Fund 12	$100,000
Planning and Construction - Fund 14	$21,048,504
Total FY 2020-21 Proposed Budget	$67,582,501

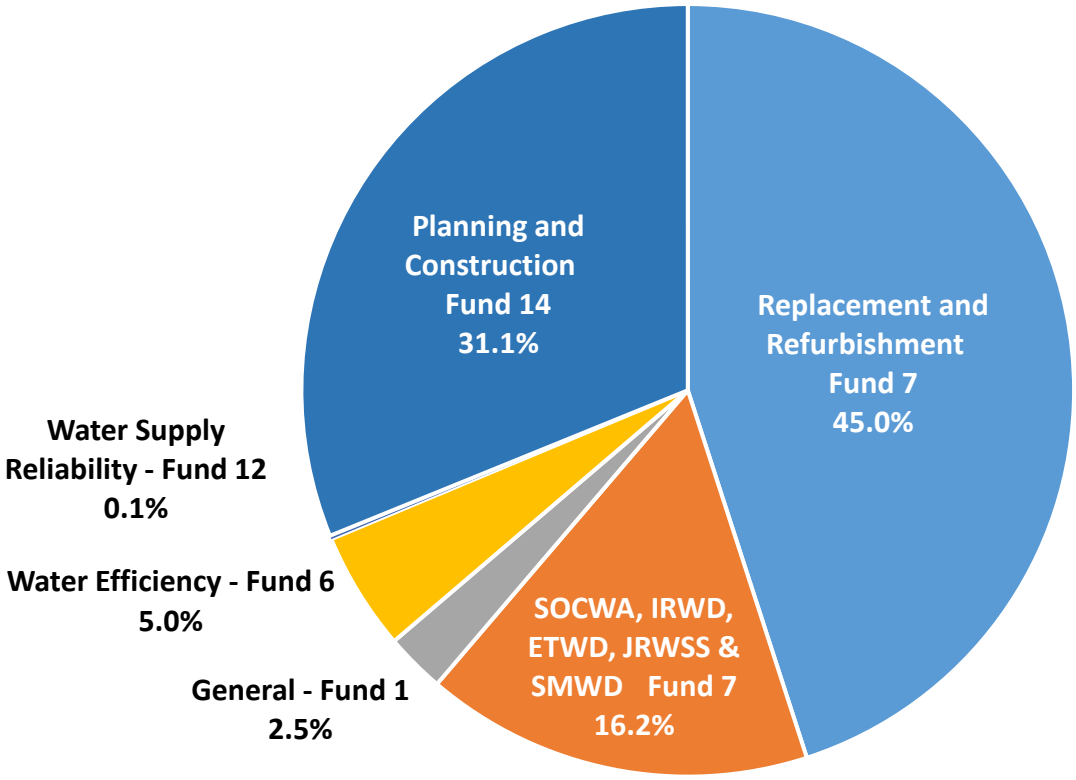


Figure CIP - 3: Percent Distribution of Proposed Budget for FY 2020-21 by Fund

Table CIP - 3: Proposed Budget for FY 2020-21 by System

System	FY 2020-21 Proposed Budget
Multi-System	$22,453,600
Potable Water	$20,438,896
Recycled Water	$1,590,000
Wastewater	
Collection	$8,390,000
Treatment (Plant 3A)	$3,737,500
Treatment (SOCWA)	$9,434,861
Regional (i.e. Baker WTP, R6 Reservoir Cover, JRWSS, Upper Oso/Chiquita, etc.)	$1,537,644
Total FY 2020-21 Proposed Budget	$67,582,501

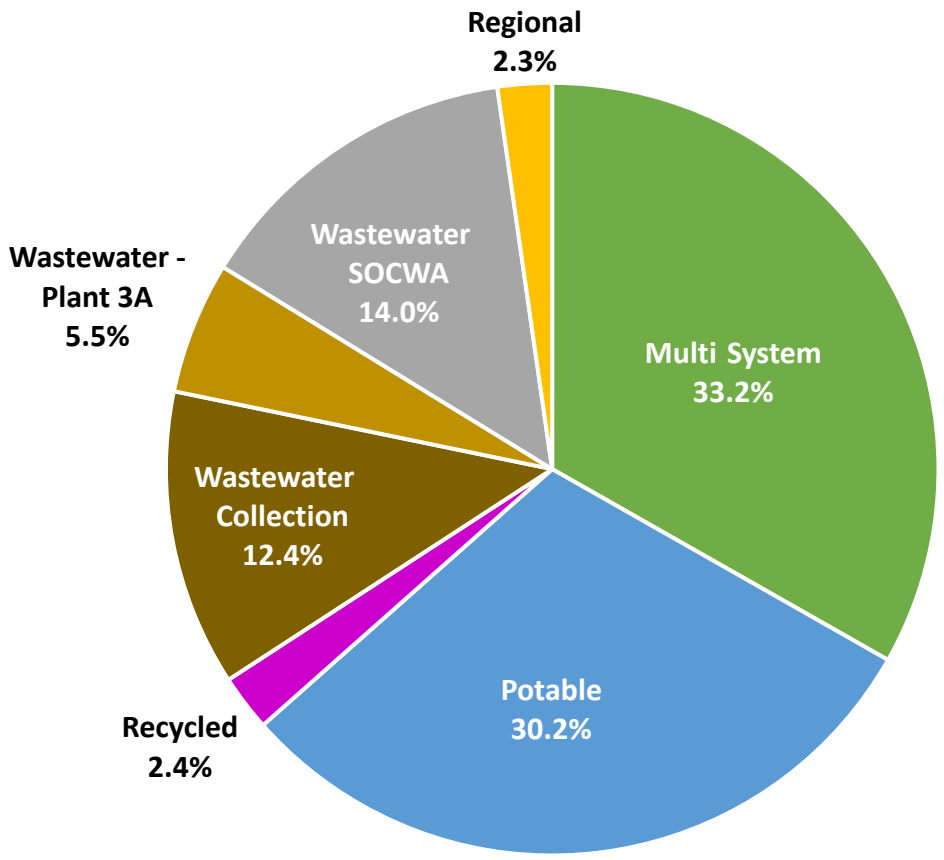


Figure CIP - 4: Percent Distribution of Proposed Budget for FY 2020-21 by System

APPENDIX CIP - A:
10-year Capital Improvement Program

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 to 2029-30
MULTI-SYSTEM								
2016022	14	CAMINO CAPISTRANO OPERATIONS YARD IMPROVEMENTS	CONSTRUCTION	$1,687,500	$220,000			
2011024	7	DOCUMENT MANAGEMENT / AGENDA MANAGEMENT UPGRADE	DESIGN	$389,000	$50,000	$250,000		
2011033	7	ASSET MANAGEMENT PROGRAM / CMMS IMPLEMENTATION	DESIGN	$1,041,979	$300,000	$200,000		
2011077	14	MOULTON PEAK RADIO TOWER REPLACEMENT	DESIGN	$265,000	$210,000			
2019020	14	ADMINISTRATION FACILITY	CONSTRUCTION	$16,520,756	$4,956,227			
2019011	14	EMERGENCY GENERATOR	CONSTRUCTION	$1,463,823	$292,765			
2019013	7	EQUIPMENT STORAGE	CONSTRUCTION	$180,055	$81,025			
2019010	14	FIELD MAINTENANCE FACILITY	CONSTRUCTION	$6,669,934	$2,000,980			
2019012	14	FLEET SERVICES BUILDING	CONSTRUCTION	$4,546,269	$909,254			
2019015	14	FUELING STATION	CONSTRUCTION	$1,587,872	$714,542			
2019019	14	LANDSCAPE AND IRRIGATION	CONSTRUCTION	$1,157,844	$984,168			
2019004	7	RISK AND RESILIENCY ASSESSMENT AND ENHANCEMENT	CONSTRUCTION	$210,600	$60,000			
2019018	14	SITE IMPROVEMENTS	CONSTRUCTION	$10,633,778	$6,911,956			
2019016	14	SITE RECONFIGURATION AND GEOPIERS	CONSTRUCTION	$3,690,884	$922,721			
2019017	14	SITE UTILITIES	CONSTRUCTION	$2,073,974	$725,891			
	14	VIDEO SITE SURVEILLANCE SYSTEM		$500,000		$100,000	$200,000	$200,000
2019014	7	WAREHOUSE IMPROVEMENTS	CONSTRUCTION	$1,312,394	$1,023,667			
	1	CAPITAL OUTLAYS - FUND 1	PROGRAM	$6,190,404	$1,690,404	$500,000	$500,000	$3,500,000
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - MS	PROGRAM - NEW	$90,000		$10,000	$10,000	$70,000
	6	SUPPLY RELIABILITY ENHANCEMENTS - FUND 6	PROGRAM	$10,000,000		$750,000	$2,500,000	$6,750,000
	12	SUPPLY RELIABILITY ENHANCEMENTS - FUND 12	PROGRAM	$10,000,000				$10,000,000
	7	2020-21 OPERATIONS-LED CAPITAL IMPROVEMENTS - MS	NEW	$50,000	$50,000			
	7	DOCUMENT STORAGE FACILITY IMPROVEMENTS	NEW	$100,000		$100,000		
	7	SCADA COMMUNICATIONS NETWORK IMPROVEMENTS	NEW	$485,000	$350,000	$125,000		
Subtotal - Multi-System Projects					**$22,453,600**	**$2,035,000**	**$3,210,000**	**$20,520,000**
POTABLE								
2015015	7	SADDLEBACK AUXILARY PUMP AND ENGINE REPLACEMENT	CONSTRUCTION	$1,925,000	$1,500,000			
2016014	14	SADDLEBACK PUMP STATION PORTABLE GENERATOR CONNECTION	CONSTRUCTION	$30,000	$25,000			
2017001	7	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 1 - PW	CONSTRUCTION	$1,315,546	$215,546			
2017003	7	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 2	CONSTRUCTION	$5,487,394	$250,000			
2017005	7	2017-18 ELECTRICAL DISTRIBUTION EQUIPMENT REPLACEMENTS	CONSTRUCTION	$748,350	$648,350			
2017009	7	PW MAIN REPLACEMENT AT I-5 OSO CREEK CROSSING	CONSTRUCTION	$4,642,442	$350,000			
2018013	7	CABOT CIP FLOW CONTROL VALVE NO. 1 UPGRADE	CONSTRUCTION	$297,968	$20,000			
2018015	7	CASA DEL OSO PUMP STATION - PUMP NO. 1 REPLACEMENT	CONSTRUCTION	$301,188	$20,000			
2018022	7	SOUTHERLY TAKEOUT REHABILITATION	CONSTRUCTION	$654,405	$500,000			
2019002	6	AMI PHASE 3	CONSTRUCTION	$6,537,522	$3,000,000	$1,000,000		
2019008	7	REHABILITATION OF RANCHO RESERVOIRS NOS. 1 AND 2	CONSTRUCTION	$1,913,090	$1,000,000			
2017010	7	PIPELINE ADJUSTMENTS FOR I-5 FREEWAY WIDENING	DESIGN	$400,000		$100,000		
2017019	14	1050-ZONE SECONDARY FEED PUMP STATION AND TRANSMISSION MAIN	DESIGN	$2,780,000	$250,000	$2,200,000		
2018007	7	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 3	DESIGN	$6,755,000	$3,500,000	$2,500,000		
2018014	7	CAMINO CAPISTRANO PW PIPELINE RELOCATION	DESIGN	$175,000	$95,000			
2019029	7	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 4	DESIGN	$3,980,000	$250,000	$2,730,000	$1,000,000	
2019030	7	PW STEEL RESERVOIR SEISMIC RETROFITS	DESIGN	$4,370,000	$1,000,000	$2,000,000	$1,000,000	
	7	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 5	DESIGN	$6,855,000	$400,000		$1,000,000	$5,455,000
	7	FIRE HYDRANT REPLACEMENT PROGRAM	PROGRAM	$900,000		$100,000	$100,000	$700,000
	7	METER REPLACEMENT PROGRAM - PW	PROGRAM	$4,980,000		$1,300,000	$460,000	$3,220,000
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - PW	PROGRAM - NEW	$4,500,000		$500,000	$500,000	$3,500,000
	7	PIPELINE REHABILITATION AND REPLACEMENT PROGRAM - PW	PROGRAM	$30,000,000				$30,000,000
	7	RESERVOIR RECOATING PROGRAM - PW	PROGRAM	$7,000,000				$7,000,000
	7	SERVICE LINE REPLACEMENT PROGRAM - PW	PROGRAM	$13,140,000		$1,460,000	$1,460,000	$10,220,000
	7	VALVE REPLACEMENT PROGRAM - PW	PROGRAM	$24,975,000			$3,325,000	$21,650,000

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 to 2029-30
	7	VERTICAL ASSETS REHABILITATION AND REPLACEMENT PROGRAM - PW	PROGRAM	$37,480,000		$115,000	$115,000	$3,750,000
2015006	7	I.D. 1 MASTER METER RELOCATION		$650,000	$50,000	$300,000	$300,000	
2017016	12	SOUTH COUNTY PIPELINE TAKEOUT FACILITY		$10,200,000	$100,000	$500,000	$3,500,000	$6,000,000
2018004	7	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 2 - PW		$1,300,000	$200,000	$1,100,000		
2018017	7	MIRA VISTA AND VISTA LADERA EASEMENT PIPELINE REHABILITATION/REPLACEMENT		$400,000	$350,000			
2018021	7	SHEEP HILLS PUMP STATION IMPROVEMENTS		$1,400,000	$100,000	$900,000	$400,000	
2018025	14	750-ZONE PW SYSTEM EXTENSION AT SALT SPRAY DRIVE		$400,000			$200,000	$200,000
2019003	7	BLACKBIRD AND SOLITARE EASEMENT PIPELINE REHABILITATION/REPLACEMENT		$500,000	$450,000			
2019005	7	EAST ALISO CREEK RESERVOIR SITE PAVING REPLACEMENT		$275,000		$275,000		
	7	BEAR BRAND PUMP STATION PUMP REPLACEMENT		$435,000				$435,000
	12	CIP TAKEOUT FACILITY AT MARGUERITE PUMP STATION		$5,000,000				
	7	CROWN VALLEY AND MARGUERITE RESERVOIRS SITE PAVING REPLACEMENT		$375,000			$375,000	
2019037	7	CROWN VALLEY PARKWAY TRANSMISSION MAIN LOWER REACH REPLACEMENT		$5,000,000	$50,000	$450,000	$1,000,000	$3,500,000
	7	CROWN VALLEY PARKWAY TRANSMISSION MAIN UPPER REACH REHABILITATION		$10,000,000				$10,000,000
	7	CROWN VALLEY RESERVOIR NO. 3 ROOF PLATE REPLACEMENT AND INTERIOR RECOATING		$1,020,000		$50,000	$950,000	
	7	ELECTRICAL DISTRIBUTION EQUIPMENT REPLACEMENT AT PID NO. 2 PUMP STATION		$150,000	$25,000	$125,000		
	7	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 3 - PW		$700,000		$100,000	$600,000	
	7	HIDDEN HILLS AND LAGUNA SERRANO APARTMENTS PIPELINE REPLACEMENT		$360,000				$360,000
	7	METER UPGRADES AND VALVE REPLACEMENTS AT TAKEOUT FACILITIES ON JRWSS JTM		$350,000	$75,000	$275,000		
	7	450-ZONE ALISO CREEK PW PIPELINE RELOCATION		$420,000				$420,000
	14	RANCHO CAPISTRANO 450-ZONE SERVICE		$300,000				$300,000
	14	ROLLING HILLS PUMP STATION AUXILIARY GENERATOR		$675,000				$675,000
	7	SADDLEBACK RESERVOIR SITE PAVING REPLACEMENT		$125,000				$125,000
	7	SOUTHWESTERN TRANSMISSION MAIN REHABILITATION		$8,000,000			$350,000	$7,650,000
	7	2020-21 FIRE HYDRANT REPLACEMENT	NEW	$100,000	$100,000			
	7	2020-21 METER REPLACEMENT - PW	NEW	$1,300,000	$1,300,000			
	7	2020-21 OPERATIONS-LED CAPITAL IMPROVEMENTS - PW	NEW	$500,000	$500,000			
	7	2020-21 PRESSURE REDUCING STATION REHABILITATION - PW	NEW	$100,000	$100,000			
	7	2020-21 SERVICE LINE REPLACEMENT - PW	NEW	$1,460,000	$1,460,000			
	7	2020-21 VALVE REPLACEMENT - PW	NEW	$1,200,000	$1,200,000			
	7	2021-22 VALVE REPLACEMENT - PW	NEW	$3,325,000	$100,000	$3,225,000		
	14	750-ZONE BEACON-RANCHO IMPROVEMENTS	NEW	$1,500,000				$1,200,000
	7	EAST ALISO CREEK RESERVOIR INLET AND OUTLET PIPING MODIFICATIONS	NEW	$210,000	$210,000			
	14	PORTABLE GENERATOR CONNECTIONS AT PRIORITY POTABLE WATER PUMP STATIONS	NEW	$160,000				$160,000
	14	RANCHO CAPISTRANO 450-ZONE LOOP	NEW	$540,000				$540,000
	7	REHABILITATION OF THE MARGUERITE RESERVOIR	NEW	$995,000	$995,000			
	7	SHEEP HILLS RESERVOIR FENCE REPLACEMENT	NEW	$50,000	$50,000			
Subtotal - Potable Projects					**$20,438,896**	**$21,305,000**	**$16,635,000**	**$117,060,000**
RECYCLED								
2017014	7	RW MAIN INSTALLATION AT I-5 OSO CREEK CROSSING	CONSTRUCTION	$4,218,458	$350,000			
2018003	6	RWOS - MISCELLANEOUS DISTRIBUTION SYSTEM IMPROVEMENTS	CONSTRUCTION	$746,943	$340,000			
2010013	6	RWOS - LA PAZ BRIDGE CROSSING RW PIPELINE	DESIGN	$475,000		$420,000		
	7	METER REPLACEMENT PROGRAM - RW	PROGRAM	$590,000		$150,000	$55,000	$385,000
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - RW	PROGRAM - NEW	$2,970,000		$330,000	$330,000	$2,310,000
	6	RWOS - RECYCLED WATER RETROFITS PROGRAM	PROGRAM	$4,840,000		$10,000	$10,000	$1,610,000
	7	RESERVOIR RECOATING PROGRAM - RW	PROGRAM	$2,970,000		$330,000	$330,000	$2,310,000
	7	SERVICE LINE REPLACEMENT PROGRAM - RW	PROGRAM	$1,440,000		$160,000	$160,000	$1,120,000
	7	VALVE REPLACEMENT PROGRAM - RW	PROGRAM	$2,000,000				$2,000,000
	7	VERTICAL ASSETS REHABILITATION AND REPLACEMENT PROGRAM - RW	PROGRAM	$14,135,000		$115,000	$115,000	$805,000
2018005	7	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 2 - RW		$550,000	$100,000	$450,000		
	7	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 3 - RW		$325,000		$25,000	$300,000	
	14	GALIVAN BYPASS IMPROVEMENTS		$175,000		$175,000		

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 to 2029-30
	7	LAGUNA NIGUEL REGIONAL PARK RW METER VAULT RECONFIGURATION		$150,000				$150,000
	7	OAKGROVE DRIVE RW PIPELINE REPLACEMENT		$525,000				$525,000
	7	RW RESERVOIR DRAINAGE IMPROVEMENTS AT 3 SITES		$725,000				$725,000
	6	RWOS - RW MAIN REPLACEMENT FROM CABOT ROAD TO GALIVAN PS		$850,000				$850,000
	6	RWOS - RW MAIN REPLACEMENT FROM CROWN VALLEY RESERVOIR TO CABOT ROAD		$1,725,000				$1,725,000
	7	RWOS - RW MAIN REPLACEMENT FROM GALIVAN PS TO LA PAZ PS		$9,000,000				$9,000,000
	7	2020-21 METER REPLACEMENT - RW	NEW	$150,000	$150,000			
	7	2020-21 OPERATIONS-LED CAPITAL IMPROVEMENTS - RW	NEW	$330,000	$330,000			
	7	2020-21 PRESSURE REDUCING STATION REHABILITATION - RW	NEW	$100,000	$100,000			
	6	2020-21 RECYCLED WATER RETROFITS	NEW	$10,000	$10,000			
	7	2020-21 SERVICE LINE REPLACEMENT - RW	NEW	$160,000	$160,000			
	7	ALISO VIEJO RW RESERVOIR FENCE REPLACEMENT	NEW	$50,000	$50,000			
	7	CROWN POINT PUMP STATION PUMP REPLACEMENT AND VFD INSTALLATION	NEW	$490,000				$490,000
	7	GALIVAN RW PUMP STATION FLOW PACING	NEW	$500,000				$500,000
	7	ELECTRICAL IMPROVEMENTS AT GALIVAN AND ALISO VIEJO RW PUMP STATIONS	NEW	$240,000				$240,000
	7	REHABILITATION OF THE 20-INCH RW MAIN TO LAGUNA HEIGHTS RESERVOIR	NEW	$910,000				$910,000
Subtotal - Recycled Projects					**$1,590,000**	**$2,165,000**	**$1,300,000**	**$25,655,000**
WASTEWATER								
2011028	7	VALENCIA LIFT STATION REHABILITATION	CONSTRUCTION	$1,024,022	$25,000			
2012024	7	UPPER SALADA LIFT STATION AUXILIARY GENERATOR REPLACEMENT	CONSTRUCTION	$850,000	$750,000			
2017004	7	2017-18 PIPELINE REHABILITATION AND REPLACEMENT - WW	CONSTRUCTION	$453,896	$10,000			
2017007	7	ALISO CREEK LIFT STATION AUXILIARY GENERATOR REPLACEMENT	CONSTRUCTION	$1,215,000	$1,000,000	$200,000		
2017022	14	REGIONAL LIFT STATION ENHANCEMENTS	CONSTRUCTION	$4,997,961	$1,800,000	$2,500,000		
2018023	7	SOUTHWING LIFT STATION AUXILIARY GENERATOR REPLACEMENT	CONSTRUCTION	$1,215,000	$1,000,000	$200,000		
2018027	7	REGIONAL TREATMENT PLANT SOUTHERLY INFLUENT SEWER IMPROVEMENTS	CONSTRUCTION	$1,775,000	$675,000	$1,000,000		
2018028	7	UPPER SALADA LIFT STATION BYPASS IMPROVEMENTS	CONSTRUCTION	$300,000	$290,000			
2013004	7	REGIONAL LIFT STATION FORCE MAIN REPLACEMENT	DESIGN	$13,700,000	$1,000,000	$5,000,000	$5,000,000	$2,000,000
2018026	14	CAMINO CAPISTRANO LIFT STATION AND FORCE MAIN	DESIGN	$12,400,000	$125,000	$1,000,000	$6,250,000	$5,000,000
2019007	7	NORTH ALISO LIFT STATION RECONSTRUCTION	DESIGN	$5,000,000	$25,000		$550,000	$4,400,000
	7	MANHOLE REHABILITATION PROGRAM	PROGRAM	$3,150,000		$350,000	$350,000	$2,450,000
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - WW	PROGRAM - NEW	$3,960,000		$440,000	$440,000	$3,080,000
	7	PIPELINE REHABILITATION AND REPLACEMENT PROGRAM - WW	PROGRAM	$9,500,000		$500,000	$500,000	$8,500,000
	7	VERTICAL ASSETS REHABILITATION AND REPLACEMENT PROGRAM - WW	PROGRAM	$27,850,000				$21,150,000
2011043	14	3A OUTFALL LINE VALVES		$450,000				$450,000
2011043	14	3A OUTFALL LINE VALVES - SMWD REIMBURSEMENT	REIMBURSEMENT	-$225,000				-$225,000
2013005	7	LOWER SALADA LIFT STATION FORCE MAIN REPLACEMENT		$5,900,000	$50,000	$350,000	$2,000,000	$3,500,000
2018024	7	VALENCIA LIFT STATION MANHOLE DIVERSIONS		$475,000	$50,000	$425,000		
	7	3A ETM CREEK BANK STABILIZATION		$2,000,000				$2,000,000
	7	3A ETM REPLACEMENT AVENIDA DE LA VISTA		$2,475,000				$2,475,000
	7	3A ETM REPLACEMENT CAMINO CAPISTRANO		$3,500,000				$3,500,000
	7	3A ETM SAN JUAN CREEK COUNTY OF ORANGE PHASE VIII		$900,000				$900,000
	7	3A ETM IMPROVEMENTS - SMWD REIMBURSEMENT	REIMBURSEMENT	-$4,437,500				-$4,437,500
	7	ALISO CREEK LIFT STATION REHABILITATION		$2,600,000				$2,600,000
	7	LIFT STATION VENTILATION SYSTEM IMPROVEMENTS		$650,000	$200,000	$450,000		
	14	LOWER SALADA LIFT STATION OVERFLOW WETWELL		$1,250,000			$150,000	$1,100,000
	7	UPPER SALADA LIFT STATION FORCE MAIN REHABILITATION AND REPLACEMENT		$6,000,000				$6,000,000
	7	2020-21 MANHOLE REHABILITATION	NEW	$350,000	$350,000			
	7	2020-21 OPERATIONS-LED CAPITAL IMPROVEMENTS - WW	NEW	$440,000	$440,000			
	7	2020-21 PIPELINE REHABILITATION AND REPLACEMENT - WW	NEW	$600,000	$600,000			
Subtotal - Wastewater Projects					**$8,390,000**	**$12,415,000**	**$15,240,000**	**$64,442,500**

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24 to 2029-30
PLANT 3A								
2019303	7	PLANT 3A LIQUID PROCESS IMPROVEMENTS - GROUP A	CONSTRUCTION	$750,000	$270,000			
2019301	7	PLANT 3A SUBSIDENCE MITIGATION	DESIGN	$4,350,000	$350,000	$2,700,000	$1,225,000	
2019302	7	PLANT 3A SOLIDS HANDLING FACILITIES IMPROVEMENTS	DESIGN	$20,600,000	$2,000,000	$8,000,000	$8,000,000	$2,100,000
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - 3A	PROGRAM	$2,700,000		$300,000	$300,000	$2,100,000
	7	PLANT 3A LIQUID PROCESS IMPROVEMENTS - GROUP B		$2,500,000	$2,000,000	$500,000		
	7	PLANT 3A LIQUID PROCESS IMPROVEMENTS - GROUP C		$15,470,000			$100,000	$15,370,000
	7	PLANT 3A ODOR CONTROL SYSTEM EVALUATION AND REHABILITATION		$725,000		$50,000	$50,000	$625,000
	7	PLANT 3A ELECTRICAL SYSTEMS IMPROVEMENTS		$2,600,000				$2,600,000
	7	2020-21 OPERATIONS-LED CAPITAL IMPROVEMENTS - 3A	NEW	$580,000	$580,000			
	7	PLANT 3A SCADA AND PLC SYSTEMS IMPROVEMENTS	NEW	$3,600,000		$100,000	$1,000,000	$2,500,000
	7	PLANT 3A IMPROVEMENTS FUND 7 - SMWD REIMBURSEMENT	REIMBURSEMENT	-$14,512,500	-$1,462,500	-$3,276,563	-$3,002,344	-$7,114,219
	6	PLANT 3A TERTIARY TREATMENT EXPANSION		$7,150,000				$7,150,000
Subtotal - Plant 3A Projects					**$3,737,500**	**$8,373,438**	**$7,672,656**	**$25,330,781**
REGIONAL								
IRWD	7	IRWD BAKER WATER TREATMENT PLANT CAPITAL PROJECTS	PROGRAM	$1,500,000	$150,000	$150,000	$150,000	$1,050,000
JRWSS	7	SCWD/JRWSS CAPITAL PROJECTS	PROGRAM	$8,056,896	$1,157,394	$1,154,784	$745,642	$4,066,285
SMWD	7	SMWD CAPITAL PROJECTS - JOINT FACILITIES	PROGRAM	$279,950	$201,200	$78,750		
SOCWA	7	SOCWA CAPITAL PC 2	PROGRAM	$20,243,686	$2,798,829	$1,494,642	$1,766,696	$14,183,519
SOCWA	7	SOCWA CAPITAL PC 5	PROGRAM	$494,127	$204,115	$0	$27,689	$262,323
SOCWA	7	SOCWA CAPITAL PC 15	PROGRAM	$13,190,845	$3,077,781	$1,706,015	$415,745	$7,991,304
SOCWA	7	SOCWA CAPITAL PC 17	PROGRAM	$85,417,497	$3,023,111	$12,978,913	$3,969,366	$65,446,107
SOCWA	7	SOCWA CAPITAL PC 21	PROGRAM	$523,509	$308,792	$0	$0	$214,717
SOCWA	7	SOCWA CAPITAL PC 24	PROGRAM	$3,850,072	$22,233	$0	$29,355	$3,798,484
ETWD	7	ETWD R6 RESERVOIR COVER REPLACEMENT	NEW	$585,300	$29,050	$556,250		
Subtotal - Regional Projects					**$10,972,505**	**$18,119,354**	**$7,104,493**	**$97,012,739**
TOTAL					$67,582,501	$64,412,792	$51,162,149	$350,021,020

NOTE: TOTAL 10-YEAR CIP PROJECTION (FY 2020-21 THROUGH FY 2029-30) = $533,178,462

APPENDIX CIP - B:
Proposed FY 2020-21 Budget

APPENDIX B

PROPOSED FY 2020-21 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2020-21 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
GENERAL (G) (FUND 1)					
	CAPITAL OUTLAYS - FUND 1	$6,190,404	$0	$1,690,404	6/30/21
	Subtotal - Fund 1 Projects			**$1,690,404**	
WATER EFFICIENCY (WE) (FUND 6)					
2018003	RWOS - MISCELLANEOUS DISTRIBUTION SYSTEM IMPROVEMENTS	$746,943	$79,744	$340,000	9/30/20
2019002	AMI PHASE 3	$6,537,522	$3,223,850	$3,000,000	6/30/21
	2020-21 RECYCLED WATER RETROFITS	$10,000	$0	$10,000	6/30/21
	Subtotal - Fund 6 Projects			**$3,350,000**	
REPLACEMENT & REFURBISHMENT (R&R) (FUND 7)					
2011024	DOCUMENT MANAGEMENT / AGENDA MANAGEMENT UPGRADE	$389,000	$108,132	$50,000	6/30/22
2011028	VALENCIA LIFT STATION REHABILITATION	$1,024,022	$908,294	$25,000	9/30/20
2011033	ASSET MANAGEMENT PROGRAM / CMMS IMPLEMENTATION	$1,041,979	$383,833	$300,000	6/30/22
2012024	UPPER SALADA LIFT STATION AUXILIARY GENERATOR REPLACEMENT	$850,000	$140,050	$750,000	6/30/21
2013004	REGIONAL LIFT STATION FORCE MAIN REPLACEMENT	$13,700,000	$768,164	$1,000,000	12/31/22
2013005	LOWER SALADA LIFT STATION FORCE MAIN REPLACEMENT	$5,900,000	$0	$50,000	12/31/23
2015006	I.D. 1 MASTER METER RELOCATION	$650,000	$0	$50,000	12/31/23
2015015	SADDLEBACK AUXILARY PUMP AND ENGINE REPLACEMENT	$1,925,000	$164,537	$1,500,000	6/30/21
2017001	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 1 - PW	$1,315,546	$335,904	$215,546	12/31/20
2017003	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 2	$5,487,394	$2,709,521	$250,000	9/30/20
2017004	2017-18 PIPELINE REHABILITATION AND REPLACEMENT - WW	$453,896	$92,630	$10,000	9/30/20
2017005	2017-18 ELECTRICAL DISTRIBUTION EQUIPMENT REPLACEMENTS	$748,350	$118,019	$648,350	3/31/21
2017007	ALISO CREEK LIFT STATION AUXILIARY GENERATOR REPLACEMENT	$1,215,000	$80,557	$1,000,000	3/31/21
2017009	PW MAIN REPLACEMENT AT I-5 OSO CREEK CROSSING	$4,642,442	$2,714,942	$350,000	9/30/20
2017014	RW MAIN INSTALLATION AT I-5 OSO CREEK CROSSING	$4,218,458	$2,348,801	$350,000	9/30/20
2018004	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 2 - PW	$1,300,000	$0	$200,000	6/30/22
2018005	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 2 - RW	$550,000	$0	$100,000	6/30/22
2018007	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 3	$6,755,000	$421,558	$3,500,000	3/31/21
2018013	CABOT CIP FLOW CONTROL VALVE NO. 1 UPGRADE	$297,968	$62,276	$20,000	9/30/20
2018014	CAMINO CAPISTRANO PW PIPELINE RELOCATION	$175,000	$35,188	$95,000	12/31/20
2018015	CASA DEL OSO PUMP STATION - PUMP NO. 1 REPLACEMENT	$301,188	$70,061	$20,000	9/30/20
2018017	MIRA VISTA AND VISTA LADERA EASEMENT PIPELINE REHABILITATION/REPLACEMENT	$400,000	$0	$350,000	12/31/20
2018021	SHEEP HILLS PUMP STATION IMPROVEMENTS	$1,400,000	$0	$100,000	12/31/22
2018022	SOUTHERLY TAKEOUT REHABILITATION	$654,405	$101,071	$500,000	9/30/20
2018023	SOUTHWING LIFT STATION AUXILIARY GENERATOR REPLACEMENT	$1,215,000	$78,191	$1,000,000	3/31/21
2018024	VALENCIA LIFT STATION MANHOLE DIVERSIONS	$475,000	$0	$50,000	12/31/21
2018027	REGIONAL TREATMENT PLANT SOUTHERLY INFLUENT SEWER IMPROVEMENTS	$1,775,000	$139,741	$675,000	3/31/21
2018028	UPPER SALADA LIFT STATION BYPASS IMPROVEMENTS	$300,000	$45,489	$290,000	3/31/21
2019003	BLACKBIRD AND SOLITARE EASEMENT PIPELINE REHABILITATION/REPLACEMENT	$500,000	$0	$450,000	12/31/20
2019004	RISK AND RESILIENCY ASSESSMENT AND ENHANCEMENT	$210,600	$0	$60,000	9/30/20
2019007	NORTH ALISO LIFT STATION RECONSTRUCTION	$5,000,000	$2,462	$25,000	6/30/25
2019008	REHABILITATION OF RANCHO RESERVOIRS NOS. 1 AND 2	$1,913,090	$26,770	$1,000,000	12/31/20
2019013	EQUIPMENT STORAGE	$180,055	$99,390	$81,025	3/31/21
2019014	WAREHOUSE IMPROVEMENTS	$1,312,394	$216,871	$1,023,667	3/31/21
2019029	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 4	$3,980,000	$308	$250,000	6/30/24
2019030	PW STEEL RESERVOIR SEISMIC RETROFITS	$4,370,000	$105,620	$1,000,000	6/30/22

Project expenditures based on March 31, 2020 accounting data

APPENDIX B

PROPOSED FY 2020-21 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2020-21 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
2019037	CROWN VALLEY PARKWAY TRANSMISSION MAIN LOWER REACH REPLACEMENT	$5,000,000	$0	$50,000	12/31/23
2019301	PLANT 3A SUBSIDENCE MITIGATION	$4,350,000	$83,013	$350,000	3/31/21
2019302	PLANT 3A SOLIDS HANDLING FACILITIES IMPROVEMENTS	$20,600,000	$452,044	$2,000,000	9/30/22
2019303	PLANT 3A LIQUID PROCESS IMPROVEMENTS - GROUP A	$750,000	$176,141	$270,000	3/31/21
	PLANT 3A LIQUID PROCESS IMPROVEMENTS - GROUP B	$2,500,000	$0	$2,000,000	12/31/21
	PLANT 3A IMPROVEMENTS FUND 7 - SMWD REIMBURSEMENT	-$14,512,500	$0	-$1,462,500	Reimbursement
	2020-21 FIRE HYDRANT REPLACEMENT	$100,000	$0	$100,000	6/30/21
	2020-21 MANHOLE REHABILITATION	$350,000	$0	$350,000	6/30/21
	2020-21 METER REPLACEMENT - PW	$1,300,000	$0	$1,300,000	6/30/21
	2020-21 METER REPLACEMENT - RW	$150,000	$0	$150,000	6/30/21
	2020-21 OPERATIONS-LED CAPITAL IMPROVEMENTS - 3A	$580,000	$0	$580,000	6/30/21
	2020-21 OPERATIONS-LED CAPITAL IMPROVEMENTS - MS	$50,000	$0	$50,000	6/30/21
	2020-21 OPERATIONS-LED CAPITAL IMPROVEMENTS - PW	$500,000	$0	$500,000	6/30/21
	2020-21 OPERATIONS-LED CAPITAL IMPROVEMENTS - RW	$330,000	$0	$330,000	6/30/21
	2020-21 OPERATIONS-LED CAPITAL IMPROVEMENTS - WW	$440,000	$0	$440,000	6/30/21
	2020-21 PIPELINE REHABILITATION AND REPLACEMENT - WW	$600,000	$0	$600,000	6/30/21
	2020-21 PRESSURE REDUCING STATION REHABILITATION - PW	$100,000	$0	$100,000	6/30/21
	2020-21 PRESSURE REDUCING STATION REHABILITATION - RW	$100,000	$0	$100,000	6/30/21
	2020-21 SERVICE LINE REPLACEMENT - PW	$1,460,000	$0	$1,460,000	6/30/21
	2020-21 SERVICE LINE REPLACEMENT - RW	$160,000	$0	$160,000	6/30/21
	2020-21 VALVE REPLACEMENT - PW	$1,200,000	$0	$1,200,000	6/30/21
	2021-22 VALVE REPLACEMENT - PW	$3,325,000	$0	$100,000	6/30/22
	ALISO VIEJO RW RESERVOIR FENCE REPLACEMENT	$50,000	$0	$50,000	6/30/21
	EAST ALISO CREEK RESERVOIR INLET AND OUTLET PIPING MODIFICATIONS	$210,000	$0	$210,000	6/30/21
	ELECTRICAL DISTRIBUTION EQUIPMENT REPLACEMENT AT PID NO. 2 PUMP STATION	$150,000	$0	$25,000	12/31/21
	LIFT STATION VENTILATION SYSTEM IMPROVEMENTS	$650,000	$0	$200,000	3/31/22
	METER UPGRADES AND VALVE REPLACEMENTS AT TAKEOUT FACILITIES ON JRWSS JTM	$350,000	$0	$75,000	3/31/22
	REHABILITATION OF THE MARGUERITE RESERVOIR	$995,000	$0	$995,000	6/30/21
	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 5	$6,855,000	$0	$400,000	9/30/24
	SCADA COMMUNICATIONS NETWORK IMPROVEMENTS	$485,000	$0	$350,000	12/31/21
	SHEEP HILLS RESERVOIR FENCE REPLACEMENT	$50,000	$0	$50,000	6/30/21
ETWD	ETWD R6 RESERVOIR COVER REPLACEMENT	$585,300	NA	$29,050	6/30/21
IRWD	IRWD BAKER WATER TREATMENT PLANT CAPITAL PROJECTS	$1,500,000	NA	$150,000	6/30/21
JRWSS	SCWD/JRWSS CAPITAL PROJECTS	$8,056,896	NA	$1,157,394	6/30/21
SMWD	SMWD CAPITAL PROJECTS - JOINT FACILITIES	$279,950	NA	$201,200	6/30/21
SOCWA	SOCWA CAPITAL PC 2	$20,243,686	NA	$2,798,829	6/30/21
SOCWA	SOCWA CAPITAL PC 5	$494,127	NA	$204,115	6/30/21
SOCWA	SOCWA CAPITAL PC 15	$13,190,845	NA	$3,077,781	6/30/21
SOCWA	SOCWA CAPITAL PC 17	$85,417,497	NA	$3,023,111	6/30/21
SOCWA	SOCWA CAPITAL PC 21	$523,509	NA	$308,792	6/30/21
SOCWA	SOCWA CAPITAL PC 24	$3,850,072	NA	$22,233	6/30/21
Subtotal - Fund 7 Projects				**$41,393,593**	
WATER SUPPLY RELIABILITY (WSR) (FUND 12)					
2017016	SOUTH COUNTY PIPELINE TAKEOUT FACILITY	$10,200,000	$29,795	$100,000	6/30/24
Subtotal - Fund 12 Projects				**$100,000**	

Project expenditures based on March 31, 2020 accounting data

APPENDIX B

PROPOSED FY 2020-21 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2020-21 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
PLANNING & CONSTRUCTION (P&C) (FUND 14)					
2011077	MOULTON PEAK RADIO TOWER REPLACEMENT	$265,000	$16,462	$210,000	9/30/20
2016014	SADDLEBACK PUMP STATION PORTABLE GENERATOR CONNECTION	$30,000	$239	$25,000	6/30/21
2016022	CAMINO CAPISTRANO OPERATIONS YARD IMPROVEMENTS	$1,687,500	$1,411,869	$220,000	12/31/20
2017019	1050-ZONE SECONDARY FEED PUMP STATION AND TRANSMISSION MAIN	$2,780,000	$83,065	$250,000	6/30/24
2017022	REGIONAL LIFT STATION ENHANCEMENTS	$4,997,961	$211,654	$1,800,000	9/30/21
2018026	CAMINO CAPISTRANO LIFT STATION AND FORCE MAIN	$12,400,000	$0	$125,000	6/30/25
2019010	FIELD MAINTENANCE FACILITY	$6,669,934	$1,363,103	$2,000,980	3/31/21
2019011	EMERGENCY GENERATOR	$1,463,823	$273,259	$292,765	3/31/21
2019012	FLEET SERVICES BUILDING	$4,546,269	$997,453	$909,254	3/31/21
2019015	FUELING STATION	$1,587,872	$388,170	$714,542	3/31/21
2019016	SITE RECONFIGURATION AND GEOPIERS	$3,690,884	$2,705,222	$922,721	3/31/21
2019017	SITE UTILITIES	$2,073,974	$374,540	$725,891	3/31/21
2019018	SITE IMPROVEMENTS	$10,633,778	$1,600,209	$6,911,956	3/31/21
2019019	LANDSCAPE AND IRRIGATION	$1,157,844	$121,089	$984,168	3/31/21
2019020	ADMINISTRATION FACILITY	$16,520,756	$3,723,652	$4,956,227	3/31/21
Subtotal - Fund 14 Projects				**$21,048,504**	
TOTAL				$67,582,501	

Project expenditures based on March 31, 2020 accounting data

APPENDIX CIP - C:
Project Descriptions for the 10-year CIP

Project No: 2016.022
System: Multi-System
Fund: 14
Project Name: Camino Capistrano Operations Yard Improvements

Project Location: Plant 3A / Galivan Reservoir, Mission Viejo

Project Description: Install site improvements, paving, soil bays, drainage improvements, striping and fencing within areas adjacent to the Galivan Reservoir and Plant 3A.

Project Need: The development of the new District Headquarters at the 2A site, particularly during construction, necessitates additional improved site areas for the Operations personnel.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$110,000
CEQA Compliance	Exempt
Construction Contract	$1,537,500
Inspection/Legal/Other	$40,000
Total Project Budget	**$1,687,500**



Project No: 2011.024
System: Multi-System
Fund: 7
Project Name: Document Management / Agenda Management Upgrade

Project Location: N/A

Project Description:

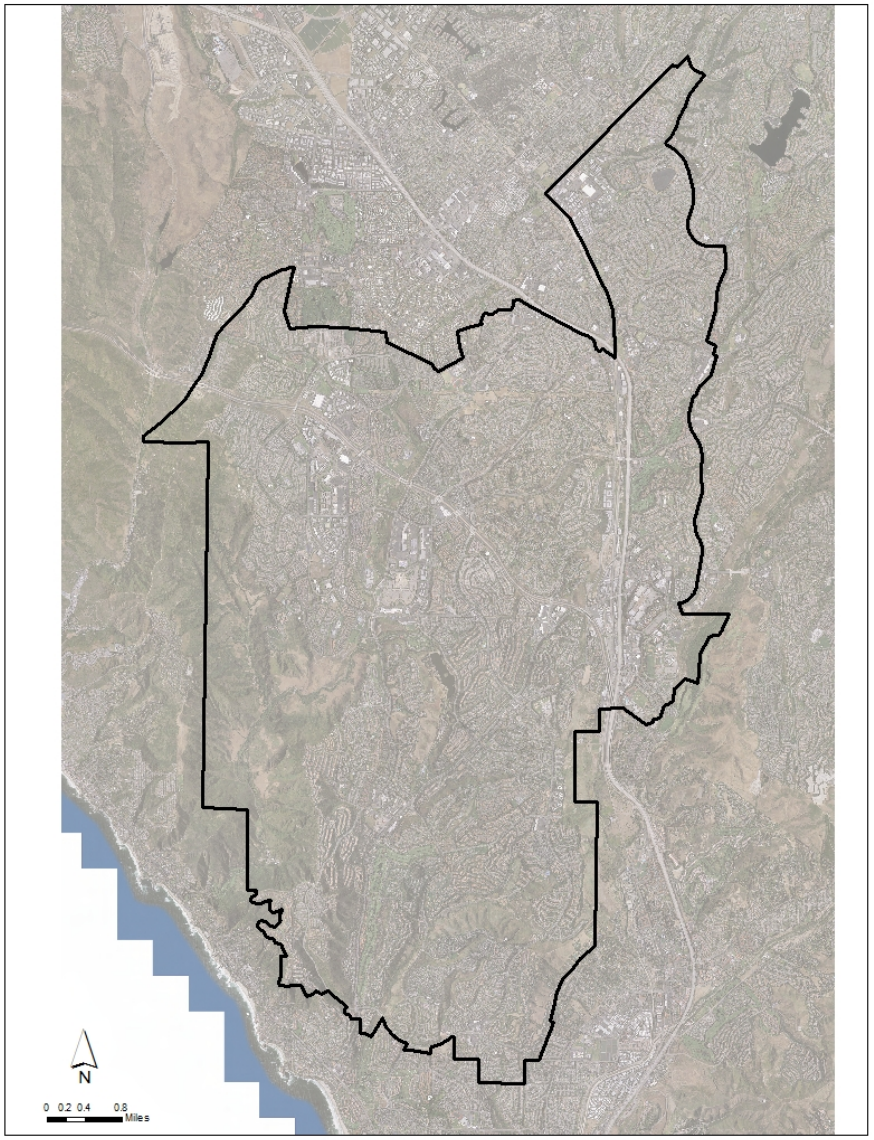
- Update computer hardware and software for agenda distribution, meeting notes, document management and legislative management action items.
- Computerize equipment for recording all District meetings and provide live and website streaming, allowing a direct link to each agenda item.
- Automated Staff Report workflow, enhanced web posting of meeting agendas and attached Staff Reports, electronic delivery of agenda to Board Members.
- Manage meeting minutes during meeting with action notes linked to each agenda item.
- Utilize touch screen monitors or small touch screen devices for meeting presentations, updated microphone and audio switching equipment.

Project Need: Improved staff efficiency and allowing for improving transparency to MNWD customers for public meetings by providing audio of each meeting.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Implementation	$389,000
Total Project Budget	**$389,000**



Project No: 2011.033
System: Multi-System
Fund: 7
Project Name: Asset Management Program / CMMS Implementation

Project Location: N/A

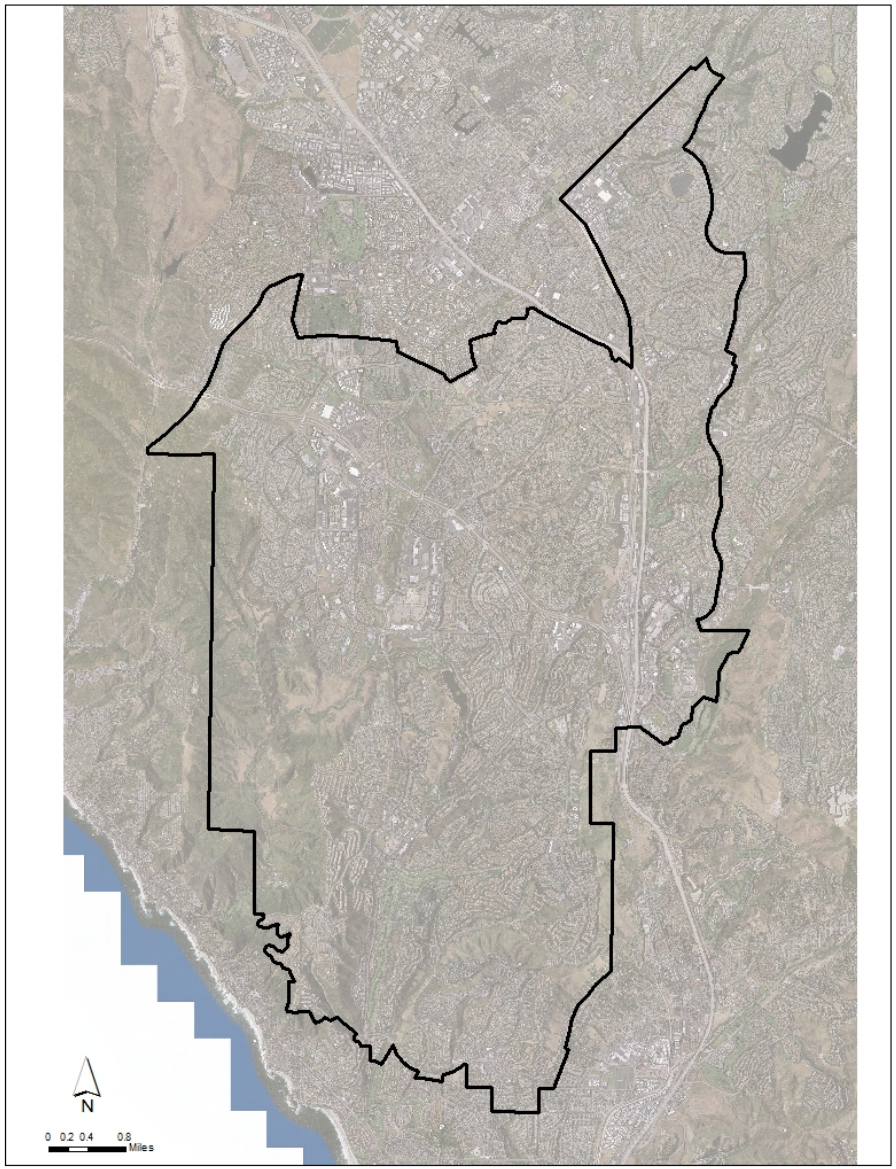
Project Description: The goal is to develop a comprehensive Asset Management Program that supports optimizing the lifecycle costs for the District's assets, providing improved maintenance tracking of horizontal and vertical assets, and prioritizing future capital costs as part of the Replacement and Refurbishment Fund (7) as well as the related operating costs.

Project Need: Tracking the District's infrastructure assets is critical to meeting the primary mission of the agency. Previously, the District was able to capture the horizontal assets (pipes) as part of the GIS Implementation, but the next step is to populate the Asset Register with vertical assets (facilities and components). The CMMS Planning phase documented the maintenance work flows and identified enhancement areas for a new Computerized Maintenance Management Systems (CMMS) to replace a twenty-year old outdated system. The CMMS Software Implementation phase will include selecting, procuring and transitioning the District to the new CMMS.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
CMMS Planning	$136,898
Asset Register Population	$229,913
CMMS Software Implementation	$675,168
Total Project Budget	**$1,041,979**



Project No: 2011.077
System: Multi-System
Fund: 14
Project Name: Moulton Peak Radio Tower Replacement

Project Location: Moulton Peak Reservoir, Aliso Viejo

Project Description: Relocate a new tower to a location within the Moulton Peak reservoir site that is accessible by vehicle. The tower height will be taller than the existing tower. Modify the Moulton Peak fencing to include the new tower.

Project Need: The existing tower site was given to the District by COX Communication. The District has installed a vital communication system between the Main Office and Plant 2A on this site. There is no safe vehicle access to maintain and repair equipment.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	$70,000
CEQA Compliance	Exempt
Construction Contract	$175,000
Inspection/Other	$20,000
Total Project Budget	**$265,000**



Project No: 2019.020
System: Multi-System
Fund: 14
Project Name: Administration Facility

Project Location: 2A

Project Description: Construct a new 46,000 square-foot Administration Facility within the existing Plant 2A site. Construction will consist of a two-story concrete tilt-up office building, including all necessary improvements, to support the needs and requirements of all District Departments.



Project Need: The District has operated from the Main Office and Plant 2A sites for more than 40 years and has maximized the use and value of the two existing sites with minor upgrades and improvements to support growth of the District. A consolidated Administration Facility was determined to be in the best interest of the District for efficient operations within a common facility.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$409,646
Environmental/CEQA	$123,705
Construction Contract	$15,527,760
Legal/Permit/Other	$459,645
Total Project Budget	**$16,520,756**

Capital Improvement Program – Project Description

Project No: 2019.011
System: Multi-System
Fund: 14
Project Name: Emergency Generator

Project Location: 2A

Project Description: Construct a new 1,000 KW diesel engine driven emergency generator with fuel storage tank and other accessories housed within a new concrete masonry unit building as necessary to support the District's facilities in its function as a 24-hour emergency operations center. This will be completed as part of the Plant 2A Upgrades.



Project Need: The District has operated from the Plant 2A site since the early 1970s with various improvements to the facility over the next 30 years. Since that time, only minor improvements have been made to the facility despite increasing operations requirements to provide potable water, recycled water, and wastewater collection and treatment services to the communities served by the District. These existing facilities are generally undersized for their current uses, and no longer sufficient to meet the changing and developing operational requirements.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$81,929
Environmental/CEQA	$24,741
Construction Contract	$1,265,224
Legal/Permit/Other	$91,929
Total Project Budget	**$1,463,823**

Capital Improvement Program – Project Description

Project No: 2019.013
System: Multi-System
Fund: 7
Project Name: Equipment Storage

Project Location: 2A

Project Description: Rehabilitate the exterior of the existing warehouse facility to support storage of materials and equipment in compliance with the District's stormwater management plan. This will be completed as part of the Plant 2A Upgrades.



Project Need: The District has operated from the Plant 2A site since the early 1970s with various improvements to the facility over the next 30 years. Since that time, only minor improvements have been made to the facility despite increasing operations requirements to provide potable water, recycled water, and wastewater collection and treatment services to the communities served by the District. These existing facilities are generally undersized for their current uses, and no longer sufficient to meet the changing and developing operational requirements.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$40,965
Environmental/CEQA	$12,370
Construction Contract	$80,756
Legal/Permit/Other	$45,964
Total Project Budget	**$180,055**

Capital Improvement Program – Project Description

Project No: 2019.010
System: Multi-System
Fund: 14
Project Name: Field Maintenance Facility

Project Location: 2A

Project Description: Construct a new 12,500 square-foot Field Maintenance Facility within the existing Plant 2A site. Construction will consist of a one-story concrete masonry unit shops building, including all necessary improvements to support the needs and requirements of the District field maintenance crews. This will be completed as part of the Plant 2A Upgrades.



Project Need: The District has operated from the Plant 2A site since the early 1970s with various improvements to the facility over the next 30 years. Since that time, only minor improvements have been made to the facility despite increasing operations requirements to provide potable water, recycled water, and wastewater collection and treatment services to the communities served by the District. These existing facilities are generally undersized for their current uses, and no longer sufficient to meet the changing and developing operational requirements.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$204,824
Environmental/CEQA	$61,852
Construction Contract	$6,173,436
Legal/Permit/Other	$229,822
Total Project Budget	**$6,669,934**

Capital Improvement Program – Project Description

Project No: 2019.012
System: Multi-System
Fund: 14
Project Name: Fleet Services Building

Project Location: 2A

Project Description: Construct a new 5,900 square-foot Fleet Services Building within the existing Plant 2A site. Construction will consist of a one-story concrete masonry unit building, including all necessary improvements to support the District's fleet services functions. This will be completed as part of the Plant 2A Upgrades.



Project Need: The District has operated from the Plant 2A site since the early 1970s with various improvements to the facility over the next 30 years. Since that time, only minor improvements have been made to the facility despite increasing operations requirements to provide potable water, recycled water, and wastewater collection and treatment services to the communities served by the District. These existing facilities are generally undersized for their current uses, and no longer sufficient to meet the changing and developing operational requirements.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$163,859
Environmental/CEQA	$49,482
Construction Contract	$4,149,071
Legal/Permit/Other	$183,858
Total Project Budget	**$4,546,269**

Capital Improvement Program – Project Description

Project No: 2019.015
System: Multi-System
Fund: 14
Project Name: Fueling Station

Project Location: 2A

Project Description: Demolish and dispose of existing underground storage tank, piping, dispenser island, and canopy. Construct new fueling system to include a 12,000 gallon diesel and 8,000 gallon gasoline underground storage tanks, a new fuel dispensing island, and all other supporting accessories for an operable fueling facility. The increased fuel storage will increase the District's system reliability during power outages and will be completed as part of the Plant 2A Upgrades.



Project Need: The District has operated from the Plant 2A site since the early 1970s with various improvements to the facility over the next 30 years. Since that time, only minor improvements have been made to the facility despite increasing operations requirements to provide potable water, recycled water, and wastewater collection and treatment services to the communities served by the District. These existing facilities are generally undersized for their current uses, and no longer sufficient to meet the changing and developing operational requirements.

Project Status: In Construction
Estimated Project Amount:

Item	Estimated Cost
Design	$65,543
Environmental/CEQA	$19,793
Construction Contract	$1,428,992
Legal/Permit/Other	$73,543
Total Project Budget	**$1,587,872**

Capital Improvement Program – Project Description

Project No: 2019.019
System: Multi-System
Fund: 14
Project Name: Landscape and Irrigation

Project Location: 2A

Project Description: Install a comprehensive planting and supporting irrigation system to provide a cohesive landscaped facility that aligns with the District's goals in the use of more native, drought-tolerant plantings. This will be completed as part of the Plant 2A Upgrades.



Project Need: The District has operated from the Plant 2A site since the early 1970s with various improvements to the facility over the next 30 years. Since that time, only minor improvements have been made to the facility despite increasing operations requirements to provide potable water, recycled water, and wastewater collection and treatment services to the communities served by the District. These existing facilities are generally undersized for their current uses, and no longer sufficient to meet the changing and developing operational requirements.

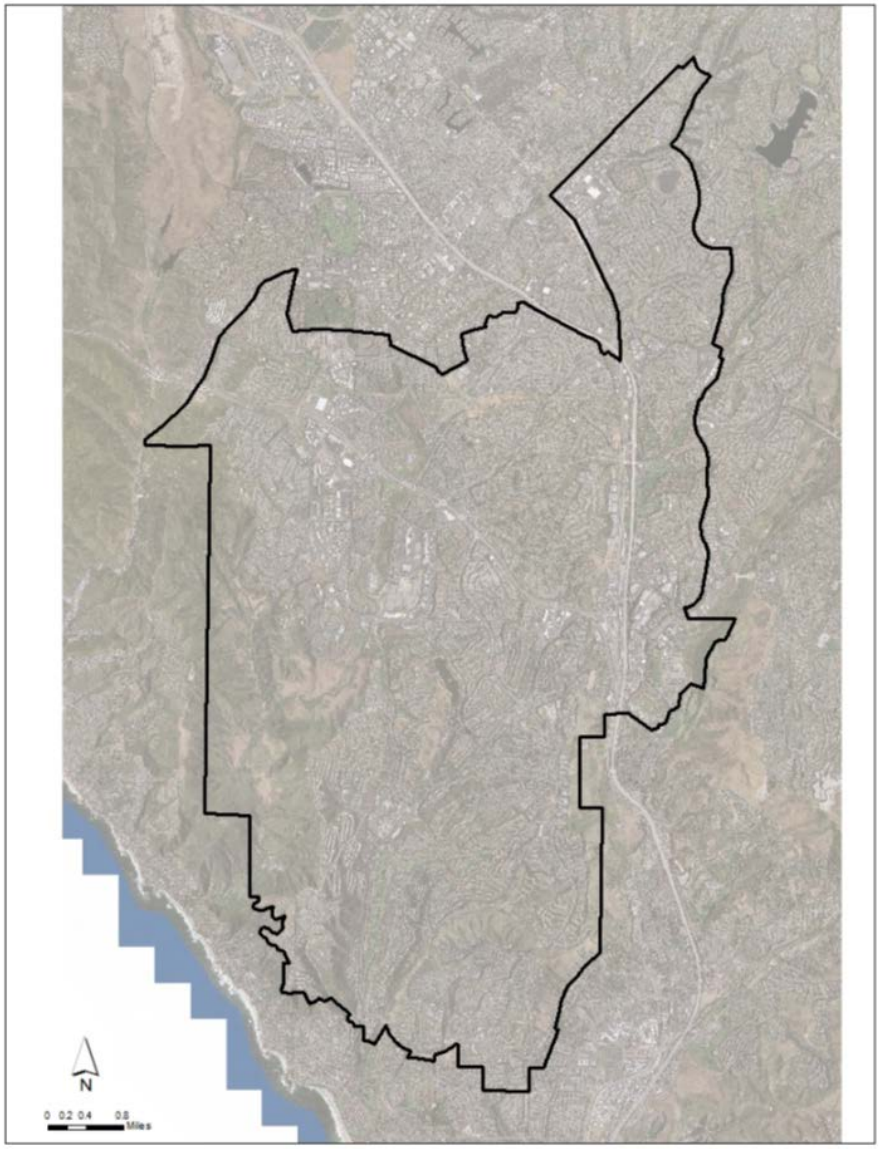
Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$32,772
Environmental/CEQA	$9,896
Construction Contract	$1,078,405
Legal/Permit/Other	$36,772
Total Project Budget	**$1,157,844**

Project No: 2019.004
System: Multi-System
Fund: 7
Project Name: Risk and Resiliency Assessment and Enhancement

Project Location: All offices and remote locations.
Project Description: In compliance with the American Water Infrastructure Act (AWIA), conduct a comprehensive risk assessment to identify the effectiveness and resiliency of the District including evaluating current cyber defense strategies and tactics. The project also includes identifying opportunities and initiatives for enhancing the District's physical and cyber defense strategy, and initial funds to pursue those that are determined to be immediately necessary.
Project Need: AWIA requires water districts to complete a Risk and Resiliency Assessment (RRA) and to develop a corresponding Emergency Response Plan (ERP) by December 2021. The United States Environmental Protection Agency (USEPA) will oversee the certification of the RRA and ERP, which will be required to be updated every five years. Cyberattacks continues to increase. To stay current with changing threats, it is recommended to perform continuous assessments and make continual improvements to cyber defense strategies.
Project Status: In Progress



Estimated Project Amount:

Item	Estimated Cost
Phase 1 – Crosswalk	$15,100
Phase 2 – Risk and Resiliency Assessment	$83,500
Phase 3 – Emergency Response Plan	$62,000
Phase 4 – Initial Enhancements	$50,000
Total Project Budget	**$210,600**

Capital Improvement Program – Project Description

Project No: 2019.018
System: Multi-System
Fund: 14
Project Name: Site Improvements

Project Location: 2A

Project Description: Install site paving and hardscapes throughout Plant 2A to provide adequate parking for the District's fleet and employee vehicles, and install covered parking to increase the useful life of the District's large equipment and vehicles, and to comply with current building code provisions. Install new fencing and access gates for the public and private spaces. This will be completed as part of the Plant 2A Upgrades.



Project Need: The District has operated from the Plant 2A site since the early 1970s with various improvements to the facility over the next 30 years. Since that time, only minor improvements have been made to the facility despite increasing operations requirements to provide potable water, recycled water, and wastewater collection and treatment services to the communities served by the District. These existing facilities are generally undersized for their current uses, and no longer sufficient to meet the changing and developing operational requirements.

Project Status: In Construction
Estimated Project Amount:

Item	Estimated Cost
Design	$327,717
Environmental/CEQA	$98,964
Construction Contract	$9,839,381
Legal/Permit/Other	$367,716
Total Project Budget	**$10,633,778**

Capital Improvement Program – Project Description

Project No: 2019.016
System: Multi-System
Fund: 14
Project Name: Site Reconfiguration and Geopiers

Project Location: 2A

Project Description: Demolish the existing paving surfaces and mechanical appurtenances, and complete ground improvements to maximize the available space and stabilize the soft, native soils as necessary for new facilities. This will be completed as part of the Plant 2A Upgrades.



Project Need: The District has operated from the Plant 2A site since the early 1970s with various improvements to the facility over the next 30 years. Since that time, only minor improvements have been made to the facility despite increasing operations requirements to provide potable water, recycled water, and wastewater collection and treatment services to the communities served by the District. These existing facilities are generally undersized for their current uses, and no longer sufficient to meet the changing and developing operational requirements.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$163,859
Environmental/CEQA	$49,482
Construction Contract	$3,293,686
Legal/Permit/Other	$183,858
Total Project Budget	**$3,690,884**

Capital Improvement Program – Project Description

Project No: 2019.017
System: Multi-System
Fund: 14
Project Name: Site Utilities

Project Location: 2A

Project Description: Demolish the existing underground utilities throughout the Plant 2A site and install new potable, recycled, wastewater, stormwater, natural gas, power, and communications infrastructure to comply with current District standards and to support the new facilities. This will be completed as part of the Plant 2A Upgrades.



Project Need: The District has operated from the Plant 2A site since the early 1970s with various improvements to the facility over the next 30 years. Since that time, only minor improvements have been made to the facility despite increasing operations requirements to provide potable water, recycled water, and wastewater collection and treatment services to the communities served by the District. These existing facilities are generally undersized for their current uses, and no longer sufficient to meet the changing and developing operational requirements.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$81,929
Environmental/CEQA	$24,741
Construction Contract	$1,875,375
Legal/Permit/Other	$91,929
Total Project Budget	**$2,073,974**

Project No: TBD
System: Multi-System
Fund: 14
Project Name: Video Site Surveillance System

Project Location: Various

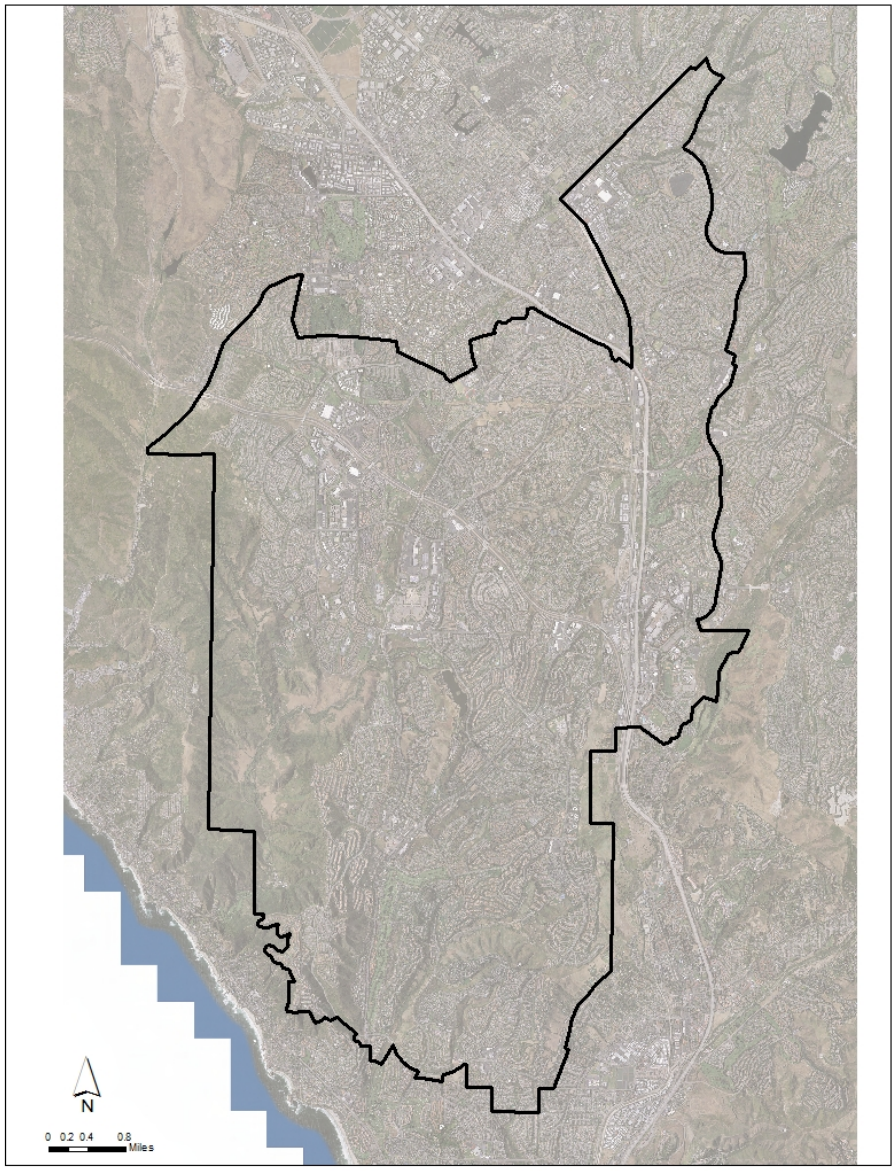
Project Description: The installation of video surveillance at various district facilities and the installation of additional data storage capacity at Plant 2A.

Project Need: The District does not have any video surveillance at district facilities. The video surveillance will be primarily used for site security reasons but will also be installed at critical facilities such as sewer lift stations to monitor for overflows.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	$500,000
Total Project Budget	**$500,000**



Capital Improvement Program – Project Description

Project No: 2019.014
System: Multi-System
Fund: 7
Project Name: Warehouse Improvements

Project Location: 2A

Project Description: Rehabilitate the existing 11,463 square-foot Field Operations Building to include code-compliance upgrades, reconfiguration of some office spaces, and the conversion of the remaining spaces to climate-controlled warehouse functions. This will be completed as part of the Plant 2A Upgrades.



Project Need: The District has operated from the Plant 2A site since the early 1970s with various improvements to the facility over the next 30 years. Since that time, only minor improvements have been made to the facility despite increasing operations requirements to provide potable water, recycled water, and wastewater collection and treatment services to the communities served by the District. These existing facilities are generally undersized for their current uses, and no longer sufficient to meet the changing and developing operational requirements.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$65,544
Environmental/CEQA	$19,793
Construction Contract	$1,153,515
Legal/Permit/Other	$73,543
Total Project Budget	**$1,312,394**

Project No: Annual Program
System: Multi-System
Fund: 1
Project Name: Capital Outlays – Fund 1

Project Location: Various

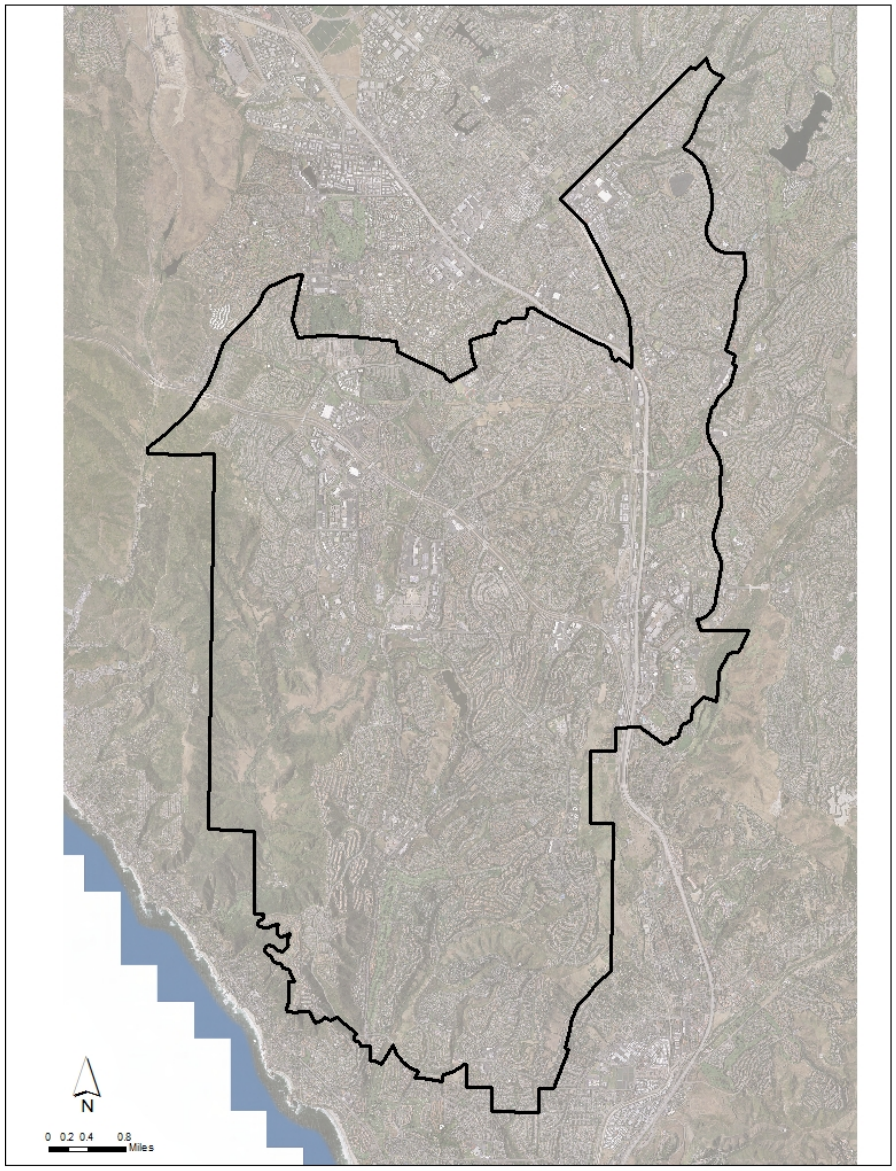
Project Description: Capital equipment and parts purchases, including fleet vehicles, heavy equipment, other rolling stock, and technology.

Project Need: The District purchases capital equipment and parts each year as needs are identified.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases	$6,190,404
Total Project Budget	**$6,190,404**



Project No: Annual Program
System: Multi-System
Fund: 7
Project Name: Operations-Led Capital Improvements – Multi-System

Project Location: Various

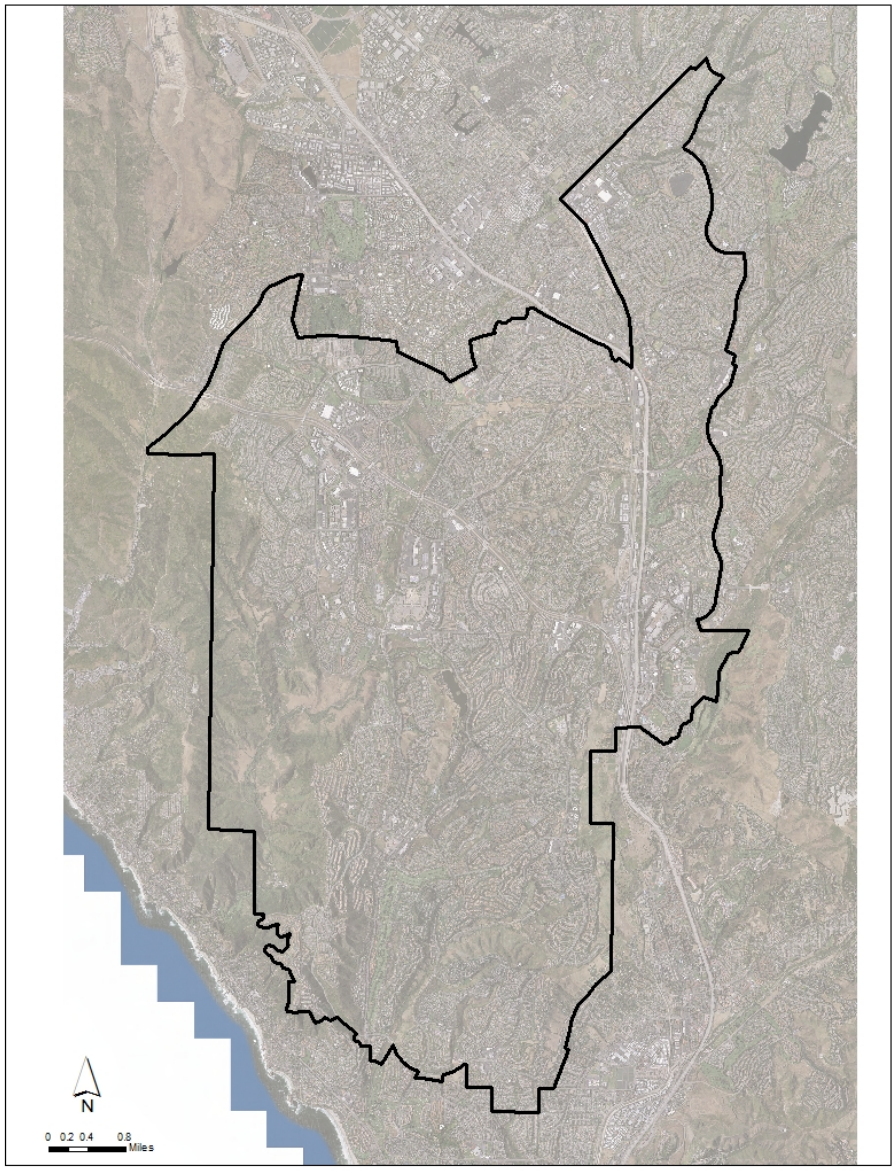
Project Description: This program covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, programmable logic controllers, mechanical systems, and related equipment.

Project Need: Capital equipment and parts needs are identified by District Operations Staff, as existing equipment reaches the end of its useful life.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases and Installation	$90,000
Total Project Budget	**$90,000**



Project No: Annual Program
System: Multi-System
Fund: 6
Project Name: Supply Reliability Enhancements – Fund 6

Project Location: Various

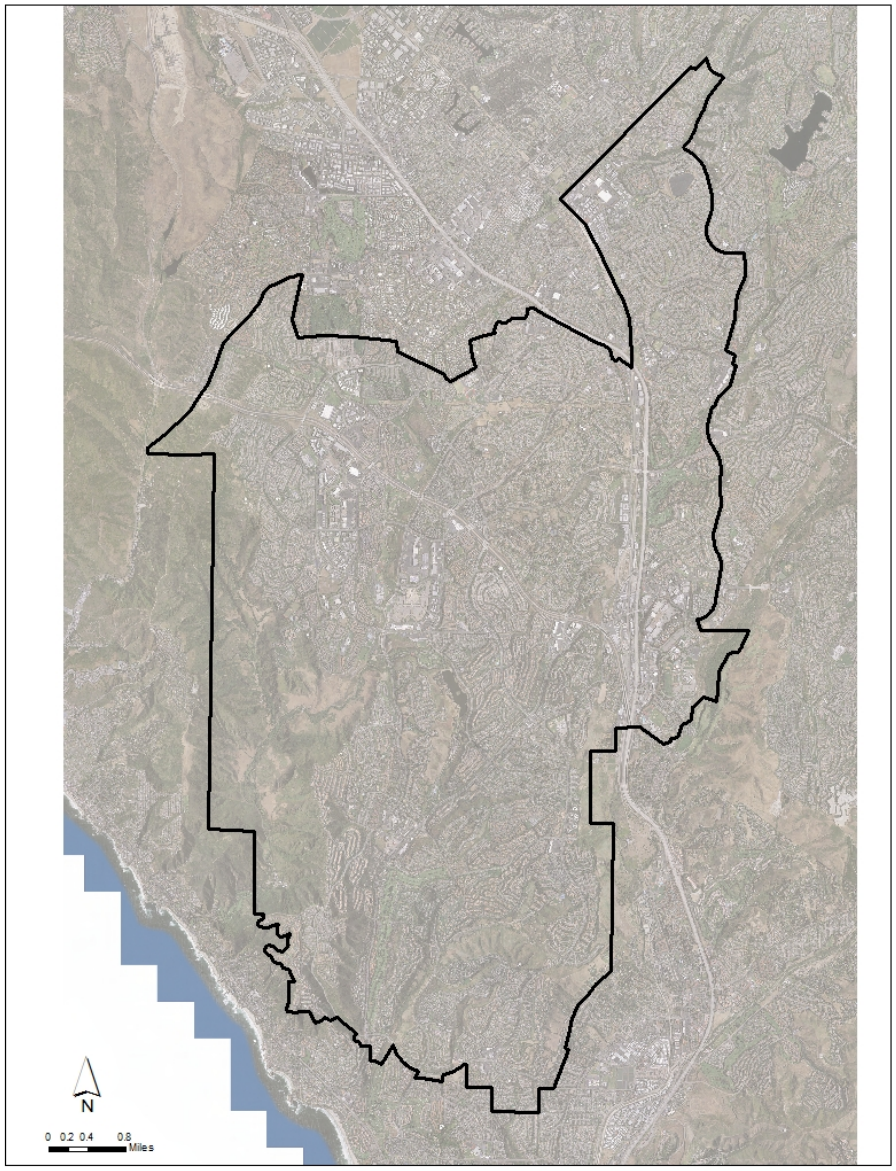
Project Description: This program covers supply reliability enhancements that will utilize funds from the Water Efficiency Fund (Fund 6).

Project Need: Specific project needs are in the process of being identified.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
Design	TBD
CEQA Compliance	TBD
Construction Contract	TBD
Inspection	TBD
Total Project Budget	**$10,000,000**



Project No: Annual Program
System: Multi-System
Fund: 12
Project Name: Supply Reliability Enhancements – Fund 12

Project Location: Various

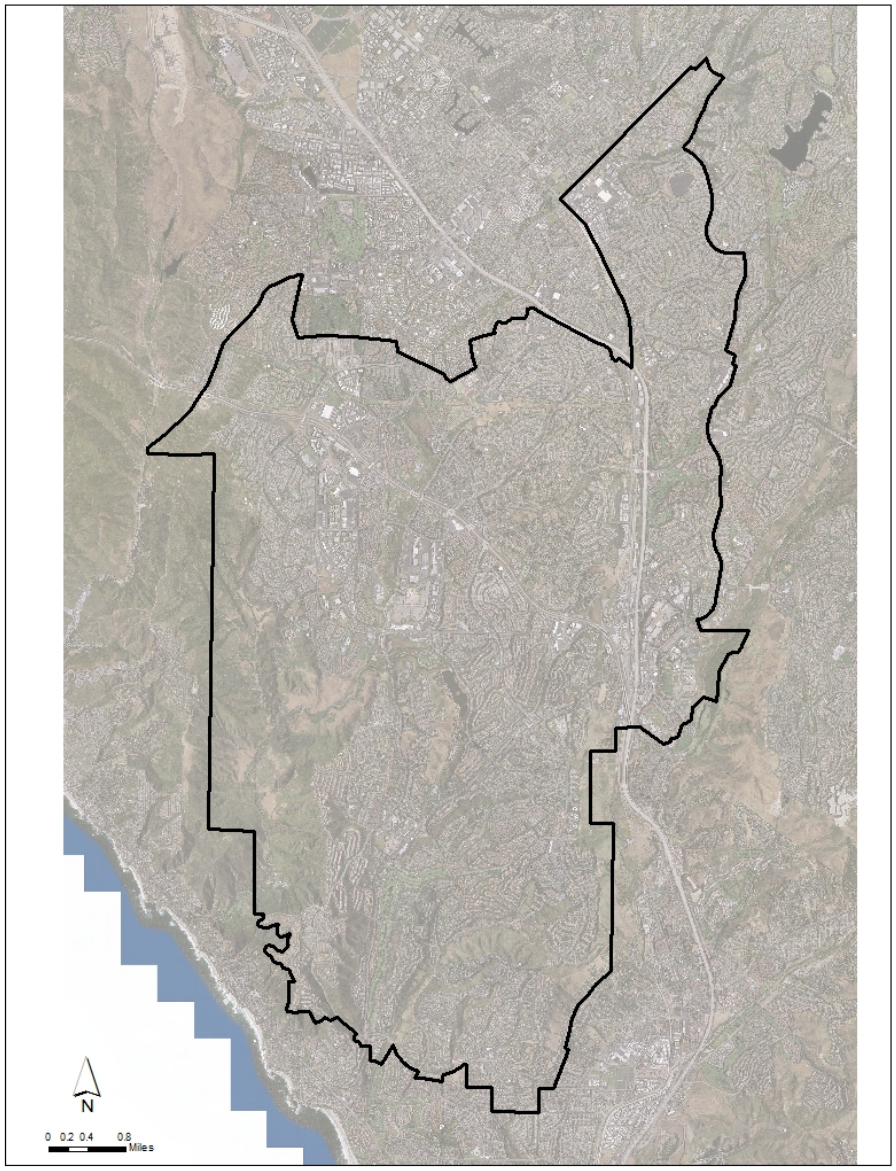
Project Description: This program covers supply reliability enhancements that will utilize funds from the Water Supply Reliability Fund (Fund 12).

Project Need: Specific project needs are in the process of being identified.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
Design	TBD
CEQA Compliance	TBD
Construction Contract	TBD
Inspection	TBD
Total Project Budget	**$10,000,000**



Project No: TBD
System: Multi-System
Fund: 7
Project Name: 2020-21 Operations-Led Capital Improvements - Multi-System

Project Location: Various

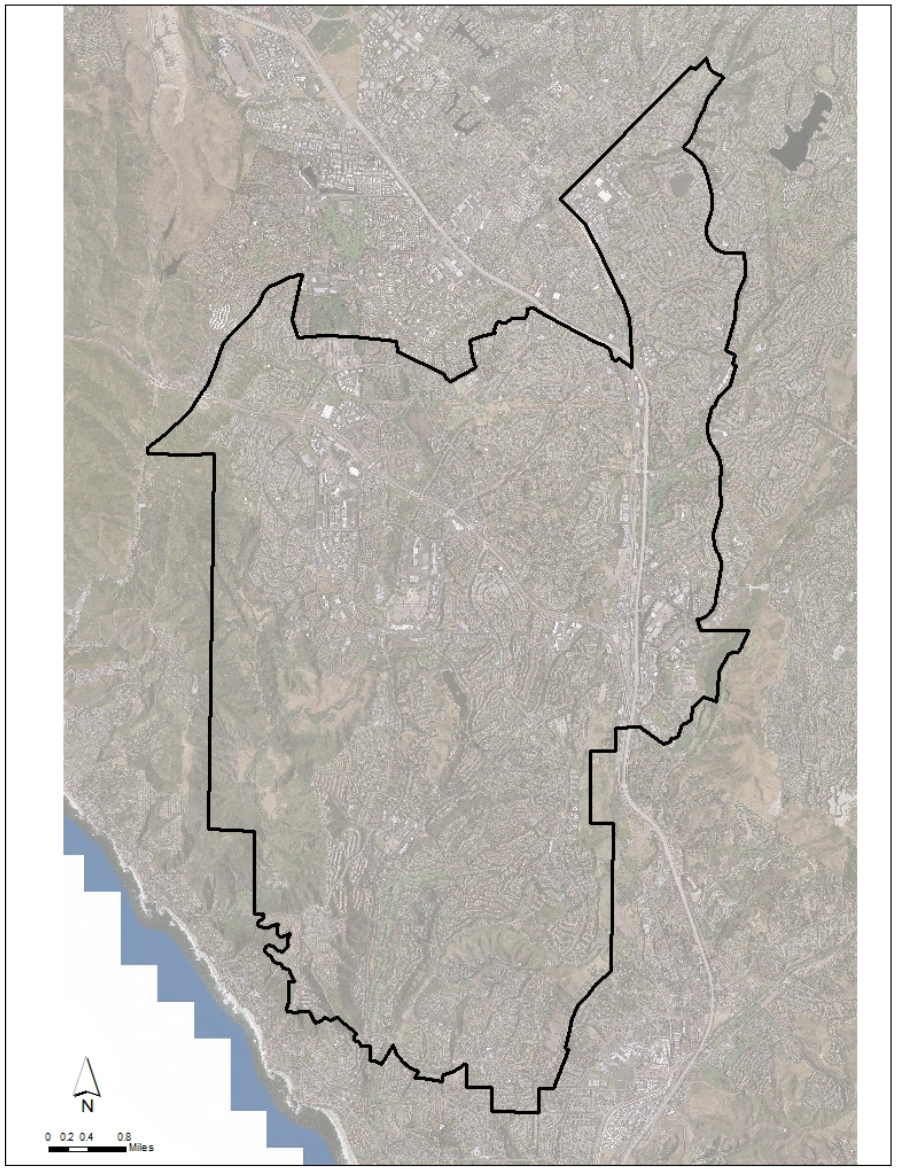
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, programmable logic controllers, mechanical systems, and related equipment.

Project Need: Capital equipment and parts needs are identified by District Operations Staff, as existing equipment reaches the end of its useful life.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases and Installation	$50,000
Total Project Budget	**$50,000**



Project No: TBD
System: Multi-System
Fund: 7
Project Name: Document Storage Facility Improvements

Project Location: Nellie Gail Lift Station (Church), Laguna Hills

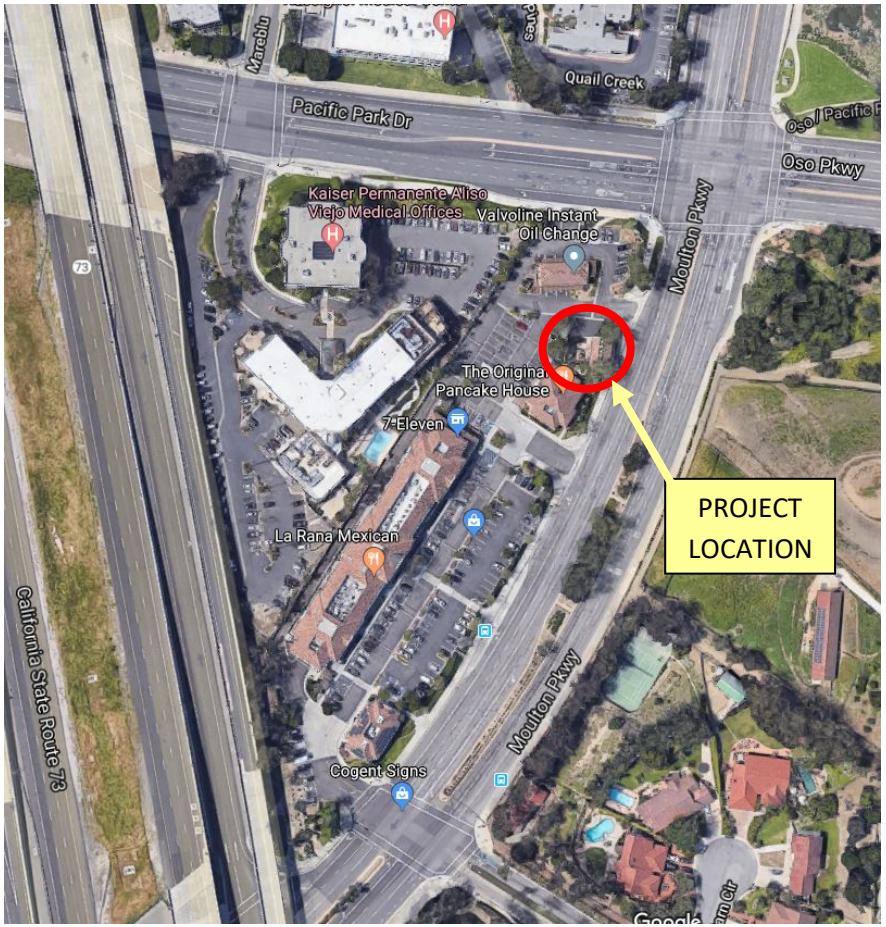
Project Description: Install facility improvements to security, lighting, and ventilation systems to enhance the functionality and security of the stored documents. Install new non-wet fire suppression system and storage improvements.

Project Need: As part of its policies and procedures, the District is required to maintain hard-copies of a variety of documents for given time periods. Necessary improvements have been identified to enhance its functionality as a document storage facility.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	$90,000
CM and Specialty Inspection	$5,000
Legal/Permit/Other	$5,000
Total Project Budget	**$100,000**

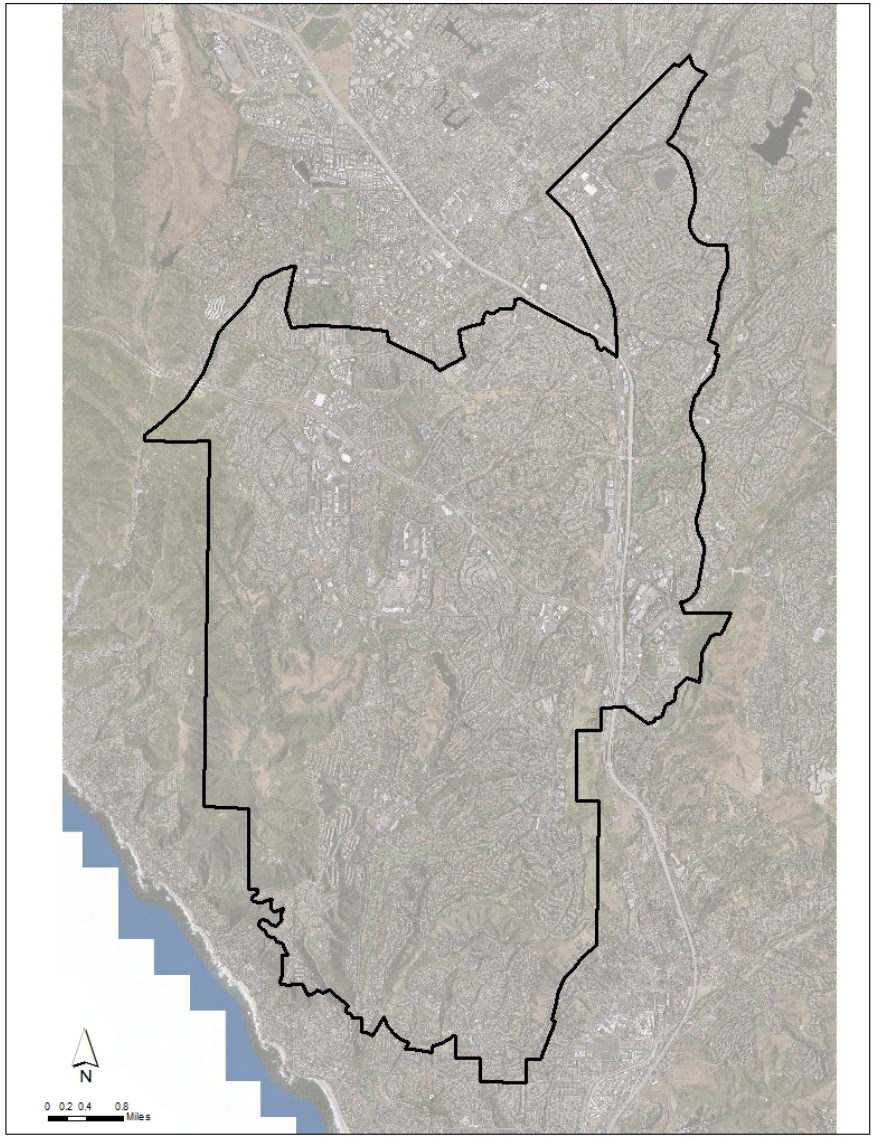


Project No: TBD
System: Multi-System
Fund: 7
Project Name: SCADA Communications Network Improvements

Project Location: Various

Project Description: This project will consist of updating our backbone SCADA communication radio antennas, establishing a secondary network connection to Plant 2A, and other minor enhancements. These improvements will result in a more resilient, more secure, and higher bandwidth enabled SCADA communication network that will support larger data capture and transfer for data analytics, video surveillance, and SCADA tracking.
Project Need: In 2017 and 2018, the District took the first step in updating it's 13- year old SCADA communications network by replacing 67 outdated low band antennas used to communicate with our pump stations, lift stations, and reservoirs. These low band antennas then communicate across our backbone network back to Plant 2A and Plant 3A. The next step is to upgrade these 16 higher band antennas to allow our distribution staff to have real time monitoring and control of our water, wastewater, and recycled infrastructure. The project timeline aligns with the relocation of the Moulton Peak tower timeline, which is our most critical communication site.
Project Status: Proposed Project
Estimated Project Amount:

Item	Estimated Cost
FCC Coordination	$20,000
Equipment	$275,000
Installation and Configuration	$85,000
Secondary Connection to Plant 3A	$75,000
Other Minor Improvements	$30,000
Total Project Budget	**$485,000**



Project No: 2015.015
System: Potable
Fund: 7
Project Name: Saddleback Auxiliary Pump and Engine Replacement

Project Location: Saddleback Pump Station, Mission Viejo

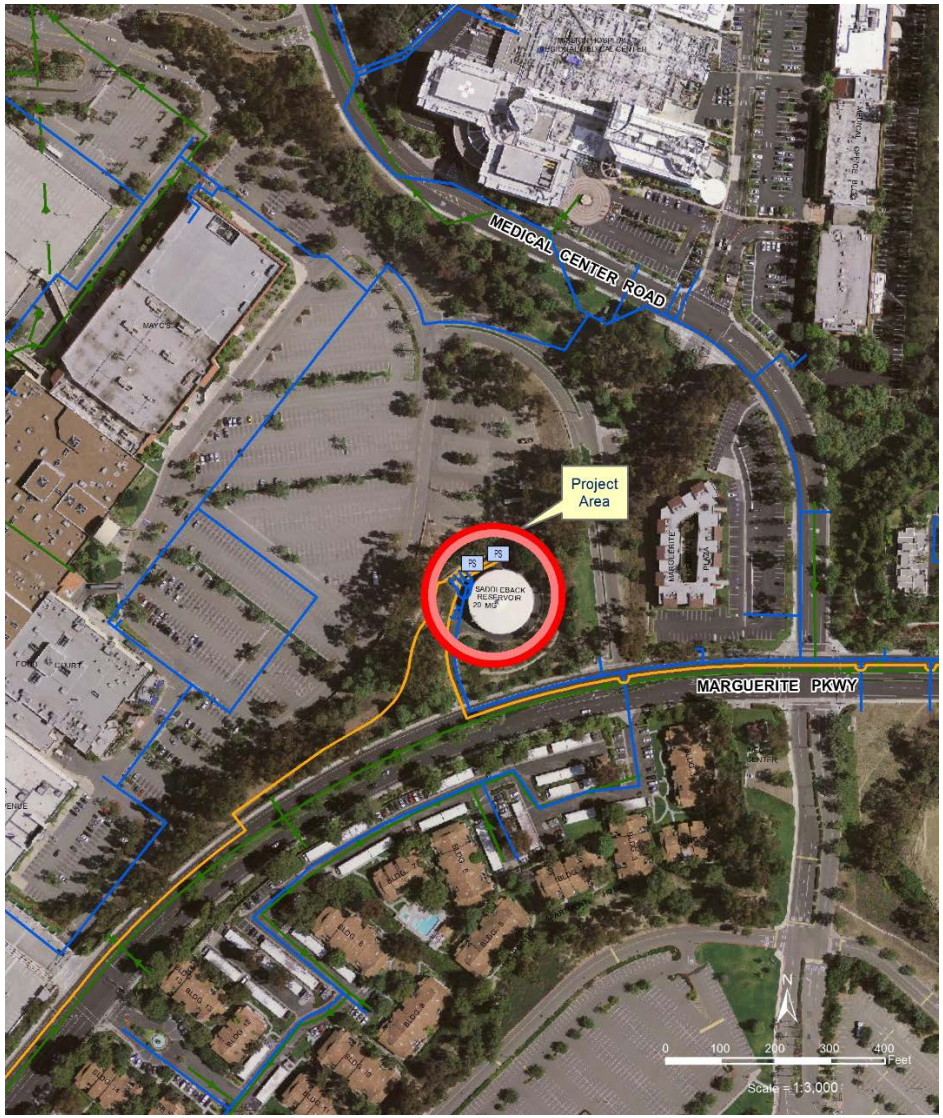
Project Description: Replace 1987 Waukesha Propane 550 Hp backup Auxiliary Pump, switchgear and associated piping and valves.

Project Need: Replacement is based on age of engine and difficulty finding replacement parts.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Preliminary Design	$75,000
Design	$150,000
CEQA Compliance	Exempt
Construction Contract	$1,600,000
Inspection/Other	$100,000
Total Project Budget	**$1,925,000**



Project No: 2016.014
System: Potable
Fund: 14
Project Name: Saddleback Pump Station Portable Generator Connection

Project Location: Saddleback Pump Station, Mission Viejo

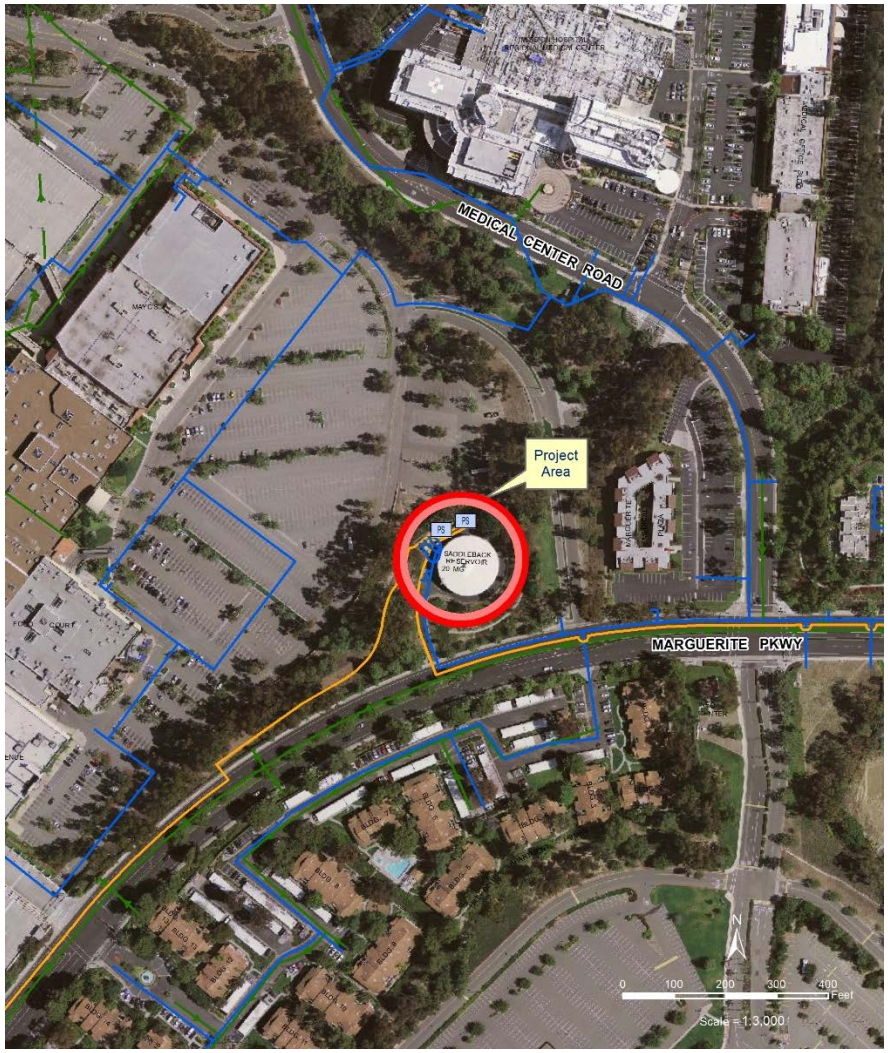
Project Description: Install new portable generator connection.

Project Need: This pump station is a vital link between pressure zones 450 and 650 PS and serves Mission Hospital. This project will allow for a quick connection of a portable generator to the pump station.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$5,000
CEQA Compliance	Exempt
Construction Contract	$25,000
Total Project Budget	**$30,000**



Project No: 2017.001
System: Potable
Fund: 7
Project Name: Electrical System Improvements Phase 1 - PW

Project Location: Pacific Island Drive Pump Station #3 & Highlands Pump Station, Laguna Niguel; La Paz Reservoir Pump Station, Mission Viejo

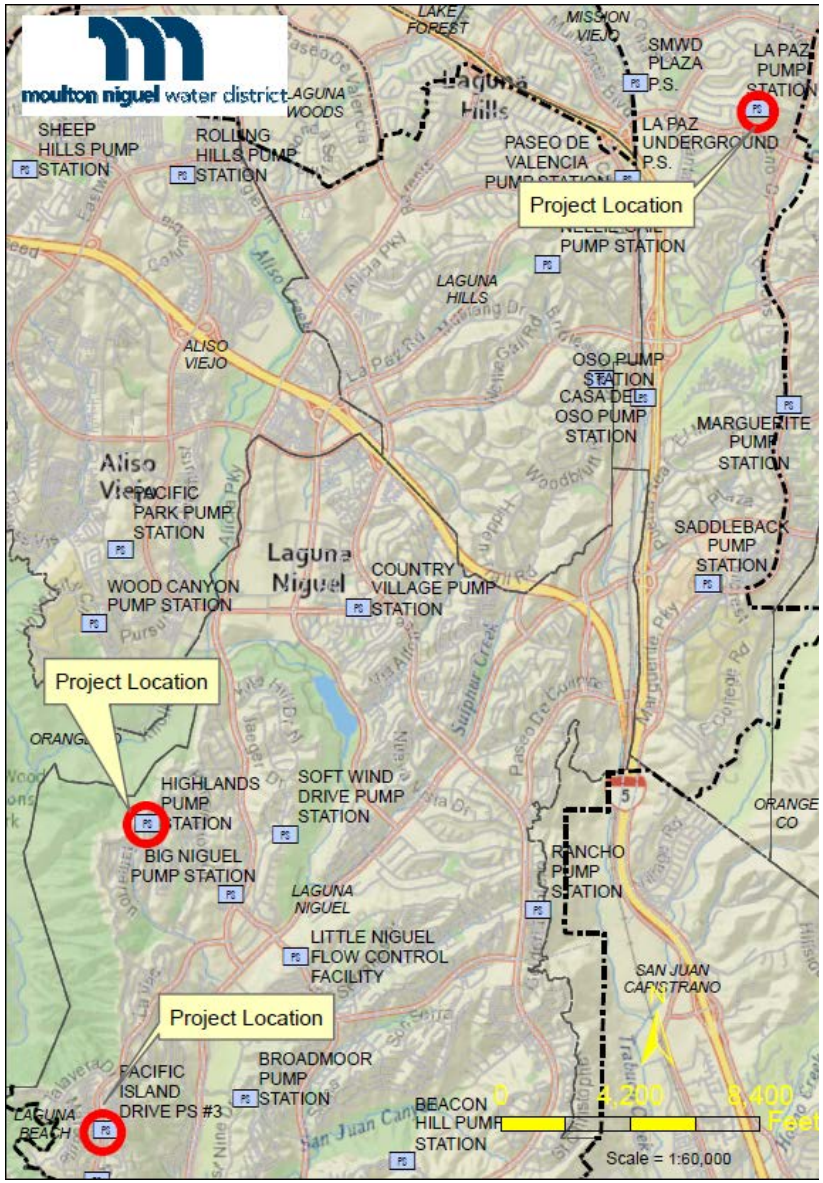
Project Description: Replace main Switchboard, Main Circuit Breaker, VFDs, MCCs, and related electrical equipment at PID PS #3. Due to the critical nature of this pump station, temporary electrical service entrance and switchgear will be required to maintain operation of the facility during construction. Replace Main Circuit Breaker and Load Bank at La Paz Reservoir PS. Relocate and replace Load Bank at Highlands Pump Station.

Project Need: These service sections and associated main circuit breakers have reached the end of their useful live and can no longer be maintained.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$120,000
CEQA Compliance	Exempt
Construction Contract	$1,140,546
Specialty Inspection	$50,000
Legal/Permits/Other	$5,000
Total Project Budget	**$1,315,546**



Project No: 2017.003
System: Potable
Fund: 7
Project Name: Reservoir Management System Replacement Phase 2

Project Location: Crown Valley, Highlands, Marguerite, Moulton Peak, and Pacific Park Reservoir Sites

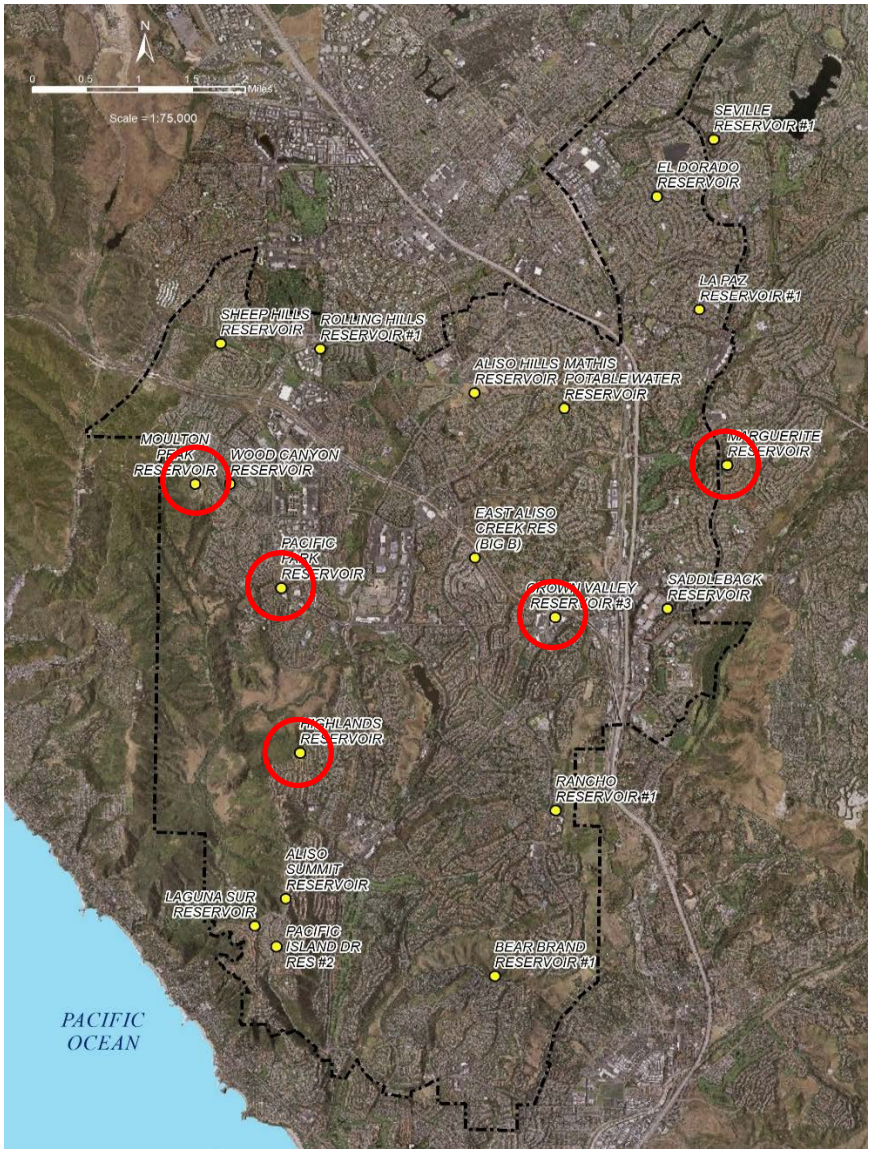
Project Description: Remove existing on-site generation water quality reservoir management systems and protective structures and replace with new water quality reservoir management systems and permanent style buildings. The work will include the installation of liquid sodium hypochlorite and ammonia water quality reservoir management systems.

Project Need: Existing facilities are approaching their useful life and require increased maintenance.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$514,243
CEQA Compliance	Exempt
Construction Contract	$4,553,262
Special Inspection	$394,889
Legal/Permits/Other	$25,000
Total Project Budget	**$5,487,394**



Project No: 2017.005
System: Potable
Fund: 7
Project Name: 2017-18 Electrical Distribution Equipment Replacements

Project Location: Valencia Pump Station, Laguna Hills; Pacific Island Drive #1, Beacon Hill, and Big Niguel Pump Stations, Laguna Niguel; Bear Brand Pump Station, Dana Point

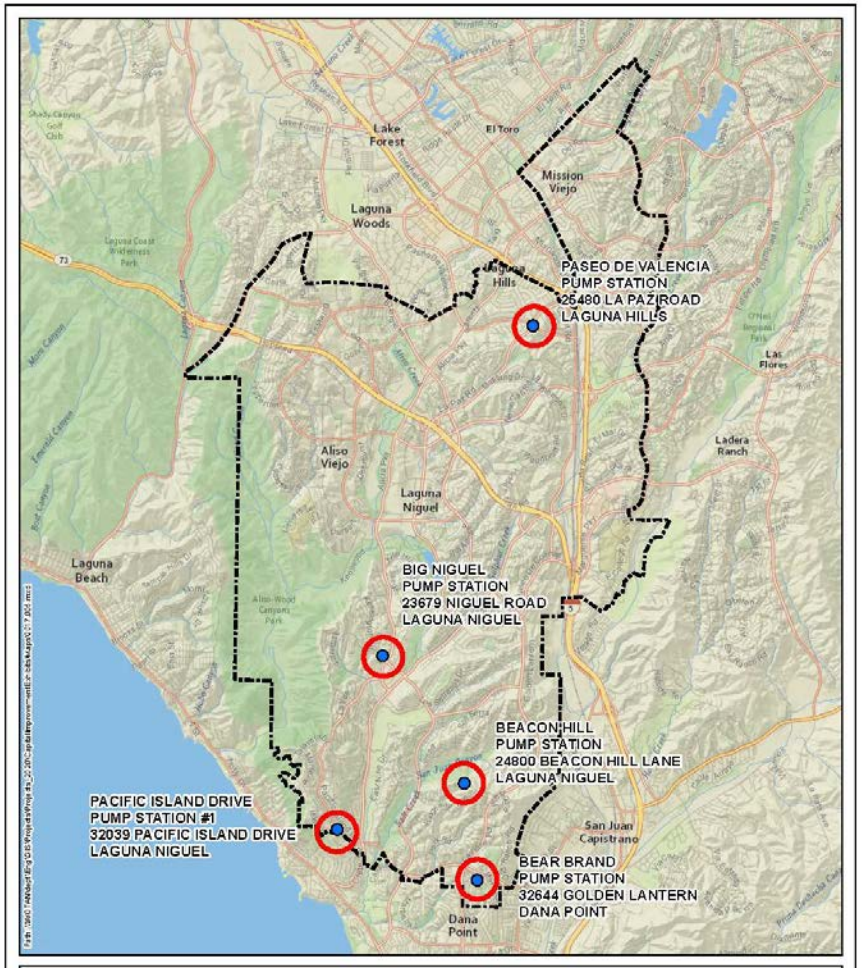
Project Description: Replace the main utility service sections at five (5) sites that have reached the end of their useful lives. Other ancillary electrical and structural improvements to be completed to accommodate the new service sections.

Project Need: These service sections and associated main circuit breakers have reached the end of their useful life and can no longer be maintained.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$145,000
CEQA Compliance	Exempt
Construction	$548,350
Specialty Inspection	$50,000
Legal, Permits, Other	$5,000
Total Project Budget	**$748,350**



Project No: 2017.009
System: Potable
Fund: 7
Project Name: PW Main Replacement at I-5 / Oso Creek Crossing

Project Location: San Juan Creek, Mission Viejo

Project Description: Install a new 20-inch diameter fusible PVC potable water pipe within a 72-inch steel casing utilizing a micro-tunneling method for the replacement of the existing 14-inch diameter potable water pipeline.

This project to be completed simultaneously with 2017.014, RW Main Installation at I-5 / Oso Creek Crossing, with the PW and RW pipes installed in a shared casing.

Project Need: Numerous pipeline interruptions within the Creek, at the existing crossing, necessitate the replacement of this pipeline within the Creek.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$288,700
Construction Contract	$4,056,492
CM/Inspection/Geotech/CEQA	$272,250
Legal/Permits/District Labor	$25,000
Total Project Budget	**$4,642,442**



Project No: 2018.013
System: Potable
Fund: 7
Project Name: Cabot CIP Flow Control Valve No. 1 Upgrade

Project Location: Cabot Flow Control Facility, Mission Viejo

Project Description: Upsize Valve Train No. 1 from an 8-inch to a 12-inch service, including new motor operated ball valve, flow control valve, isolation valve, flow meter, piping and related equipment.

Project Need: The existing motor operated valve is non-operable. Additionally, the service needs to be upsized to accommodate current and future flow requirements.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$45,000
CEQA Compliance	Exempt
Construction Contract	$247,968
Legal, Permits, District Labor	$5,000
Total Project Budget	**$297,968**



Project No: 2018.015
System: Potable
Fund: 7
Project Name: Casa Del Oso Pump Station – Pump No. 1 Replacement

Project Location: Casa Del Oso Pump Station, Laguna Hills

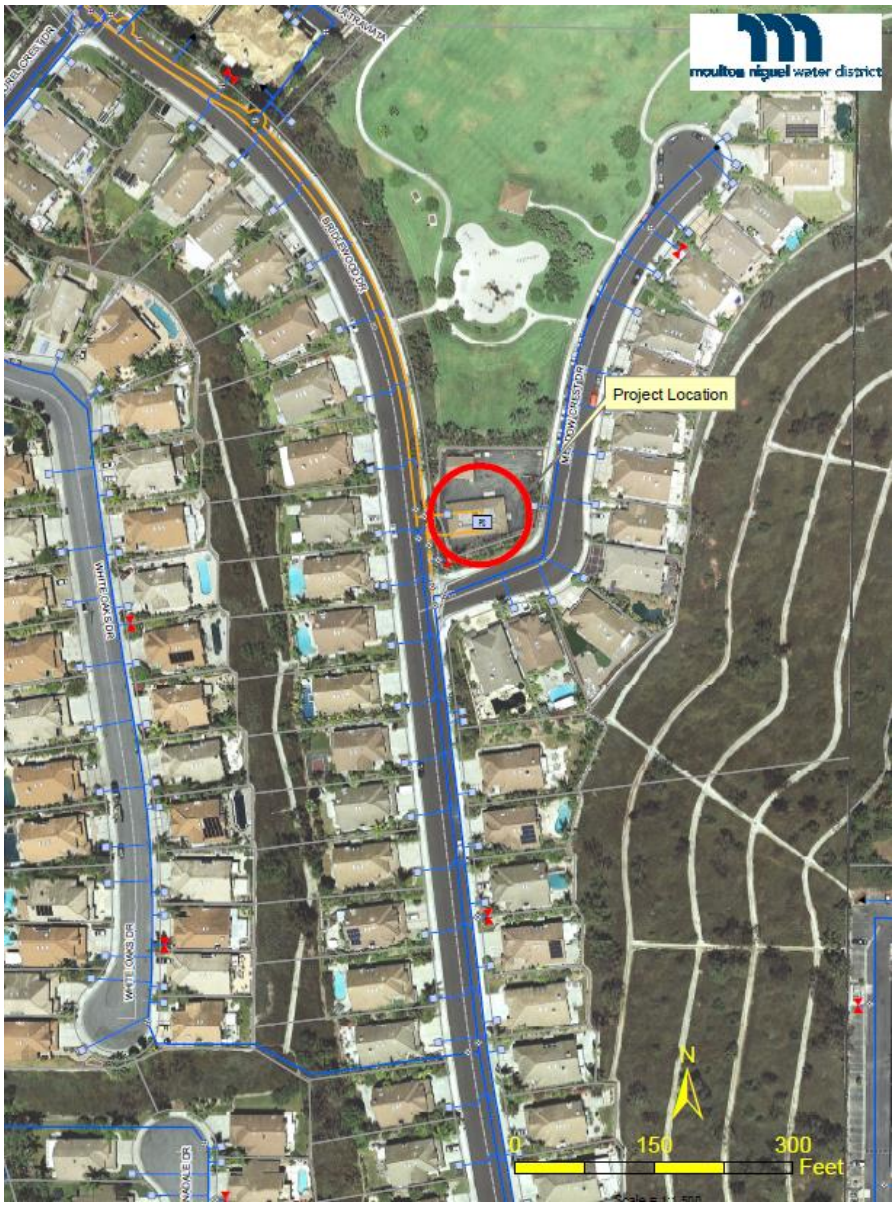
Project Description: The replacement of a 300 gallons per minute (gpm) pump and a 20 horsepower (hp) electric motor with a 750 gpm pump and a 40 hp electric motor. The work will also consist of upsizing the existing 6-inch piping and appurtenances for Pump No. 1 to 8-inch piping and appurtenances, and a new emergency generator connection.

Project Need: The Casa Del Oso Pump Station primarily uses Pump No. 2 to pump potable water to the 750 pressure zone during high demand periods. The pump station currently does not carry a redundant pump for Pump No. 2 and the output of Pump No. 1 is too small to meet system demands. Therefore, staff recommends replacing Pump No. 1 to a pump and motor similar to Pump No. 2 to ensure system reliability. Additionally, the pump station currently does not allow for a quick connection of a portable generator to the pump station.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$70,000
CEQA Compliance	Exempt
Construction Contract	$226,188
Legal, Permits, District Labor	$5,000
Total Project Budget	**$301,188**



Project No: 2018.022
System: Potable
Fund: 7
Project Name: Southerly Takeout Rehabilitation

Project Location: Southerly Takeout Facility, Laguna Niguel

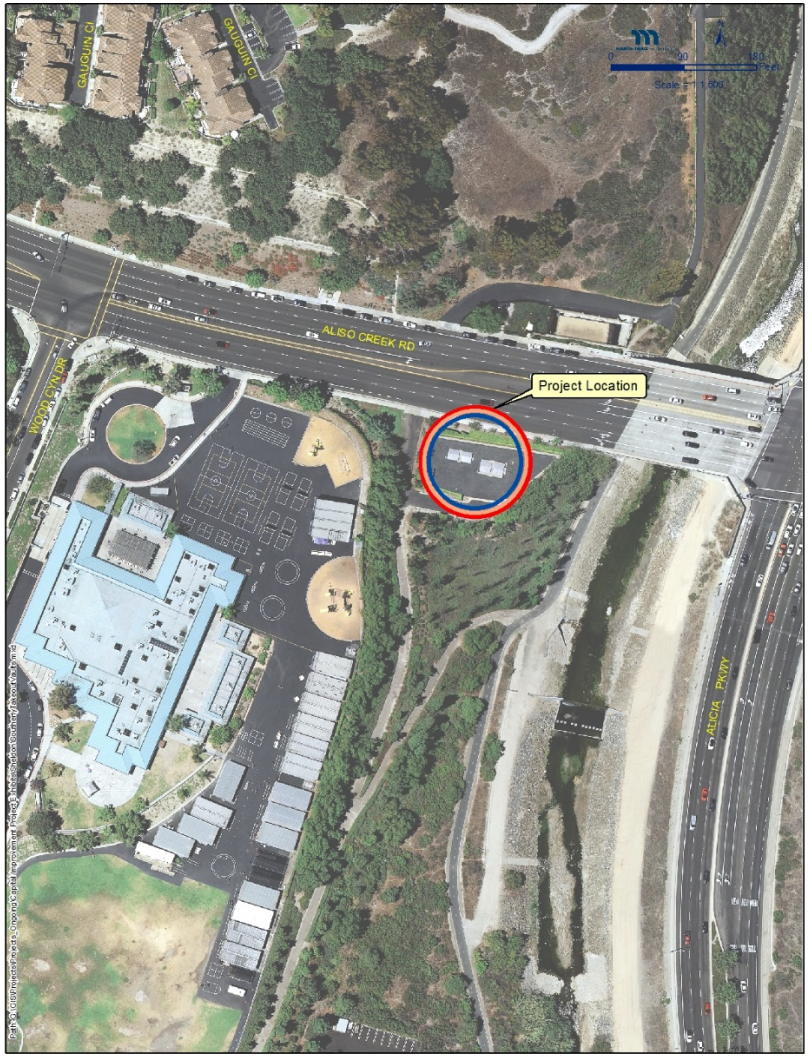
Project Description: Abandon bypass vault. Replacing piping, valves and appurtenances in flow control vault. Remove and replace the existing vault hatch on flow control vault with new sectional hatch.

Project Need: Bypass vault is no longer needed. Existing piping, valves and appurtenances in flow control vault have reached the end of their useful lives and are in need of replacement. The existing vault hatch no longer functions properly making access difficult. Installing a new sectional vault hatch will allow for proper access of personnel and equipment.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$80,000
CEQA Compliance	Exempt
Construction Contract	$544,405
Legal/Permit/Other	$30,000
Total Project Budget	**$654,405**



Project No: 2019.002
System: Potable
Fund: 6
Project Name: AMI Phase 3

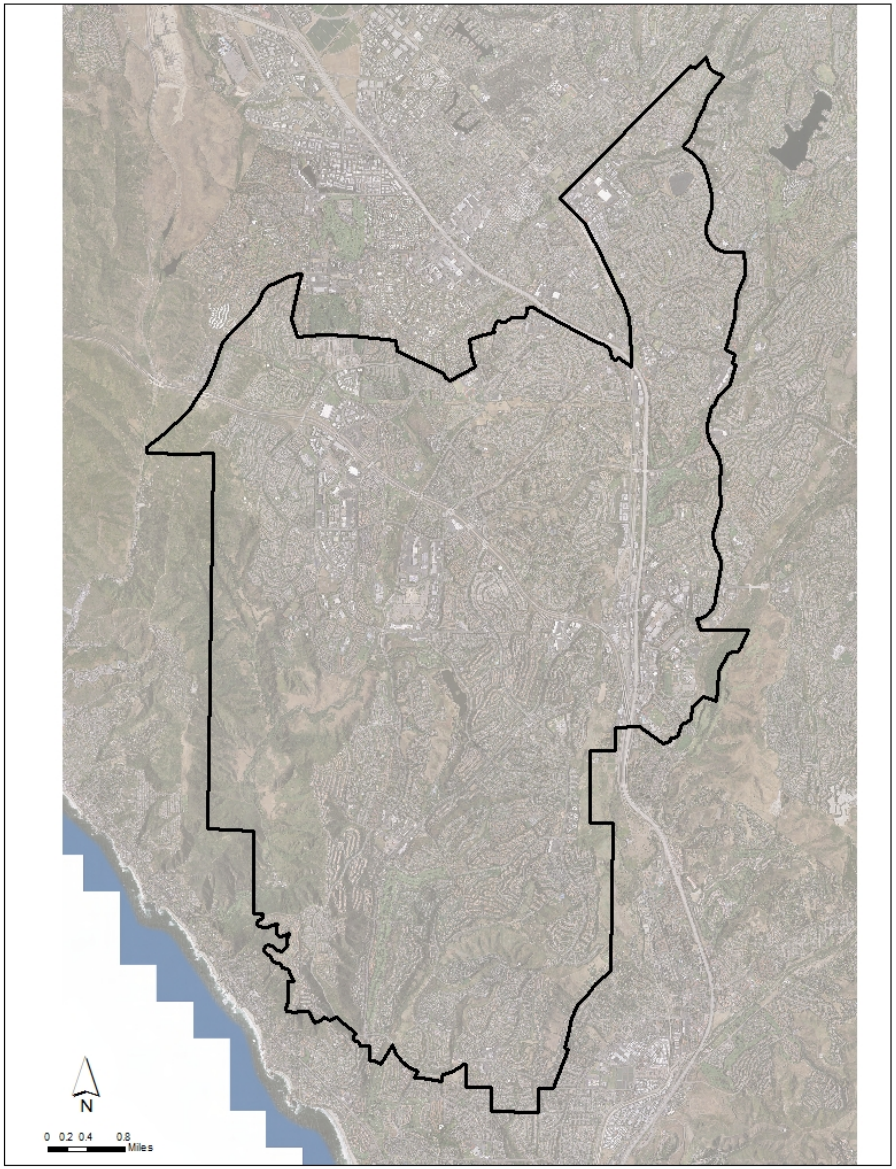
Project Location: Various

Project Description: In Phase I and 2 of the AMI Implementation Program, the District established a remote reading and communication network with coverage of the entire service area and implemented a customer portal for the District's Potable and Recycled Water Irrigation, commercial, multi-family as well as 1,800 residential customers with hourly data as well as a portal deployed for all remaining customers. Phase 3 of the AMI Implementation Program will expand the program to install an AMI radio for all remaining single-family residential customers' meters (approximately 45,500 meters) to be read remotely and provide hourly water usage reads.

Project Need: Optimizing water use efficiency through AMI's capabilities would help to minimize water losses and improve customer education. Implementing AMI would assist the District in proactively identifying leaks, assist operations through demand-side time-of-use management, and benefit the customers by providing tools for monitoring water usage and promoting behavioral changes to optimize their operations in terms of water use efficiency.

Project Status: In Construction
Estimated Project Amount:

Item	Estimated Cost
Radio Purchases	$5,274,621
Installation	$1,262,901
Total Project Budget	**$6,537,522**



Project No: 2019.008
System: Potable
Fund: 7
Project Name: Rehabilitation of Rancho Reservoirs Nos. 1 and 2

Project Location: Rancho Reservoirs Nos. 1 and 2, Laguna Niguel

Project Description: Re-coat the interior and exterior of Ranch Reservoirs Nos. 1 and 2. The Rancho Reservoirs Nos. 1 and 2 have a maximum capacity 1.5 million gallons each. The work will also include structural and corrosion rehabilitation, tank operation and safety improvements, and installation of a cathodic protection system.

Project Need: Steel reservoirs are coated to prevent oxidation of the steel shell. The life expectancy of a coating system is between 15 to 20 years. The District inspects each reservoir every 5 to 10 years to determine if and when recoating is needed.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$50,000
CEQA Compliance	Exempt
Construction Contract	$1,718,090
Specialty Inspection	$130,000
Legal, Permits & District Labor	$15,000
Total Project Budget	**$1,913,090**



Project No: 2017.010
System: Potable
Fund: 7
Project Name: Pipeline Adjustments for I-5 Freeway Widening

Project Location: Various pipeline locations along the I-5 Freeway between Avery Parkway and El Toro Road within the Cities of Mission Viejo, Laguna Hills and Laguna Niguel

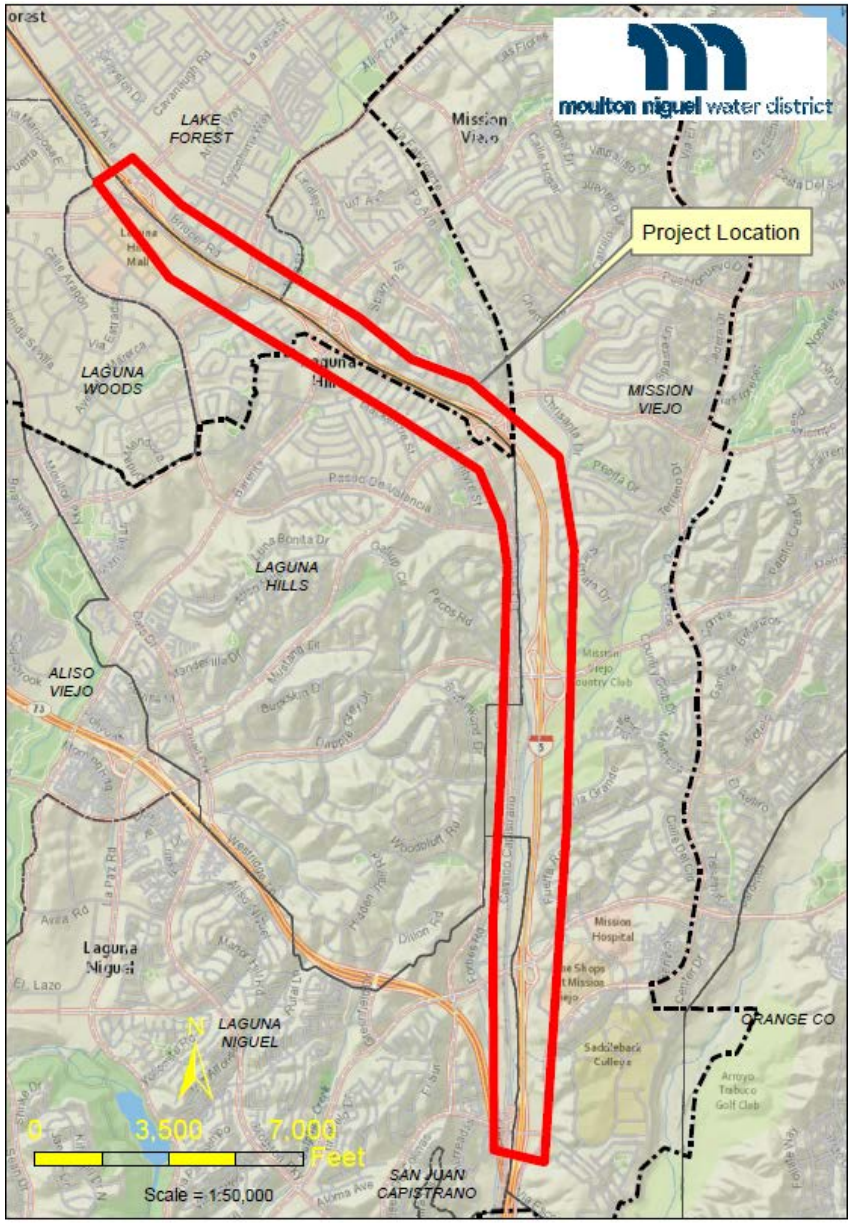
Project Description: The work involves the remediation of District's infrastructure affected by the I-5 Freeway widening project including: the relocation of hydrants and meters; raising of valve and manhole covers to grade; extending pipe casings; and constructing retaining walls.

Project Need: The Caltrans I-5 Freeway widening project will require the District to adjust its infrastructure to accommodate the proposed transportation improvements.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	$100,000
CEQA Compliance	Exempt
Construction Contract	$250,000
Inspection/Other	$50,000
Total Project Budget	**$400,000**



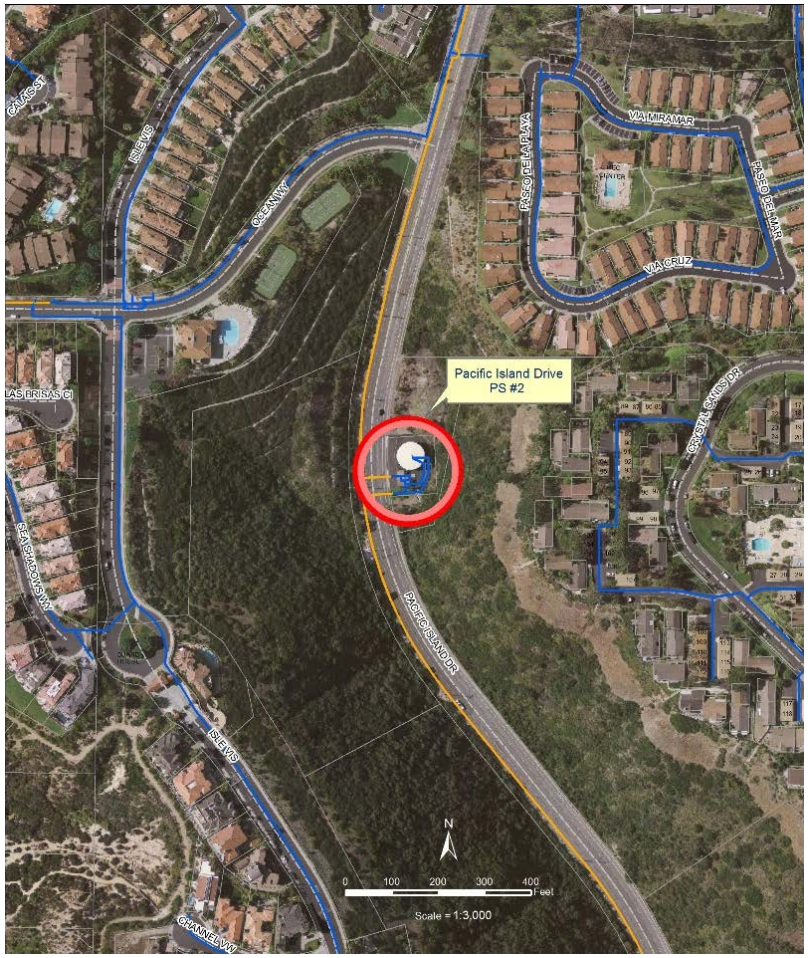
Project No: 2017.019
System: Potable
Fund: 14
Project Name: 1050-Zone Secondary Feed Pump Station and Transmission Main

Project Location: PID Pump Station No. 2, Pacific Island Drive, Laguna Niguel

Project Description: Install approximately 2,000 feet of 12-inch diameter pipe. Construct a standalone, back-up pump station at PID Pump Station No. 2 site.

Project Need: Provide a secondary feed for the 1050 pressure zone closed system. The secondary feed will receive water from the 920 pressure zone and pump it to the 1050 zone. The improvements will establish redundancy and more liability to the 1050 zone.

Project Status: In Design



Estimated Project Amount:

Item	Estimated Cost
Preliminary Design	$100,000
Design	$150,000
CEQA Compliance	$80,000
Construction Contract	$2,400,000
Inspection, Other	$50,000
Total Project Budget	**$2,780,000**

Project No: 2018.007
System: Potable
Fund: 7
Project Name: Reservoir Management System Replacement Phase 3

Project Location: Aliso Hills, Aliso Summit, Rolling Hills, Sheep Hills, and Bear Brand Reservoir Sites

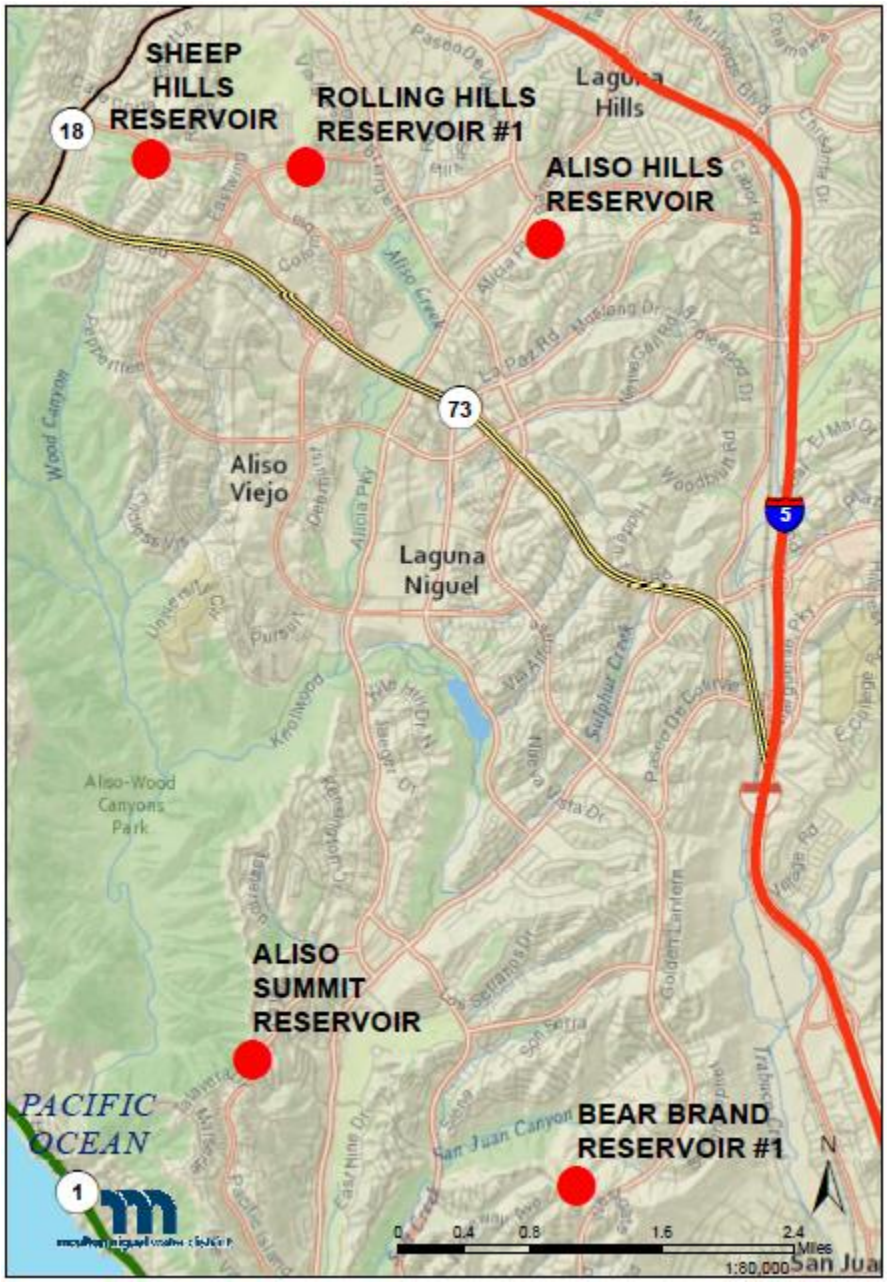
Project Description: Remove existing on-site generation water quality reservoir management systems and protective structures and replace with new water quality reservoir management systems and permanent style buildings. The work will include the installation of liquid sodium hypochlorite and ammonia water quality reservoir management systems.

Project Need: Existing facilities are approaching their useful life and require increased maintenance.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	$530,000
CEQA Compliance	Exempt
Construction Contract	$5,800,000
Legal/Permits/Other	$25,000
Special Inspection	$400,000
Total Project Budget	**$6,755,000**



Project No: 2018.014
System: Potable
Fund: 7
Project Name: Camino Capistrano PW Pipeline Relocation

Project Location: Camino Capistrano, Laguna Niguel

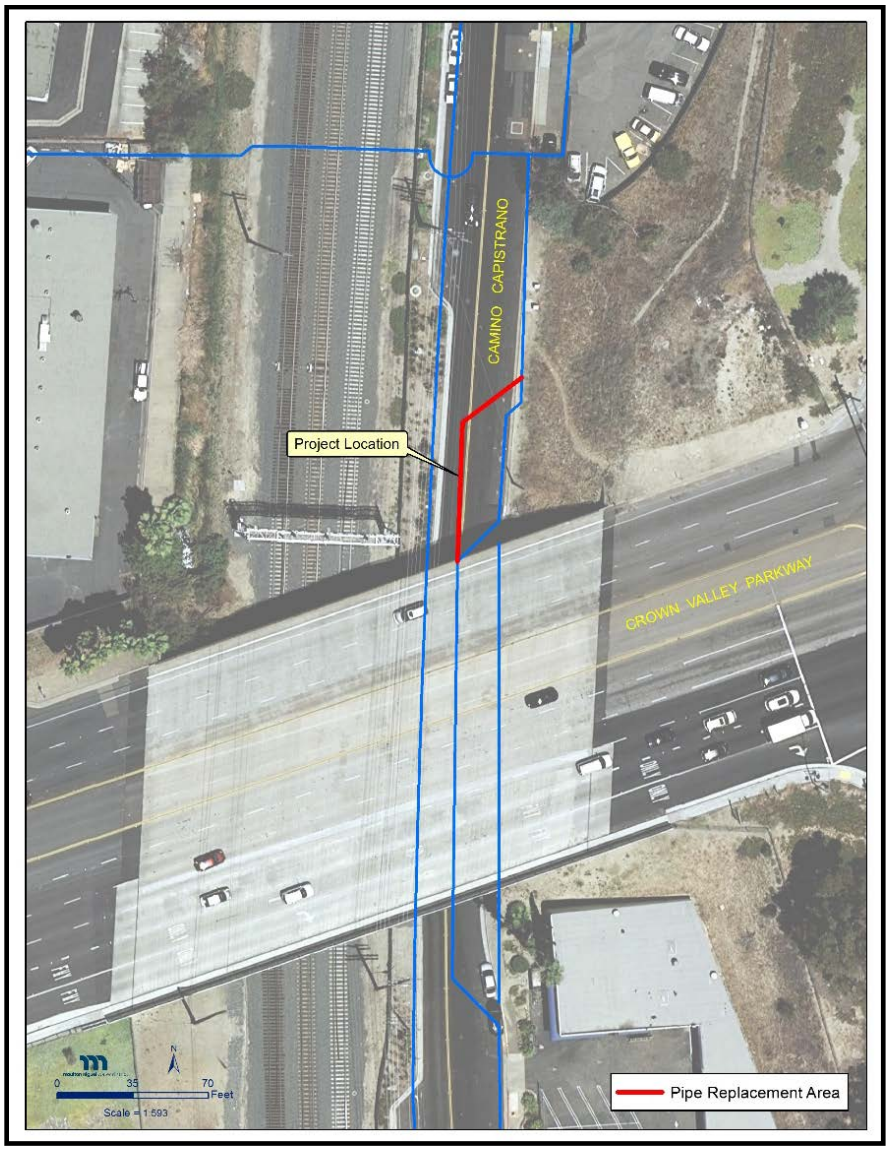
Project Description: Replace approximately 150 feet of existing 8-inch and 10-inch potable water pipeline with new 8-inch potable water pipeline in Camino Capistrano, underneath the existing Crown Valley Parkway Bridge. In addition, relocate a number of appurtenances in Forbes Road to stay behind new street curb face alignment.

Project Need: The City of Laguna Niguel is performing roadway improvements in Crown Valley Parkway, including new curb, gutter, and bridge improvements over Camino Capistrano. The District's existing PW pipeline in Camino Capistrano has potential to conflict with a proposed new bridge footing. This project will relocate the existing pipeline to avoid conflicts with the bridge improvements. The City of Laguna Niguel will also be performing street improvements on Forbes Road, which will require relocation of a few hydrants and meters.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	$65,000
CEQA Compliance/Legal	Exempt
Construction Contract	$100,000
Inspection/Permits/Other	$10,000
Total Project Budget	**$175,000**



Project No: 2019.029
System: Potable
Fund: 7
Project Name: Reservoir Management System Replacement Phase 4

Project Location: Laguna Sur, La Paz, and El Dorado Reservoir Sites

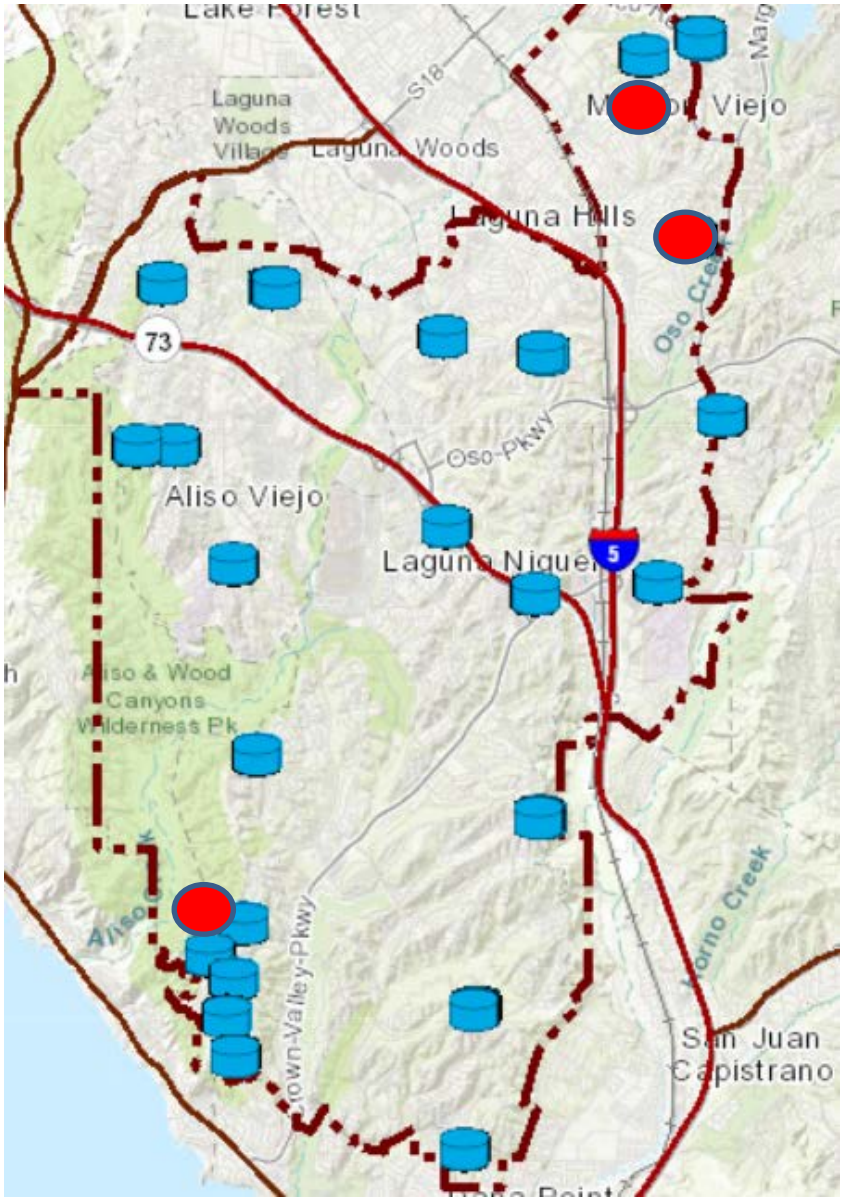
Project Description: Remove existing on-site generation water quality reservoir management systems and protective structures and replace with new water quality reservoir management systems and permanent style buildings. The work will include the installation of liquid sodium hypochlorite and ammonia water quality reservoir management systems.

Project Need: Existing facilities are approaching their useful life and require increased maintenance.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	$330,000
CEQA Compliance	Exempt
Construction Contract	$3,400,000
Legal/Permits/Other	$25,000
Special Inspection	$225,000
Total Project Budget	**$3,980,000**



Project No: 2019.030
System: Potable
Fund: 7
Project Name: Potable Water Steel Reservoir Seismic Retrofits

Project Location: Various

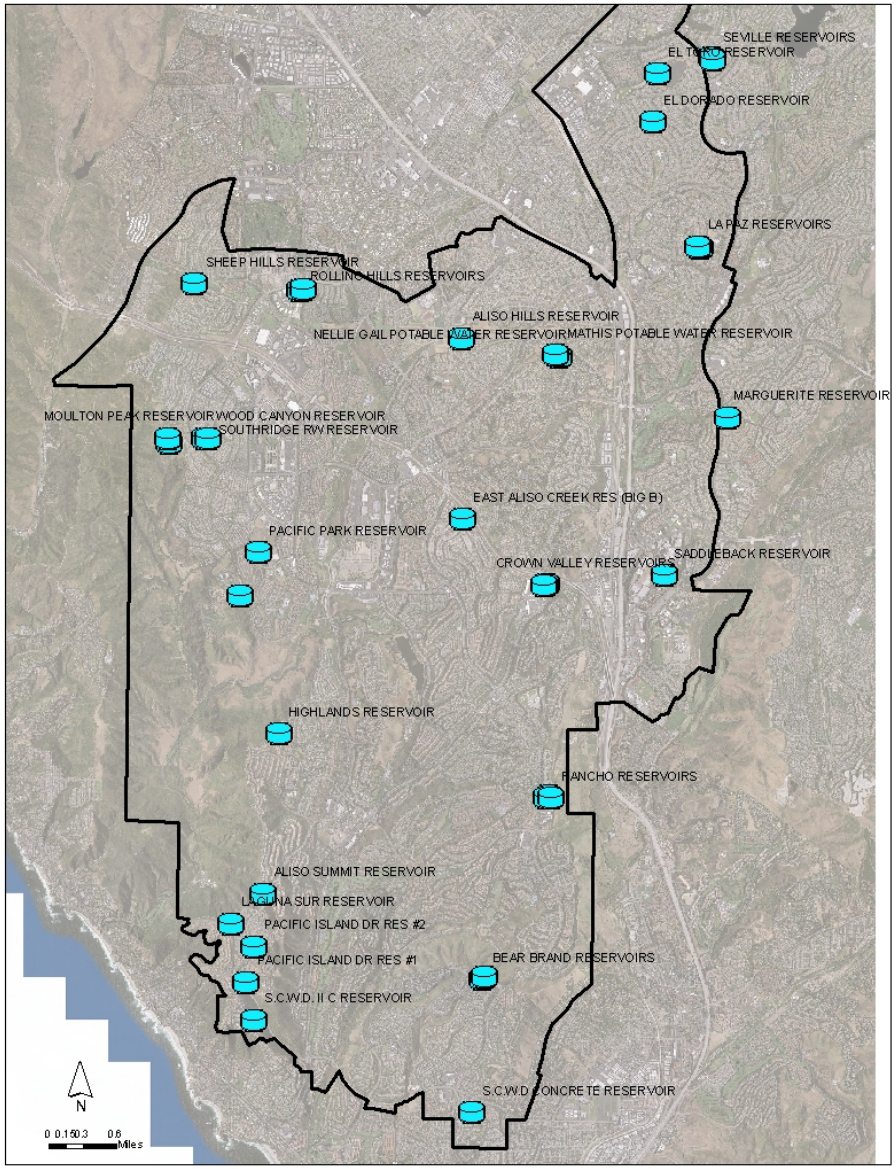
Project Description: Construct the recommendations from Project No. 2011.014 - Seismic and Structural Assessment of Steel Reservoirs to bring all steel tanks to current seismic standards.

Project Need: Project No. 2011.014 evaluated all the District's steel tanks for seismic, structural, and safety conditions. The evaluation recommended 18 potable steel reservoirs that required either one or a combination of three different seismic retrofits.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	$370,000
CEQA Compliance	Exempt
Construction Contract	$3,700,000
Inspection	$300,000
Total Project Budget	**$4,370,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Reservoir Management System Replacement Phase 5

Project Location: PID1, PID2, Rancho, Saddleback, and Wood Canyon Reservoir Sites

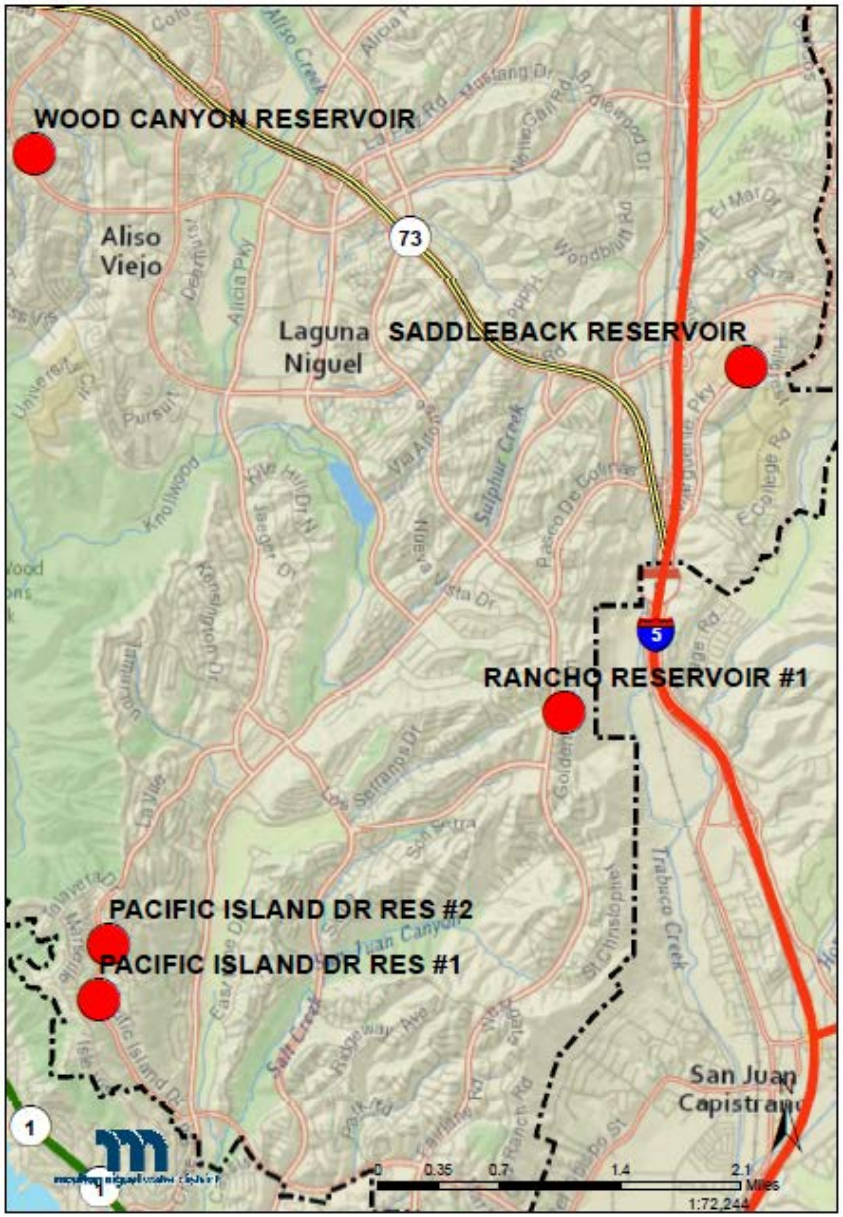
Project Description: Remove existing on-site generation water quality reservoir management systems and protective structures and replace with new water quality reservoir management systems and permanent style buildings. The work will include the installation of liquid sodium hypochlorite and ammonia water quality reservoir management systems.

Project Need: Existing facilities are approaching their useful life and require increased maintenance.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	$530,000
CEQA Compliance	Exempt
Construction Contract	$5,900,000
Legal/Permits/Other	$25,000
Special Inspection	$400,000
Total Project Budget	**$6,855,000**



Project No: Annual Program
System: Potable
Fund: 7
Project Name: Fire Hydrant Replacement Program

Project Location: Various

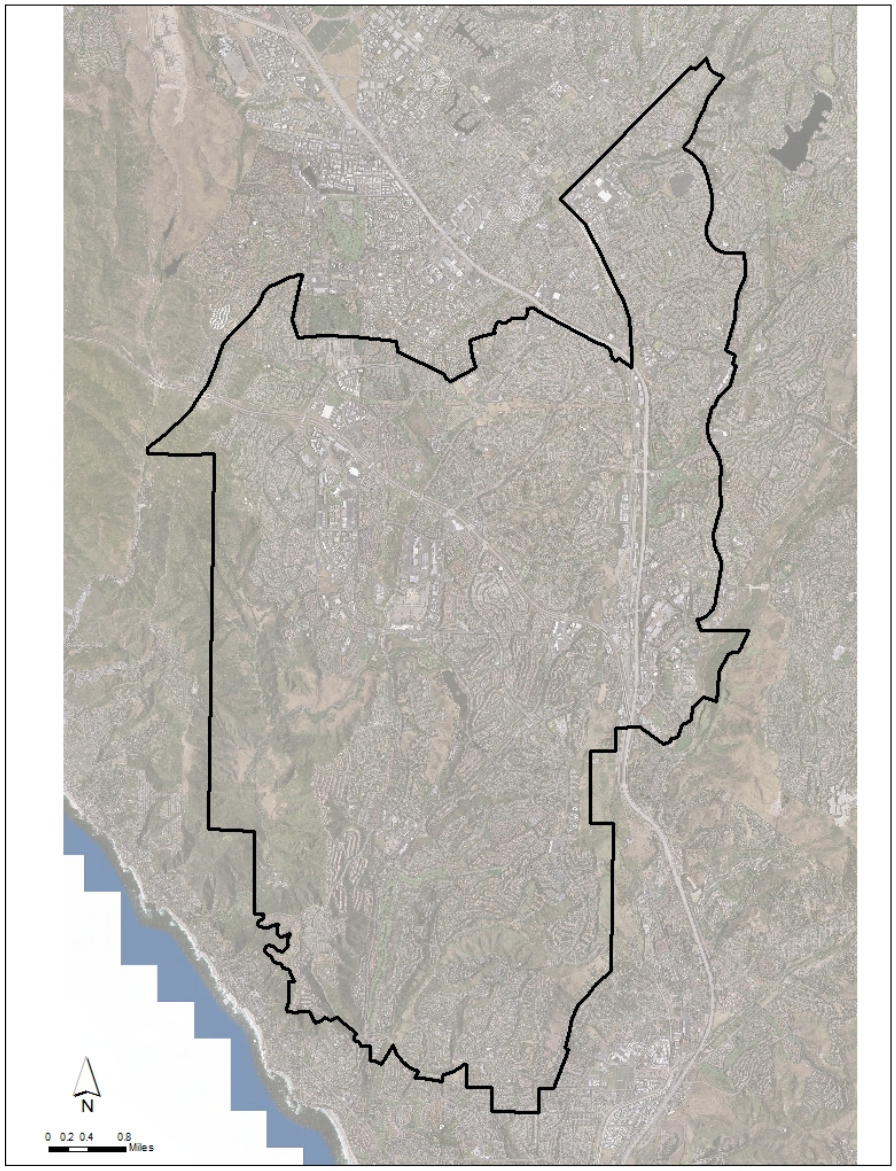
Project Description: Replace existing fire hydrants.

Project Need: The District has approximately 7,000 fire hydrants in the potable water system. This program will replace existing fire hydrants as they reach the end of their useful lives.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction by District	$900,000
Total Project Budget	**$900,000**



Project No: Annual Program
System: Potable
Fund: 7
Project Name: Meter Replacement Program - PW

Project Location: Various

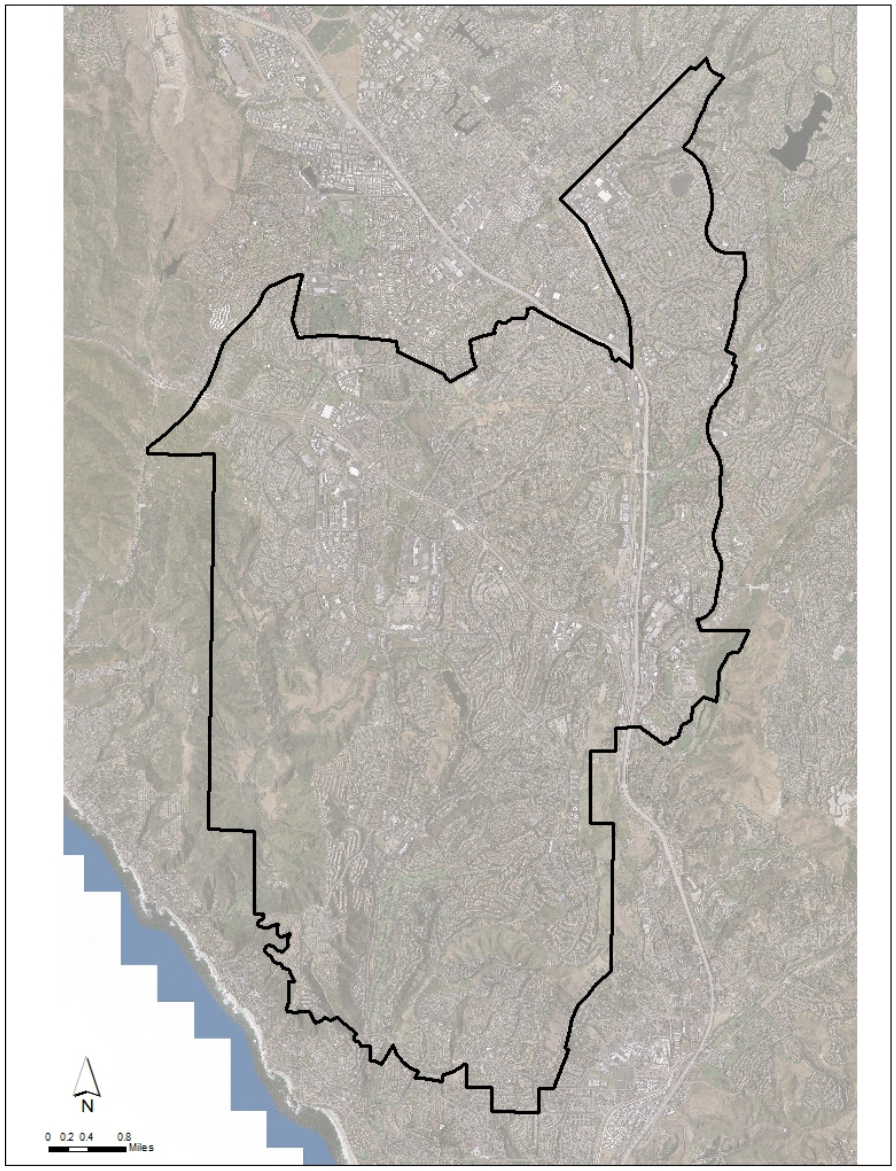
Project Description: Replace existing meters.

Project Need: The District has approximately 55,000 meters in the potable water system. This program will replace existing meters as they reach the end of their useful lives.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction	$4,980,000
Total Project Budget	**$4,980,000**



Project No: Annual Program
System: Potable
Fund: 7
Project Name: Operations-Led Capital Improvements – PW

Project Location: Various

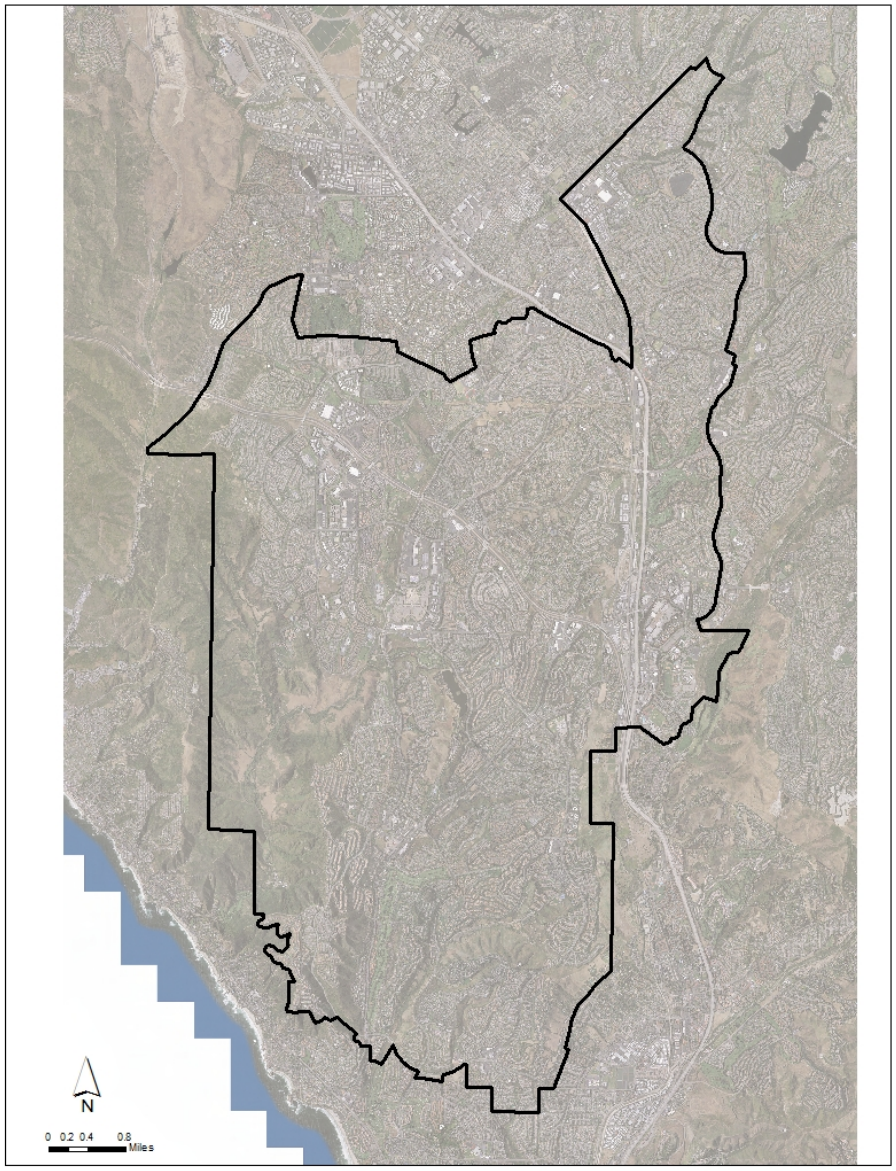
Project Description: This program covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, programmable logic controllers, mechanical systems, and related equipment.

Project Need: Capital equipment and parts needs are identified by District Operations Staff, as existing equipment reaches the end of its useful life.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases and Installation	$4,500,000
Total Project Budget	**$4,500,000**



Project No: Annual Program
System: Potable
Fund: 7
Project Name: Pipeline Rehabilitation and Replacement Program – PW

Project Location: Various

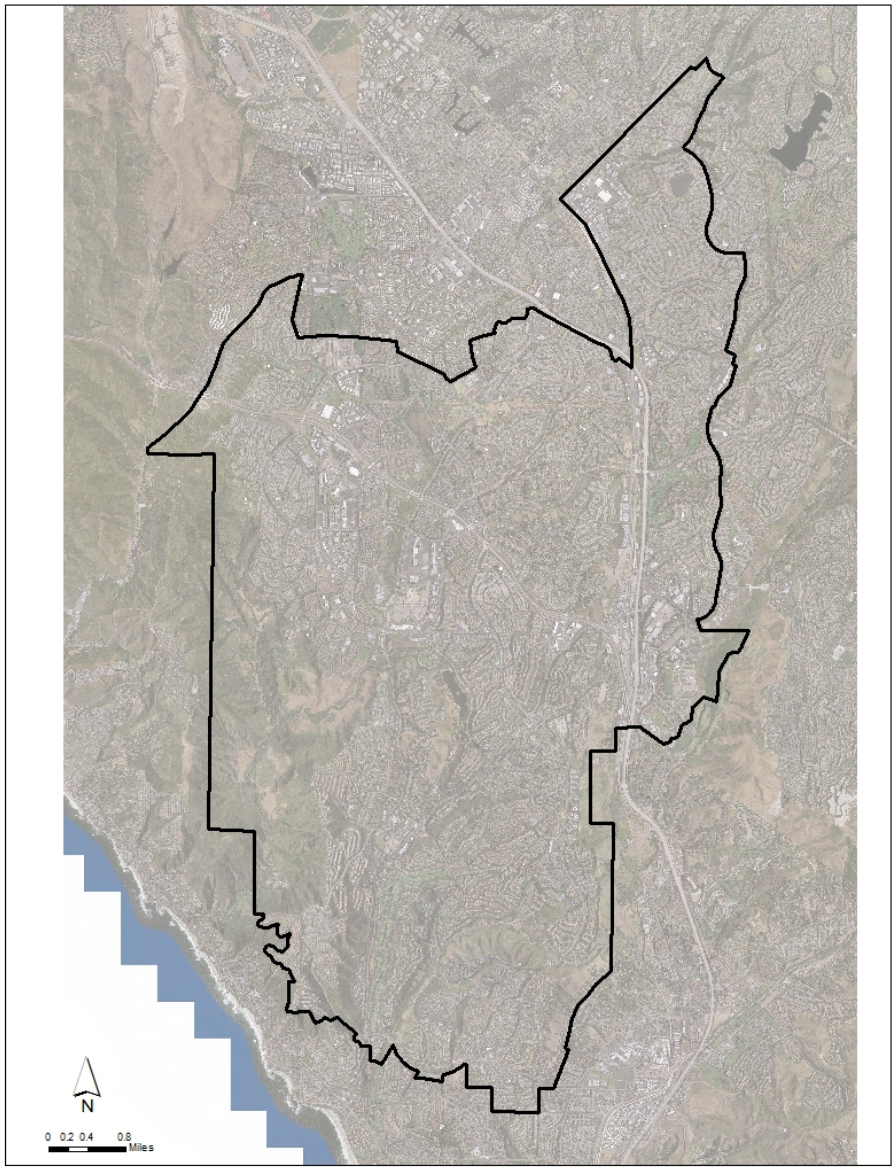
Project Description: Rehabilitate or replace pipelines that have reached the end of their useful lives. An analysis was performed using information contained in the District's Geographic Information System (GIS) to prioritize potable water pipelines for rehabilitation and replacement.

Project Need: The District has approximately 680 miles of potable water pipelines in the system. These pipelines are used to convey potable water to customers throughout the District's service area. The pipelines range in diameter from 4-inch to 54-inch and are made of various materials including PVC, asbestos-cement, ductile iron, steel, and concrete.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
Design	$3,600,000
CEQA Compliance	$600,000
Construction Contract	$25,500,000
Inspection/Other	$300,000
Total Project Budget	**$30,000,000**



Project No: Annual Program
System: Potable
Fund: 7
Project Name: Reservoir Recoating Program – PW

Project Location: Various

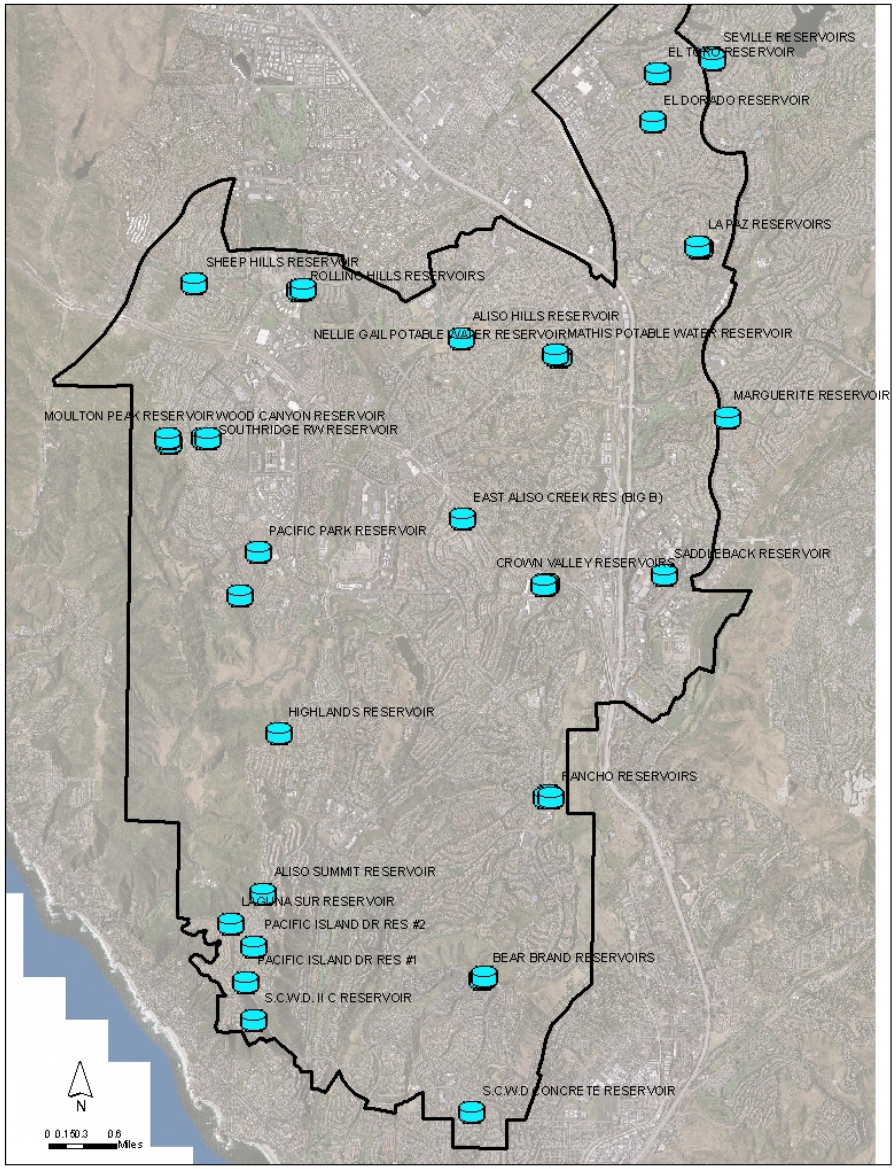
Project Description: Recoat the interior and exterior of steel reservoirs in the potable system.

Project Need: Steel reservoirs are coated to prevent oxidation of the steel shell. The life expectancy of a coating system is between 15 to 20 years. The District inspects each reservoir every 10 years to determine if and when recoating is needed. This project addresses the periodic nature of this activity for this asset group.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
Design	$300,000
CEQA Compliance	Exempt
Construction Contract	$6,000,000
Inspection	$700,000
Total Project Budget	**$7,000,000**



Project No: Annual Program
System: Potable
Fund: 7
Project Name: Service Line Replacement Program – PW

Project Location: Various

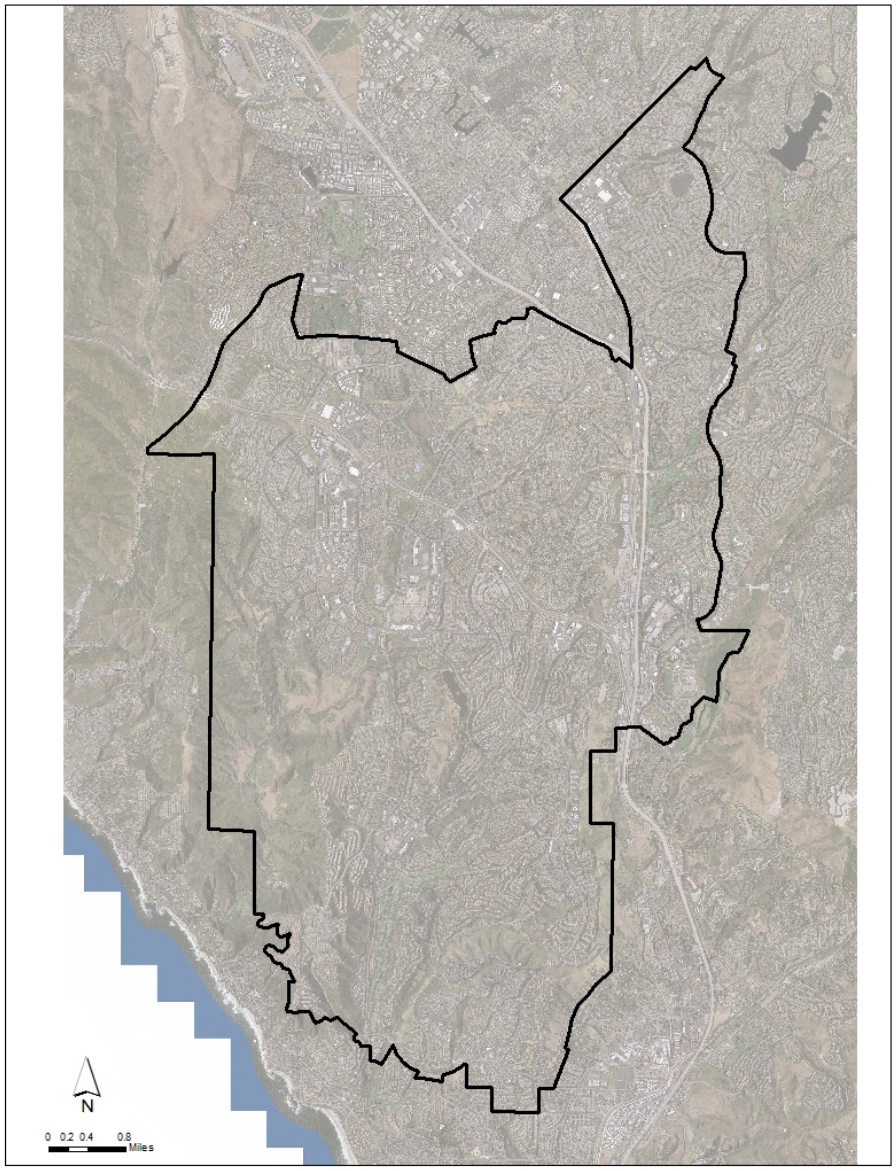
Project Description: Replace existing service lines.

Project Need: The District has approximately 55,000 services in the potable water system. The service lines are used to connect distribution piping to customer meters. This program will replace service lines as they reach the end of their useful lives.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

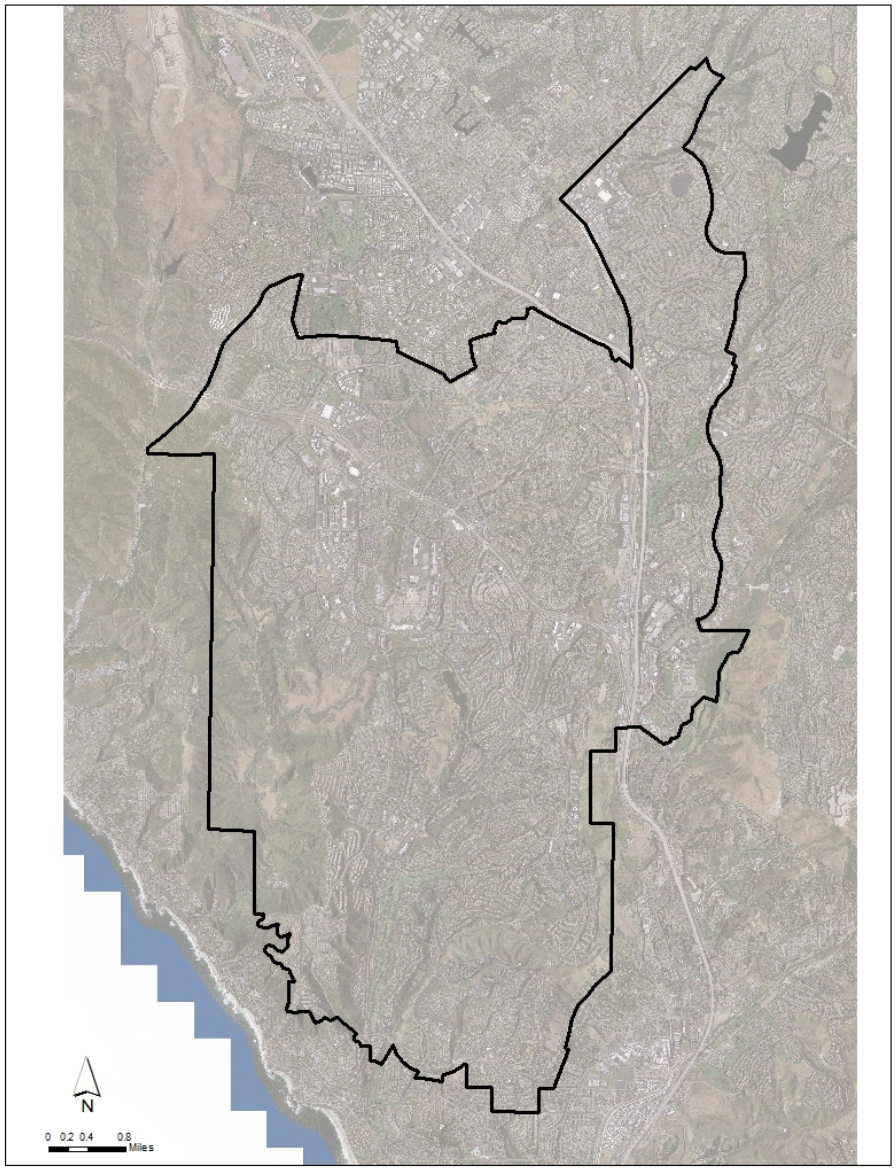
Item	Estimated Cost
CEQA Compliance	Exempt
Construction by District	$13,140,000
Total Project Budget	**$13,140,000**



Capital Improvement Program – Project Description

Project No: Annual Program
System: Potable
Fund: 7
Project Name: Valve Replacement Program – PW

Project Location: Various
Project Description: Replace pipeline valves.



Project Need: The District has approximately 12,940 systems valves in the potable water system. These valves are used to isolate sections of pipe in the event of planned and emergency repairs and connections. A systemwide valve replacement program study was completed in January 2016. The study recommends 3,970 valves to be tested, of which it assumes 1,985 critical valves will need to be replaced. This program will replace approximately 60% of those valves. These critical valves are prioritized to reduce the quantity of customers required to be taken out of service during future pipeline repair and connections. They include valves on major, secondary, and local transmission and distribution mains that would reduce potential interruption of service down to two or three sections of local distribution mains.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
Design	$675,000
CEQA Compliance	Exempt
Construction Contract	$14,500,000
Inspection/Other	$200,000
Construction by District	$9,600,000
Total Project Budget	**$24,975,000**

Project No: Annual Program
System: Potable
Fund: 7
Project Name: Vertical Assets Rehabilitation and Replacement Program – PW

Project Location: Various

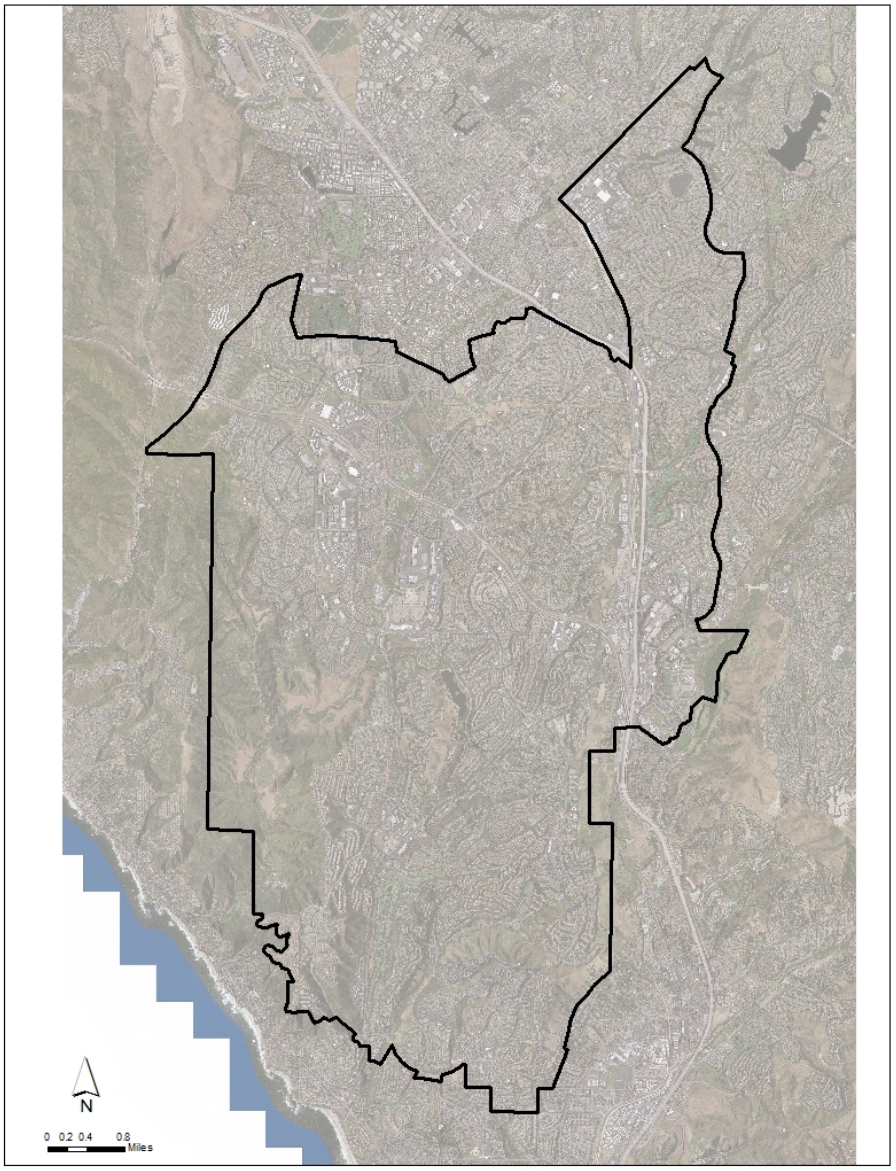
Project Description: Rehabilitate or replace structures and equipment at pump station, flow control and pressure reducing stations that have reached the end of their useful lives. An analysis was performed by staff to prioritize the methodical rehabilitation or replacement of vertical assets within the potable water system.

Project Need: The District has 23 active pump stations, 6 active flow control facilities, and 14 active pressure reducing stations in the potable water system. These vertical assets are used to convey potable water to customers throughout the District's service area. As the facilities reach the end of their useful lives, the equipment there becomes obsolete, does not function efficiently, and requires increased maintenance.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
Design	$4,250,000
CEQA Compliance	Exempt
Construction Contract	$28,980,000
Inspection/Other	$4,250,000
Total Project Budget	**$37,480,000**



Project No: 2015.006
System: Potable
Fund: 7
Project Name: I.D. 1 Master Meter Relocation

Project Location: Crown Valley Parkway and Paseo Del Valle, Laguna Niguel

Project Description: Construct a meter vault and needed piping.

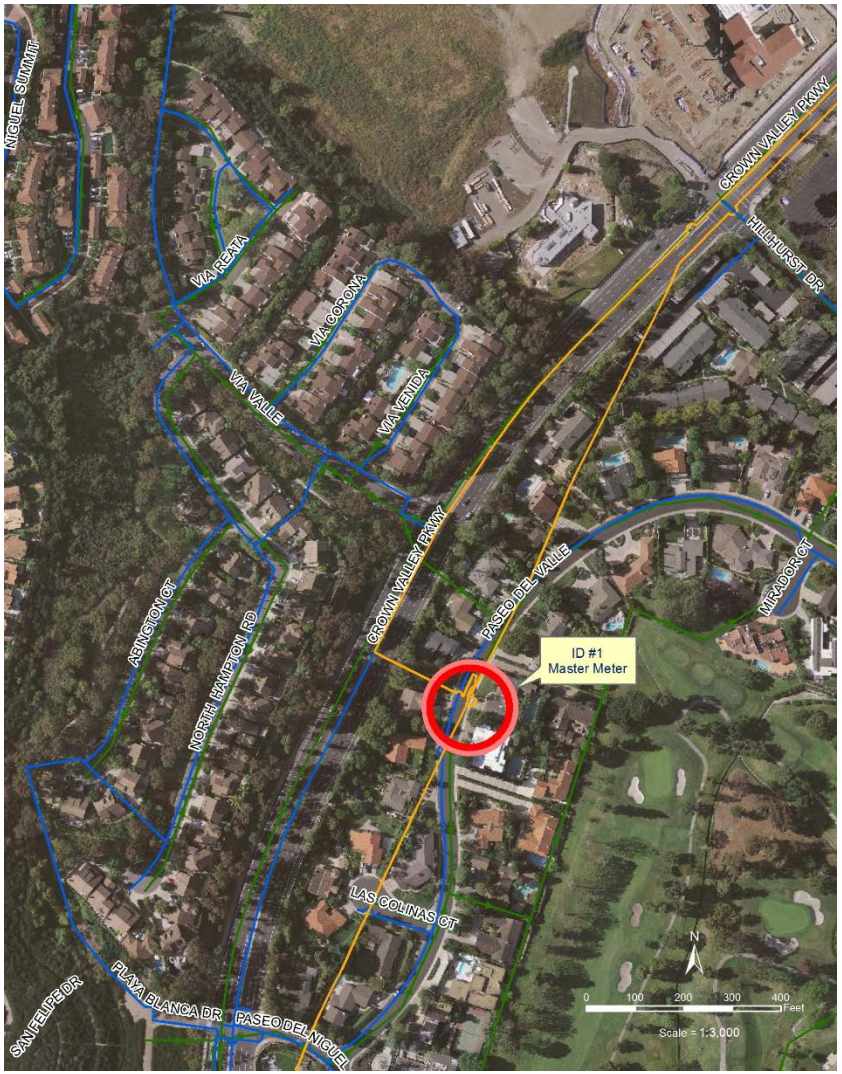
Project Need: JRWSS will be relocating the JTM out of the housing track on Paseo Del Valle and into Crown Valley Parkway. I.D. Master Meter will need to be relocated and connected to the new part of the JTM or at a different location, depending on site availability. SCWD/JRWSS plans to perform the relocation work in FY 2021-22.

Add communication pole and system to relocated meter.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$60,000
CEQA Compliance	Exempt
Construction Contract	$500,000
Inspection/Other	$90,000
Total Project Budget	**$650,000**



Project No: 2017.016
System: Potable
Fund: 12
Project Name: South County Pipeline Takeout Facility

Project Location: Along the South County Pipeline (SCP), Mission Viejo, to be determined based on site availability.

Project Description: Identify site, acquire property, design and construct a flow control facility.

Project Need: Currently, there is only one takeout facility from the SCP at Oso Parkway and Antonio Parkway. The SCP, at times, provides more than half and up to 100% of the District's potable water supply. A second flow control facility will improve supply reliability to the District in case of SCP shutdowns.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$600,000
CEQA Compliance	$100,000
Construction Contract	$9,000,000
CM & Inspection	$450,000
Permits, District Labor, Legal	$50,000
Total Project Budget	**$10,200,000**



Project No: 2018.004
System: Potable
Fund: 7
Project Name: Electrical System Improvements Phase 2 - PW

Project Location: Country Village Pump Station, Laguna Niguel; Pacific Park Pump Station & Sheep Hills Pump Station, Aliso Viejo

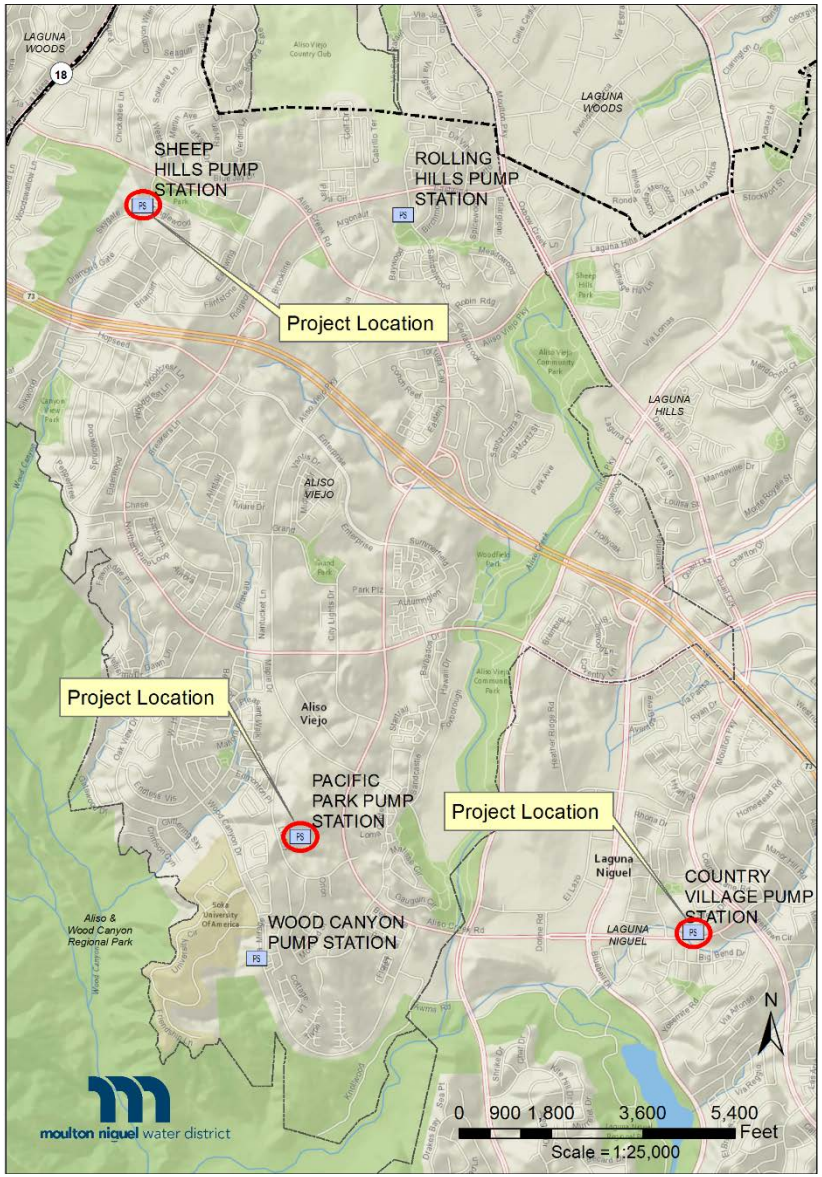
Project Description: Replace 1600A MCC, 600A E-MCC, and Load Bank Circuit Breaker at Country Village PS. Temporary switchgear will be required to maintain operation during construction. Replace Meter/Main Section; remove the fire pump and natural gas engine; and install a new portable generator connection at Pacific Park PS. Replace Meter/Main Section and MCC at Sheep Hills PS.

Project Need: The noted electrical equipment at each facility is old and beyond their useful lives and can no longer be refurbished. If these existing electrical components remain, they could be hazardous to personnel or property and would likely never be useful again.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$250,000
CEQA Compliance	Exempt
Construction Contract	$900,000
Inspection/Utility Fees/Other	$150,000
Total Project Budget	**$1,300,000**



Project No: 2018.017
System: Potable
Fund: 7
Project Name: Mira Vista and Vista Ladera Easement Pipeline Rehabilitation/Replacement

Project Location: Mira Vista and Vista Ladera, Laguna Niguel

Project Description: Rehabilitate/replace approximately 300 feet of 8-inch diameter pipeline (650 pressure zone) within an existing easement connecting Mira Vista and Vista Ladera cul-de-sacs. Construction methods may include traditional hand-digging, slip-lining, and/or CIPP.

Project Need: The existing pipeline has reached the end of its useful life and is in need of rehabilitation/replacement. The pipeline segment is located within a residential neighborhood of Laguna Niguel.

Project Status: Proposed Project



Estimated Project Amount:

Item	Estimated Cost
Design	$75,000
CEQA Compliance	Exempt
Construction Contract	$300,000
Permits/Legal/Other	$25,000
Total Project Budget	**$400,000**

Project No: 2018.021
System: Potable
Fund: 7
Project Name: Sheep Hills Pump Station Improvements

Project Location: Sheep Hills Pump Station, Aliso Viejo

Project Description: Evaluate options to remove and replace the fire pump and natural gas engine with a new diesel generator, including up to three new duty pumps, valves, and associated piping. Ultimate pump station improvements will be based upon recommendations from a hydraulic modeling analysis.

Project Need: The fire pump, three of the duty pumps, and natural gas engine are nearly 30 years old. The equipment has out lived its life expectancy and can no longer be refurbished. A new diesel generator will add reliability to the station.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Preliminary Design Analysis	$50,000
Design	$200,000
CEQA Compliance	Exempt
Construction Contract	$1,100,000
Inspection/Other	$50,000
Total Project Budget	**$ 1,400,000**



Project No: 2018.025
System: Potable
Fund: 14
Project Name: 750-Zone PW System Extension at Salt Spray Drive

Project Location: Salt Spray Drive, Laguna Niguel

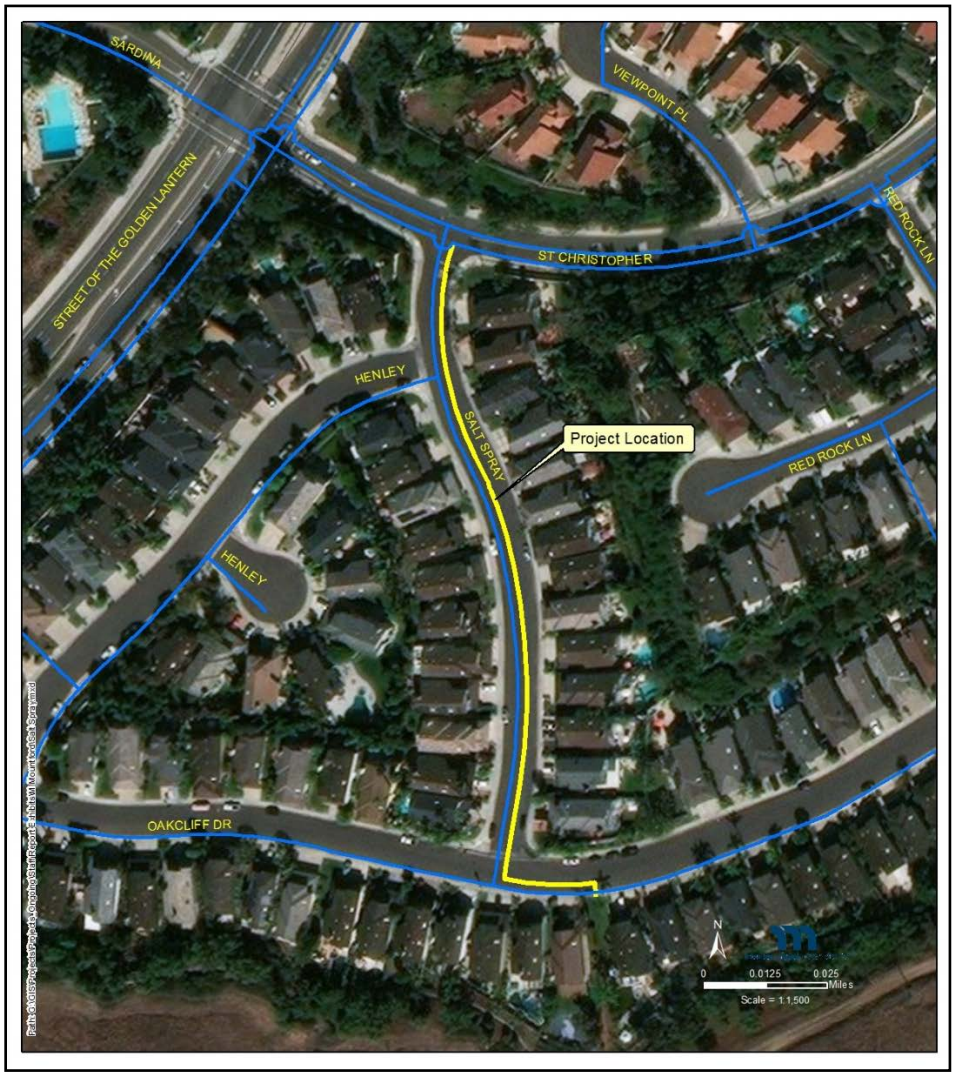
Project Description: Install approximately 800 feet of new 12-inch diameter potable water main pipeline at Salt Spray Drive.

Project Need: Pipeline will provide 750-Zone distribution redundancy where none currently exists. Project is contingent upon the installation of a new developer-installed pipeline.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$50,000
CEQA Compliance	Exempt
Construction Contract	$330,000
Inspection/Other	$20,000
Total Project Budget	**$400,000**



Project No: 2019.003
System: Potable
Fund: 7
Project Name: Blackbird and Solitaire Easement Pipeline Rehabilitation/Replacement

Project Location: Aliso Viejo

Project Description: Rehabilitate/replace approximately 400 feet of 8-inch diameter ductile iron pipe (880 pressure zone) within an existing easement connecting Blackbird Lane and Solitaire Lane cul-de-sacs. Construction methods may include traditional hand-digging, slip-lining, and/or CIPP.

Project Need: The existing pipeline has reached the end of its useful life and is in need of rehabilitation/replacement. The pipeline segment is located within a residential neighborhood of Aliso Viejo.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$75,000
CEQA Compliance	Exempt
Construction Contract	$400,000
Easement/Legal/Other	$25,000
Total Project Budget	**$500,000**



Project No: 2019.005
System: Potable
Fund: 7
Project Name: East Aliso Creek Reservoir Site Paving Replacement

Project Location: East Aliso Creek Reservoir, Laguna Niguel

Project Description: Remove approximately 34,000 square feet of existing asphalt paving and replace with new 4-inch asphalt paving over existing base. Remove and replace approximately 700 feet of asphalt curb.

Project Need: The existing site paving has exceeded its useful life and is in need of replacement.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	$250,000
Inspection/Other	$25,000
Total Project Budget	**$275,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Bear Brand Pump Station Pump Replacement

Project Location: Bear Brand Pump Station, Dana Point

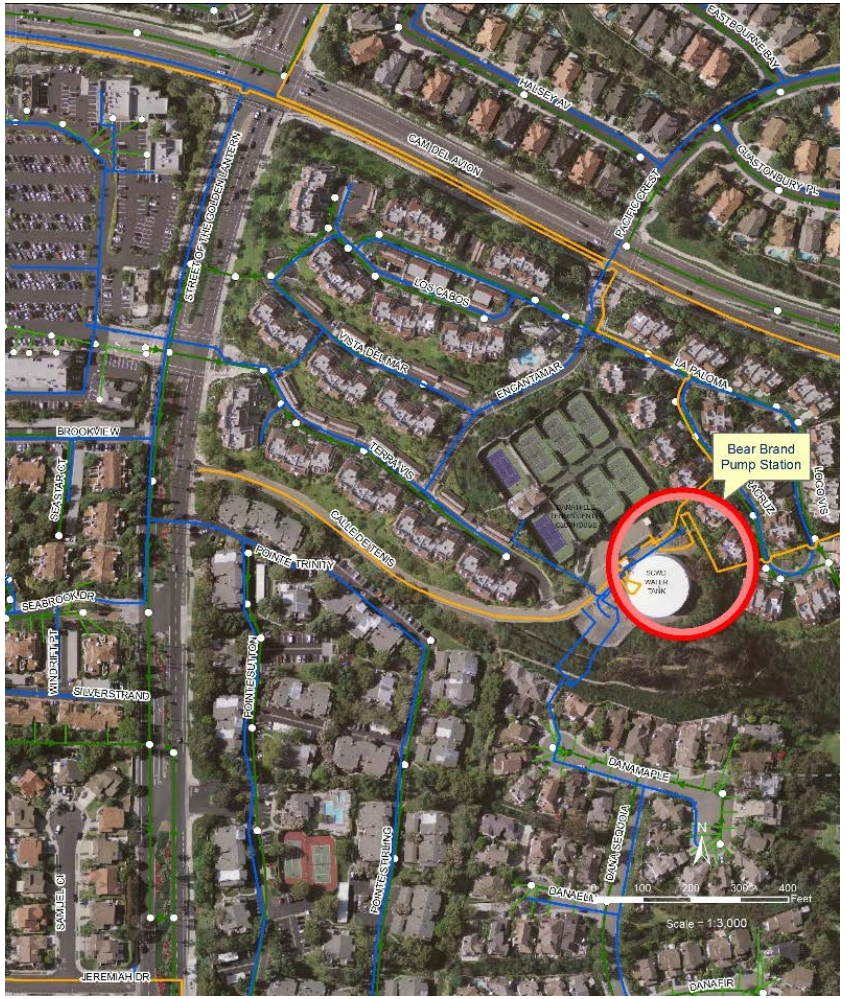
Project Description: Replace two existing pumps and motors, select piping and valves. A hydraulic analysis using District's water model may be required to verify final design.

Project Need: Pumps are original and have reached their useful life.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$75,000
CEQA Compliance	Exempt
Construction Contract	$350,000
Inspection/Other	$10,000
Total Project Budget	**$435,000**



Project No: TBD
System: Potable
Fund: 12
Project Name: CIP Takeout Facility at Marguerite Pump Station

Project Location: Marguerite Pump Station, Mission Viejo

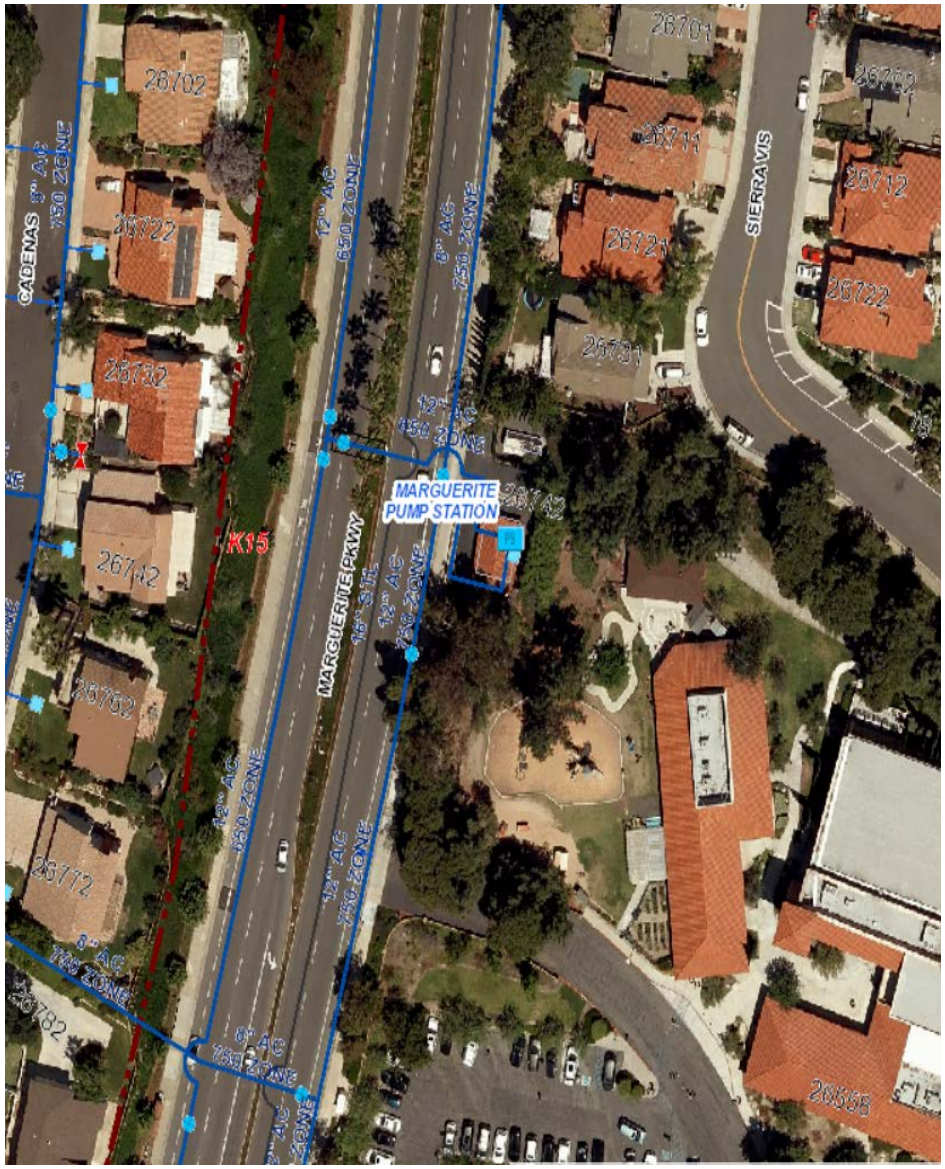
Project Description: Design and construct a flow control facility from the Central Intertie Pipeline (CIP) to the 650 & 750 pressure zones via Marguerite Pump Station. Project scope will include construction of approximately 3,700 linear feet of 16-inch steel pipe, a 15 foot building extension, three flow-control valves, and electrical and SCADA upgrades. The design will include a hydraulic analysis.

Project Need: The facility will control flow from the CIP to District's Mission Viejo service area. It will provide an additional source of water to the area.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$300,000
CEQA Compliance	$100,000
Construction Contract	$4,325,000
Inspection/Other	$275,000
Total Project Budget	**$5,000,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Crown Valley and Marguerite Reservoirs Site Paving Replacement

Project Location: Crown Valley Reservoirs, Laguna Niguel; Marguerite Reservoir, Mission Viejo

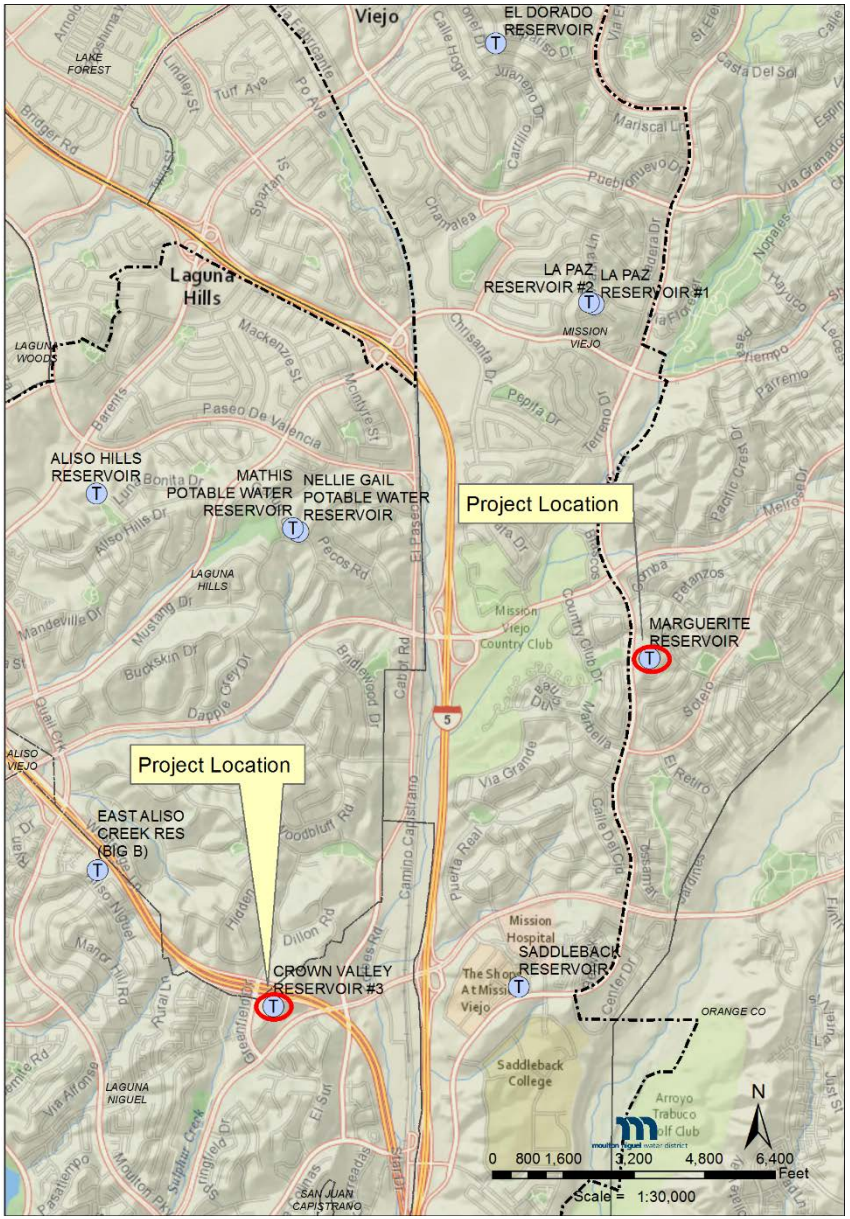
Project Description: Remove approximately 44,000 square feet of existing asphalt paving and replace with new 4-inch asphalt paving over existing base. Remove and replace approximately 500 feet of asphalt curb.

Project Need: The existing site paving has exceeded its useful life and is in need of replacement.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	$325,000
Inspection/Other	$50,000
Total Project Budget	**$375,000**



Project No: 2019.037
System: Potable
Fund: 7
Project Name: Crown Valley Parkway Transmission Main Lower Reach Replacement

Project Location: Crown Valley Parkway, Laguna Niguel

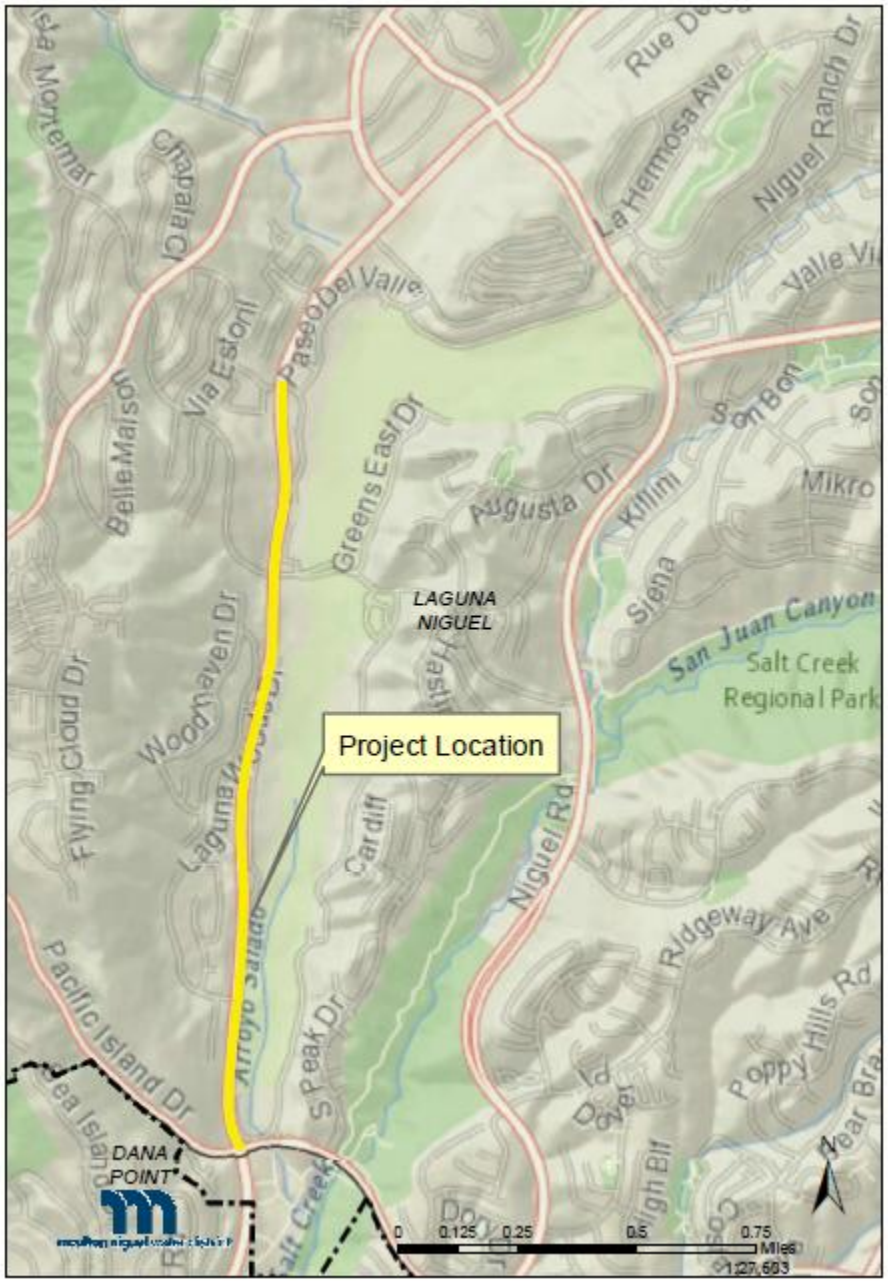
Project Description: Replace the existing 12-inch diameter concrete cylinder transmission main from Camino del Avion/Pacific Island Drive at the south end to approximately Paseo de Niguel at the north end.

Project Need: This 1.8-mile segment of potable water transmission main was constructed in the 1960s for the 450 pressure zone and has experienced multiple problems from corrosion and age causing related pipe leaks.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$500,000
CEQA Compliance	$50,000
Construction Contract	$3,950,000
Inspection/Other	$500,000
Total Project Budget	**$5,000,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Crown Valley Parkway Transmission Main Upper Reach Rehabilitation

Project Location: Crown Valley Parkway, Laguna Niguel

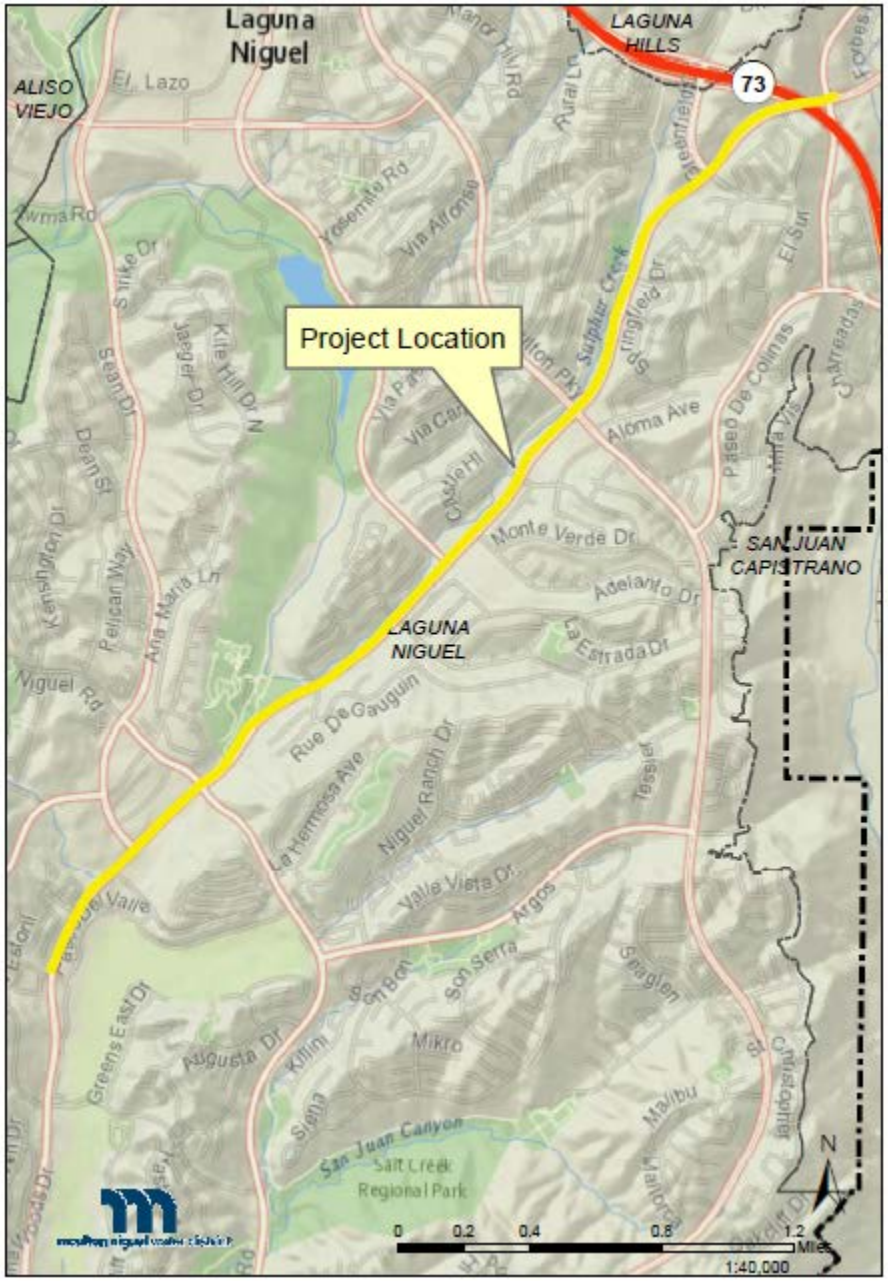
Project Description: Rehabilitate the existing 16-inch diameter CML&C steel transmission main from near Paseo de Niguel at the south end to approximately Cabot Road at the north end. The majority of this 3.5 mile segment of pipeline is currently located beneath the landscaped center median along Crown Valley Parkway.

Project Need: The transmission main was constructed in the 1960s for the 450 pressure zone and has experienced multiple interruptions from corrosion and age causing related pipe leaks, joint problems, and crumbling of the interior mortar lining when draining and recharging.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$800,000
CEQA MND	$100,000
Construction Contract	$8,300,000
Inspection/Other	$800,000
Total Project Budget	**$10,000,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Crown Valley Reservoir No. 3 Roof Plate Replacement and Interior Recoating

Project Location: Crown Valley Reservoir, Laguna Niguel

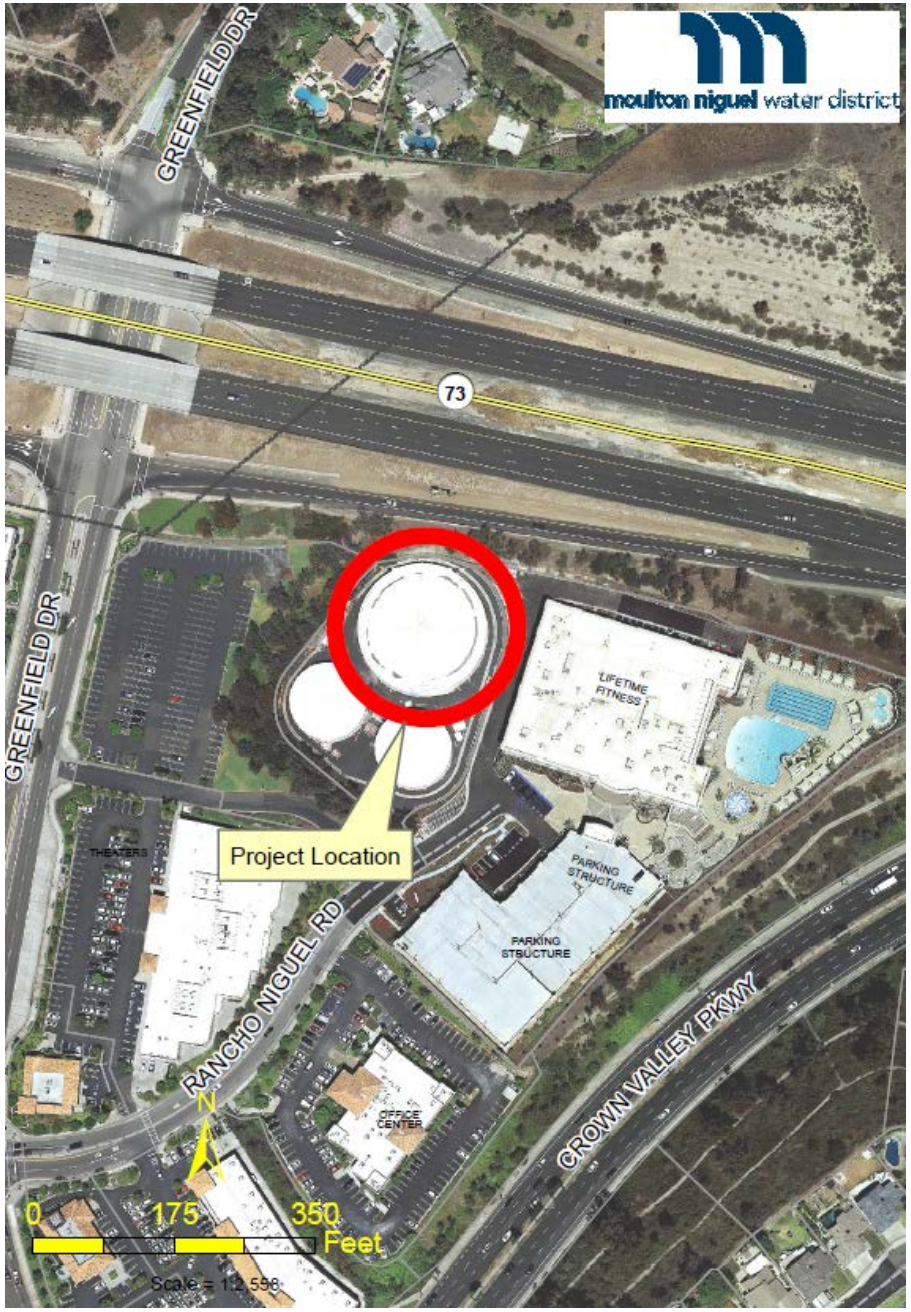
Project Description: The Crown Valley Reservoir No. 3 requires roof plate replacements, interior recoating and exterior roof paint.

Project Need: The roof plates of the Crown Valley Reservoir were damaged due to an overflow event in 1990. The structure is stable but the deformation of the roof plates is causing water ponding. The interior recoating for Crown Valley Reservoir No. 3 is required to be done as well. The life expectancy of a coating system is between 15 to 20 years.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$30,000
CEQA Compliance	Exempt
Construction Contract	$900,000
Specialty Inspection	$85,000
Legal/Permits/Other	$5,000
Total Project Budget	**$1,020,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Electrical Distribution Equipment Replacement at PID No. 2 Pump Station

Project Location: Pacific Island Drive (PID) No. 2 Pump Station, Laguna Niguel

Project Description: Replace utility service section at the PID No. 2 Pump Station that has reached the end of its useful life. Other electrical improvements to be completed to accommodate the new service sections.

Project Need: The service section and associated main circuit breakers are more than 50 years old (beyond useful life). If these existing electrical components remain, they could be hazardous to personnel or property and would likely never be useful again.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$25,000
CEQA Compliance	Exempt
Construction Contract	$100,000
Inspection/Utility Fees/Other	$25,000
Total Project Budget	**$150,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Electrical System Improvements Phase 3 - PW

Project Location: Rancho Pump Station (Laguna Niguel) and Rolling Hills Pump Station (Aliso Viejo)

Project Description: Remove the existing MCPs and replace with new 100A circuit breakers for Pumps 1-3 as well as increase the corresponding cable sizes; remove and replace the VFDs for Pumps 4 and 5 at Rancho Pump Station. Remove and replace the main switchboard and MCC at the Rolling Hills Pump Station.

Project Need: The noted electrical equipment at each facility is old and beyond their useful lives. If the electrical equipment remains, they may be hazardous to personnel or property and would likely never be useful again. Rancho Pump Station is a critical facility and must remain operational during this work. Rolling Hills Pump Station is not considered a critical facility, and thus can be shut down for the duration of the required electrical work without implementation of temporary power and/or bypassing.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$150,000
CEQA Compliance	Exempt
Construction Contract	$500,000
Inspection/Utility Fees/Other	$50,000
Total Project Budget	**$700,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Hidden Hills and Laguna Serrano Apartments Pipeline Replacement

Project Location: Hidden Hills and Laguna Serrano Apartments, Laguna Niguel

Project Description: The project includes the removal of approximately 350 feet of 8-inch ductile iron pipe and replacement with new PVC pipe, as well as new valves and fittings.

Project Need: This area has experienced repeated issues on the ductile iron water pipes supplying these apartment communities. This project will replace all remaining ductile iron pipe connections to these apartment communities.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$50,000
CEQA Compliance	Exempt
Construction Contract	$300,000
Inspection/Other	$10,000
Total Project Budget	**$360,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Meter Upgrades and Valve Replacements at Takeout Facilities on JRWSS JTM

Project Location: Northerly Takeout (Aliso Viejo), Paseo De Valencia Pump Station (Laguna Hills), Oso Pump Station (Mission Viejo), Del Avion Takeout (Dana Point), CC-3 Takeout (Laguna Niguel), ID-3 Master Meter (Laguna Hills)

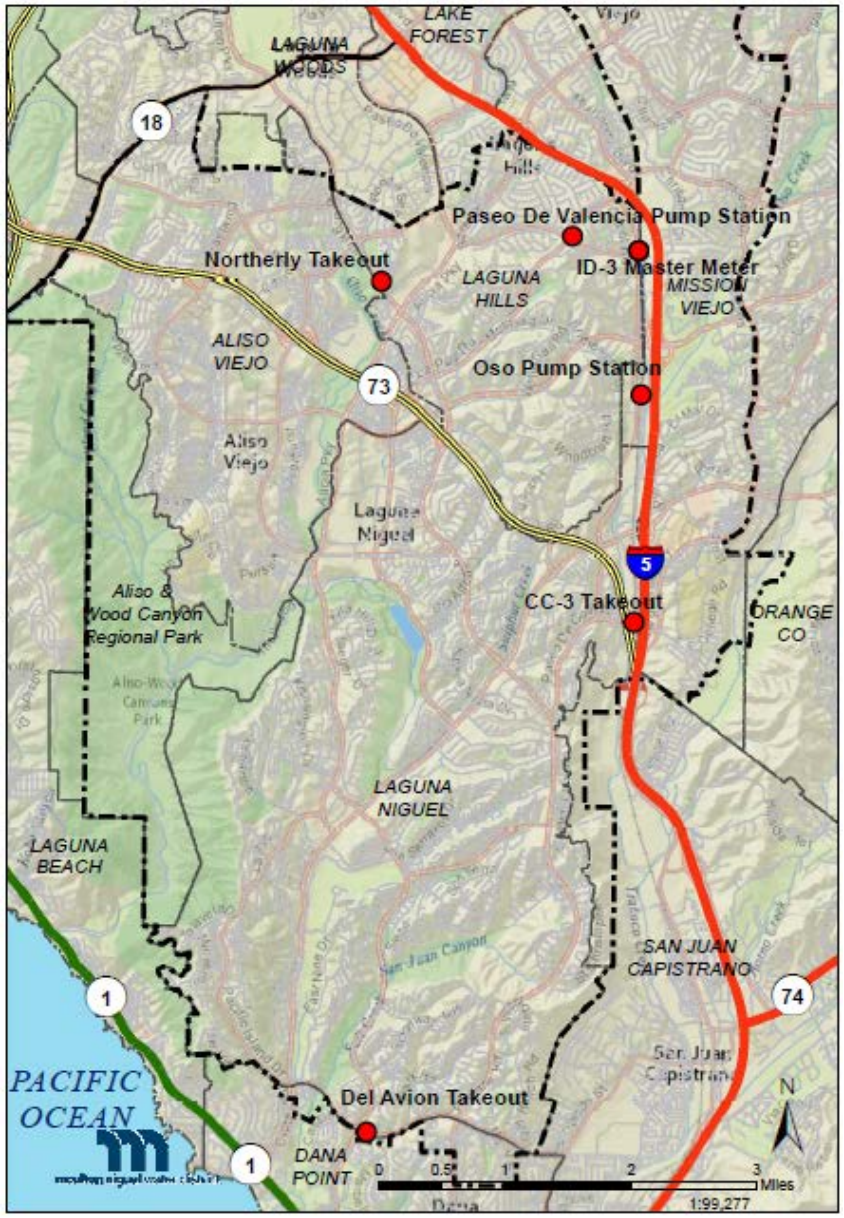
Project Description: The project includes replacement and upgrading of existing flow meters (including AMI capability) and the replacement of associated piping, valves and appurtenances within several pump station, takeout and metering facilities on the Joint Regional Water Supply System (JRWSS) Joint Transmission Main (JTM).

Project Need: The existing flow meters and valves are nearing the end of their useful lives and are in need of replacement. The existing flow meters are not equipped with AMI capability.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$75,000
CEQA Compliance	Exempt
Construction Contract	$250,000
Inspection/Other	$25,000
Total Project Budget	**$350,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: 450-Zone Aliso Creek Potable Water Pipeline Relocation

Project Location: Alicia Parkway south of Paseo de Valencia, Laguna Hills

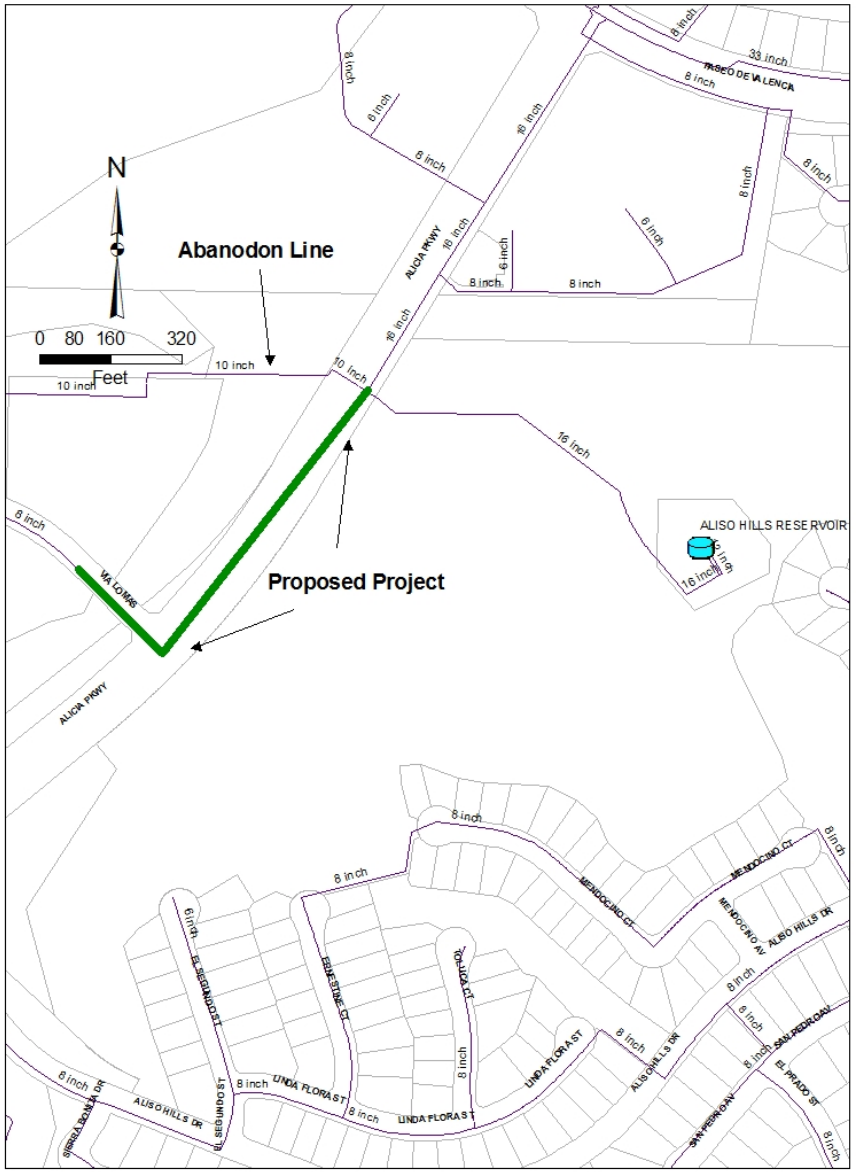
Project Description: Install approximately 1,000 feet of 10-inch diameter pipe and abandon approximately 500 feet of 10-inch diameter pipe under Aliso Creek.

Project Need: The existing potable water line under Aliso Creek has reached the end of its useful life. The new pipeline will replace the existing pipeline in a more suitable location. This pipeline connects the Aliso Hills Reservoir to the 450-Zone potable water distribution system.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$50,000
CEQA Compliance	Exempt
Construction Contract	$350,000
Inspection/Other	$20,000
Total Project Budget	**$420,000**



Project No: TBD
System: Potable
Fund: 14
Project Name: Rancho Capistrano 450-Zone Service

Project Location: Rancho Capistrano (Schuller's Ranch), San Juan Capistrano

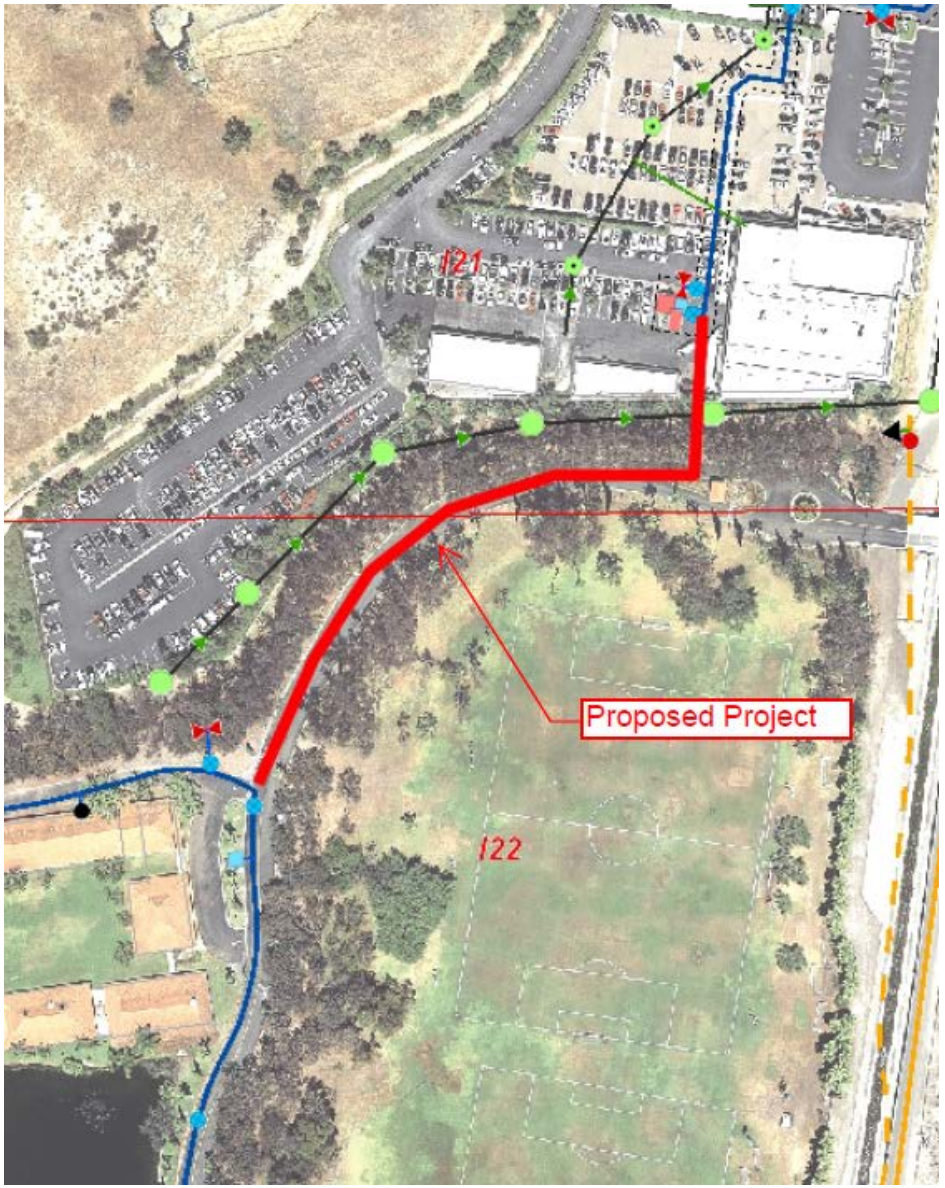
Project Description: Install approximately 650 feet of 8-inch diameter pipeline from the Mercedes dealership to Rancho Capistrano. Install a high-low double valve and blow-off at the connection to the existing loop at Rancho Capistrano. Hydraulic modeling will be required to verify fire flows from the 450-Zone and the potential conversion of Rancho Capistrano to the 450-Zone rather than the existing 650-Zone.

Project Need: There is currently only a single feed from the 650-Zone to the Rancho Capistrano facility. This project would provide water reliability to the area through a second feed.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design & Modelling	$60,000
CEQA Compliance	Exempt
Construction Contract	$220,000
Easement Acquisition Support	$10,000
Inspection/Permits/Other	$10,000
Total Project Budget	**$300,000**



Project No: TBD
System: Potable
Fund: 14
Project Name: Rolling Hills Pump Station Auxiliary Generator

Project Location: Rolling Hills Pump Station, Aliso Viejo

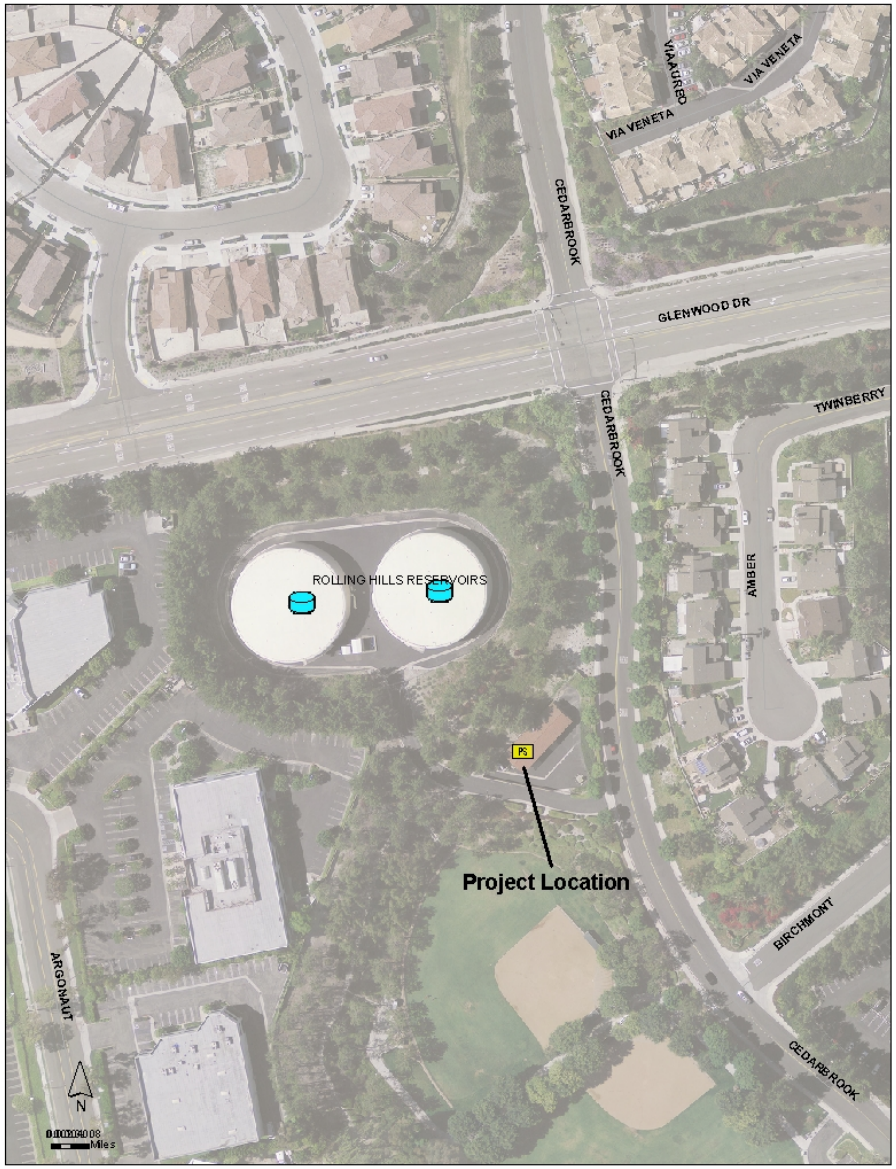
Project Description: Remove and replace the fire pump and natural gas engine with a new auxiliary diesel generator and associated piping. A hydraulic analysis may be required to verify final design.

Project Need: The existing equipment is over 30 years old. The fire pump and natural gas engine have out lived their life expectancy and can no longer be refurbished. A new diesel generator will add reliability to the station.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$80,000
CEQA Compliance	Exempt
Construction Contract	$575,000
Inspection/Other	$20,000
Total Project Budget	**$675,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Saddleback Reservoir Site Paving Replacement

Project Location: Saddleback Reservoir, Mission Viejo

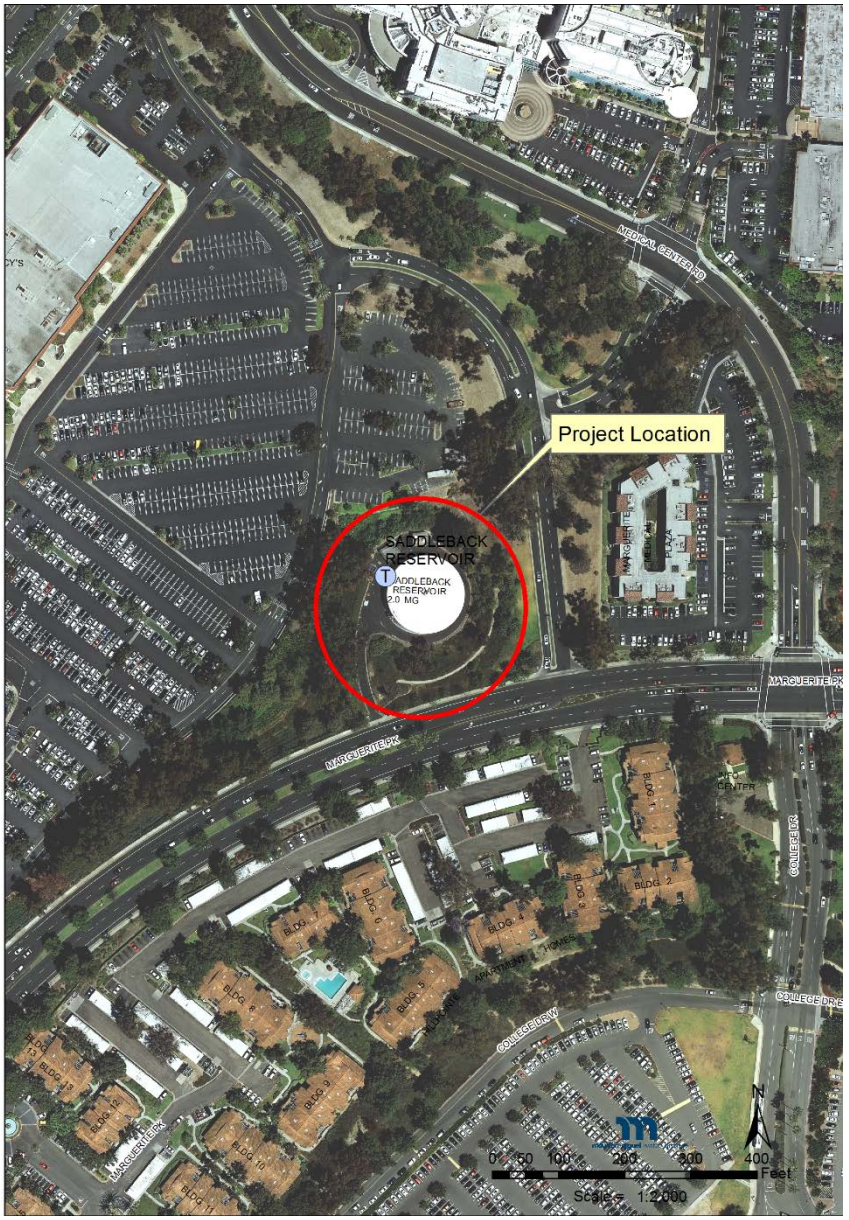
Project Description: Remove approximately 12,000 square feet of existing asphalt paving and replace with new 4-inch asphalt paving over existing base. Remove and replace approximately 400 feet of asphalt curb.

Project Need: The existing site paving has exceeded its useful life and is in need of replacement.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	$100,000
Inspection/Other	$25,000
Total Project Budget	**$125,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Southwestern Transmission Main Rehabilitation

Project Location: Mission Viejo

Project Description: Rehabilitate the existing 24-inch diameter CML&C steel pipe, originating from the Santa Margarita Water District Plaza Pump Station at the north end to near 25422 El Paseo at the south end. This 0.9-mile pipeline segment is part of the 650 pressure zone.

Project Need: The pipeline was constructed in the 1970s and has had a history of leaks. This segment includes one crossing of the San Diego Freeway (Interstate 5) which is one of the District's three critical freeway crossings in the 650 pressure zone.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$700,000
CEQA Compliance	$100,000
Construction Contract	$6,500,000
Inspection/Other	$700,000
Total Project Budget	**$8,000,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: 2020-21 Fire Hydrant Replacement

Project Location: Various

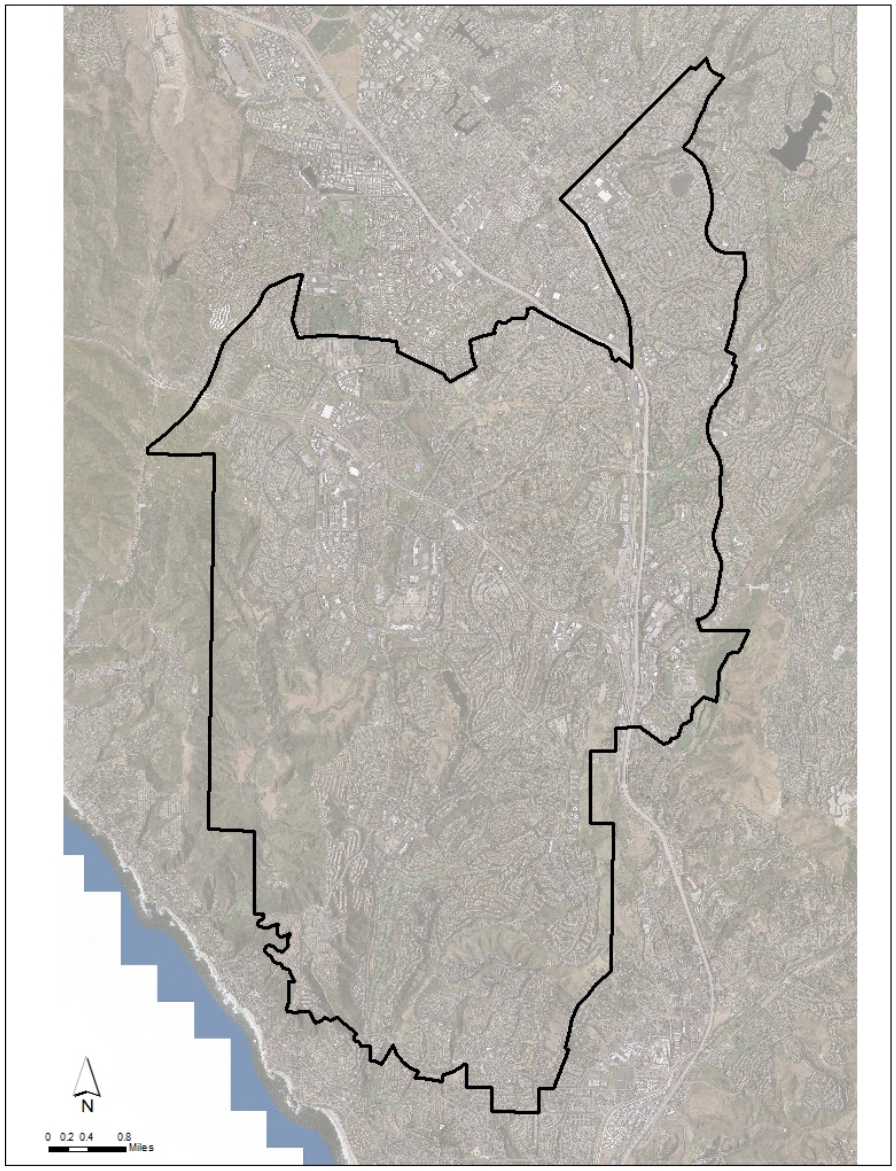
Project Description: Replace existing fire hydrants.

Project Need: This annual project will replace existing fire hydrants in the potable water distribution system as they reach the end of their useful lives.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction by District	$100,000
Total Project Budget	**$100,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: 2020-21 Meter Replacement - PW

Project Location: Various

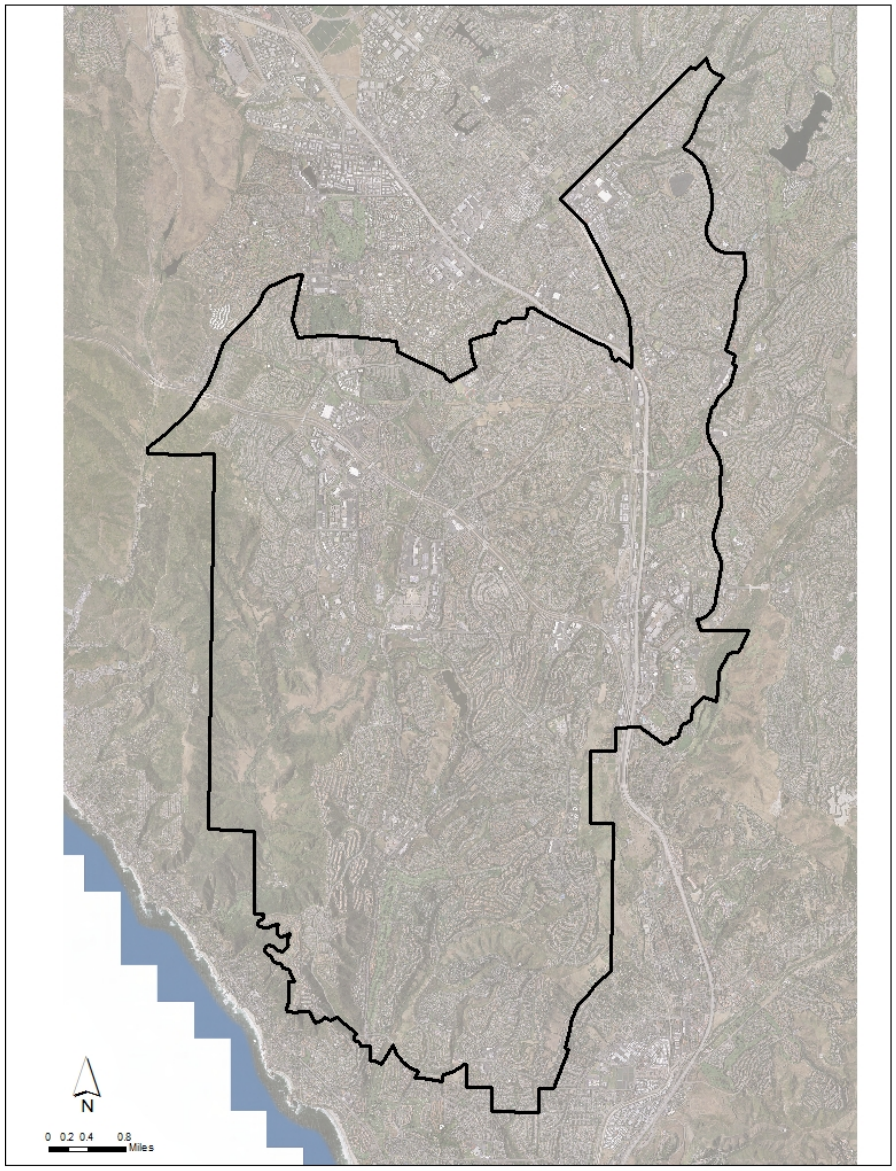
Project Description: Replace existing meters.

Project Need: This annual project will replace meters in the potable water distribution system as they reach the end of their useful lives.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction	$1,300,000
Total Project Budget	**$1,300,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: 2020-21 Operations-Led Capital Improvements – PW

Project Location: Various

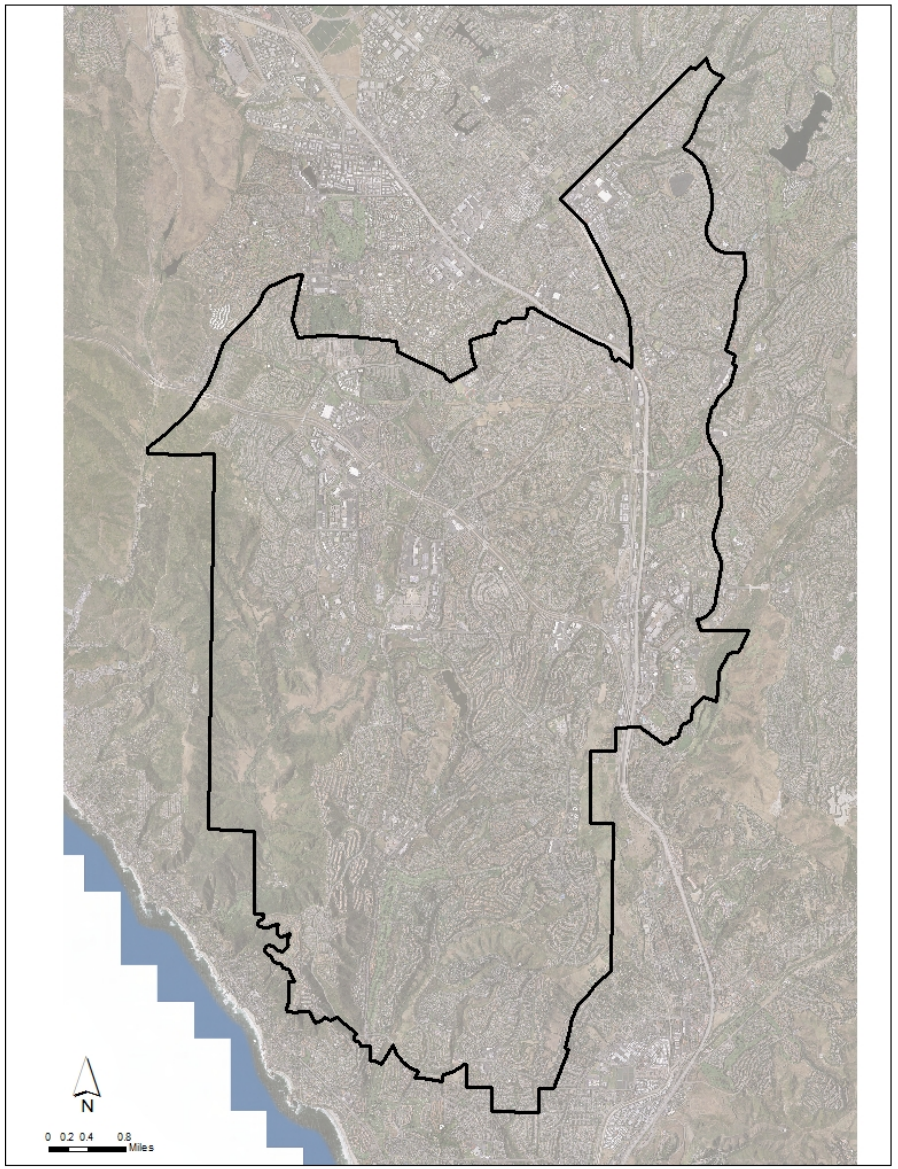
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, programmable logic controllers, mechanical systems, and related equipment.

Project Need: Capital equipment and parts needs are identified by District Operations Staff, as existing equipment reaches the end of its useful life.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases and Installation	$500,000
Total Project Budget	**$500,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: 2020-21 Pressure Reducing Station Rehabilitation - PW

Project Location: Belle Maison PRS, Laguna Niguel

Project Description: Rehabilitate the structure as required and replace the pressure reducing station valves, mechanical equipment and appurtenances that have reached the end of their useful lives.

Project Need: The equipment within the pressure reducing station is reaching its useful life, is requiring increased maintenance, and needs to be replaced. This project occurs on an annual basis as part of the Vertical Asset Rehabilitation and Replacement Program.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$10,000
CEQA Compliance	Exempt
Construction Contract	$80,000
Legal/Permits/Other	$10,000
Total Project Budget	**$100,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: 2020-21 Service Line Replacement - PW

Project Location: Various

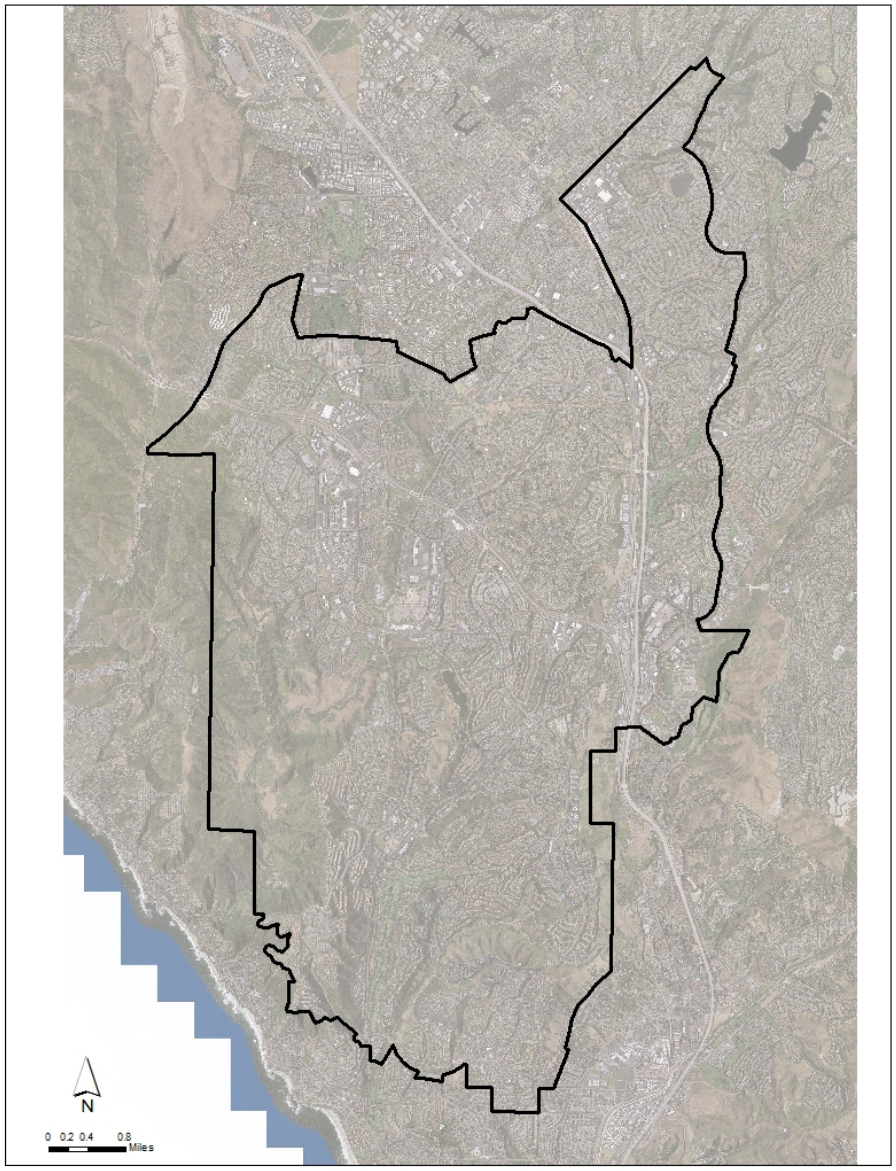
Project Description: Replace existing service lines.

Project Need: This annual project will replace service lines in the potable water distribution system as they reach the end of their useful lives.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction by District	$1,460,000
Total Project Budget	**$1,460,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: 2020-21 Valve Replacement - PW

Project Location: Various

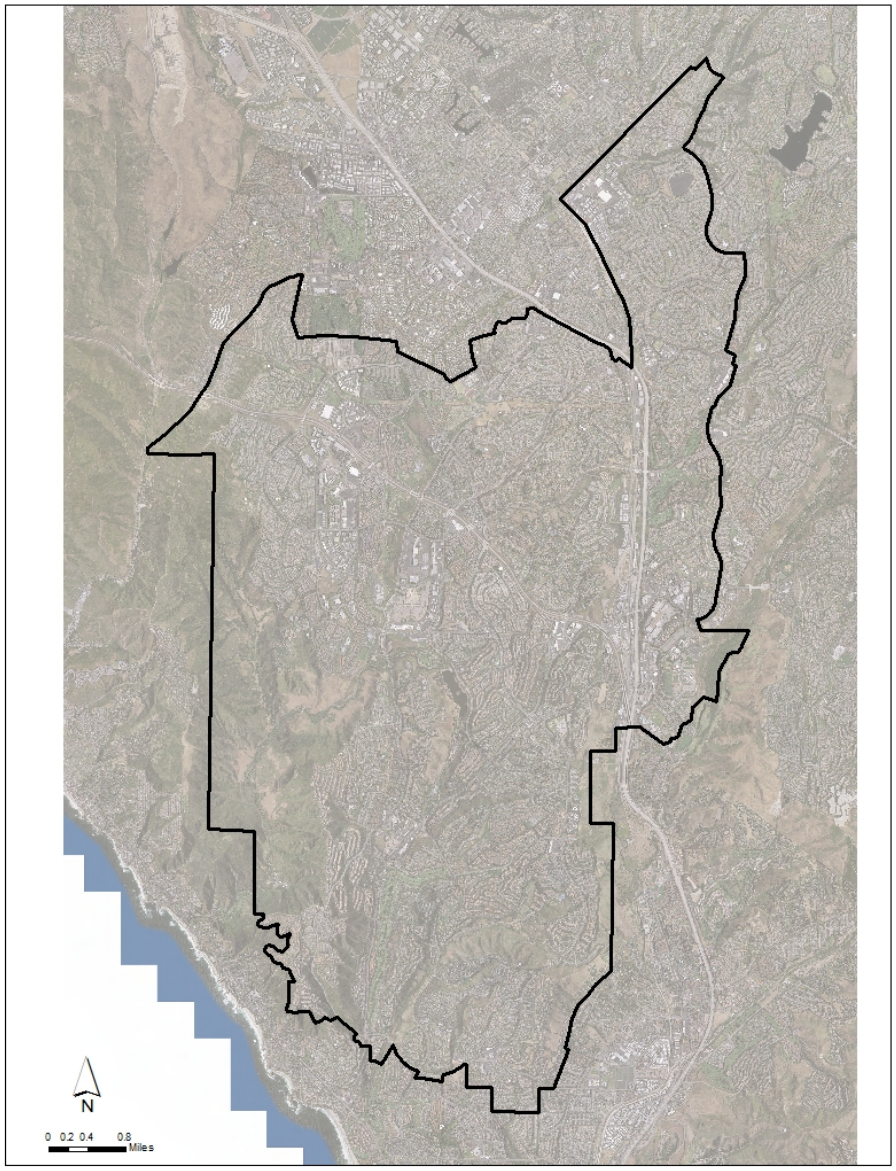
Project Description: Replace existing in-line valves.

Project Need: Many of the District's valves have exceeded their useful life and are not operating properly or have increased maintenance requirements. This project focuses on replacement of these valves on critical transmission and distribution mains. Valves in subdivisions, usually lines 8-inches and smaller, are replaced by the District's Valve Crew.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction by District	$1,200,000
Total Project Budget	**$1,200,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: 2021-22 Valve Replacement - PW

Project Location: Various

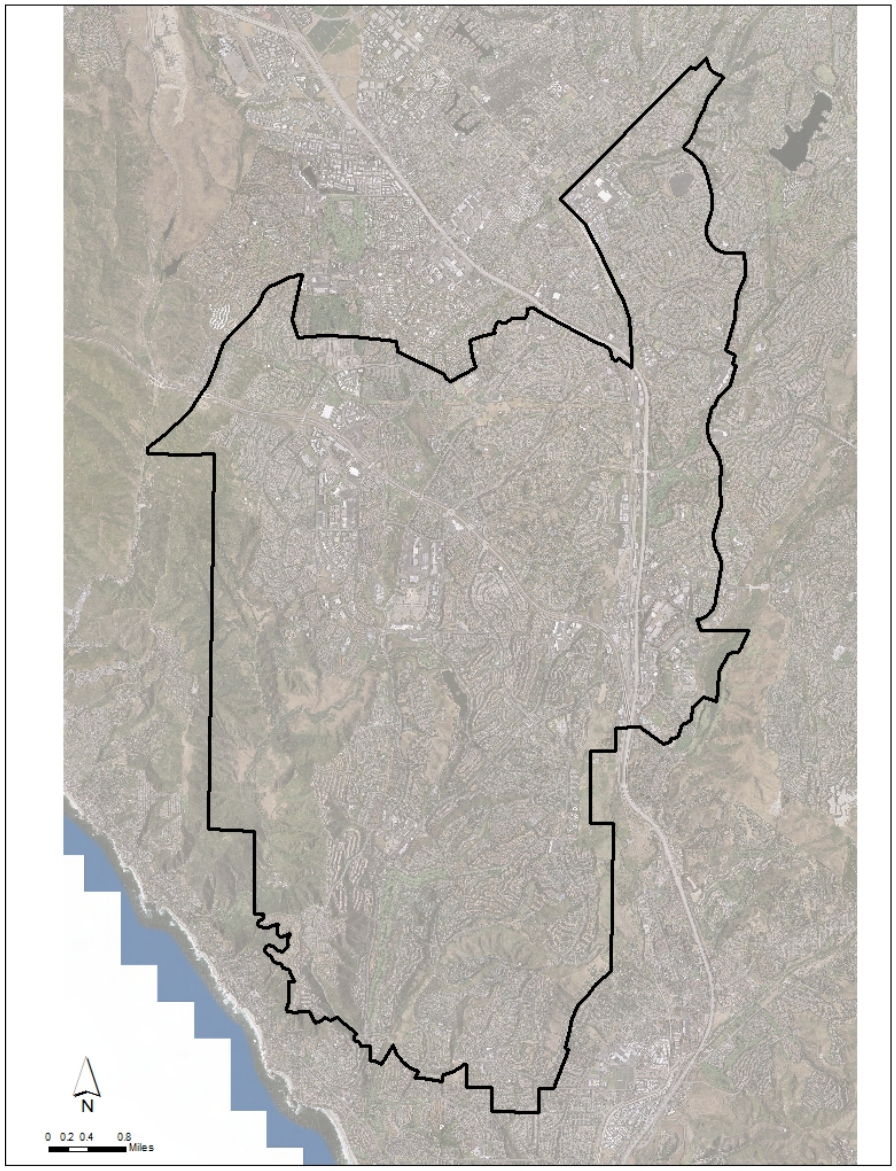
Project Description: Replace existing in-line valves.

Project Need: Many of the District's valves have exceeded their useful life and are not operating properly or have increased maintenance requirements. This project focuses on replacement of these valves on critical transmission and distribution mains. Valves in subdivisions, usually lines 8-inches and smaller, are replaced by the District's Valve Crew.

Project Status: Proposed Project

Estimated Project Amount:

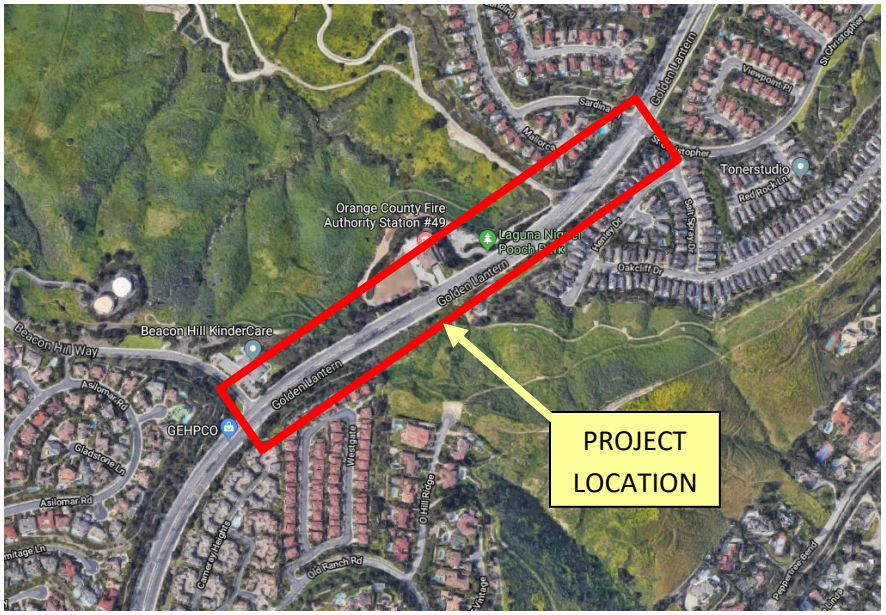
Item	Estimated Cost
Design	$85,000
CEQA Compliance	Exempt
Construction Contract	$2,000,000
Inspection/Other	$40,000
Construction by District	$1,200,000
Total Project Budget	**$3,325,000**



Project No: TBD
System: Potable
Fund: 14
Project Name: 750-Zone Beacon-Rancho Improvements

Project Location: Golden Lantern, between Sardina and Beacon Hill, Laguna Niguel

Project Description: Install approximately 2,600 feet of new 12-inch diameter pipeline within Golden Lantern from Sardina/St. Christopher to Beacon Hill Way. Alternatively, upsize the existing 12-inch diameter pipeline. Project alternatives and pipeline size selections to be determined by modeling during design.



Project Need: The 750-Zone of the potable water system is served from Beacon Hill and Rancho Pump Stations. Existing restrictions in the system do not allow for effective water distribution with one of the two pump stations out of service. This project would remove the restrictions in the system so that one pump station can service the entire zone when the other station is offline.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$250,000
CEQA Compliance	Exempt
Construction Contract	$1,200,000
CM and Specialty Inspection	$25,000
Legal/Permit/Other	$25,000
Total Project Budget	**$1,500,000**

Project No: TBD
System: Potable
Fund: 7
Project Name: East Aliso Creek Reservoir Inlet and Outlet Piping Modifications

Project Location: East Aliso Creek Reservoir, Laguna Niguel

Project Description: Re-configure the inlet and outlet piping for East Aliso Creek Reservoir to include new flexible couplings, new tank isolation valves, shorter pipe runs leading up to the reservoir valve vault, and new tank penetrations.

Project Need: The existing inlet and outlet piping and related appurtenances for East Aliso Creek Reservoir have reached their useful lives.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$50,000
CEQA Compliance	Exempt
Construction Contract	$155,000
Legal/Permits/Other	$5,000
Total Project Budget	**$210,000**



Project No: TBD
System: Potable
Fund: 14
Project Name: Portable Generator Connections at Priority Potable Water Pump Stations

Project Location: Casa Del Oso Pump Station, Laguna Hills; Highlands Pump Station, Laguna Niguel; Marguerite Pump Station, Mission Viejo; and Rancho Pump Station, Laguna Niguel

Project Description: Install portable generator connections and manual transfer switches at Casa Del Oso, Highlands, Marguerite, and Rancho Pump Stations.

Project Need: Casa Del Oso, Marguerite, and Rancho Pump Stations all pump to closed zones. Highlands Pump Station is the single pump station for the 920-Zone feeding a single reservoir. Installing portable generator connections will improve reliability during power outages.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$40,000
CEQA Compliance	Exempt
Construction Contract	$100,000
Specialty Inspection	$15,000
Legal/Permits/Other	$5,000
Total Project Budget	**$160,000**









Project No: TBD
System: Potable
Fund: 14
Project Name: Rancho Capistrano 450-Zone Loop

Project Location: Rancho Capistrano (Schuller's Ranch), San Juan Capistrano

Project Description: Install approximately 1,500 feet of 8-inch diameter pipeline from Avenida del Caballo to Rancho Capistrano. The project will provide redundancy for the Rancho Capistrano area from the 450-Zone.

Project Need: There is currently only a single feed from the 650-Zone to the Rancho Capistrano facility. Following the Rancho Capistrano 450-Zone Service Project, the area will have a secondary service, but will still be fed by single feeds from two separate pressure zones. This project would provide reliability from the 450-Zone and allow the 650-Zone pipeline in the slope to be abandoned or retained as an emergency service feed.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$50,000
CEQA Compliance	Exempt
Construction Contract	$450,000
Easement Acquisition Support	$20,000
Inspection/Permits/Other	$20,000
Total Project Budget	**$540,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Rehabilitation of the Marguerite Reservoir

Project Location: Marguerite Reservoir, Mission Viejo

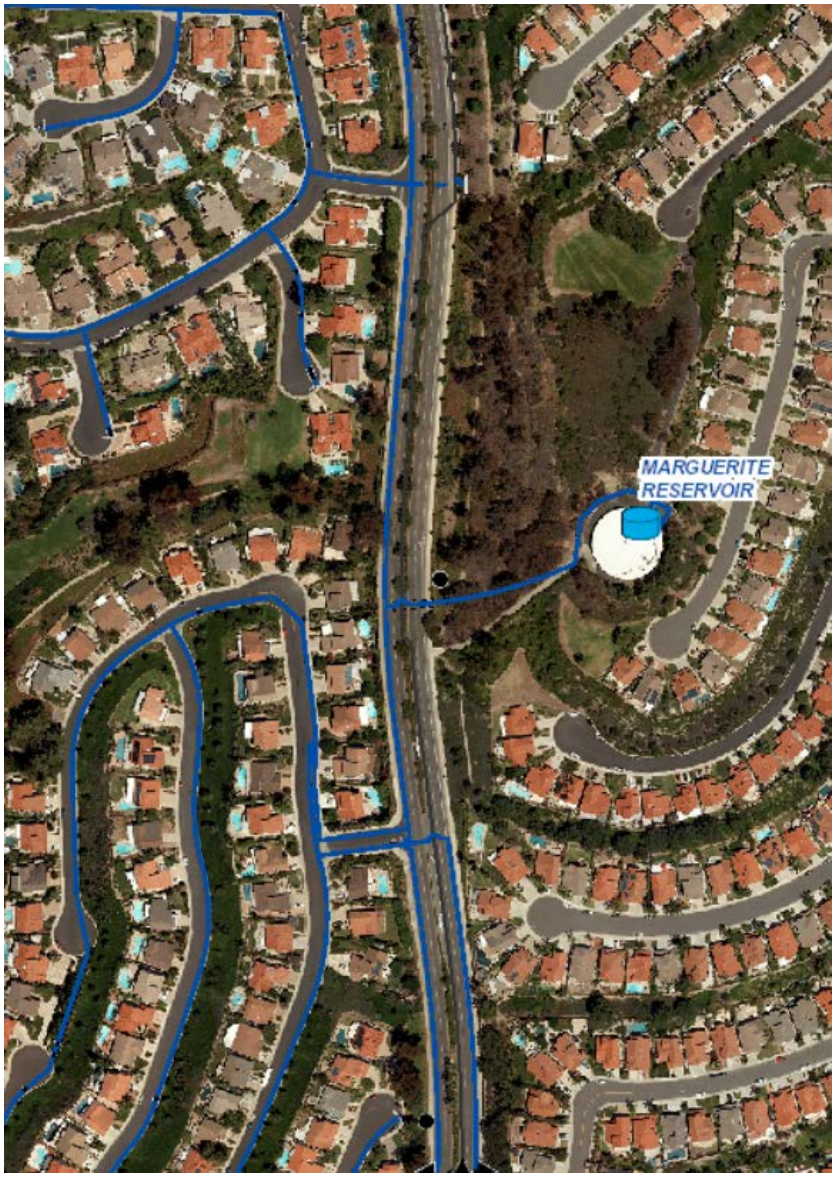
Project Description: Re-coat the interior and exterior of the Marguerite Reservoir. The Marguerite Reservoir has a maximum capacity of 2.5 million gallons and serves the 650 pressure zone. The work will also include structural and corrosion rehabilitation, tank operation and safety improvements, and installation of a cathodic protection system.

Project Need: Steel reservoirs are coated to prevent oxidation of the steel shell. The life expectancy of a coating system is between 15 to 20 years. The District inspects each reservoir every 5 to 10 years to determine if and when recoating is needed.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$30,000
CEQA Compliance	Exempt
Construction Contract	$880,000
Specialty Inspection	$80,000
Legal/Permits/Other	$5,000
Total Project Budget	**$995,000**



Project No: TBD
System: Potable
Fund: 7
Project Name: Sheep Hills Reservoir Fence Replacement

Project Location: Sheep Hills Reservoir, Aliso Viejo

Project Description: The project will replace the existing site perimeter fence at the reservoir site with a taller chain-link fence and 6-strand V-style barbed wire.

Project Need: The fence replacement will improve site security by preventing unauthorized access.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	$50,000
Total Project Budget	**$50,000**



Project No: 2017.014
System: Recycled
Fund: 7
Project Name: RW Main Installation at I-5 / Oso Creek Crossing

Project Location: San Juan Creek, Mission Viejo

Project Description: Install a new 30-inch diameter fusible PVC recycled water pipe within a 72-inch steel casing using a micro-tunneling method for the replacement of the existing pipes and future expansion of the reclaimed water system between the Galivan Pump Station to the Upper Oso Reservoir.

This project to be completed simultaneously with 2017.009, PW Main Replacement at I-5 / Oso Creek Crossing, with the PW and RW pipes installed in a shared casing.

Project Need: Expansion of RW Main system is required to maximize use of the Upper Oso Reservoir for seasonal RW storage. Existing 8-inch and 12-inch diameter pipelines limit ability to send recycled water to Upper Oso.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$288,700
Construction Contract	$3,632,508
CM/Inspection/Geotech/CEQA	$272,250
Legal/Permits/District Labor	$25,000
Total Project Budget	**$4,218,458**



Project No: 2018.003
System: Recycled
Fund: 6
Project Name: Recycled Water Optimization Study (RWOS) - Miscellaneous Distribution System Improvements

Project Location: Aliso Viejo, Mission Viejo

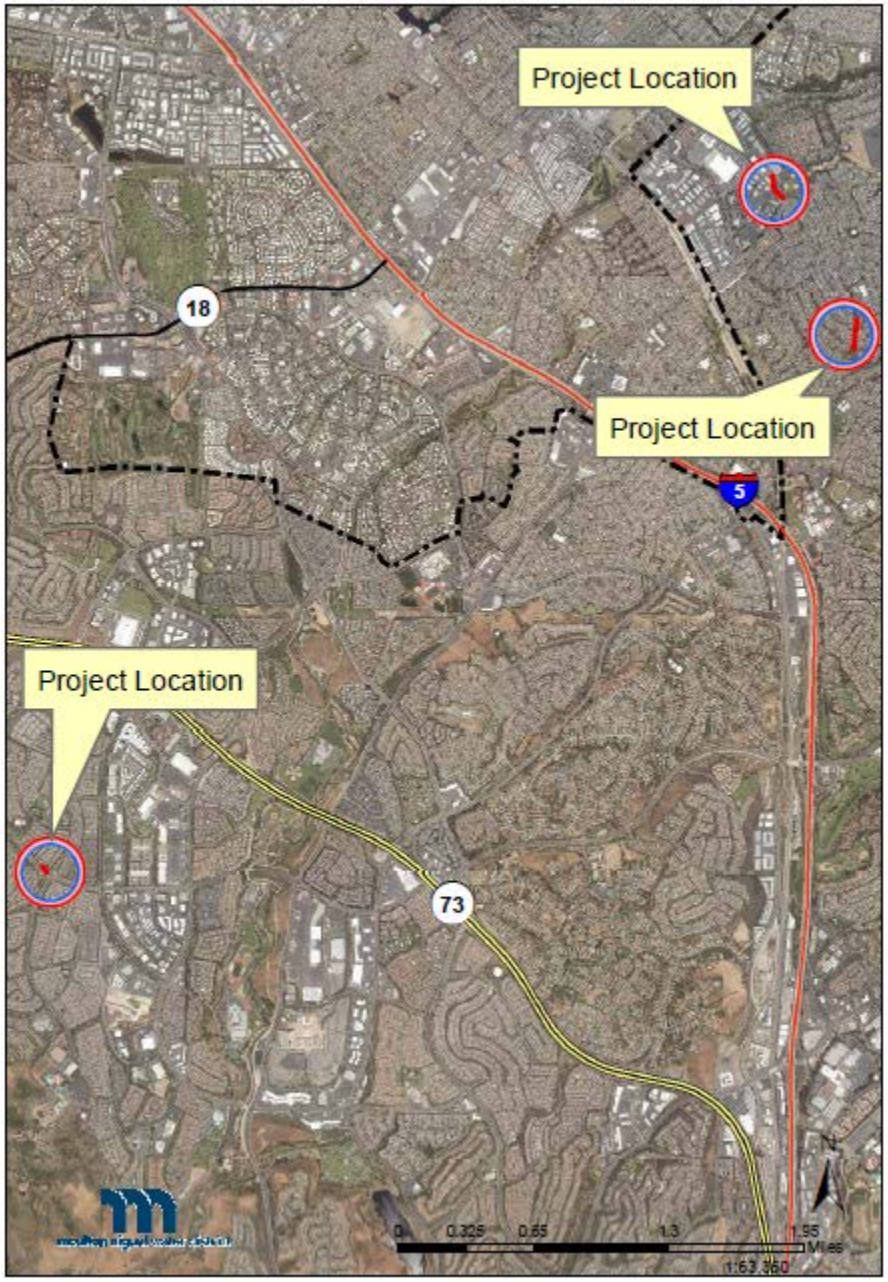
Project Description: Replace approximately 1,300 feet of existing 6-inch, 8-inch, and 12-inch diameter recycled water main pipeline with new 8-inch, 12-inch, and 16-inch diameter recycled water main pipeline in three locations throughout the cities of Aliso Viejo and Mission Viejo.

Project Need: These projects were identified in the RWOS and the Recycled Water Master Plan. The pipelines are currently undersized, resulting in velocities greater than 10 feet-per-second. These pipelines correspond to project IDs M1-B1, M1-B2, and M1-C from the RW Master Plan. Locations are at Carrillo Drive north of Jeronimo, Via Linda north of Alicia, and at the intersection of Pacific Park Drive and Aliso Viejo Parkway. The replacement of these pipelines is needed for the initial optimization phase, to support 138 acre-feet-per-year of additional recycled water demand.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$80,000
CEQA Compliance/Legal	Exempt
Construction Contract	$646,943
CM/Inspection/Permits/Other	$20,000
Total Project Budget	**$746,943**



Project No: 2010.013
System: Recycled
Fund: 6
Project Name: Recycled Water Optimization Study (RWOS) - La Paz Road Bridge Crossing Recycled Water Pipeline

Project Location: La Paz Road between Muirlands Boulevard and Chrisanta Drive, Mission Viejo

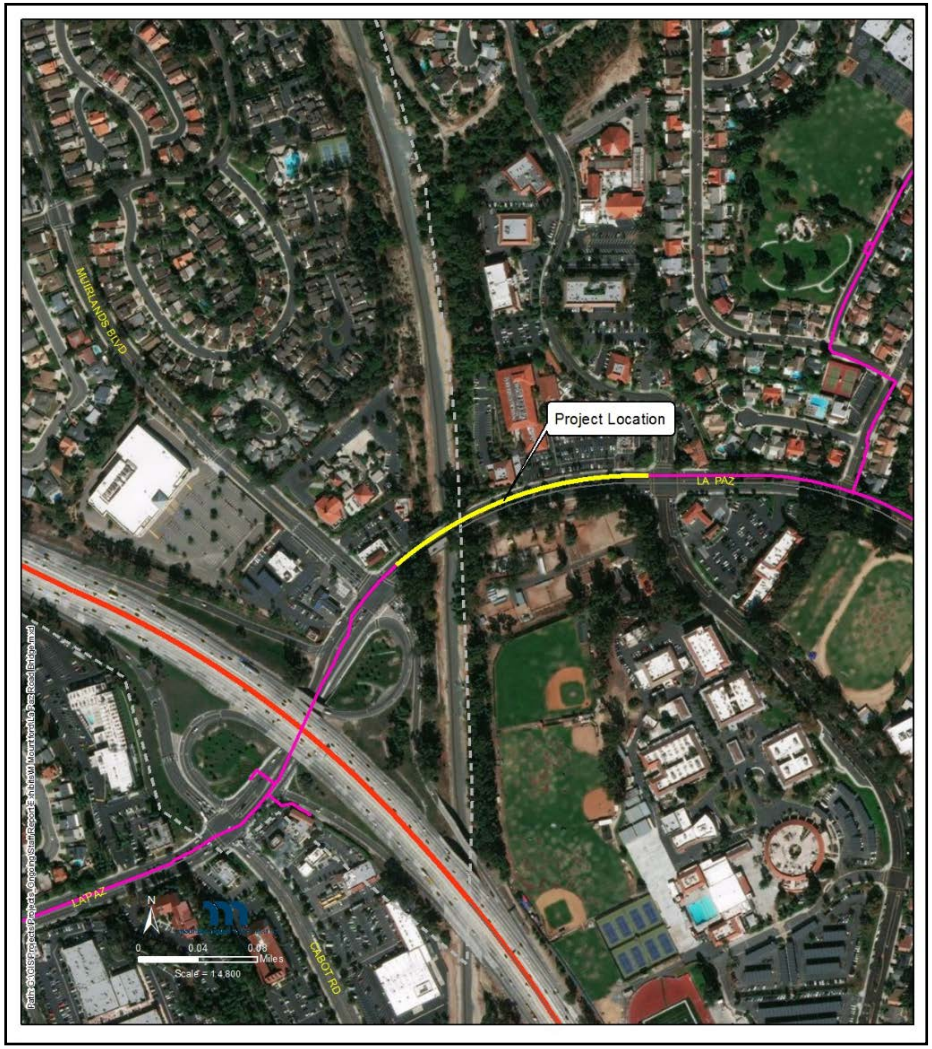
Project Description: Construct approximately 1,200 feet of 12-inch diameter recycled water main in La Paz Road while the City of Mission Viejo is constructing its widening of the La Paz Road Bridge.

Project Need: The recycled water system has a gap in the 650-Zone. The construction of the pipeline will connect the Mission Viejo and Laguna Hills systems together. The timing to construct the project as part of the City's bridge widening is a cost benefit to the District. The RWOS identified this reach as needed for the initial optimization phase, to support 138 acre-feet-per-year of additional recycled water demand.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	$55,000
CEQA Compliance	City Project
Construction Contract	$400,000
Inspection/Permits/Other	$20,000
Total Project Budget	**$475,000**



Project No: Annual Program
System: Recycled
Fund: 7
Project Name: Meter Replacement Program - RW

Project Location: Various

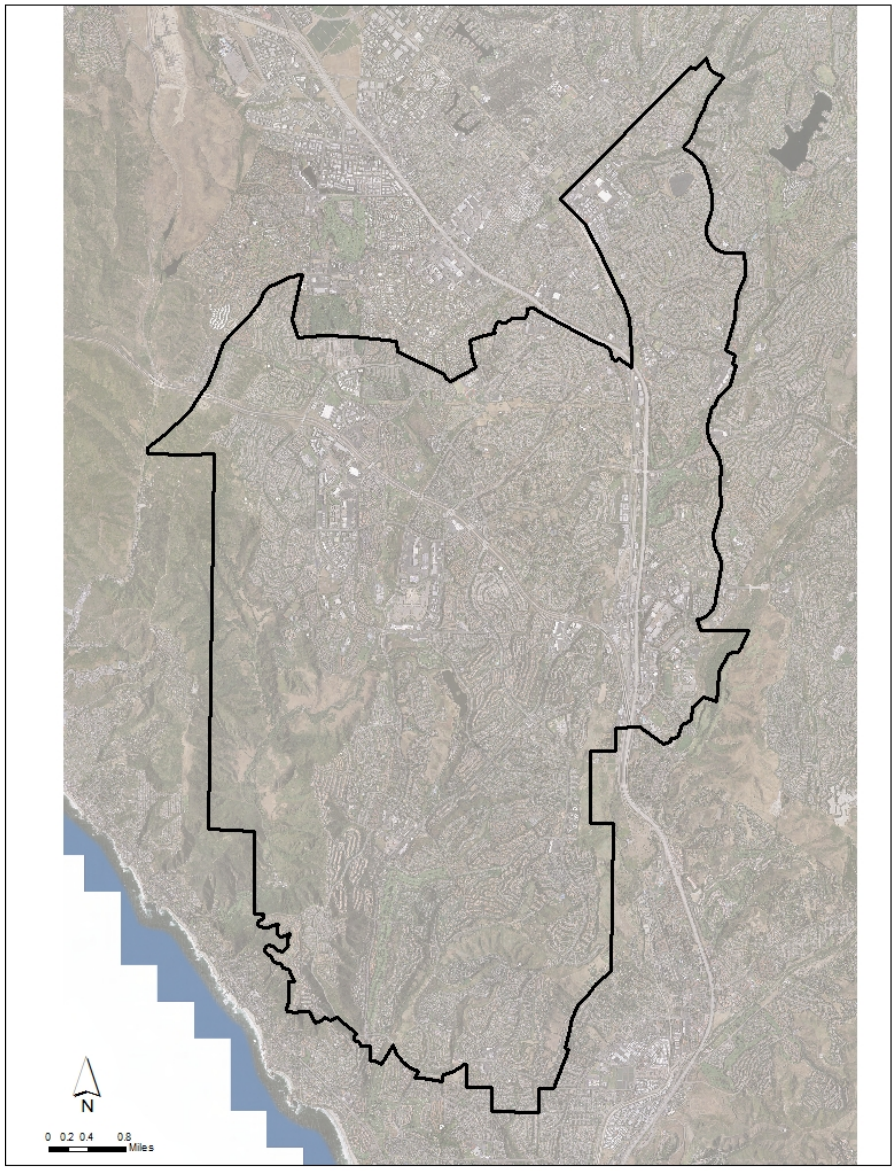
Project Description: Replace existing meters.

Project Need: The District has approximately 1,300 meters in the recycled water system. This program will replace existing meters as they reach the end of their useful lives.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction	$590,000
Total Project Budget	**$590,000**



Project No: Annual Program
System: Recycled
Fund: 7
Project Name: Operations-Led Capital Improvements – RW

Project Location: Various

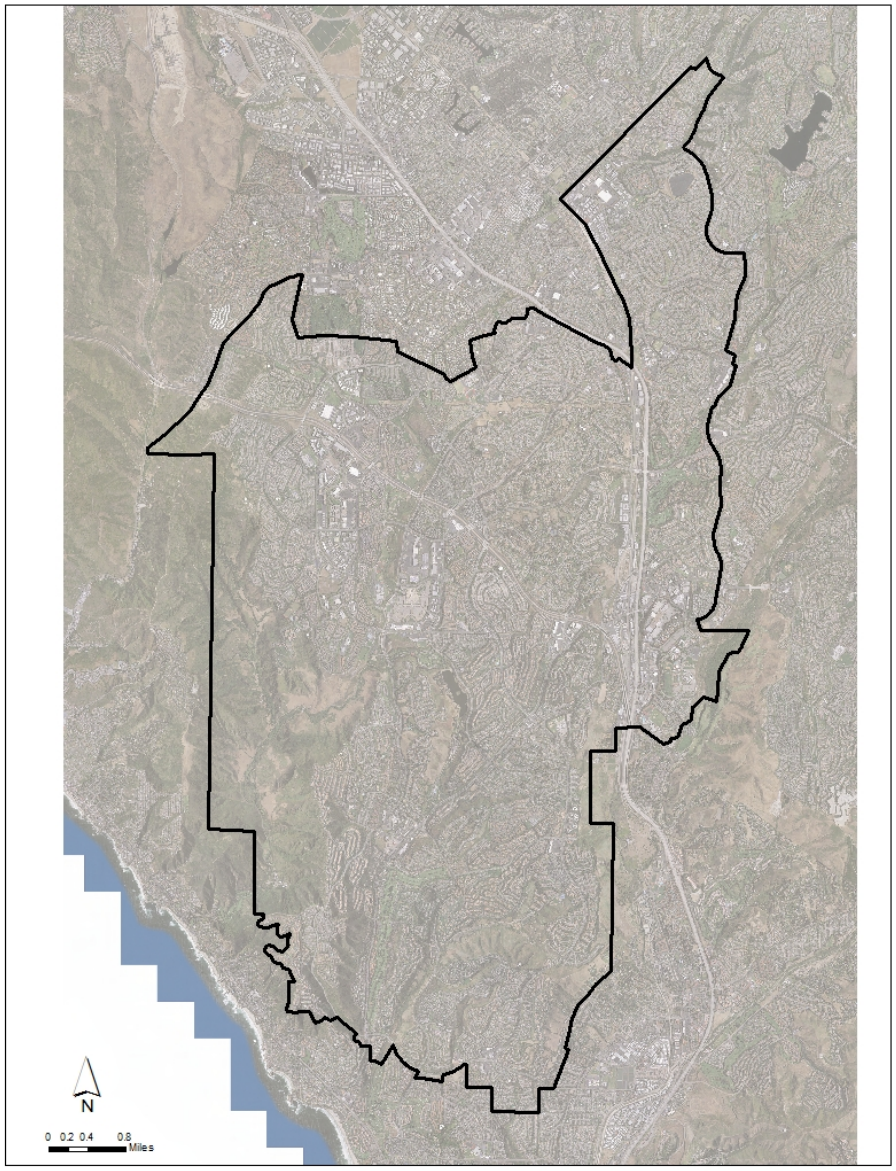
Project Description: This program covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, programmable logic controllers, mechanical systems, and related equipment.

Project Need: Capital equipment and parts needs are identified by District Operations Staff, as existing equipment reaches the end of its useful life.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases and Installation	$2,970,000
Total Project Budget	**$2,970,000**



Project No: Annual Program
System: Recycled
Fund: 6
Project Name: Recycled Water Optimization Study (RWOS) - Recycled Water Retrofits Program

Project Location: Various

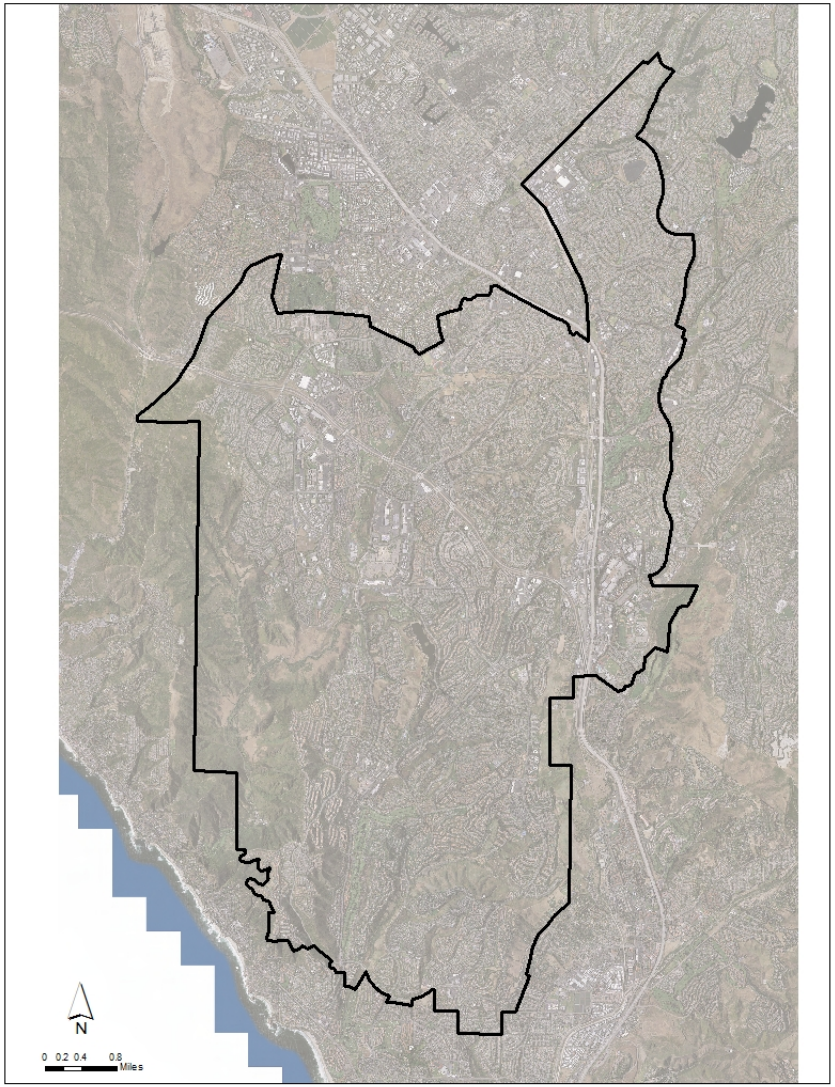
Project Description: Install recycled water service connection and irrigation pumps.

Project Need: The District is continuously evaluating irrigation sites for conversion to recycled water. The RWOS identified 70 potable water irrigation users that are recommended for retrofit. Projects will include the installation of the recycled water service and abandonment of the potable service. In addition, on occasion the recycled water service is in a lower pressure zone than the existing potable service. In this case, the District installs an irrigation pump to provide the customer with similar service pressure as experienced on the potable system. This project occurs on an annual basis.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
Design	$350,000
CEQA Compliance	Exempt
Construction Contract	$3,740,000
Inspection	$750,000
Total Project Budget	**$4,840,000**



Project No: Annual Program
System: Recycled
Fund: 7
Project Name: Reservoir Recoating Program – RW

Project Location: Various

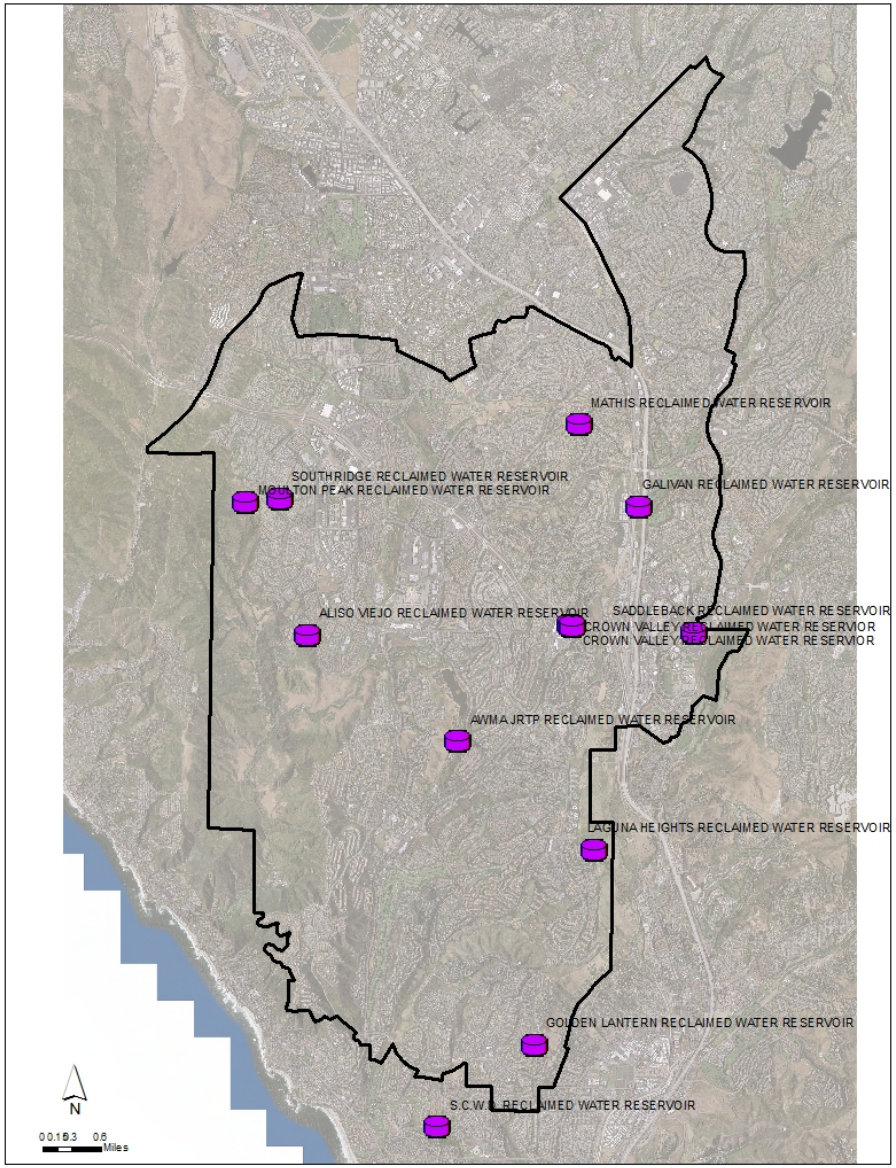
Project Description: Recoat the interior and exterior of steel reservoirs in the recycled system.

Project Need: Steel reservoirs are coated to prevent oxidation of the steel shell. The life expectancy of a coating system is between 15 to 20 years. The District inspects each reservoir every 10 years to determine if and when recoating is needed. This project addresses the periodic nature of this activity for this asset group.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
Design	$70,000
CEQA Compliance	Exempt
Construction Contract	$2,600,000
Inspection	$300,000
Total Project Budget	**$2,970,000**



Project No: Annual Program
System: Recycled
Fund: 7
Project Name: Service Line Replacement Program – RW

Project Location: Various

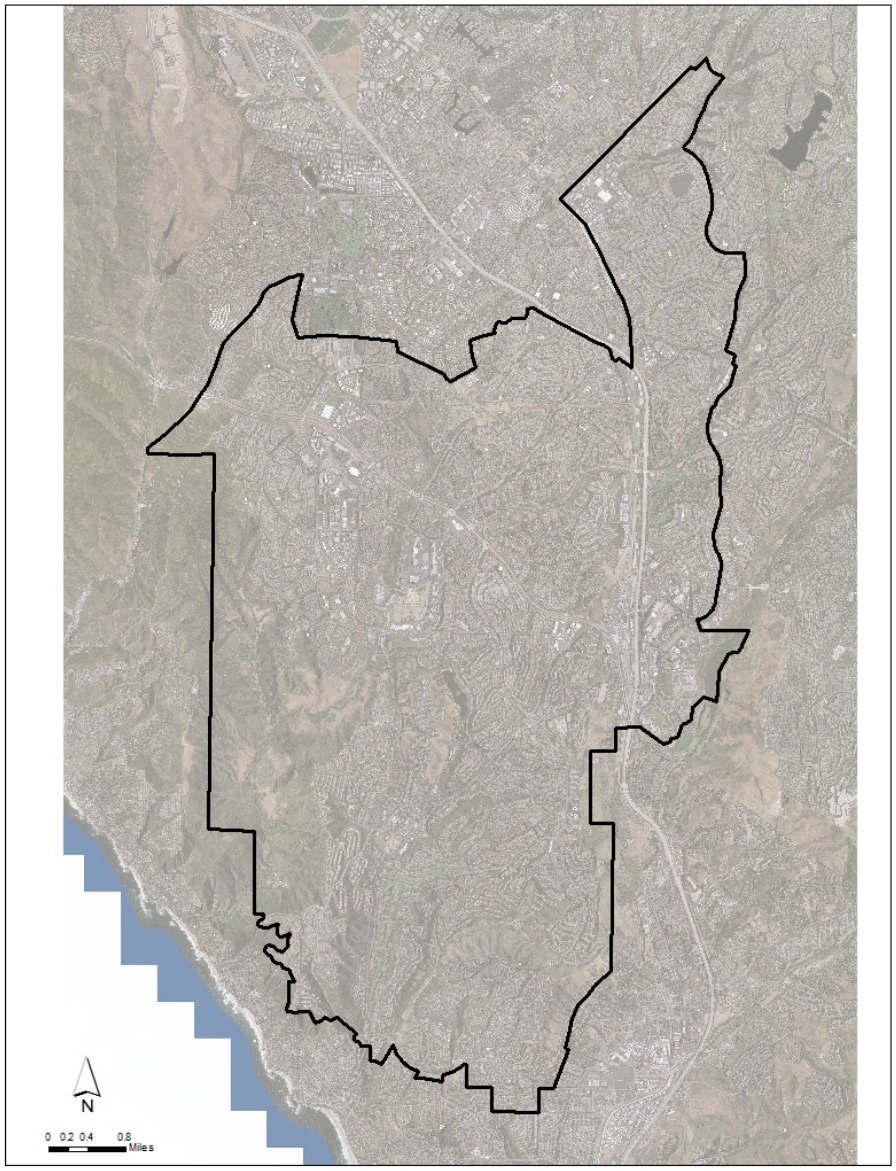
Project Description: Replace existing service lines.

Project Need: The District has approximately 1,300 services in the recycled water system. The service lines are used to connect distribution piping to customer meters. This program will replace service lines as they reach the end of their useful lives.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction by District	$1,440,000
Total Project Budget	**$1,440,000**



Capital Improvement Program – Project Description

Project No: Annual Program
System: Recycled
Fund: 7
Project Name: Valve Replacement Program – RW

Project Location: Various

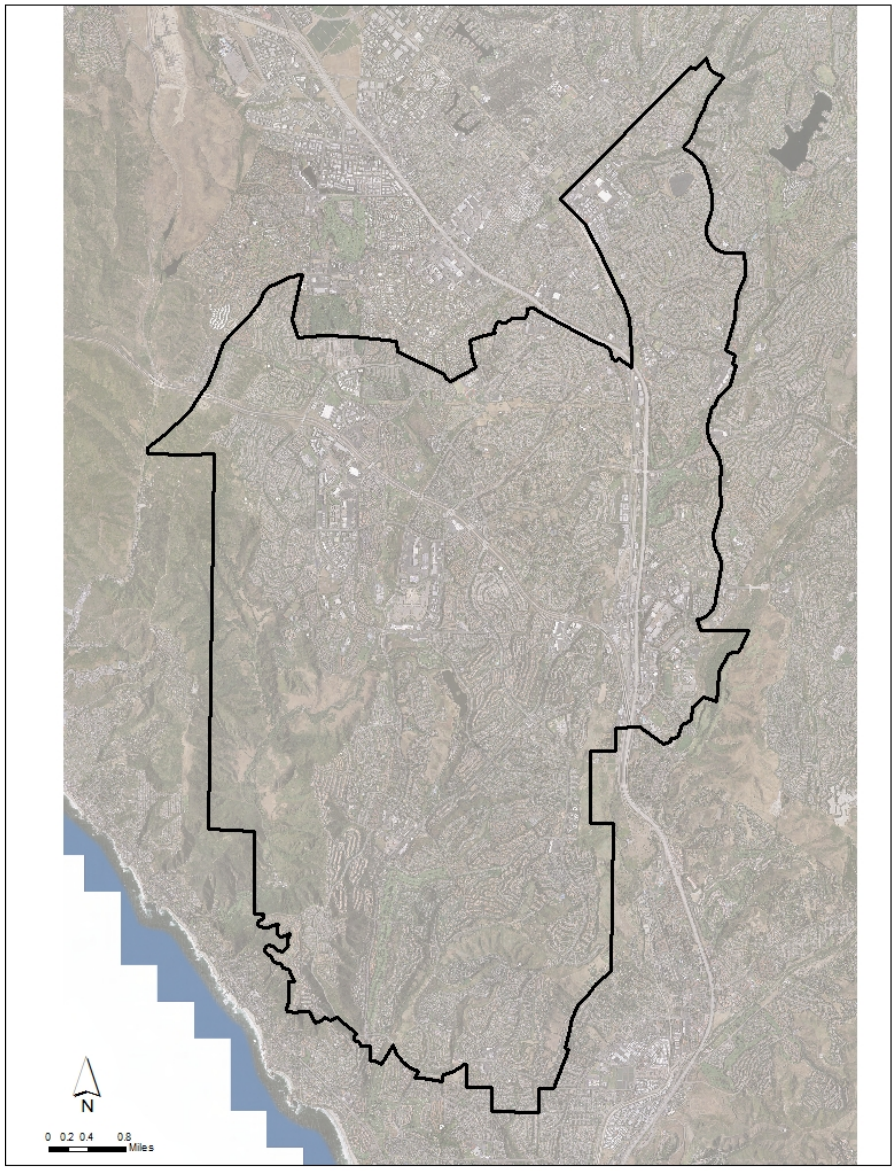
Project Description: Replace pipeline valves.

Project Need: The District has approximately 1,000 systems valves in the recycled water system. These valves are used to isolate sections of pipe in the event of planned and emergency repairs and connections. A systemwide valve replacement program study was completed in January 2016. The study recommends 140 critical valves to be replaced. This program will replace approximately 60% of those valves. These critical valves are prioritized to reduce the quantity of customers required to be taken out of service during future pipeline repair and connections. They include valves on major and minor distribution loops, those supplying large users (i.e. golf courses), and long pipes that are not looped.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
Design	$100,000
CEQA Compliance	Exempt
Construction Contract	$1,000,000
Inspection/Other	$55,000
Construction by District	$845,000
Total Project Budget	**$2,000,000**



Project No: Annual Program
System: Recycled
Fund: 7
Project Name: Vertical Assets Rehabilitation and Replacement Program – RW

Project Location: Various

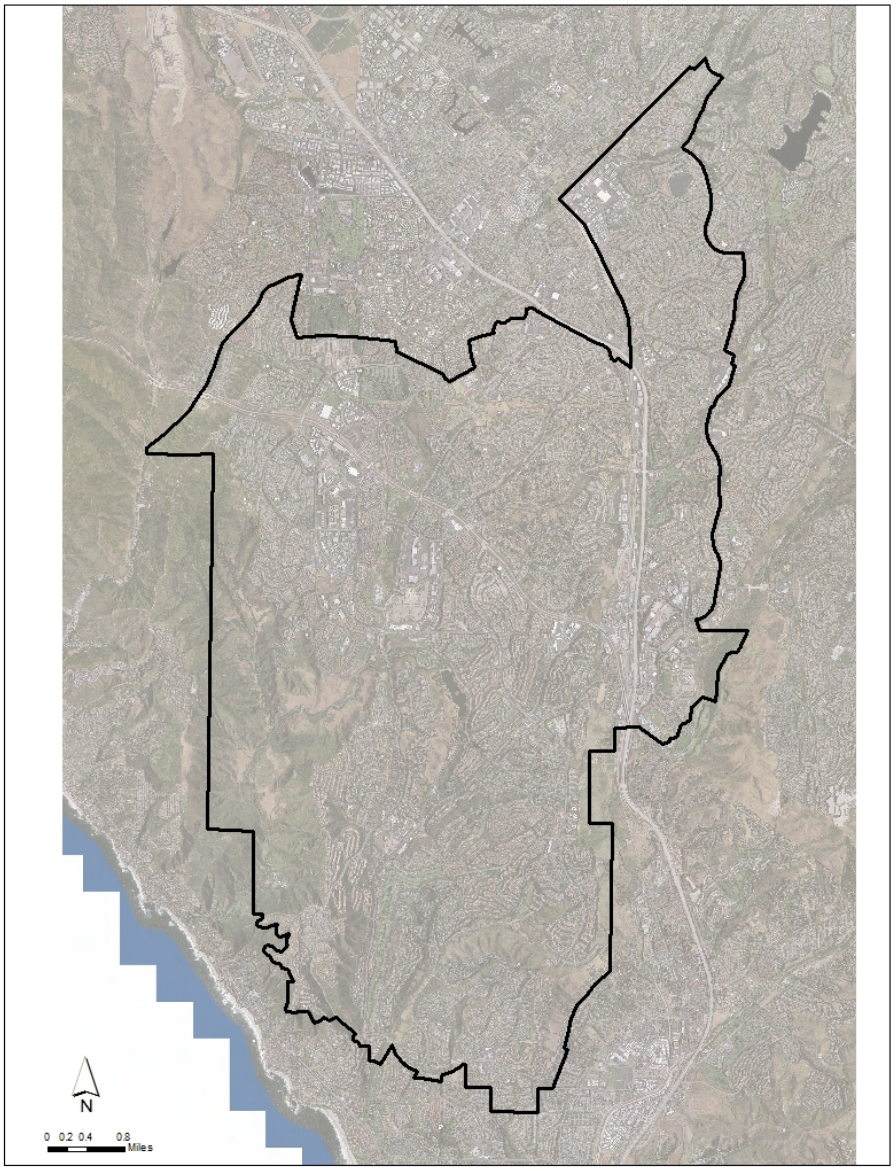
Project Description: Rehabilitate or replace structures and equipment at pump station and pressure reducing stations that have reached the end of their useful lives. An analysis was performed by staff to prioritize the methodical rehabilitation or replacement of vertical assets within the recycled water system.

Project Need: The District has 10 active pump stations and 14 active pressure reducing stations in the recycled water system. These vertical assets are used to convey recycled water to customers throughout the District's service area. As the facilities reach the end of their useful lives, the structures and equipment at each station become obsolete, require increased maintenance, and will need to be replaced or rehabilitated.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
Design	$1,635,000
CEQA Compliance	Exempt
Construction Contract	$11,000,000
Inspection/Other	$1,500,000
Total Project Budget	**$14,135,000**



Project No: 2018.005
System: Recycled
Fund: 7
Project Name: Electrical System Improvements Phase 2 - RW

Project Location: Alicia Recycled Water Pump Station, Laguna Niguel

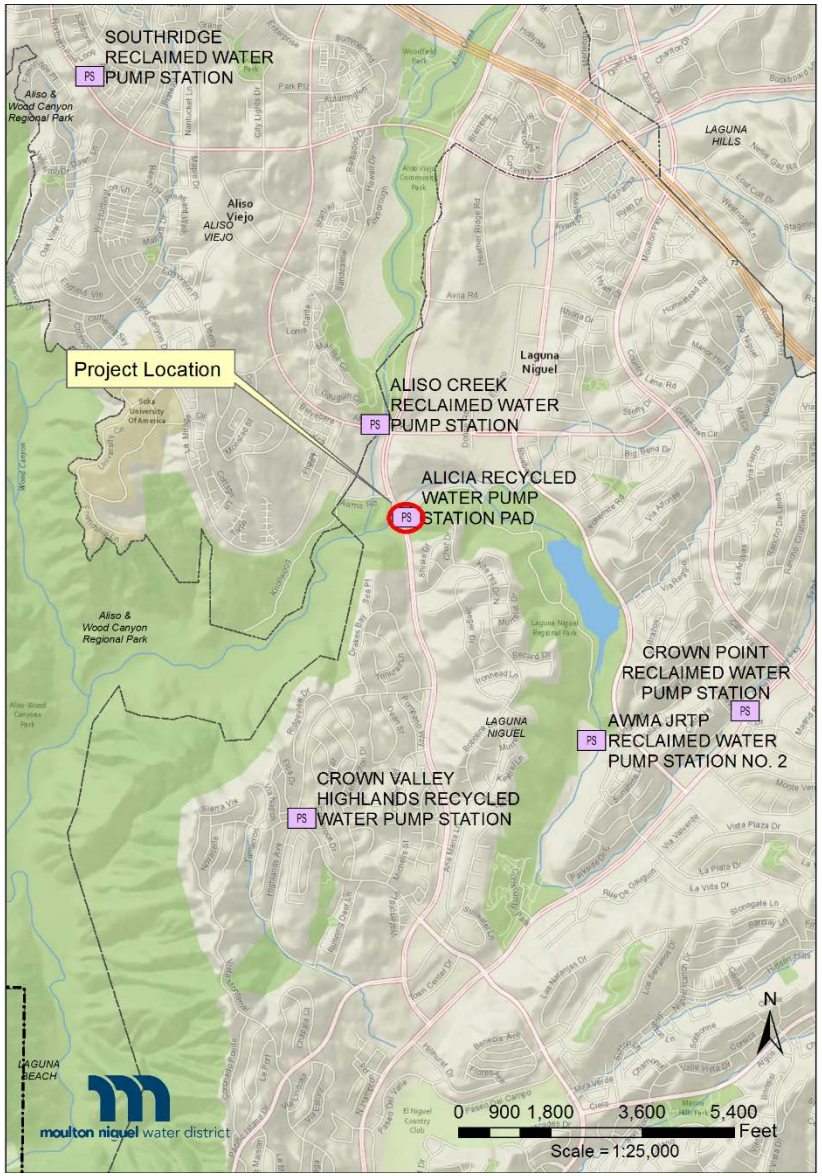
Project Description: Replace MCC Sections 4, 5, 6 & 7. Temporary switchgear will be required to maintain operation during construction.

Project Need: The noted electrical equipment at this facility is old and beyond their useful lives. If these existing electrical components remain, they could be hazardous to personnel or property and would likely never be useful again.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$100,000
CEQA Compliance	Exempt
Construction Contract	$400,000
Inspection/Utility Fees/Other	$50,000
Total Project Budget	**$550,000**



Project No: TBD
System: Recycled
Fund: 7
Project Name: Electrical System Improvements Phase 3 - RW

Project Location: Southridge Recycled Water Pump Station, Aliso Viejo

Project Description: Replace the existing three SMC starters (P2, P3, and P4) to raise the short circuit rating to a minimum of 25kA at 480V. Remove and replace the main switchboard.

Project Need: The noted electrical equipment at this facility is old and beyond their useful lives. If this electrical equipment remains, they may be hazardous to personnel or property and would likely never be useful again.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$50,000
CEQA Compliance	Exempt
Construction Contract	$250,000
Inspection/Utility Fees/Other	$25,000
Total Project Budget	**$325,000**



Project No: TBD
System: Recycled
Fund: 14
Project Name: Galivan Bypass Improvements

Project Location: Galivan RW Pump Station, Mission Viejo

Project Description: This project will upsize the existing 3-inch diameter bypass line and existing hydraulically controlled pressure reducing valve inside the station; also, installation of isolation valves near the property line.

Project Need: The project will provide a second feed into the 450-Zone by utilizing 650-Zone water that can be fed from Upper Oso Reservoir via an existing connection at Via Noveno. This will add flexibility to pull recycled water from seasonal storage in Upper Oso Reservoir during high demands.

Project Status: Proposed Project



Estimated Project Amount:

Item	Estimated Cost
Design	$20,000
CEQA Compliance	Exempt
Construction Contract	$145,000
Inspection/Other	$10,000
Total Project Budget	**$175,000**

Project No: TBD
System: Recycled
Fund: 7
Project Name: Laguna Niguel Regional Park RW Meter Vault Reconfiguration

Project Location: La Paz Road Entrance to Laguna Niguel Regional Park, Laguna Niguel

Project Description: This project would clear existing vegetation, reconfigure the existing fencing, and reconfigure/replace existing valves at the recycled water meter vault.

Project Need: As currently configured, the District's recycled water meter vault is not accessible due to existing fencing and landscaping. In addition, the isolation valves need to be replaced.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$25,000
CEQA Compliance	$25,000
Construction Contract	$75,000
Inspection/Other	$25,000
Total Project Budget	**$150,000**



Project No: TBD
System: Recycled
Fund: 7
Project Name: Oakgrove Drive RW Pipeline Replacement

Project Location: Oakgrove Drive, Aliso Viejo

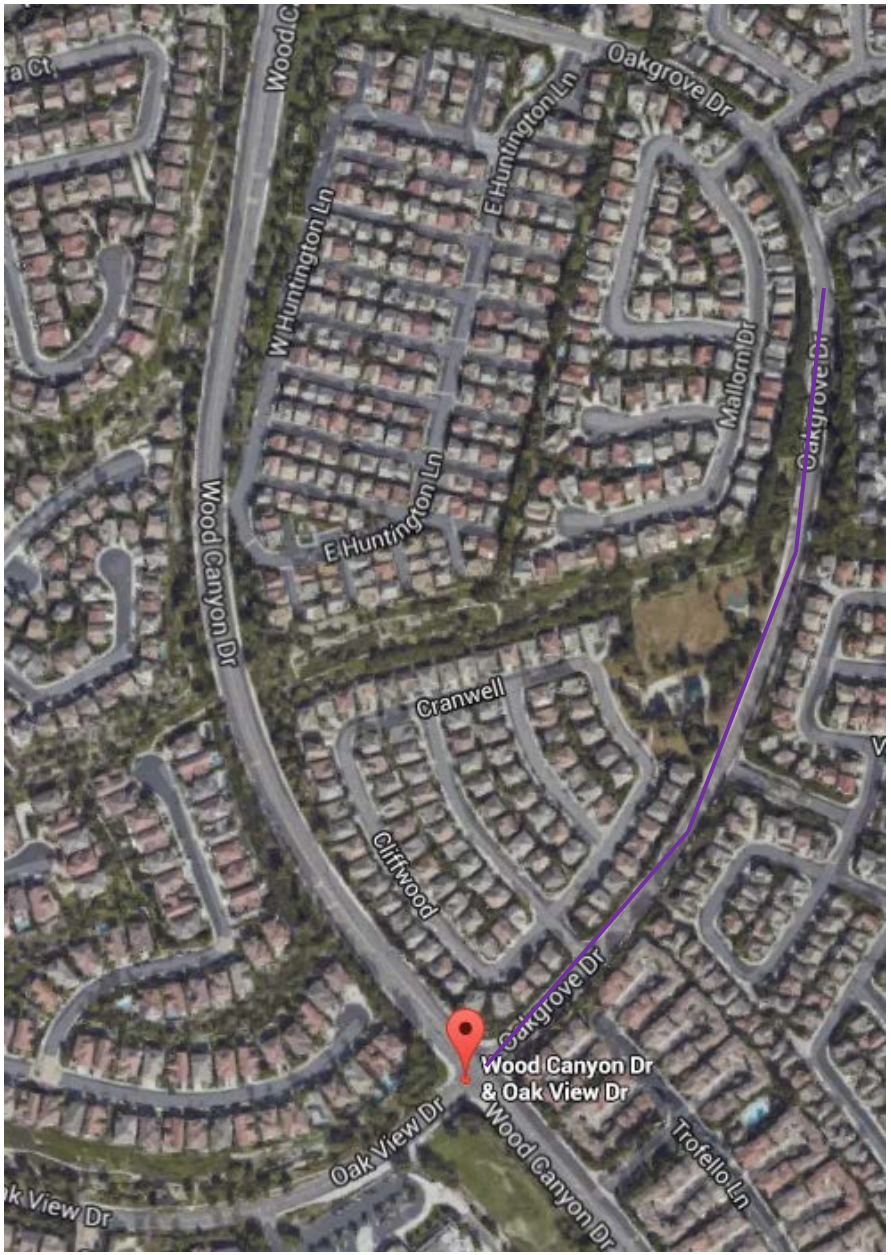
Project Description: The project will remove and replace approximately 1,500 feet of 8-inch diameter ductile iron recycled water main pipeline. An electrical main is near the current alignment, which will likely require the pipeline to be replaced in a new alignment. The project will also replace all valves along the pipeline.

Project Need: The pipeline has a history of repairs.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$50,000
CEQA Compliance	Exempt
Geotechnical	$15,000
Construction Contract	$450,000
Inspection/Other	$10,000
Total Project Budget	**$525,000**



Capital Improvement Program – Project Description

Project No: TBD
System: Recycled
Fund: 7
Project Name: RW Reservoir Drainage Improvements at 3 Sites

Project Location: Golden Lantern RW Reservoir; Laguna Heights RW Reservoir; Saddleback RW Reservoir

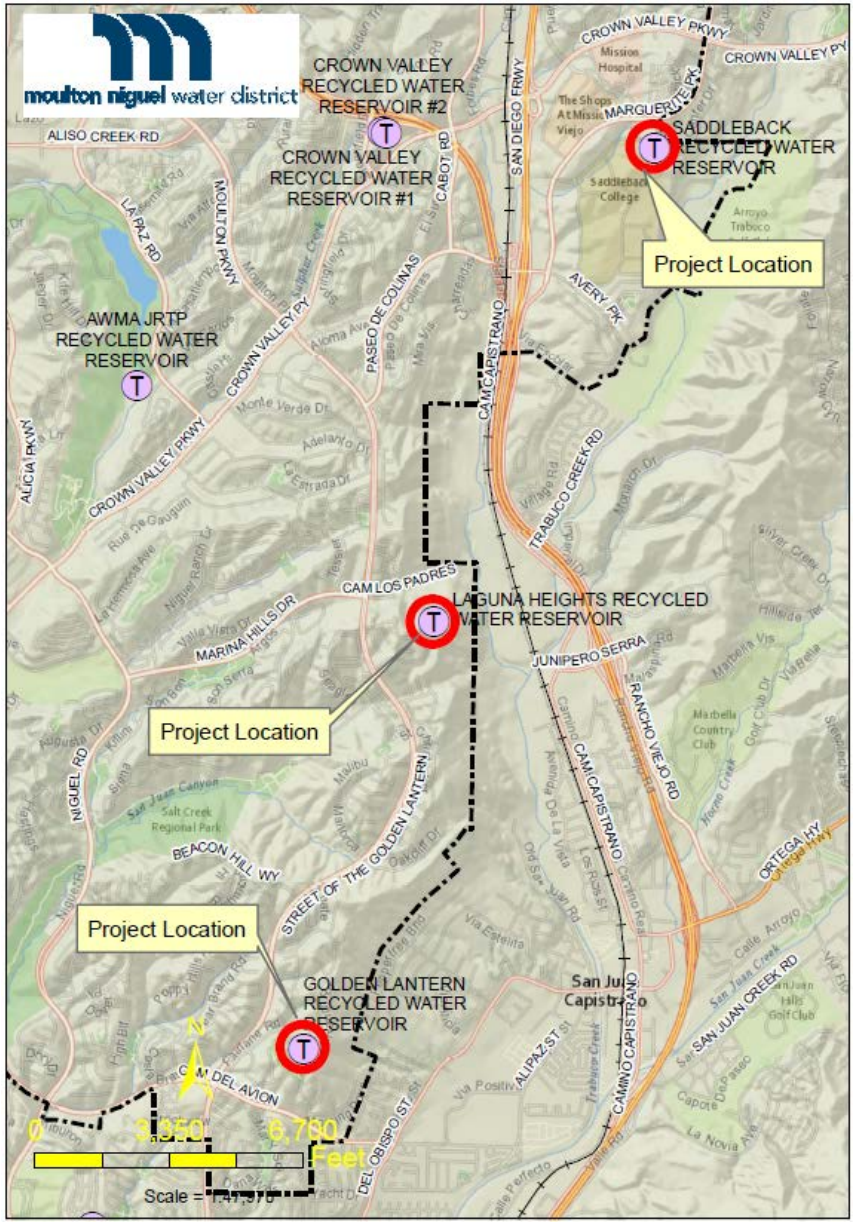
Project Description: Golden Lantern: Construct approximately 500 feet of 8-inch diameter drain pipe to an 8-inch sanitary sewer main on Point Catalina. Laguna Heights: Construct approximately 200 feet of 12-inch diameter drain pipe to a sanitary sewer manhole on Knob Hill Rd. Saddleback: Acquire new easements and construct approximately 550 feet of 6-inch diameter drain pipe to a Santa Margarita Water District sewer manhole on Hillcrest.

Project Need: The drains for the Golden Lantern, Laguna Heights RW and Saddleback RW Reservoirs were originally designed and constructed to be connected to the storm drain systems. Since the time of construction, regulations have changed such that reclaimed water is to be drained to the sanitary sewer system. The drainage improvements will allow for the reclaimed water to be drained to the sewer system to comply with current regulations.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$125,000
CEQA Compliance	Exempt
Construction Contract	$560,000
Inspection/Other	$40,000
Total Project Budget	**$725,000**



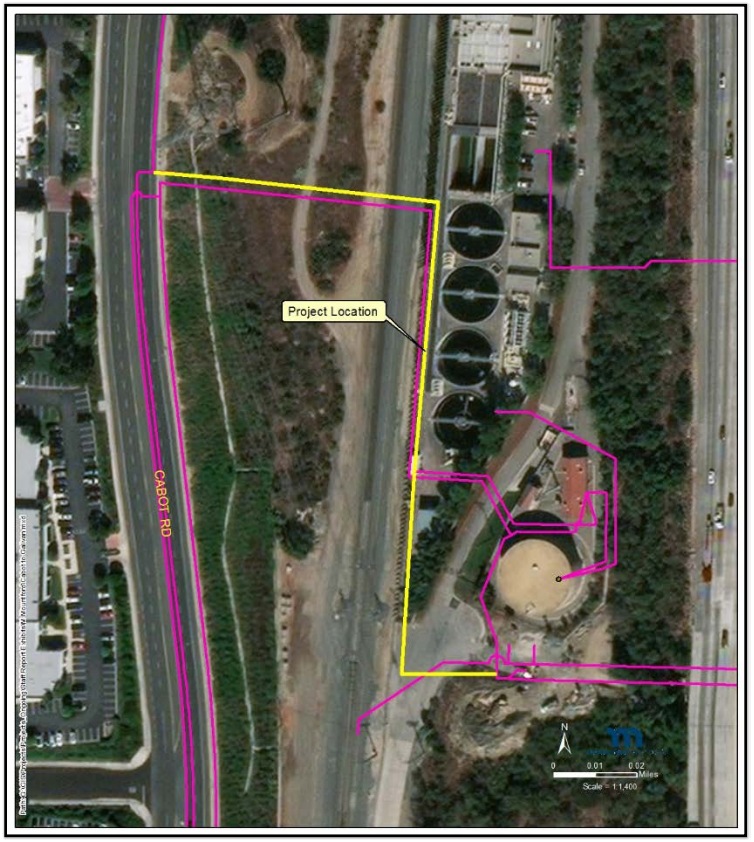
Project No: TBD
System: Recycled
Fund: 6
Project Name: Recycled Water Optimization Study (RWOS) – RW Main Replacement from Cabot Road to Galivan PS

Project Location: Mission Viejo

Project Description: Rehabilitate existing abandoned 20-inch diameter force main from Cabot Road to 3A treatment plant. Install approximately 800 feet of new 20-inch diameter RW pipeline.

Project Need: The RWOS identified that the existing 16-inch diameter pipeline is undersized for conveyance of summertime supply from Upper Oso Reservoir. The RWOS identified this project as necessary to support additional system demands of 306 acre-feet-per-year.

Project Status: Proposed Project



Estimated Project Amount:

Item	Estimated Cost
Design	$60,000
CEQA Compliance	$150,000
Construction Contract	$540,000
CM/Inspection/Permits/Other	$100,000
Total Project Budget	**$850,000**

Project No: TBD
System: Recycled
Fund: 6
Project Name: Recycled Water Optimization Study (RWOS) – RW Main Replacement from Crown Valley Reservoir to Cabot Road

Project Location: Laguna Niguel

Project Description: Install approximately 2,600 feet of new 20-inch diameter RW pipeline, parallel with the existing 16-inch RW pipeline, from Greenfield to Cabot Road.

Project Need: The existing 16-inch diameter pipeline is undersized for conveyance of summertime supply from Upper Oso Reservoir. The RWOS identified this project as necessary to support additional system demands of 306 acre-feet-per-year.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$250,000
CEQA Compliance	Exempt
Construction Contract	$1,150,000
CM/Inspection/Permits/Other	$325,000
Total Project Budget	**$1,725,000**



Project No: TBD
System: Recycled
Fund: 7
Project Name: Recycled Water Optimization Study (RWOS) - RW Main Replacement from Galivan PS to La Paz PS

Project Location: Mission Viejo

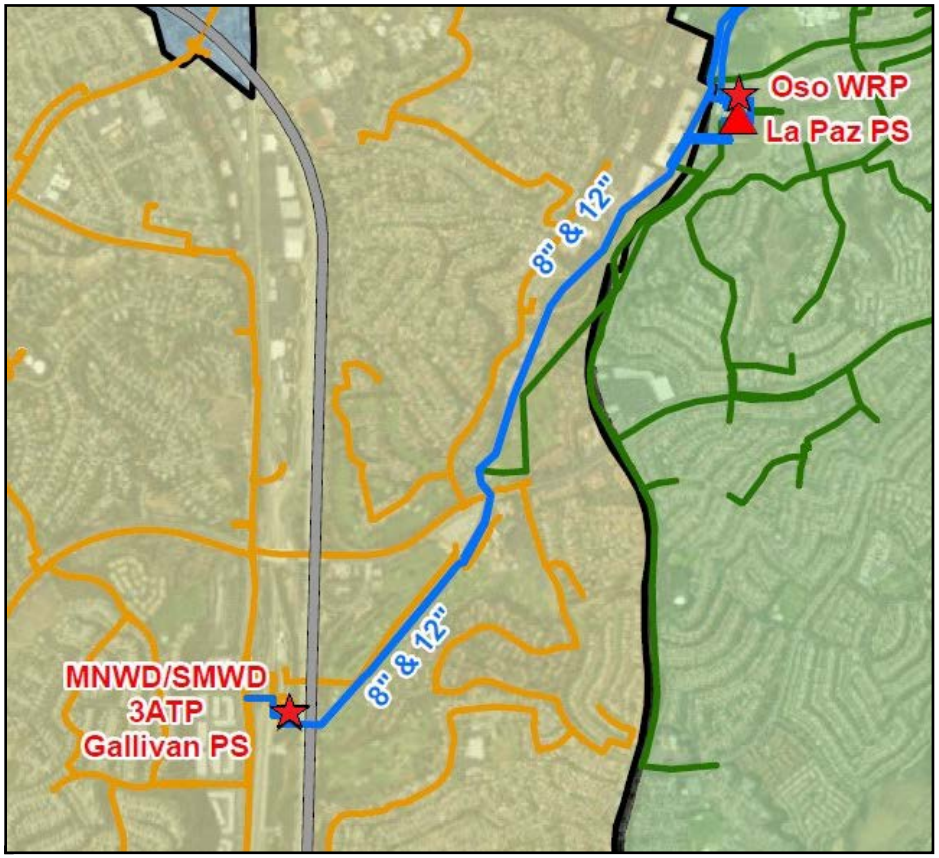
Project Description: The project will replace approximately 11,000 feet of existing 8-inch and 12-inch diameter RW pipelines with a new 24-inch pipeline. This includes pipelines within Santa Margarita Water District's Zone B La Paz Pump Station.

Project Need: The existing 8-inch and 12-inch diameter pipelines have experienced repeated interruptions and are undersized for summertime RW system demands. The RWOS identified this project as necessary to support additional system demands of 306 acre-feet-per-year.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$1,400,000
CEQA Compliance	$450,000
Construction Contract	$5,750,000
CM/Inspection/Permits/Other	$1,400,000
Total Project Budget	**$9,000,000**



Project No: TBD
System: Recycled
Fund: 7
Project Name: 2020-21 Meter Replacement - RW

Project Location: Various

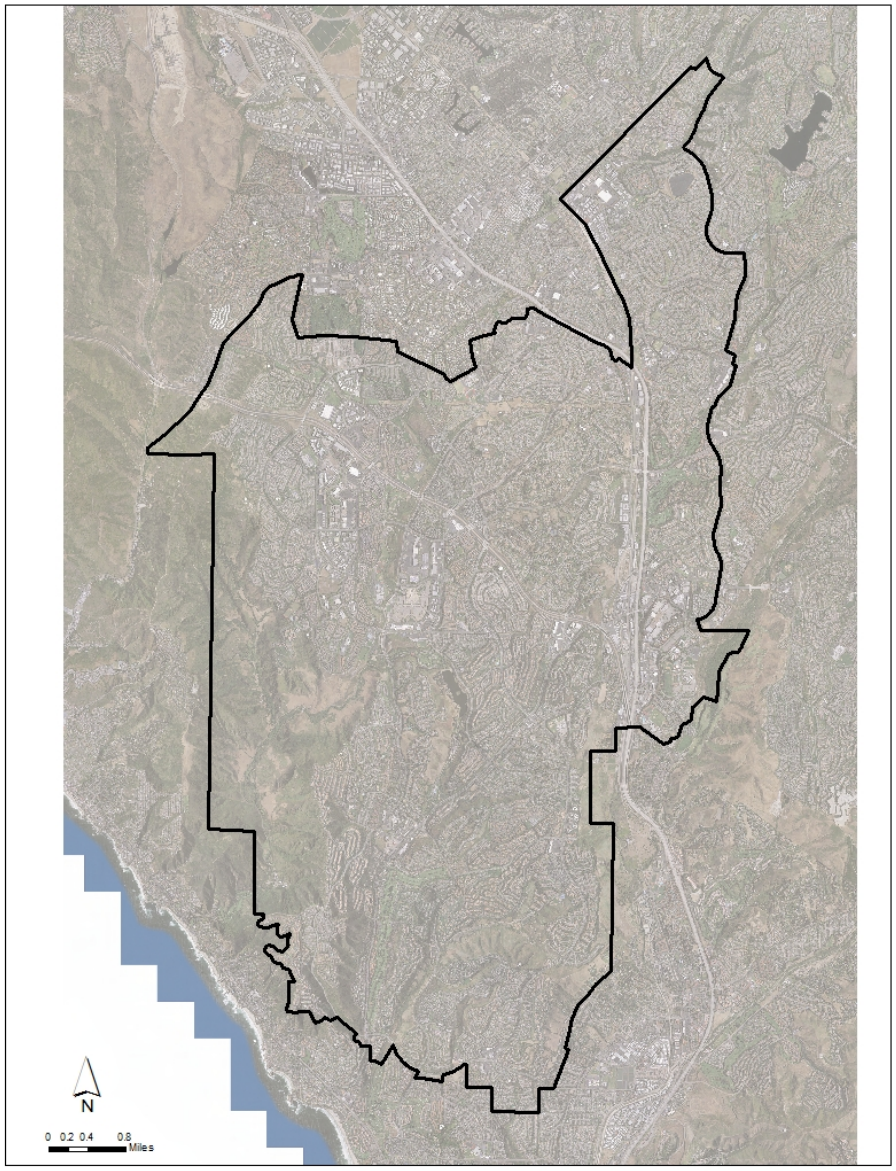
Project Description: Replace existing meters.

Project Need: This annual project will replace meters in the recycled water distribution system as they reach the end of their useful lives.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction	$150,000
Total Project Budget	**$150,000**



Project No: TBD
System: Recycled
Fund: 7
Project Name: 2020-21 Operations-Led Capital Improvements – RW

Project Location: Various

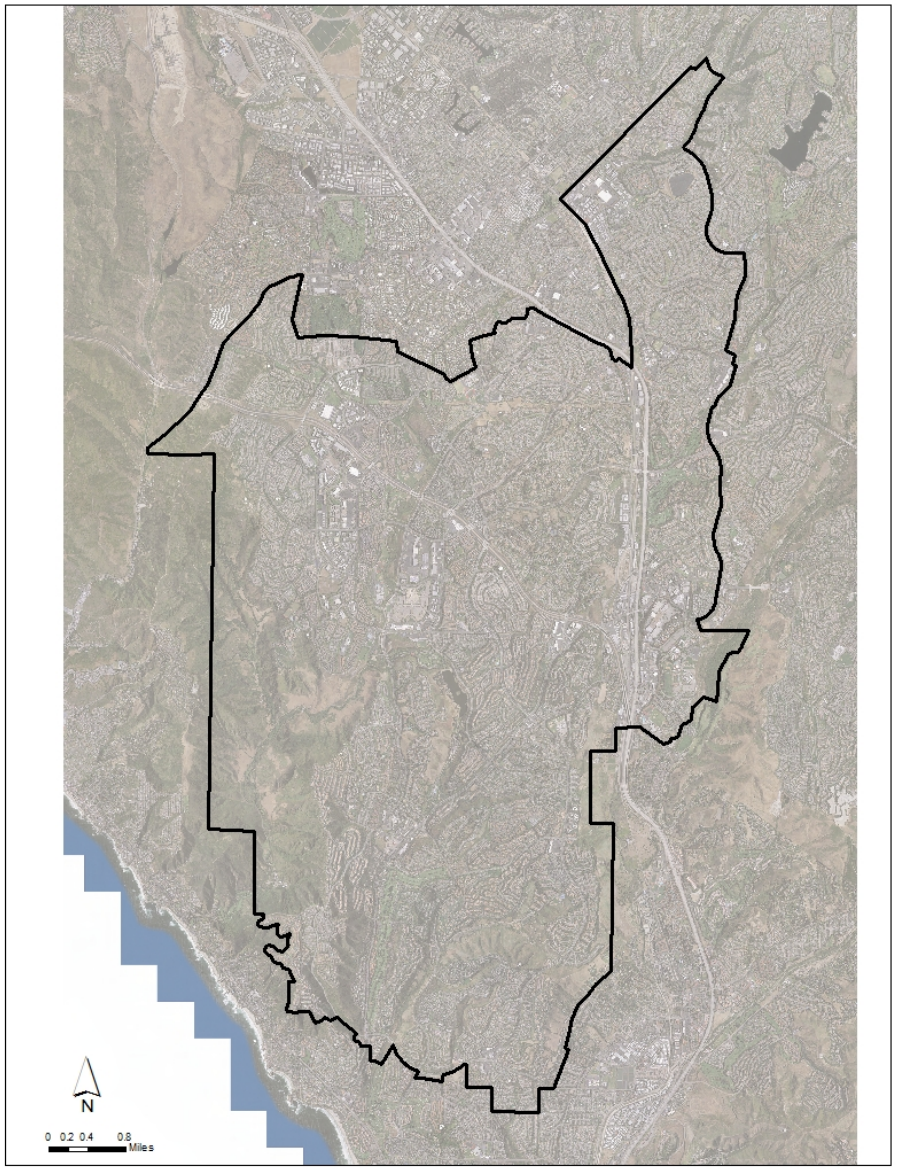
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, programmable logic controllers, mechanical systems, and related equipment.

Project Need: Capital equipment and parts needs are identified by District Operations Staff, as existing equipment reaches the end of its useful life.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases and Installation	$330,000
Total Project Budget	**$330,000**



Project No: TBD
System: Recycled
Fund: 7
Project Name: 2020-21 Pressure Reducing Station Rehabilitation – RW

Project Location: Deerhurst PRS, Aliso Viejo

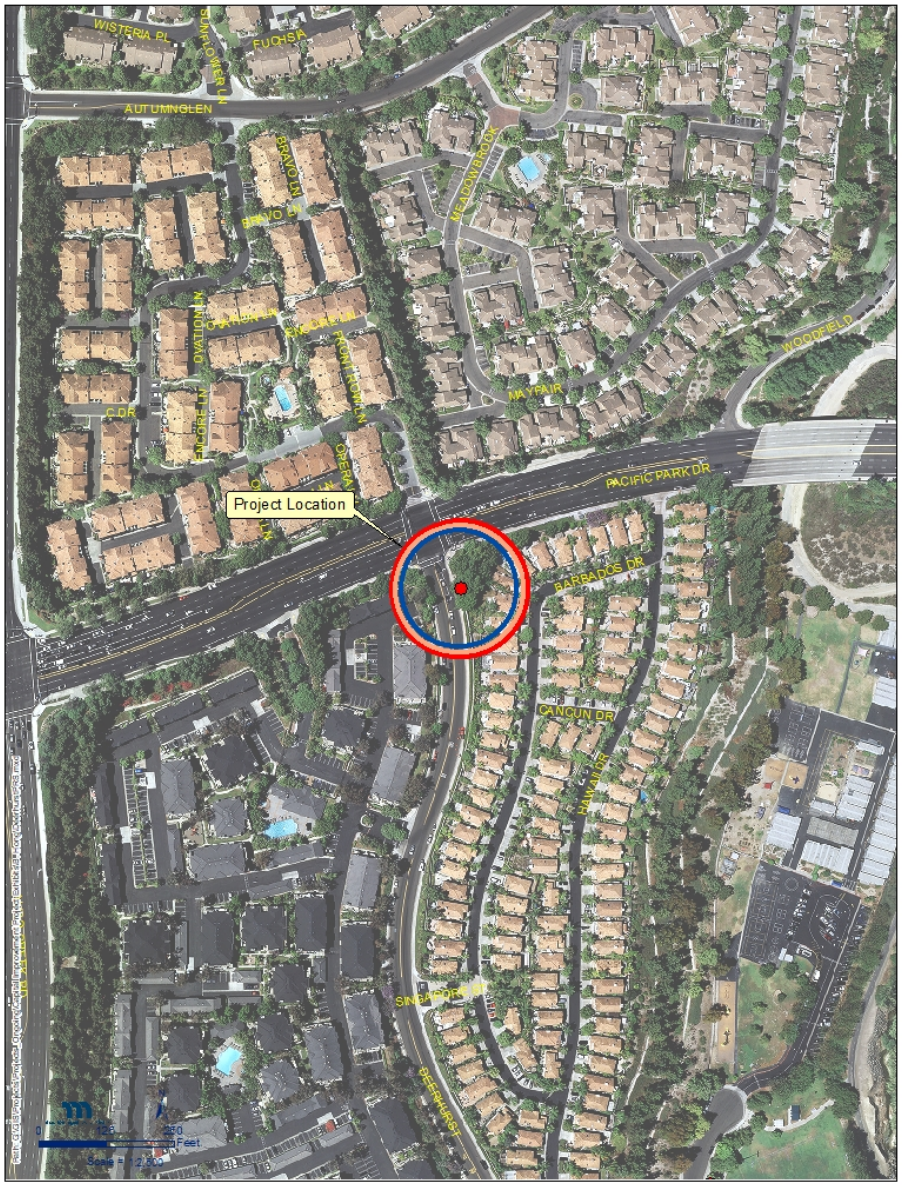
Project Description: Rehabilitate the structure as required and replace the pressure reducing station valves, mechanical equipment and appurtenances that have reached the end of their useful lives.

Project Need: The equipment within the pressure reducing station is reaching its useful life, is requiring increased maintenance, and needs to be replaced. This project occurs on an annual basis as part of the Vertical Asset Rehabilitation and Replacement Program.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$10,000
CEQA Compliance	Exempt
Construction Contract	$80,000
Legal/Permits/Other	$10,000
Total Project Budget	**$100,000**



Project No: TBD
System: Recycled
Fund: 6
Project Name: 2020-21 Recycled Water Retrofits

Project Location: Various

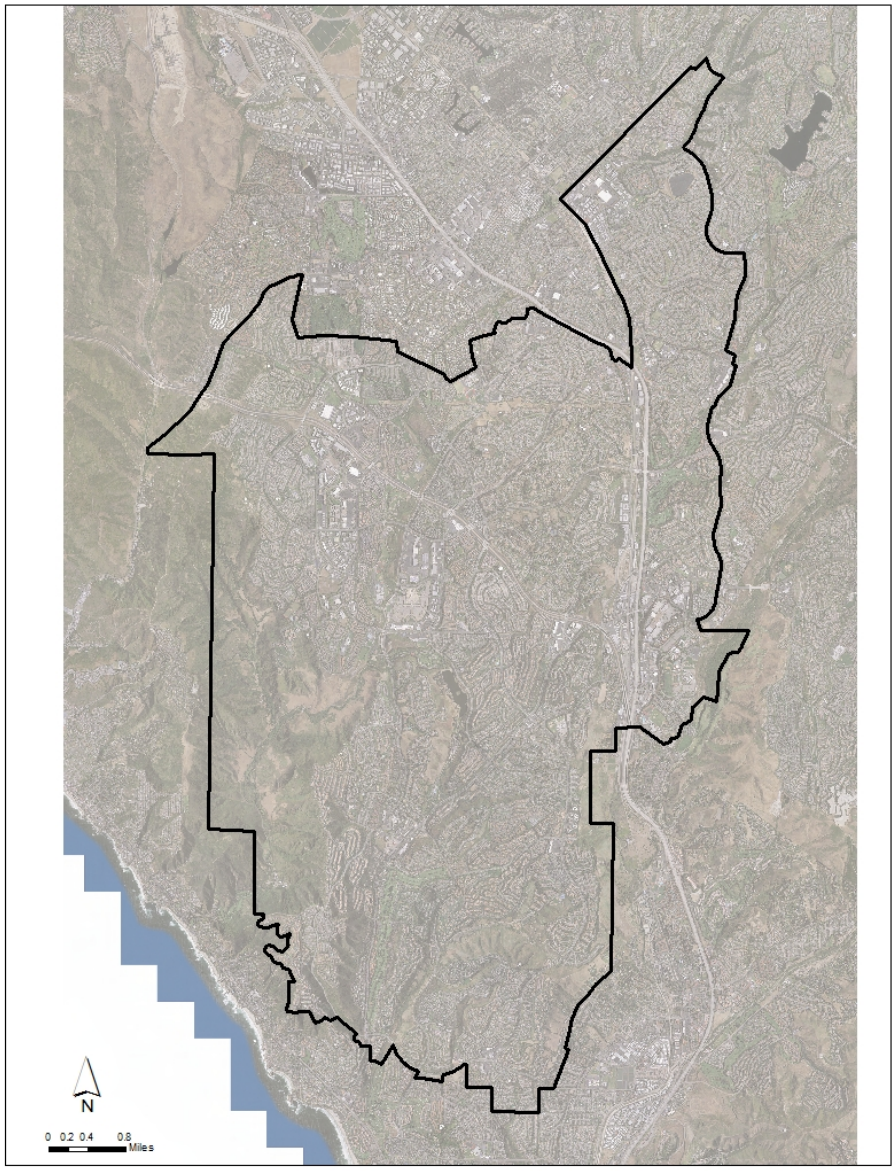
Project Description: Install recycled water service connections and irrigation pumps.

Project Need: The District is continuously evaluating irrigation sites for conversion to recycled water. When a viable site is identified, this project is used to install the recycled water service and abandon the potable service. In addition, on occasion the recycled water service is in a lower pressure zone than the existing potable service. The District installs an irrigation pump to provide the customer with similar service pressure as experienced on the potable system. This project occurs on an annual basis.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	$10,000
Total Project Budget	**$10,000**



Project No: TBD
System: Recycled
Fund: 7
Project Name: 2020-21 Service Line Replacement - RW

Project Location: Various

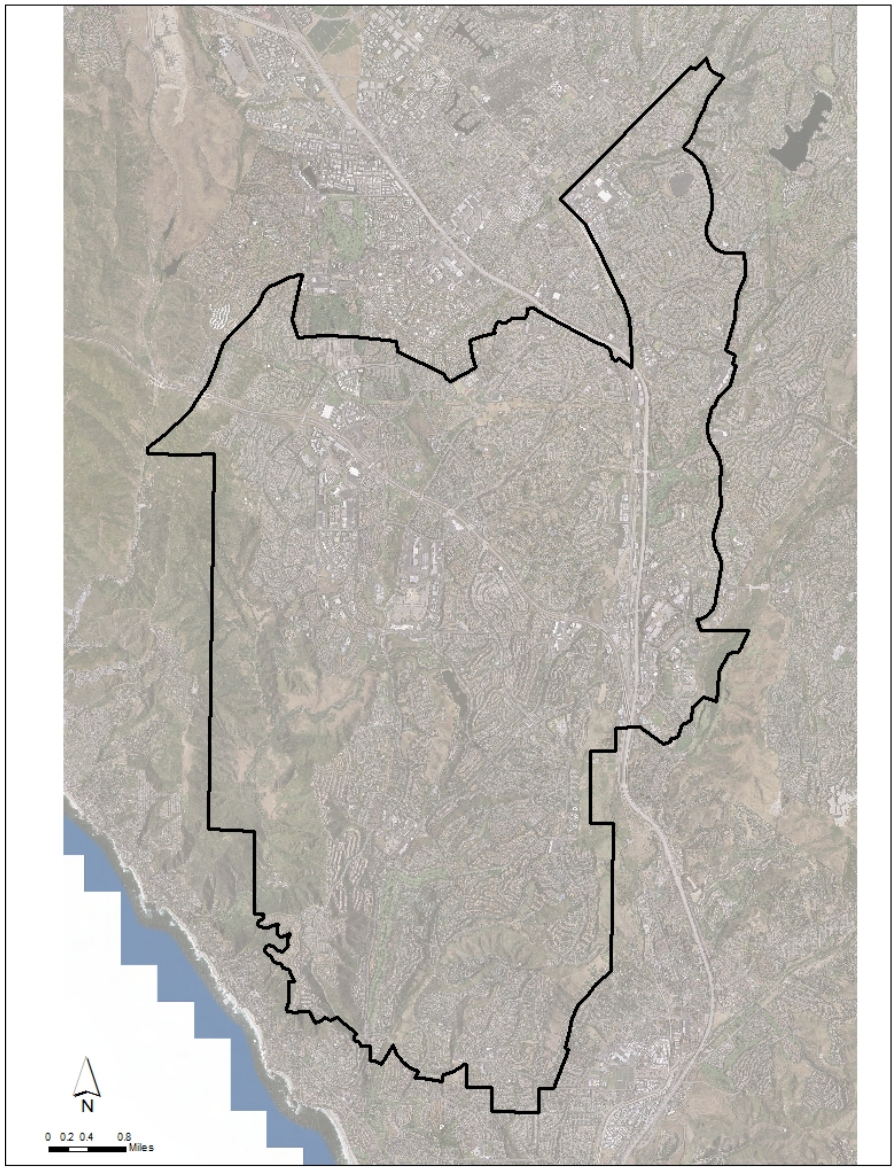
Project Description: Replace existing service lines.

Project Need: This annual project will replace service lines in the recycled water distribution system as they reach the end of their useful lives.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction by District	$160,000
Total Project Budget	**$160,000**



Project No: TBD
System: Recycled
Fund: 7
Project Name: Aliso Viejo RW Reservoir Fence Replacement

Project Location: Aliso Viejo RW Reservoir, Aliso Viejo

Project Description: The project will replace the existing site perimeter fence at the reservoir site with a taller chain-link fence and 6-strand V-style barbed wire.

Project Need: The fence replacement will improve site security by preventing unauthorized access.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	$50,000
Total Project Budget	**$50,000**



Project No: TBD
System: Recycled
Fund: 7
Project Name: Crown Point Pump Station Pump Replacement and VFD Installation

Project Location: Crown Point Pump Station, Laguna Niguel

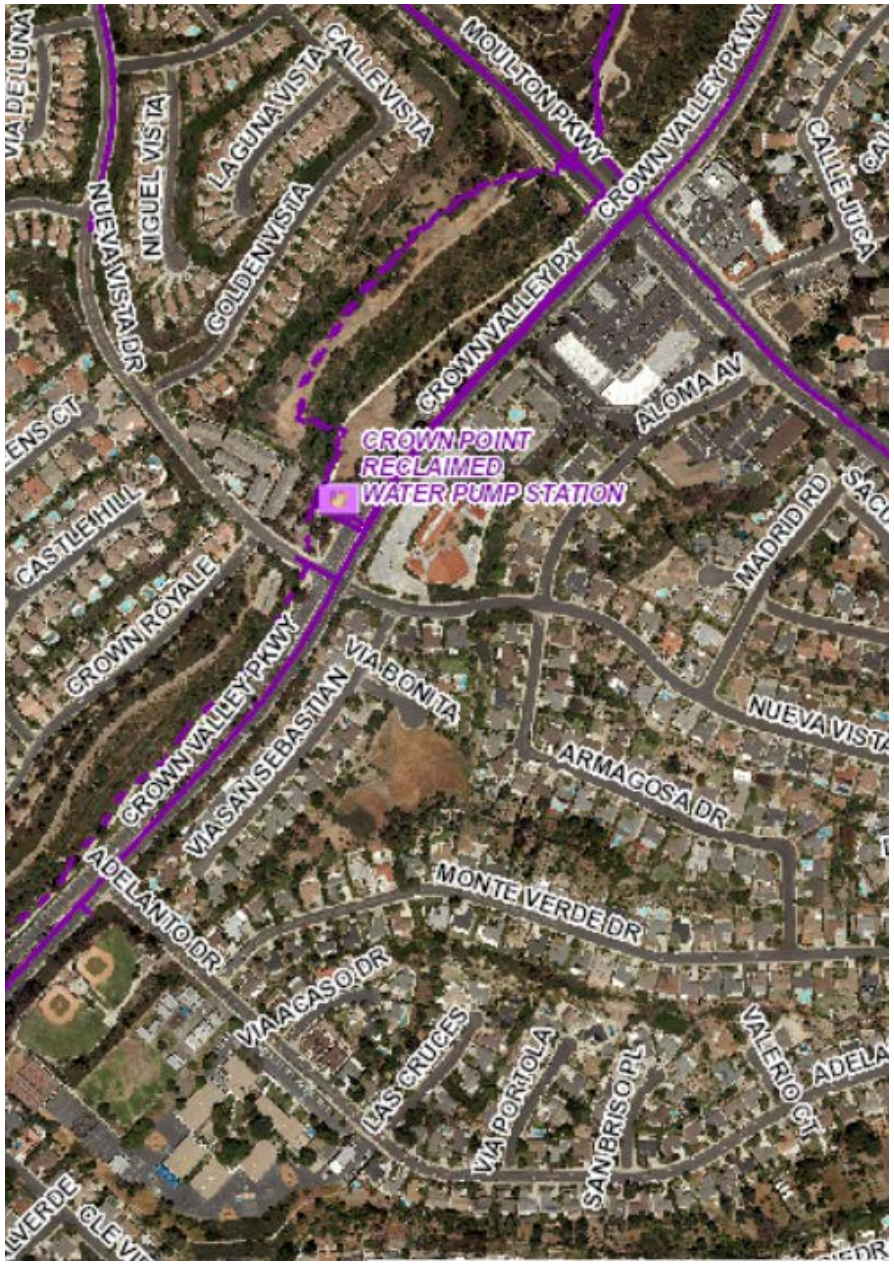
Project Description: Replace two existing pumps and associated 100 HP motors, select piping, and valves. Additionally, the motors will be equipped with variable frequency drives (VFDs). A hydraulic analysis using District's recycled water model may be required to verify final design.

Project Need: Crown Point Pump Station is one of three pump stations that pump to the 690-Zone. The 690-Zone is an open pressure zone with a single reservoir servicing the zone (Laguna Heights Reservoir). Should the reservoir or pipeline leading up to the reservoir be taken out of service for maintenance, the District will need to operate the 690-Zone as a closed zone. Installing VFDs at the station will allow for the 690-Zone to be properly operated as a closed zone. Additionally, the pumps are original and have reached the end of their useful life.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$80,000
CEQA Compliance	Exempt
Construction Contract	$400,000
Legal/Inspection/Other	$10,000
Total Project Budget	**$490,000**



Project No: TBD
System: Recycled
Fund: 7
Project Name: Galivan RW Pump Station Flow Pacing

Project Location: Galivan RW Pump Station, Mission Viejo

Project Description: Replace the existing 450-Zone RW pumps with new variable speed pumps. Replace the existing soft-start pump controllers with new VFDs. Install new PLC controls and programming to allow the new pump to flow-pace with the 3A filter effluent pumps.

Project Need: The existing Filter Effluent Pumps at 3A feed water into the Galivan RW Reservoir with variable flow. The 450-Zone pumps within Galivan RW Pump Station are constant speed/flow pumps. This difference in the flow into and out of the reservoir causes inconsistencies in the chlorine contact time calculations.

Project Status: Proposed Project



Estimated Project Amount:

Item	Estimated Cost
Design	$75,000
CEQA IS/MND	Exempt
Construction Contract	$400,000
CM and Specialty Inspection	$20,000
Legal/Permits/Other	$5,000
Total Project Budget	**$500,000**

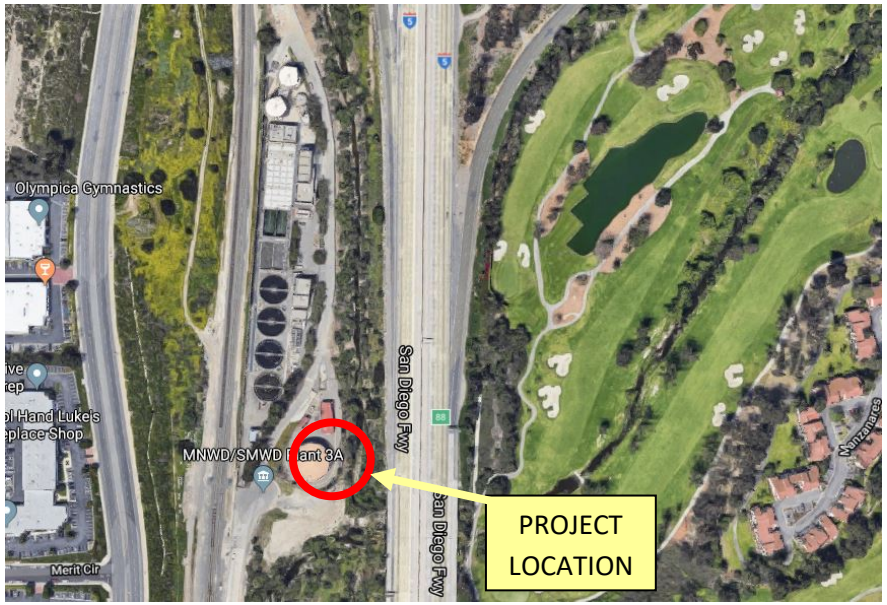
Project No: TBD
System: Recycled
Fund: 7
Project Name: Electrical Improvements at Galivan and Aliso Viejo RW Pump Stations

Project Location: Galivan RW Pump Station, Mission Viejo; and Aliso Viejo RW Pump Station, Aliso Viejo

Project Description: Replace meter/main sections at Galivan and Aliso Viejo Recycled Water Pump Stations.

Project Need: The noted electrical equipment at each facility has reached the end of its useful life and can no longer be maintained.

Project Status: Proposed Project



Estimated Project Amount:

Item	Estimated Cost
Design	$30,000
CEQA Compliance	Exempt
Construction Contract	$200,000
Inspection/Other	$10,000
Total Project Budget	**$240,000**



Project No: TBD
System: Recycled
Fund: 7
Project Name: Rehabilitation of the 20-Inch Recycled Water Main to Laguna Heights Reservoir

Project Location: Serenity Ln. and Knob Hills, Laguna Niguel

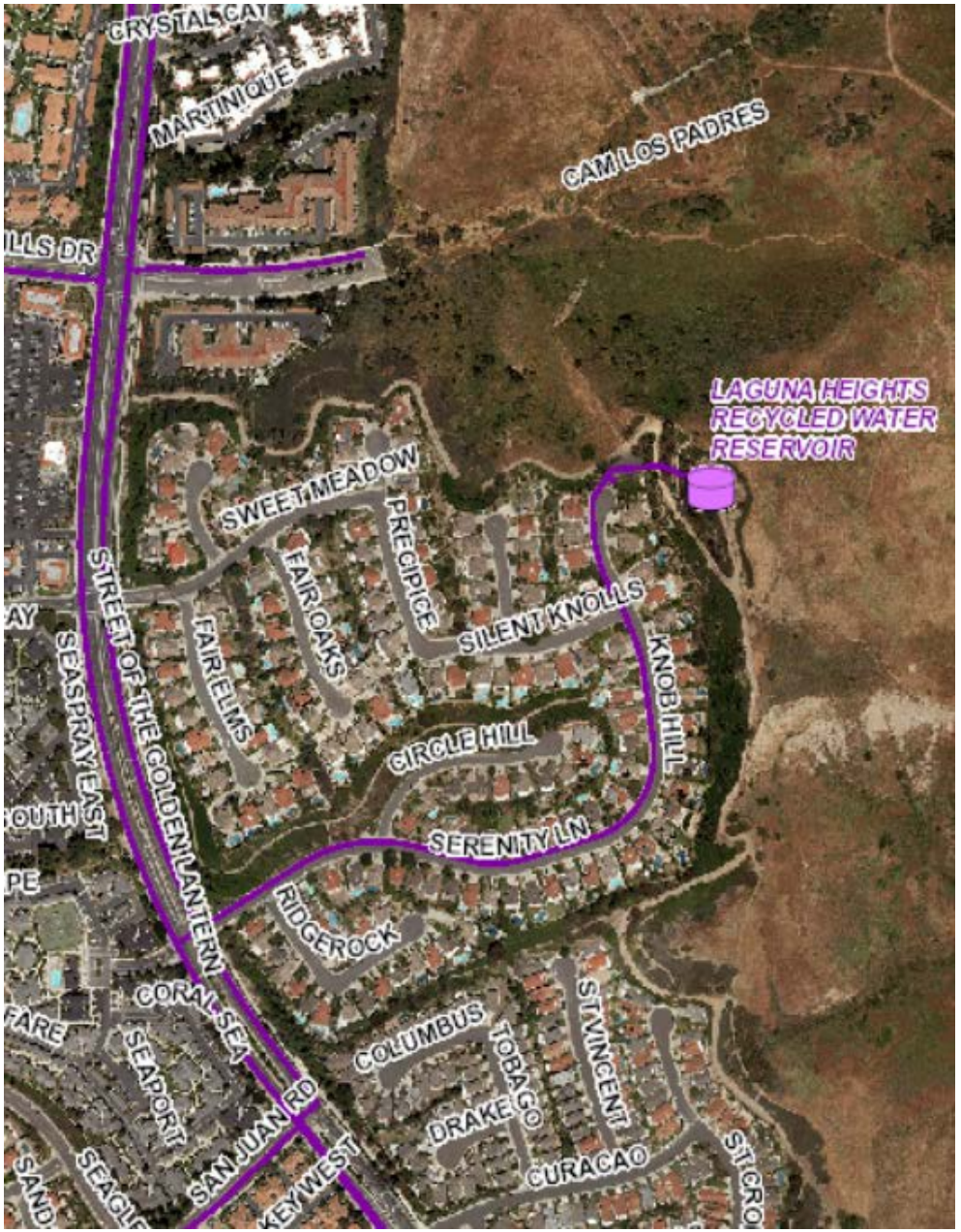
Project Description: Rehabilitate approximately 1,800 feet of 20-inch diameter steel pipeline. This transmission main connects the Laguna Heights recycled water reservoir to the recycled water distribution system for the 690 pressure zone. The proposed rehabilitation method will be slip lining.

Project Need: The 20-inch diameter steel pipeline going up to the Laguna Heights Reservoir has required maintenance over the years and is in need of rehabilitation. The 690 pressure zone is currently dependent on the Laguna Heights Reservoir to maintain system pressure as an open zone.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$90,000
CEQA Compliance	Exempt
Construction Contract	$750,000
Specialty Inspection	$65,000
Legal/Permits/Other	$5,000
Total Project Budget	**$910,000**



Project No: 2011.028
System: Wastewater
Fund: 7
Project Name: Valencia Lift Station Rehabilitation

Project Location: Paseo de Valencia & Cabot Road, Laguna Hills

Project Description: Replace the existing pumps, motors, instrumentation, valves, and various piping. Replace electrical equipment, including main switchboard, MCC, conduit, wire and lighting. Rehabilitate wet well, including demolition of existing T-Lock lining, concrete repair, and new spray-on lining.

Project Need: The existing equipment has reached its useful life and does not perform efficiently; therefore, requiring increased maintenance. In addition, replacement parts for the existing equipment are no longer made by the manufacturers. The existing equipment requires replacement.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$131,043
CEQA Compliance	Exempt
Construction Contract	$852,979
Legal/Permits/Inspection/Other	$40,000
Total Project Budget	**$1,024,022**



Project No: 2012.024
System: Wastewater
Fund: 7
Project Name: Upper Salada Lift Station Auxiliary Generator Replacement

Project Location: Upper Salada Lift Station, Laguna Niguel

Project Description: Replace the existing natural gas generator with an AQMD compliant emergency standby diesel generator, including site development to accommodate fire code requirements. Site improvements to include CMU retaining walls, paving, drainage, and fencing replacements.

Project Need: The existing generator is fueled by natural gas. The natural gas source is piped to the site from an SDG&E pipeline. In case of gas supply interruptions or natural disasters an on-site fuel supply is needed for this critical facility. An emergency standby diesel generator with a fuel tank will achieve this requirement. Due to current site constraints, the project requires property acquisition (already received and recorded) and ancillary site improvements.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$100,000
CEQA Compliance	Exempt
Geotechnical	$30,000
Construction Contract	$700,000
Inspection/Other	$20,000
Total Project Budget	**$850,000**



Project No: 2017.004
System: Wastewater
Fund: 7
Project Name: 2017-18 Pipeline Rehabilitation and Replacement - WW

Project Location: Fairgreens Easement (Laguna Niguel), Canterbury Easement (Laguna Niguel), Chester Drive (Laguna Hills), La Mancha Easement (Mission Viejo), Luna Bonita Easement (Laguna Hills), Moro Azul Easement (Mission Viejo), Paseo Del Campo Easement (Laguna Niguel), Rocinante Easement (Mission Viejo), railroad easement east of Valencia Lift Station (City of Laguna Hills), and on-site drainage pipelines at Saddleback Reservoir (City of Mission Viejo).

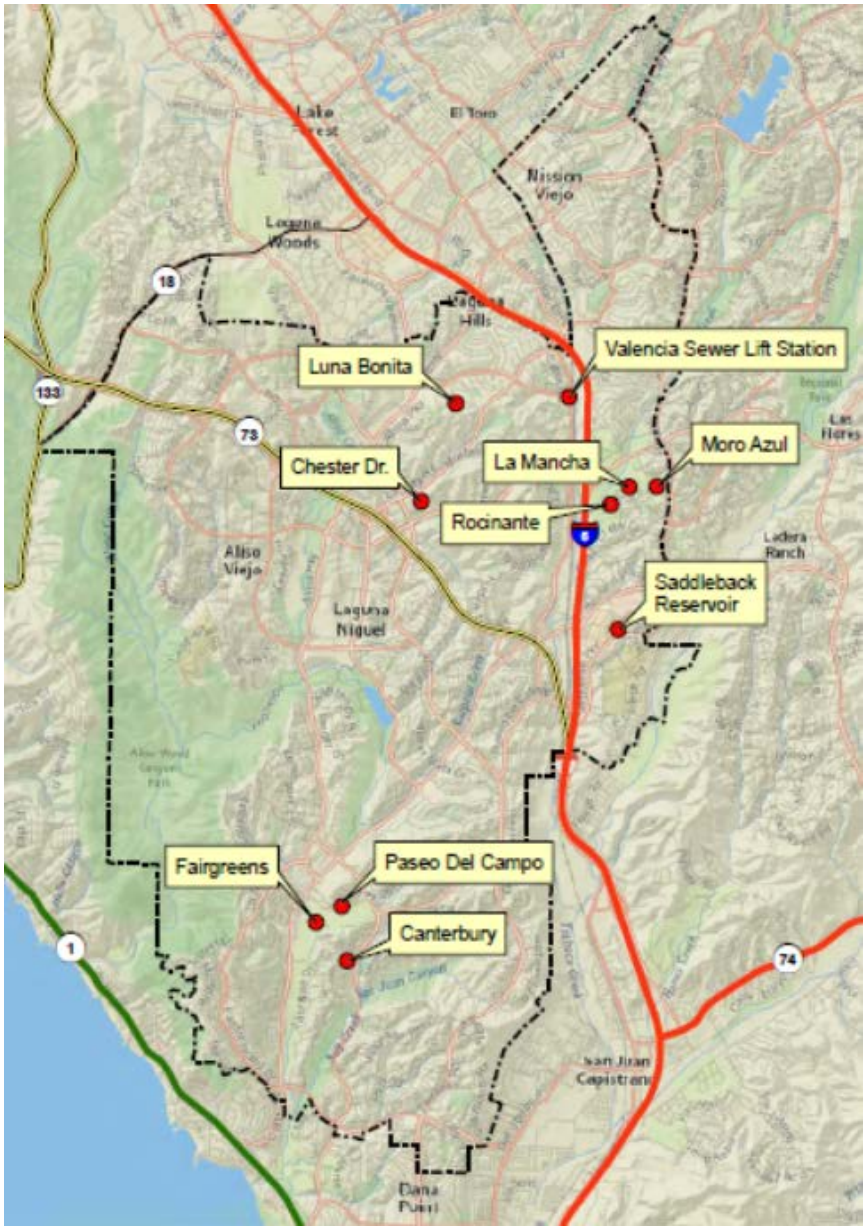
Project Description: Perform heavy root and calcium encrustation removal, clean and install approximately 3,600 feet of cured-in-place pipe (CIPP) liner.

Project Need: The integrity of the collection system is being compromised by root infiltration, calcium encrustation, and pipeline cracking. The lining of the sewer system will extend the useful life without having to replace the entire system.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$76,396
CEQA Compliance	Exempt
Construction Contract	$357,500
Inspection/Other	$20,000
Total Project Budget	**$453,896**



Project No: 2017.007
System: Wastewater
Fund: 7
Project Name: Aliso Creek Lift Station Auxiliary Generator Replacement

Project Location: Aliso Creek Lift Station, Aliso Viejo

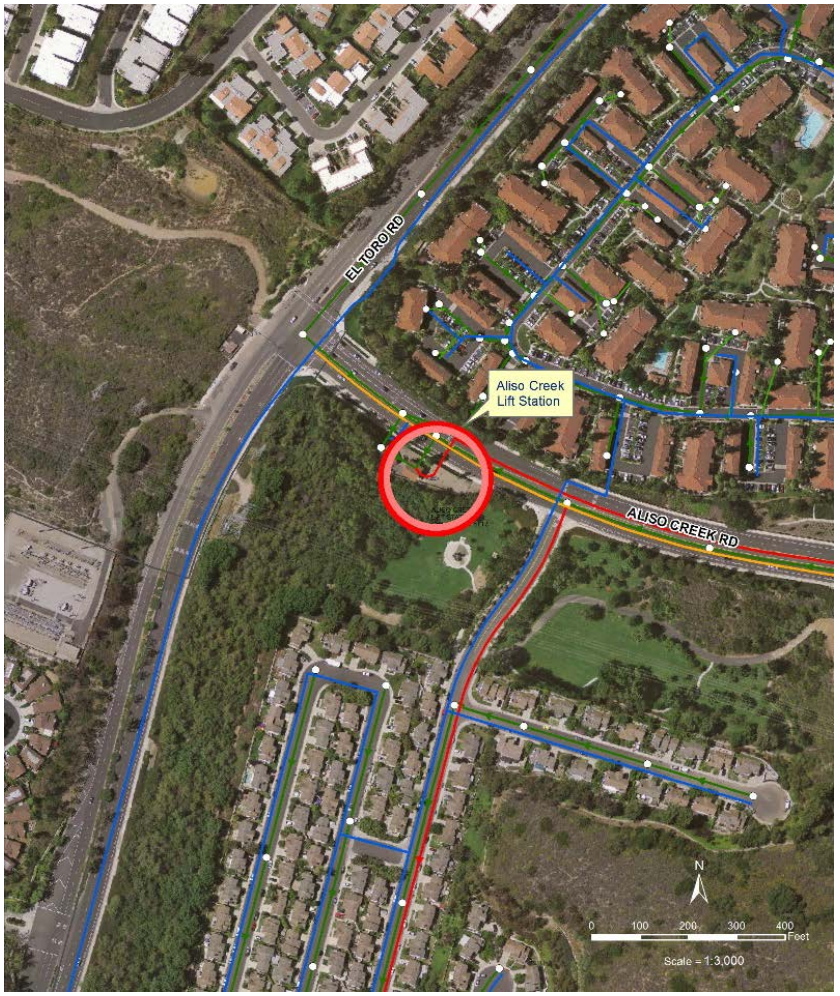
Project Description: Remove and replace the existing 1990 Cummins Propane 250 KW backup generator with a new auxiliary diesel generator.

Project Need: Replacement of the existing generator is based on age and difficulty finding off the shelf replacement parts.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$90,000
CEQA Compliance	Exempt
Construction Contract	$1,100,000
Inspection/Other	$25,000
Total Project Budget	**$1,215,000**



Project No: 2017.022
System: Wastewater
Fund: 14
Project Name: Regional Lift Station Enhancements

Project Location: Regional Lift Station, Laguna Niguel

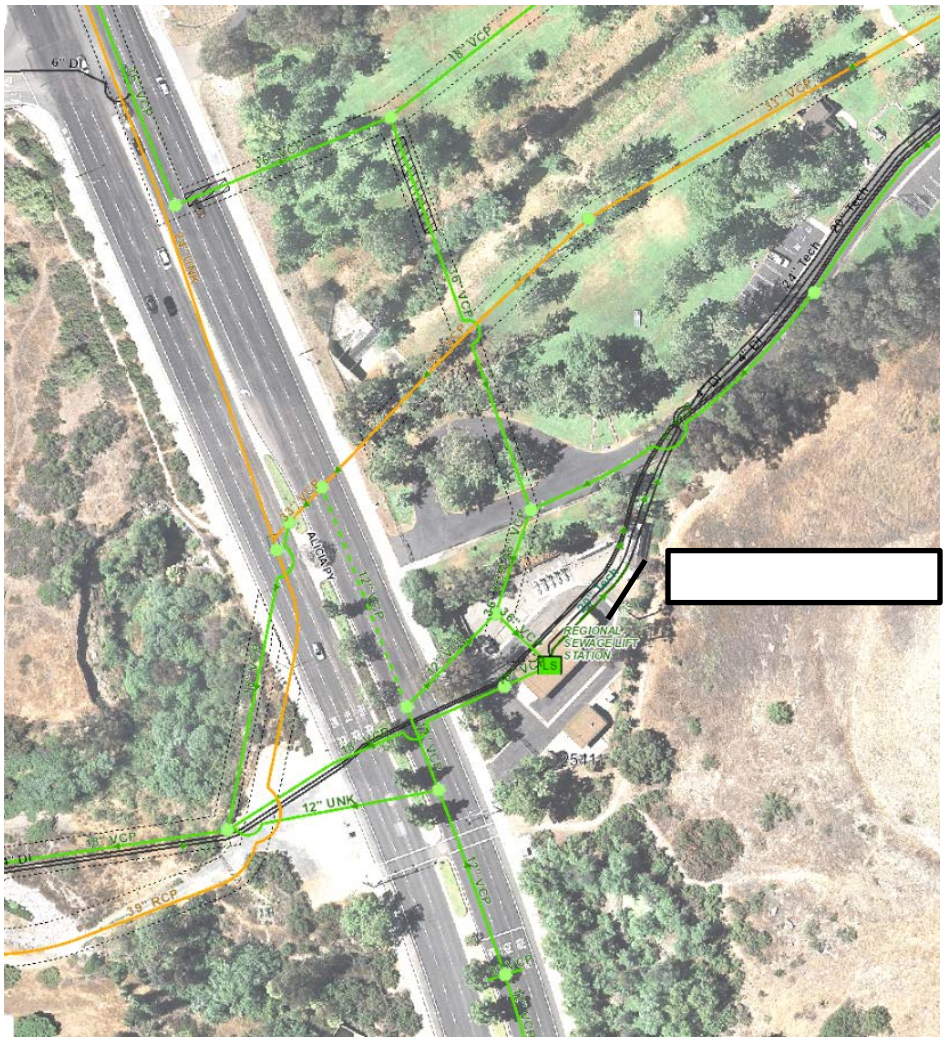
Project Description: Construct new suction and discharge piping for a new permanently installed diesel powered bypass pumping system. Suction pipe will be connected to existing wet well. Discharge will connect to existing force mains in valve vault. Construct new overflow structure. Rehabilitate existing wet well. Bypass pumping will be required during wet well rehab. Replace existing pump #5 with smaller pump to be used during low flow periods.

Project Need: A redundant, diesel powered bypass system is required for this critical facility in the event of an electrical system outage. Due to decreased sewage flows, existing pumps are too large to effectively pump during low flow periods.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$288,860
CEQA Compliance	Exempt
Construction Contract	$4,439,101
CM and Inspection	$250,000
Legal/Permits/Other	$20,000
Total Project Budget	**$4,997,961**



Project No: 2018.023
System: Wastewater
Fund: 7
Project Name: Southwing Lift Station Auxiliary Generator Replacement

Project Location: Southwing Lift Station, Aliso Viejo

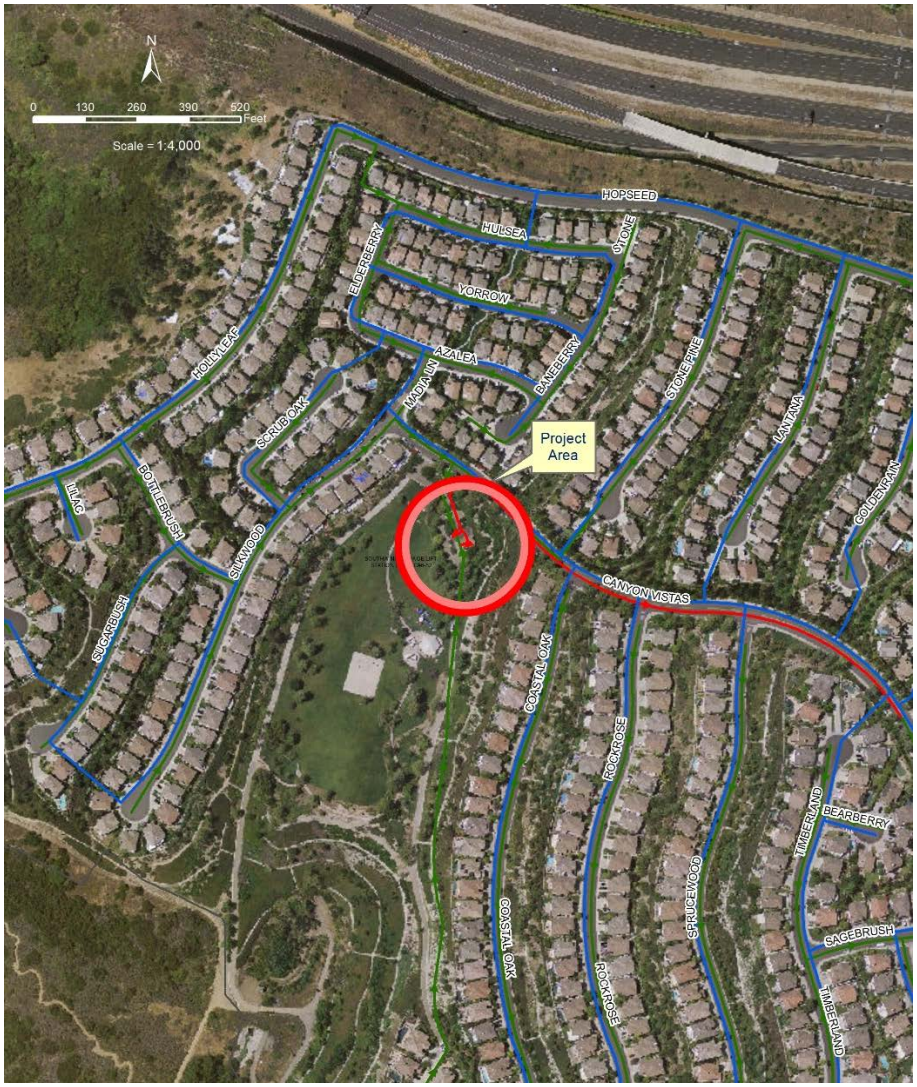
Project Description: Remove and replace the existing 1994 Cummins Propane 170 KW backup generator with a new auxiliary diesel generator.

Project Need: Replacement of the existing generator is based on age and difficulty finding off the shelf replacement parts.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$90,000
CEQA Compliance	Exempt
Construction Contract	$1,100,000
Inspection/Other	$25,000
Total Project Budget	**$1,215,000**



Project No: 2018.027
System: Wastewater
Fund: 7
Project Name: Regional Treatment Plant Southerly Influent Sewer Improvements

Project Location: Regional Treatment Plant, Laguna Niguel

Project Description: Remove and replace the existing diversion structure, adjacent manholes, and conflicting sewer lines that are part of the two paralleling sewer inlet pipelines to the treatment plant, to allow for better operations & maintenance of the pipelines. Rehabilitate the on-site reinforced concrete pipes just upstream of the headworks. Sewer bypass pumping and methane line relocation will be required.

Project Need: The existing configuration of the diversion structure and adjacent manholes promotes sewer debris buildup inside the pipelines and requires more maintenance. The on-site reinforced concrete pipes are severely corroded and need to be rehabilitated.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$203,390
CEQA Compliance	Exempt
Construction Contract	$1,546,610
Inspection	$20,000
Legal/Other	$5,000
Total Project Budget	**$1,775,000**



Project No: 2018.028
System: Wastewater
Fund: 7
Project Name: Upper Salada Lift Station Bypass Improvements

Project Location: Upper Salada Lift Station, Laguna Niguel

Project Description: Replace and reconfigure the existing flow meter and bypass connections for the sewer force main at the Upper Salada Lift Station, including a new flow meter, valves, and an independent connection to each of the two force main pipes within Niguel Road.

Project Need: The valves on the existing bypass connection are not functioning properly, causing emergency repairs to be completed. Additionally, the existing bypass connection to the western force main is within the slow lane of the southbound side of Niguel Road, which is a safety concern. Improvements would relocate both bypass connections to be within the Upper Salada Lift Station site.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$75,000
CEQA Compliance	Exempt
Construction Contract	$200,000
Inspection/Other	$25,000
Total Project Budget	**$300,000**



Project No: 2013.004
System: Wastewater
Fund: 7
Project Name: Regional Lift Station Force Main Replacement

Project Location: Laguna Niguel Regional Park, Laguna Niguel

Project Description: The project will abandon the existing 20-inch diameter Techite force main and construct new double-barrel 24-inch diameter PVC force mains. The approximate length of new force mains is 8,500 feet each. The project will also rehabilitate and repurpose the existing 24-inch diameter force mains as a supplemental effluent transmission main for the Regional Treatment Plant, including connection to the existing ETM at Alicia Pkwy. Extensive environmental permitting will be required.

Project Need: The existing force mains are deteriorated beyond repair and need to be reconstructed.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	$700,000
CEQA Compliance	$500,000
Construction Contract	$11,000,000
Inspection/Other	$1,500,000
Total Project Budget	**$13,700,000**



Project No: 2018.026
System: Wastewater
Fund: 14
Project Name: Camino Capistrano Lift Station and Force Main

Project Location: Camino Capistrano Lift Station, Laguna Niguel

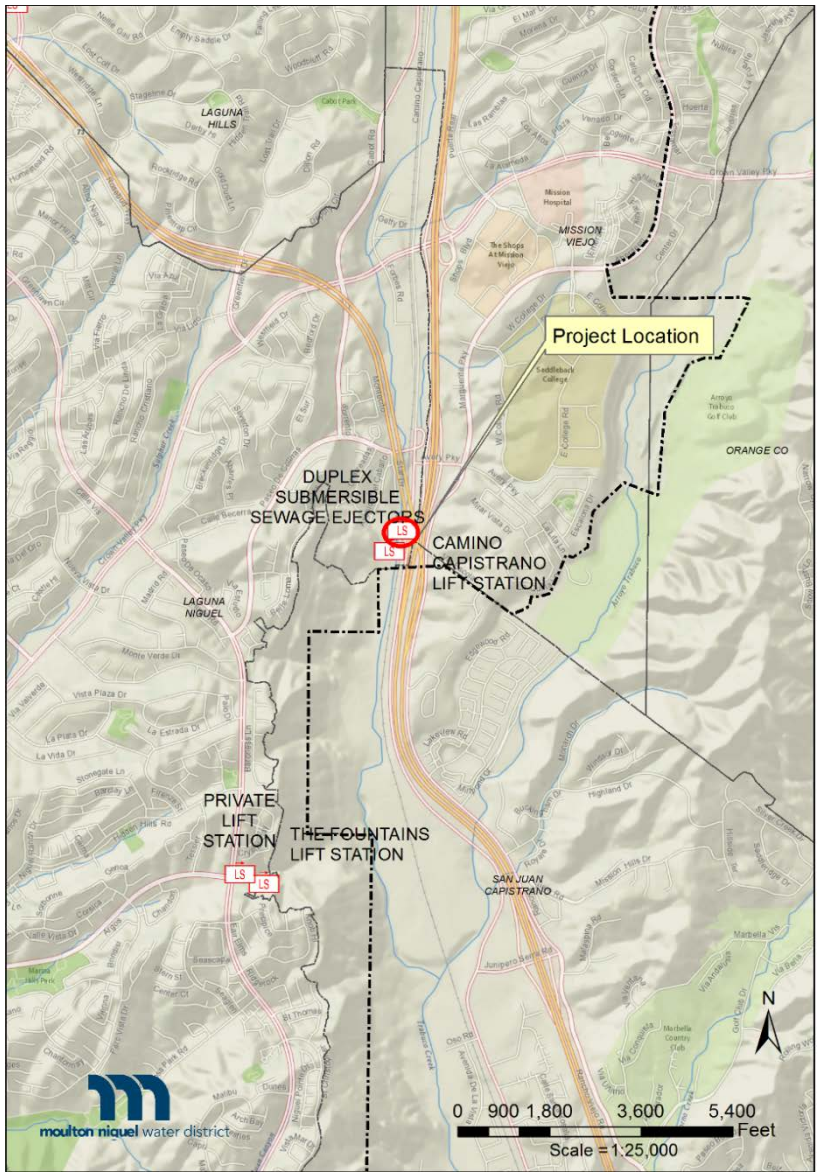
Project Description: Construct a new Camino Capistrano Lift Station to divert wastewater from the Oso Trabuco trunk sewer to Plant 3A for treatment and re-use as recycled water. Construct influent siphon below Oso Creek, between the Oso Trabuco Trunk Sewer and the Camino Capistrano Lift Station. Construct a 12-inch diameter force main from Camino Capistrano Lift Station to Plant 3A. Construct a new lift station with new pumps, mechanical and electrical equipment. Construct an approximately 0.5 MG equalization basin to accommodate diurnal flows. Property acquisition is anticipated.

Project Need: Diversion of approximately 1.0 MGD of wastewater to Plant 3A in order to maximize wastewater treatment efficiency and recycled water production.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Initial Study & Property Acquisition Support	$100,000
Property Acquisition	$1,000,000
Design	$350,000
CEQA Compliance	$100,000
Construction Contract	$10,500,000
CM and Special Inspection	$250,000
Inspection/Utility Fees/Other	$100,000
Total Project Budget	**$12,400,000**



Project No: 2019.007
System: Wastewater
Fund: 7
Project Name: North Aliso Lift Station Reconstruction

Project Location: North Aliso Lift Station, Mission Viejo

Project Description: Demolish and reconstruct the entire North Aliso Lift Station with a new adequately sized wet well and overflow basin, new pump room configured to District standards for lift station facilities, enclosed electrical room, and other related facility improvements. A third pump is also necessary to conform to District standards.

This project will require an extensive bypass pumping system and long term temporary construction easement.

Project Need: The North Aliso Lift Station was constructed in 1991. Although periodic improvements have been made, the equipment is obsolete, requires increased maintenance, and needs replacement. The wet well is undersized, and lacks operating depth, requiring that a new wet well and overflow basin be constructed.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Preliminary Design	$50,000
Design	$450,000
CEQA Compliance	Exempt
Construction Contract	$4,000,000
CM and Specialty Inspection	$450,000
Inspection/Other	$50,000
Total Project Budget	**$5,000,000**



Project No: Annual Program
System: Wastewater
Fund: 7
Project Name: Manhole Rehabilitation Program

Project Location: Various

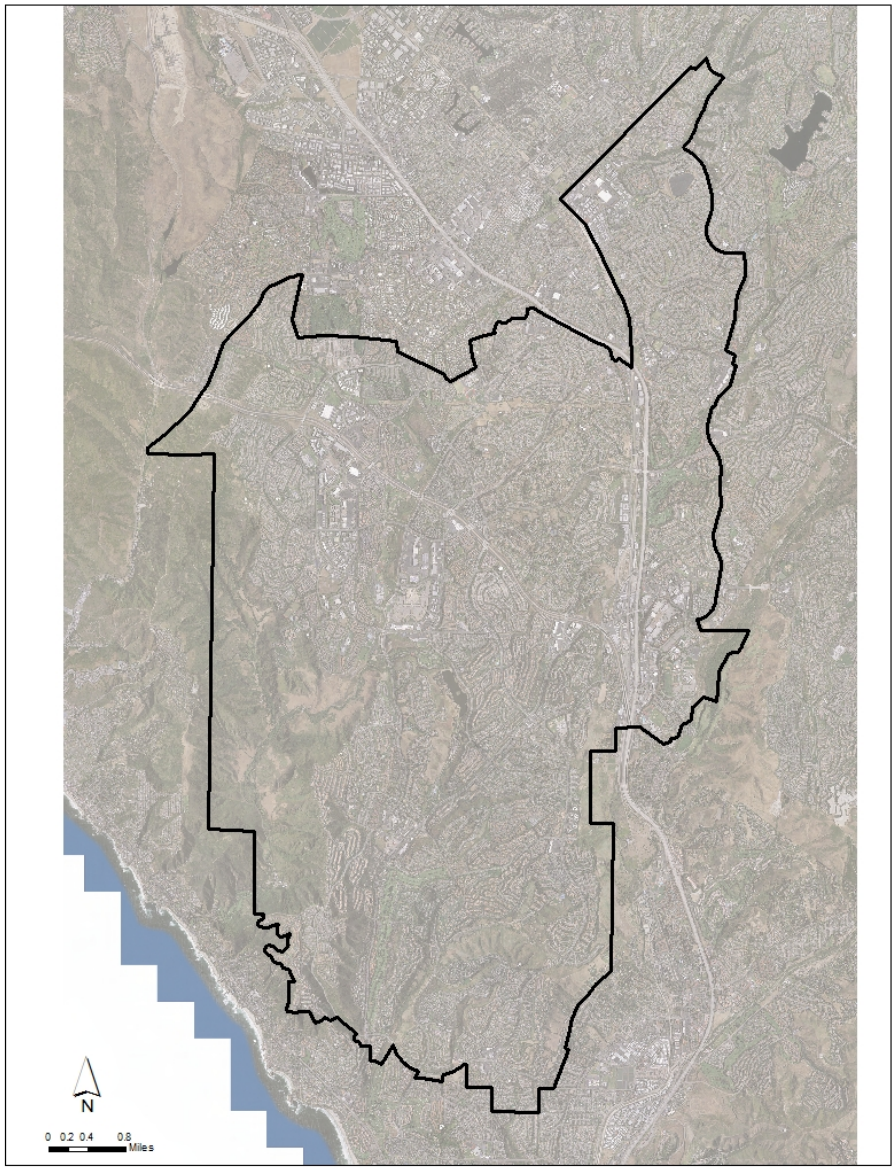
Project Description: Rehabilitate existing sewer manholes.

Project Need: District staff inspects the sewer system continuously. As damaged facilities are identified, they are rehabilitated. Rehabilitation methods vary depending on damage but could include manhole lining, mortar replacement, or sealing.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	$3,150,000
Total Project Budget	**$3,150,000**



Project No: Annual Program
System: Wastewater
Fund: 7
Project Name: Operations-Led Capital Improvements – WW

Project Location: Various

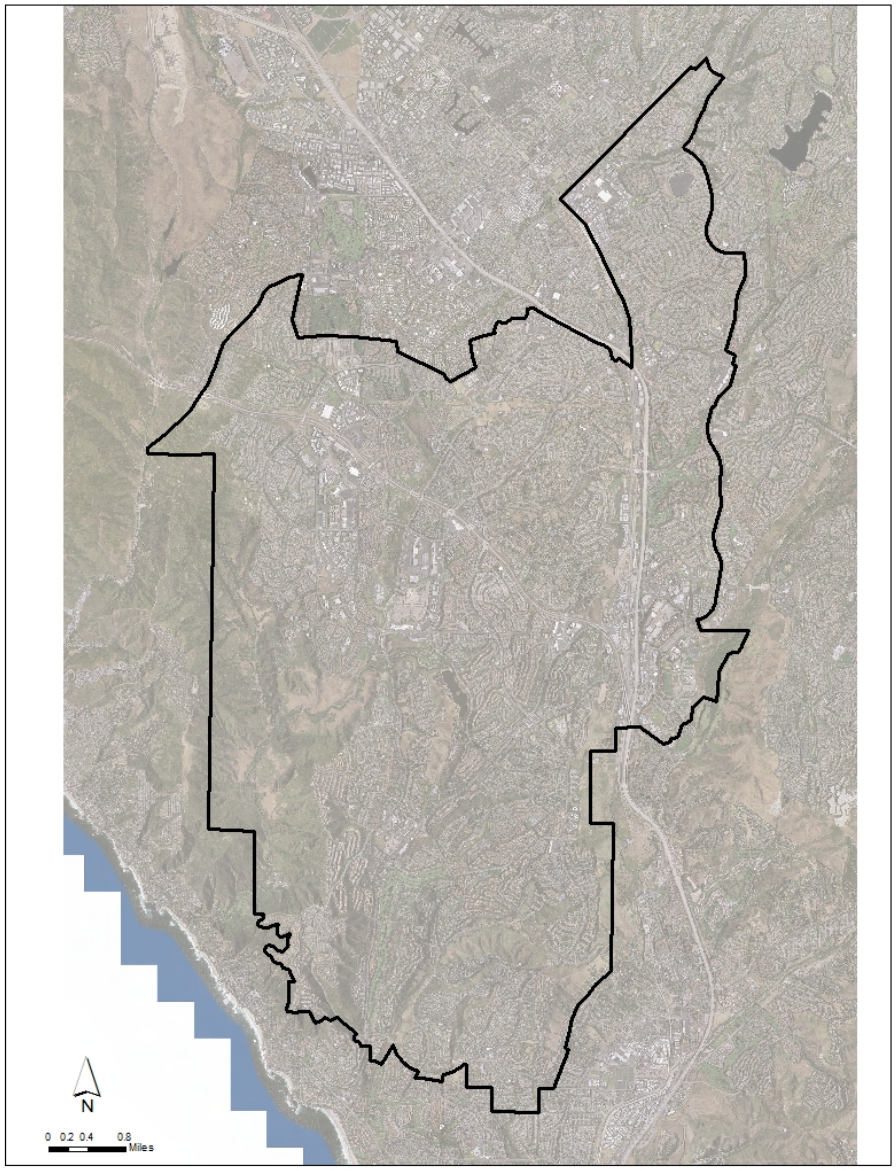
Project Description: This program covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, programmable logic controllers, mechanical systems, and related equipment.

Project Need: Capital equipment and parts needs are identified by District Operations Staff, as existing equipment reaches the end of its useful life.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases and Installation	$3,960,000
Total Project Budget	**$3,960,000**



Project No: Annual Program
System: Wastewater
Fund: 7
Project Name: Pipeline Rehabilitation and Replacement Program – WW

Project Location: Various

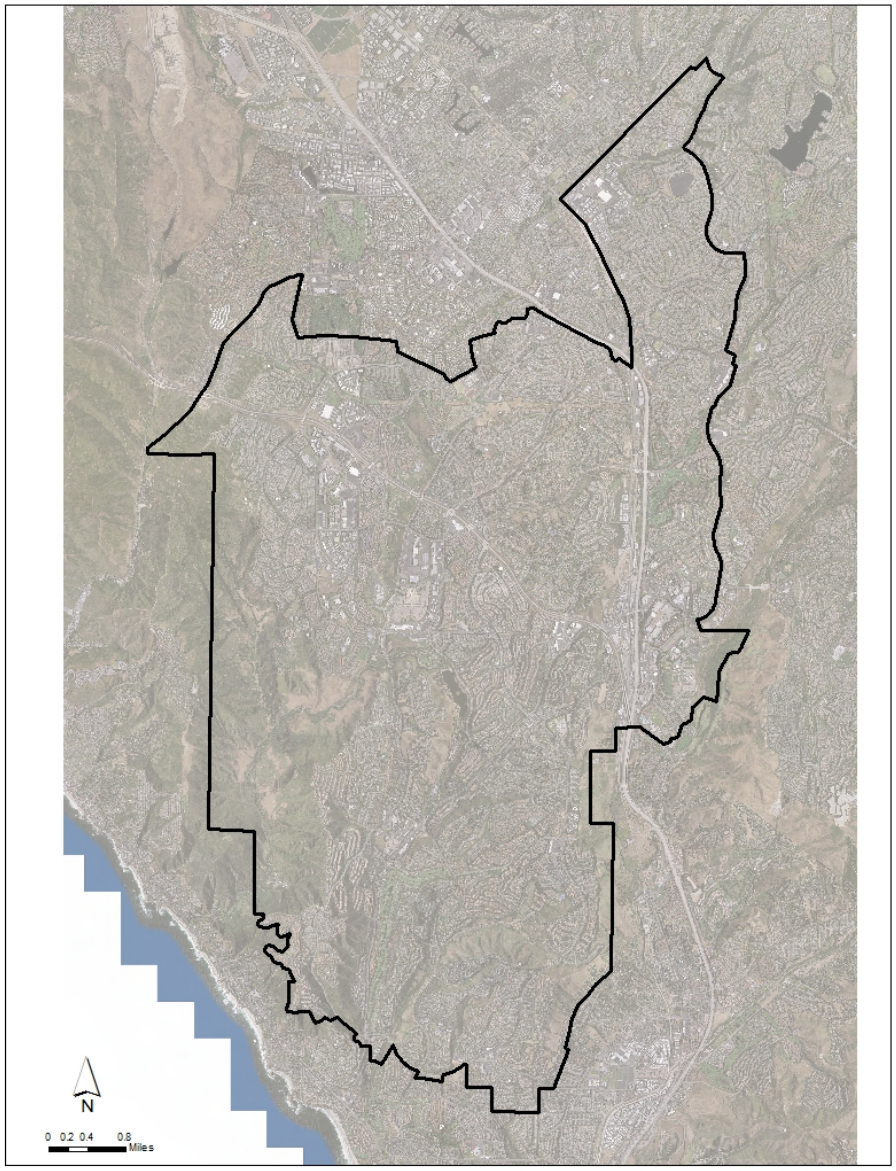
Project Description: Rehabilitate or replace pipelines that have reached the end of their useful lives. An analysis was performed using information contained in the District's Geographic Information System (GIS) to prioritize potable water pipelines for rehabilitation and replacement.

Project Need: The District has approximately 490 miles of sewer pipelines in the system. These pipelines are used to collect wastewater from customers throughout the District's service area. The pipelines range in diameter from 4-inch to 48-inch and are made of various materials including vitrified-clay, PVC, asbestos-cement, ductile iron, steel, and concrete.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
Design	$1,000,000
CEQA Compliance	Exempt
Construction Contract	$8,000,000
Inspection/Other	$500,000
Total Project Budget	**$9,500,000**



Project No: Annual Program
System: Wastewater
Fund: 7
Project Name: Vertical Assets Rehabilitation and Replacement Program - WW

Project Location: Various

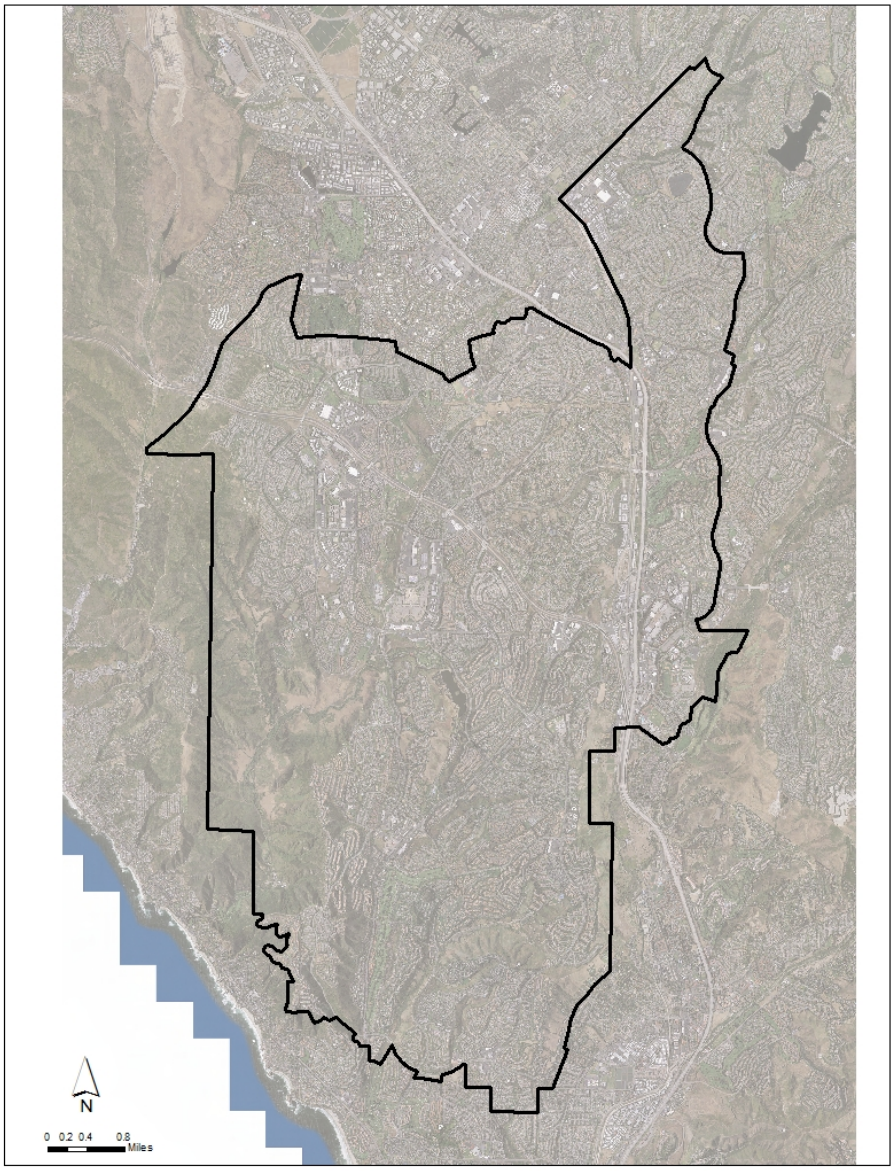
Project Description: Rehabilitate or replace structures and equipment at lift stations that have reached the end of their useful lives. An analysis was performed by staff to prioritize the methodical rehabilitation or replacement of vertical assets within the wastewater system.

Project Need: The District has 18 active sewage lift stations in the wastewater system. These vertical assets are used to convey wastewater from the collections system of District's service area to various wastewater treatment plants. As the facilities reach the end of their useful lives, the equipment there becomes obsolete, does not function efficiently, and requires increased maintenance.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
Design	$3,200,000
CEQA Compliance	Exempt
Construction Contract	$21,500,000
Inspection/Other	$3,150,000
Total Project Budget	**$27,850,000**



Project No: 2011.043
System: Wastewater
Fund: 14
Project Name: Plant 3A Outfall Line Valves

Project Location: Along Camino Capistrano and outlining areas by Oso Creek, San Juan Capistrano

Project Description: Install isolation valves on the 3A outfall line.

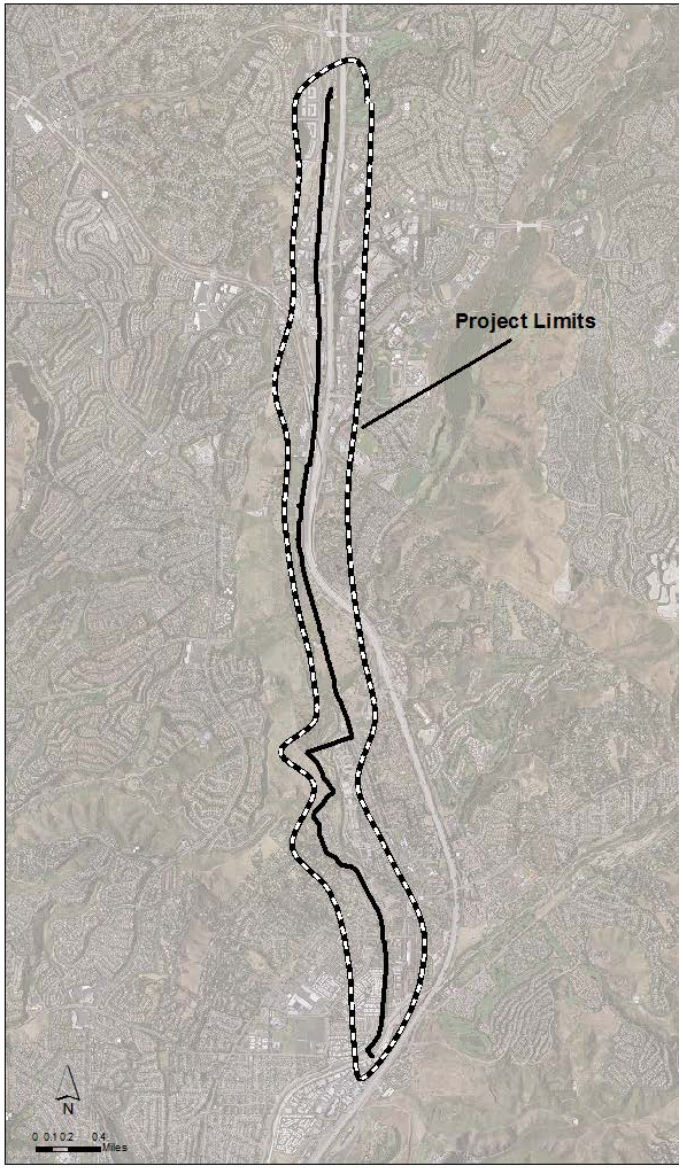
Project Need: The 3A outfall line was constructed as a feed line from San Juan Capistrano to Mission Viejo Lake. The District purchased the facility and changed its use from the intended design. Additional valves are proposed along this five mile reach to increase the number of isolation points and improve the overall operations and maintenance capability of the District.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$50,000
CEQA Compliance	Exempt
Construction Contract	$380,000
Inspection	$20,000
Total Project Budget	**$450,000**

*Santa Margarita Water District owns 50% of the capacity of the Plant 3A Outfall Line. Cost reimbursement for this project will occur accordingly.



Project No: 2013.005
System: Wastewater
Fund: 7
Project Name: Lower Salada Lift Station Force Main Replacement

Project Location: Crown Valley Parkway, Laguna Niguel

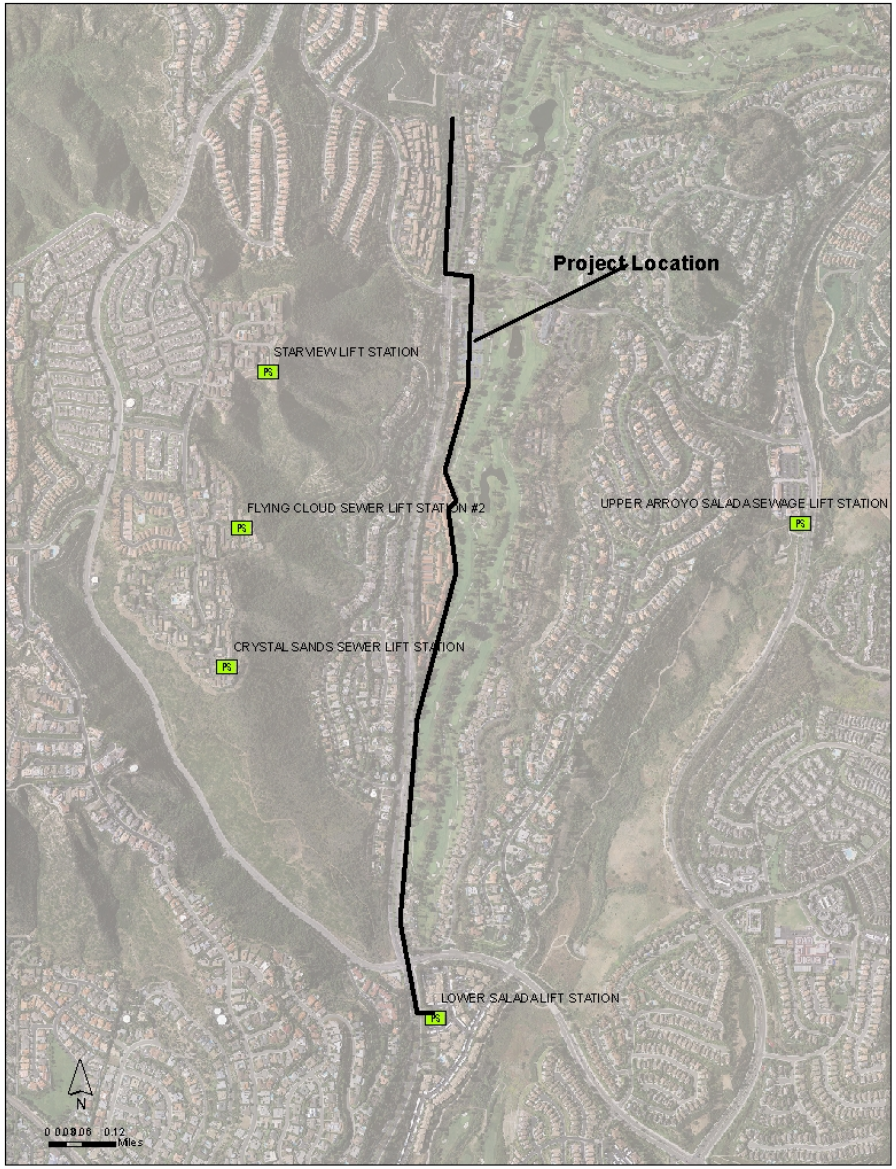
Project Description: Abandon the existing 12-inch diameter asbestos cement force main and construct a new force main in Crown Valley Parkway. Approximate length of new force main is 9,000 feet.

Project Need: The existing force main is deteriorated beyond repair and needs to be reconstructed.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$400,000
CEQA Compliance	$100,000
Construction Contract	$5,000,000
Inspection/Other	$400,000
Total Project Budget	**$5,900,000**



Project No: 2018.024
System: Wastewater
Fund: 7
Project Name: Valencia Lift Station Manhole Diversions

Project Location: Valencia Lift Station, Laguna Hills

Project Description: Reconstruct three sewer manholes to install manually operated slide gates for flow diversion to or away from the Valencia Lift Station. Bypassing operations and traffic control will be required at each manhole.

Project Need: The sewer manholes surrounding the Valencia Lift Station need to be reconstructed to allow flow diversion to or away from the lift station as operationally needed.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$50,000
CEQA Compliance	Exempt
Construction Contract	$250,000
Sewer Bypass System	$150,000
Inspection/Permits/Other	$25,000
Total Project Budget	**$475,000**



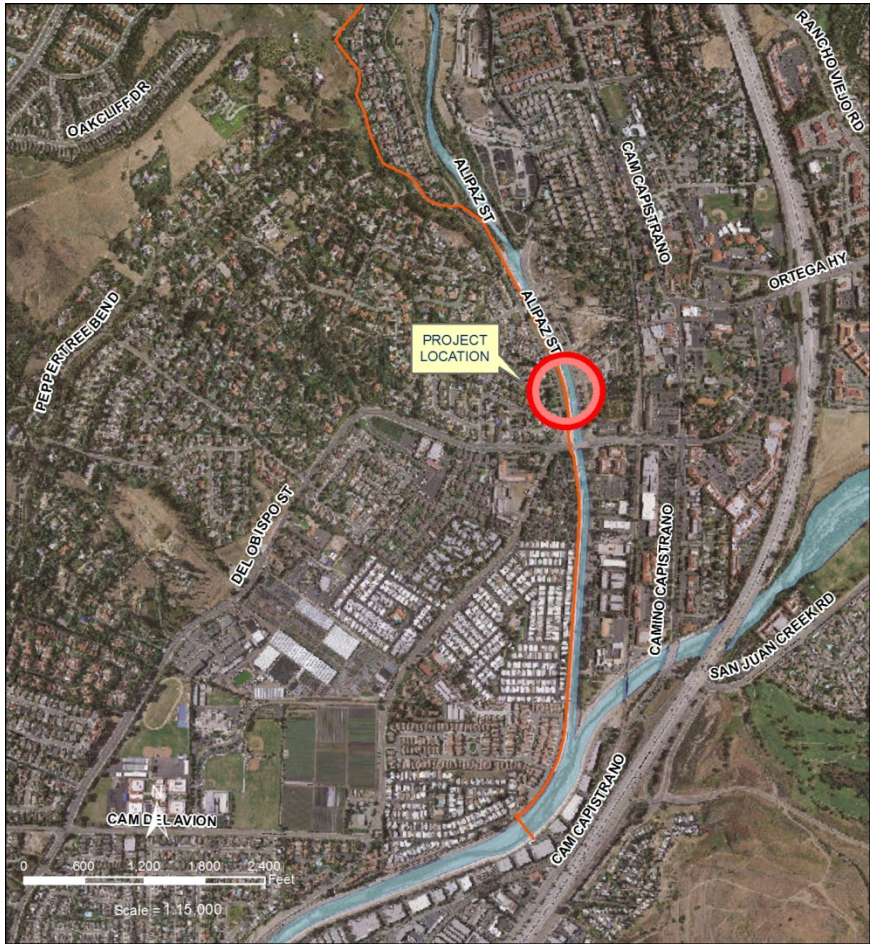
Project No: TBD
System: Wastewater
Fund: 7
Project Name: **Plant 3A Effluent Transmission Main (ETM) – Creek Bank Stabilization**

Project Location: San Juan Capistrano

Project Description: Extend the existing riprap on the east side lower bank of Oso Creek beyond the downstream turn. The riprap will match existing top and toe elevation of existing riprap. The project will require acquisition of a nationwide permit from the Army Corp. of Engineers.

Project Need: The existing ETM is located in an embankment along an unprotected bank of Oso Creek and is subjected to potential erosion of the creek bank. This proposed project will extend riprap to provide protection for the existing pipe.

Project Status: Proposed Project



Estimated Project Amount:

Item	Estimated Cost
Design	$100,000
CEQA Compliance	$50,000
Construction Contract	$1,800,000
Inspection	$50,000
Total Project Budget	**$2,000,000**

*Santa Margarita Water District owns 50% of the capacity of the Plant 3A ETM. Cost reimbursement for this project will occur accordingly.

Project No: TBD

System: Wastewater

Fund: 7

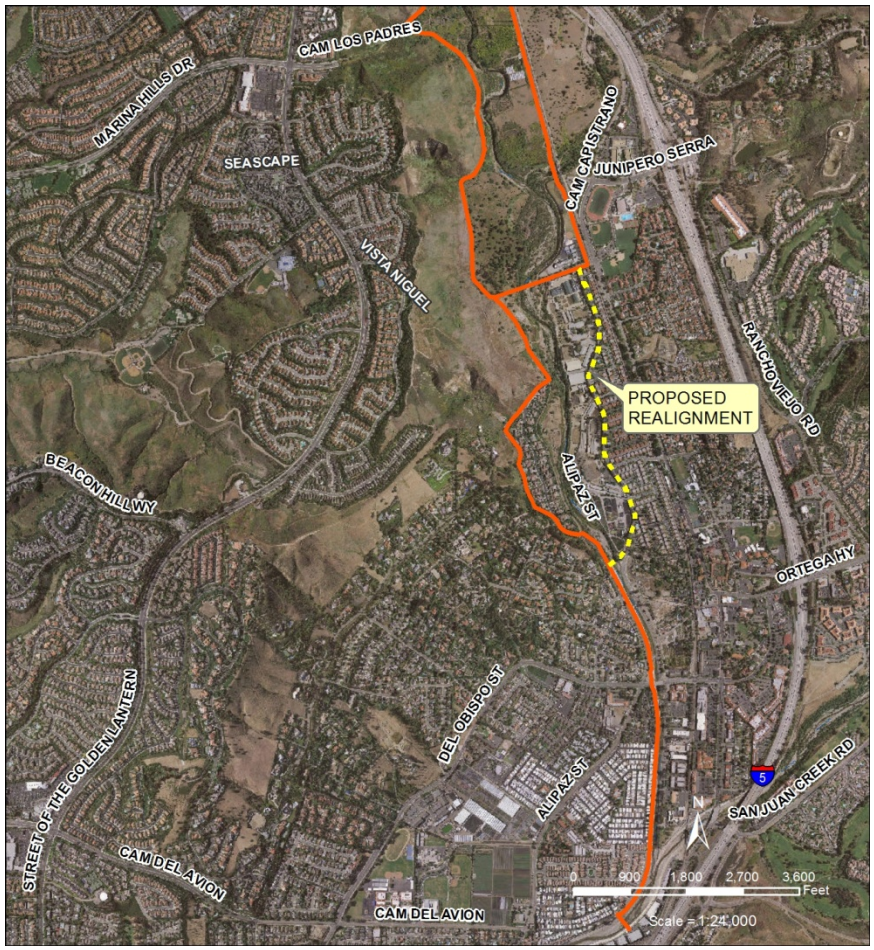
Project Name: **Plant 3A Effluent Transmission Main (ETM) Replacement – Avenida de la Vista**

Project Location: San Juan Capistrano

Project Description: Abandon the existing ETM from Station 221+00 to Station 298+00 and construct a 30-inch ductile iron pipe along Avenida De La Vista, approximately 4,700 feet from Oso Road to the cul-de-sac. The alignment will proceed 1,000 feet on Trabuco Creek Trail until it is jacked and bored under Trabuco Creek. The jack and bore will be approximately 160 feet. On the west side of the creek, the pipeline will connect to the existing 20-inch ductile iron pipe located behind the concrete creek embankment. The project will require acquisition of several easements from private properties and a nationwide permit from the Army Corp. of Engineers.

Project Need: The existing ETM is located in an embankment along an unprotected bank of Trabuco Creek and is subjected to potential erosion of the creek bank. This proposed project will abandon the existing ETM pipeline and construct a replacement pipeline in Avenida de la Vista.

Project Status: Proposed Project



Estimated Project Amount:

Item	Estimated Cost
Design	$150,000
CEQA Compliance	$75,000
Construction Contract	$2,100,000
Inspection	$150,000
Total Project Budget	**$2,475,000**

*Santa Margarita Water District owns 50% of the capacity of the Plant 3A ETM. Cost reimbursement for this project will occur accordingly.

Project No: TBD
System: Wastewater
Fund: 7
Project Name: **Plant 3A Effluent Transmission Main (ETM) Replacement – Camino Capistrano**

Project Location: Camino Capistrano from Plant 3A to the San Joaquin Hills Toll Road Crossing in Mission Viejo, Laguna Niguel and San Juan Capistrano.

Project Description: Replace the existing 20-inch asbestos cement pipe from Station 3+00 to Station 109+00 with a 30-inch ductile iron pipe (approximately 10,600 feet). The replacement pipeline will be located on Camino Capistrano in the same approximately location as the existing ETM. The new pipeline will extend from the Plant 3A to the San Joaquin Hills Toll Road Crossing.

Project Need: The existing pipeline is approaching the end of its useful life. Replacement of the existing 20-inch pipeline will increase hydraulic capacity and improve operation of the pipeline.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$250,000
CEQA Compliance	$100,000
Construction Contract	$3,000,000
Inspection	$150,000
Total Project Budget	**$3,500,000**

*Santa Margarita Water District owns 50% of the capacity of the Plant 3A ETM. Cost reimbursement for this project will occur accordingly.



Project No: TBD
System: Wastewater
Fund: 7
Project Name: **Plant 3A Effluent Transmission Main (ETM) Replacement – San Juan Creek Channel Levee Protection Project Phase VIII**

Project Location: San Juan Capistrano

Project Description: Replacement of the existing 20-inch diameter ETM pipeline with a new 30-inch diameter pipeline along the San Juan and Trabuco Creek Channel Levees.

Project Need: The need for this project will be determined during construction of sheet piles along the creek levees. Replacement of the pipeline is contingent on the need for relocation or replacement of the existing pipeline that may be damaged during construction of sheet piles as part of the Orange County Flood Control Phase VIII project.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$0
CEQA Compliance	Exempt
Construction Contract	$900,000
Inspection	$0
Total Project Budget	**$900,000**

*Santa Margarita Water District owns 50% of the capacity of the Plant 3A ETM. Cost reimbursement for this project will occur accordingly.



Project No: TBD
System: Wastewater
Fund: 7
Project Name: Aliso Creek Lift Station Rehabilitation

Project Location: Aliso Creek Lift Station, Aliso Viejo

Project Description: Rehabilitate the Aliso Creek Lift Station in its entirety, including gravity sewer improvements to allow for isolation of the wet well; wet well rehabilitation, mechanical equipment replacements, electrical system replacements, instrumentation system replacements, and sitework restoration. A third pump is also necessary to conform to District standards for this type of facility. Perform condition assessments and maintenance of all other remaining facility components.

Project Need: The Aliso Creek Lift Station was constructed in 1989. Much of the equipment has become obsolete, with replacement parts being difficult to locate. Additionally, the wet well is in need of condition assessment and rehabilitation.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$300,000
CEQA Compliance	Exempt
Construction Contract	$2,000,000
CM and Specialty Inspection	$250,000
Legal/Permit/Other	$50,000
Total Project Budget	**$2,600,000**



Project No: TBD
System: Wastewater
Fund: 7
Project Name: Lift Station Ventilation System Improvements

Project Location: Audubon Lift Station, Boundary Oak Lift Station, San Joaquin Hills Lift Station, Southwing Lift Station (City of Aliso Viejo) & Del Avion Lift Station (City of Laguna Niguel)

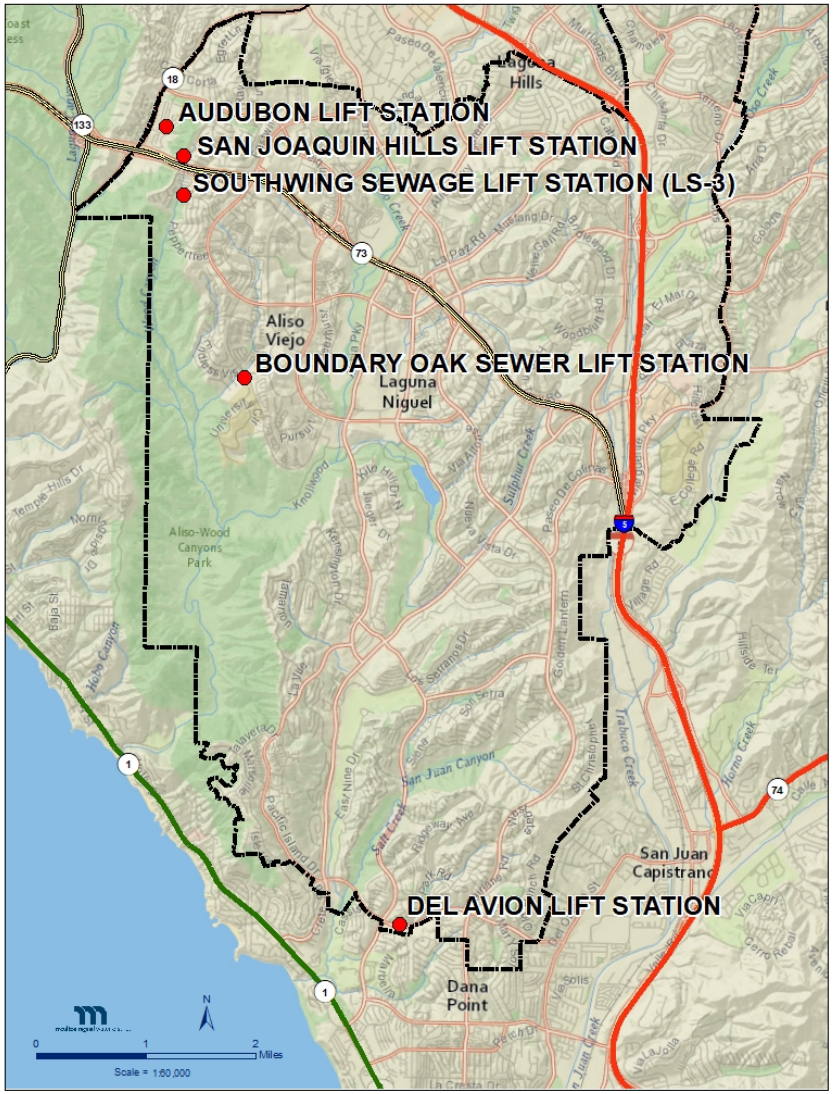
Project Description: Reconfigure and reconstruct the ventilation systems at five sewer lift stations to provide clean air and maintain safe atmospheric conditions within the equipment rooms of the sewage lift stations. New ductwork and ventilation fans are to be installed and configured with air intakes away from the lift station wet wells to avoid bringing toxic and corrosive gases into the stations.

Project Need: The ventilation systems at lift stations are critical components to maintain safe atmospheric conditions for personnel and sensitive electrical components within the facilities. These systems are requiring increased maintenance and replacement. Additionally, several systems require reconfiguration to locate the suction inlet away from the wet well of the station.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$100,000
CEQA Compliance	Exempt
Construction Contract	$500,000
Inspection/Other	$50,000
Total Project Budget	**$650,000**



Project No: TBD
System: Wastewater
Fund: 14
Project Name: Lower Salada Lift Station Overflow Wetwell

Project Location: Lower Salada Lift Station, Laguna Niguel

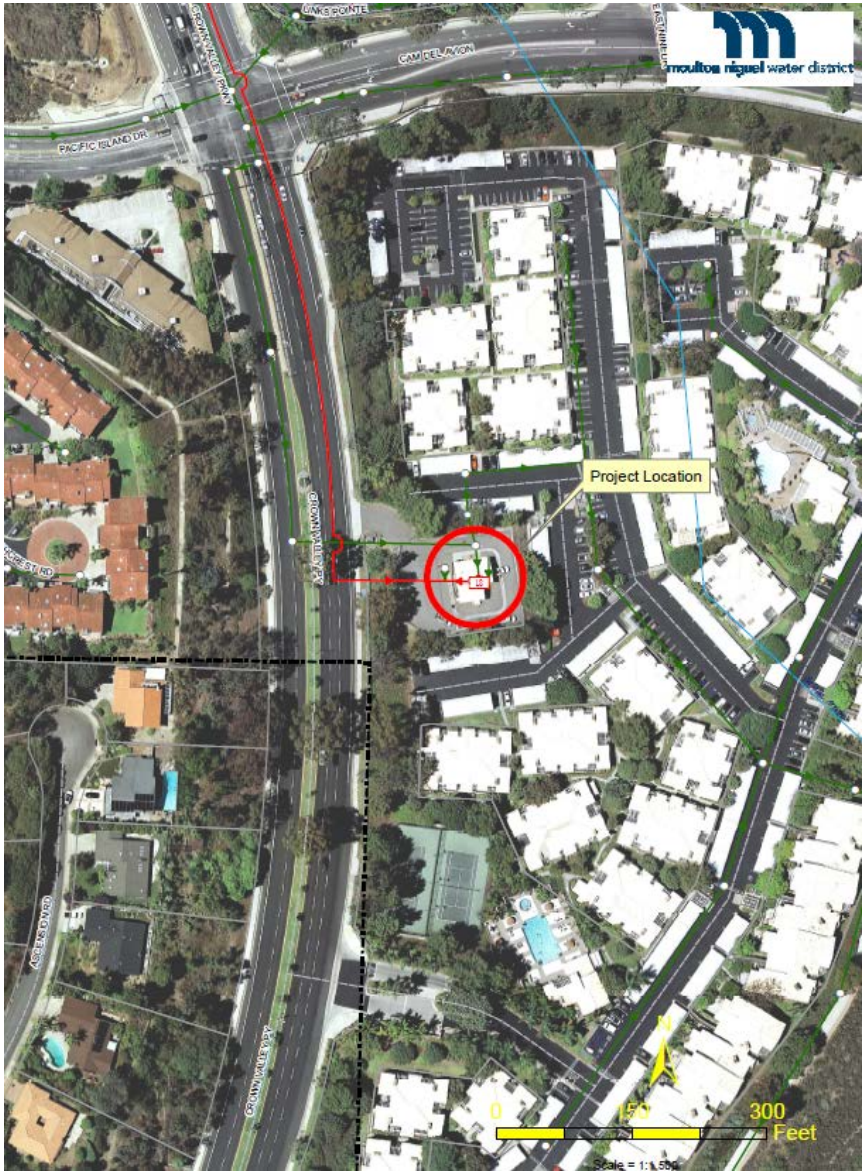
Project Description: The construction of a new overflow wetwell at the Lower Salada Lift Station.

Project Need: The Lower Salada Lift Station flows the second most wastewater flow in the District. Currently, the lift station does not have an overflow wetwell as protection from a sewage overflow. The lift station's existing wetwell does have an 8-inch overflow outlet that gravity feeds to a South Coast Water District sewer main. However, this 8-inch outlet is undersized and cannot accommodate the entire flow entering the station. The construction of a new overflow wetwell will allow the District more time to mobilize in the event of a sewage overflow.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$175,000
CEQA Compliance	$50,000
Construction Contract	$825,000
Inspection/Other	$200,000
Total Project Budget	**$1,250,000**



Project No: TBD
System: Wastewater
Fund: 7
Project Name: Upper Salada Lift Station Force Main Rehabilitation and Replacement

Project Location: Niguel Road, Laguna Niguel

Project Description: Replace approximately 5,400 feet of existing 8-inch diameter sewer force main with a new 12-inch diameter PVC force main. Rehabilitate approximately 6,700 feet of existing 12-inch diameter sewer force main with cured-in-place-pipe along Niguel Road, from the Upper Salada Lift Station to the summit manhole near La Hermosa Avenue.

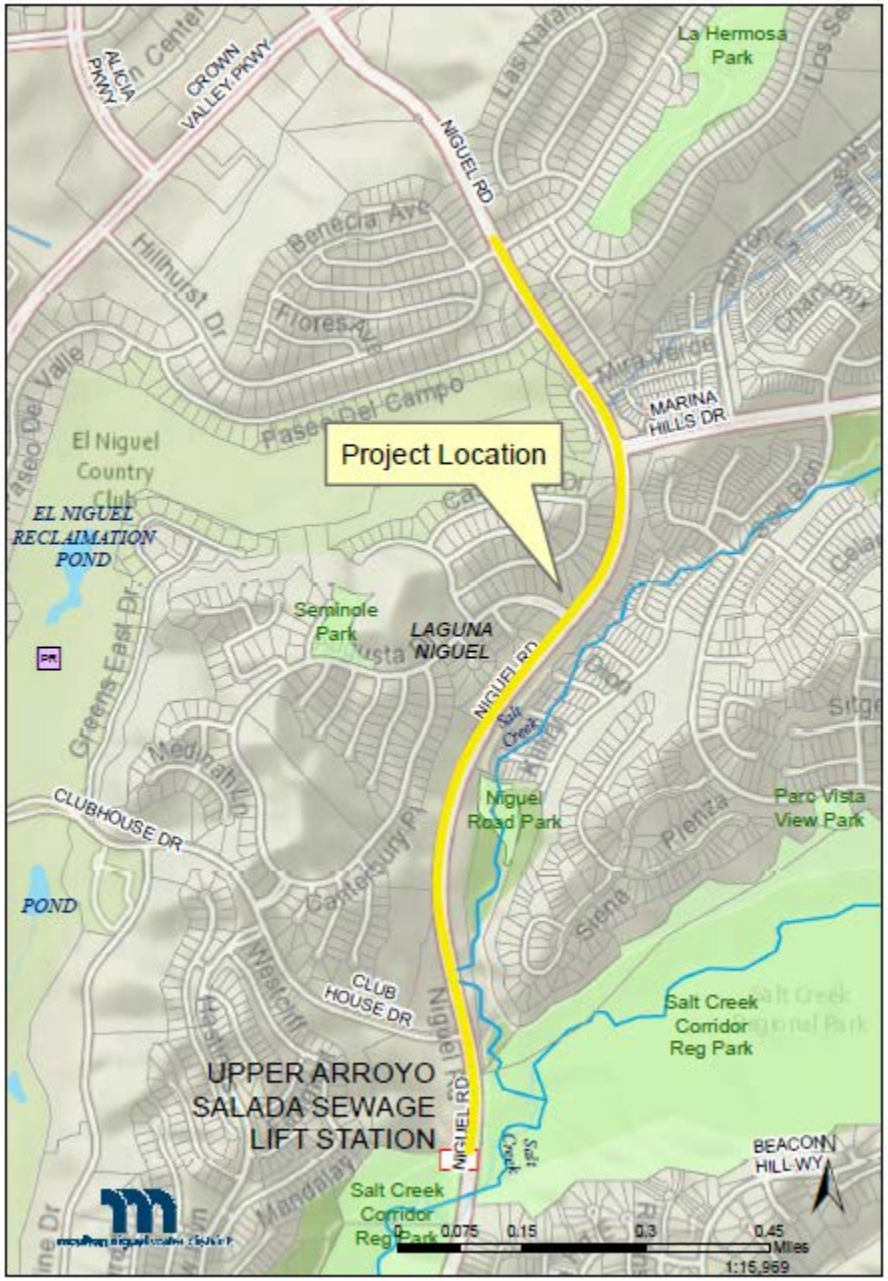
Due to the length of pipeline rehabilitation and replacement, a CEQA IS/MND is anticipated to be required for the project.

Project Need: Corrosion of the metallic force main pipes has been identified near the Upper Salada Lift Station. Additionally, the existing 8-inch diameter force main is undersized for wet-weather flows.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$650,000
CEQA Compliance	$100,000
Construction Contract	$4,600,000
Inspection/Other	$650,000
Total Project Budget	**$6,000,000**



Project No: TBD
System: Wastewater
Fund: 7
Project Name: 2020-21 Manhole Rehabilitation

Project Location: Various

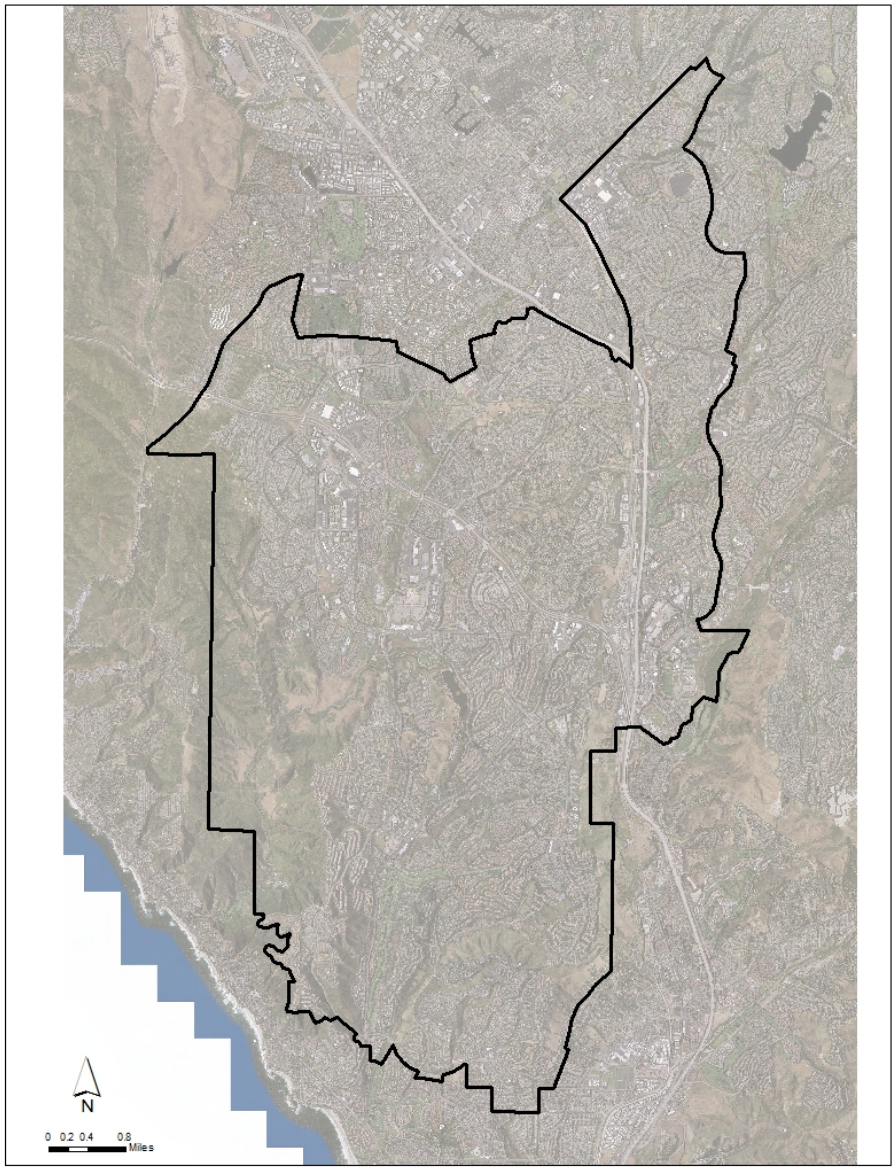
Project Description: Rehabilitate existing sewer manholes.

Project Need: District staff inspects the sewer system continuously. As damaged facilities are identified, they are either repaired or rehabilitated. Rehabilitation methods vary depending on damage but could include manhole lining, mortar replacement, or sealing.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	$350,000
Total Project Budget	**$350,000**



Project No: TBD
System: Wastewater
Fund: 7
Project Name: 2020-21 Operations-Led Capital Improvements – WW

Project Location: Various

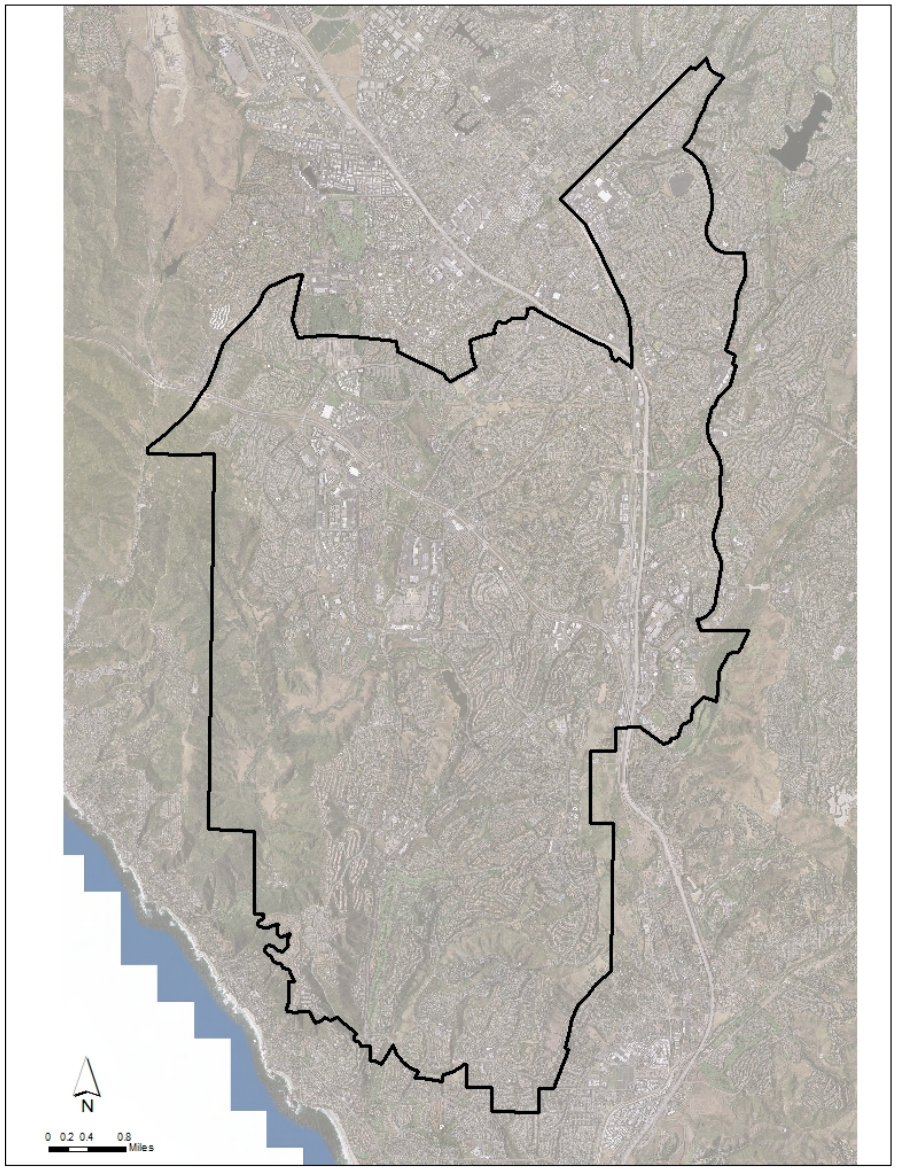
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, programmable logic controllers, mechanical systems, and related equipment.

Project Need: Capital equipment and parts needs are identified by District Operations Staff, as existing equipment reaches the end of its useful life.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases and Installation	$440,000
Total Project Budget	**$440,000**



Project No: TBD
System: Wastewater
Fund: 7
Project Name: 2020-21 Pipeline Rehabilitation and Replacement - WW

Project Location: Street of the Golden Lantern north of Paseo Escuela (Laguna Niguel), Crown Valley Parkway south of La Paz Road (Laguna Niguel), Street of the Golden Lantern at Jeremiah Drive (Dana Point), Via Piedra (Mission Viejo), Pariso Drive cul-de-sac (Mission Viejo), Montanoso Drive easement (Mission Viejo), Oso Parkway crossing (Mission Viejo), Salinas Lane (Mission Viejo), and Via Del Sol (Mission Viejo).

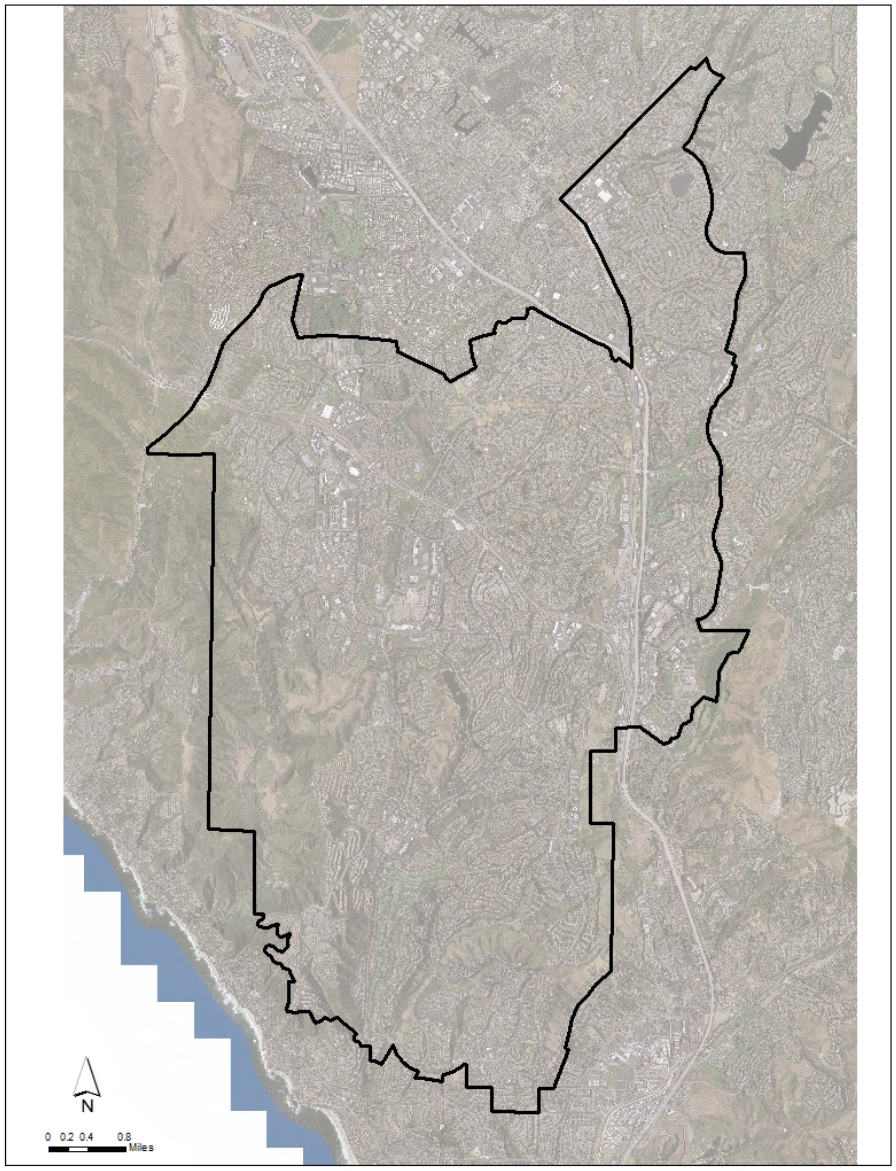
Project Description: Perform heavy root and calcium encrustation removal, clean and install approximately 4,500 feet of cured-in-place pipe (CIPP) liner.

Project Need: The integrity of the collection system is being compromised by root infiltration, calcium encrustation, and pipeline cracking. Lining the sewer system will extend the useful life without having to replace the entire system.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$75,000
CEQA Compliance	Exempt
Construction Contract	$500,000
Inspection/Other	$25,000
Total Project Budget	**$600,000**



Project No: 2019.303
System: Plant 3A
Fund: 7
Project Name: Liquid Process Improvements – Group A

Project Location: Plant 3A, Mission Viejo

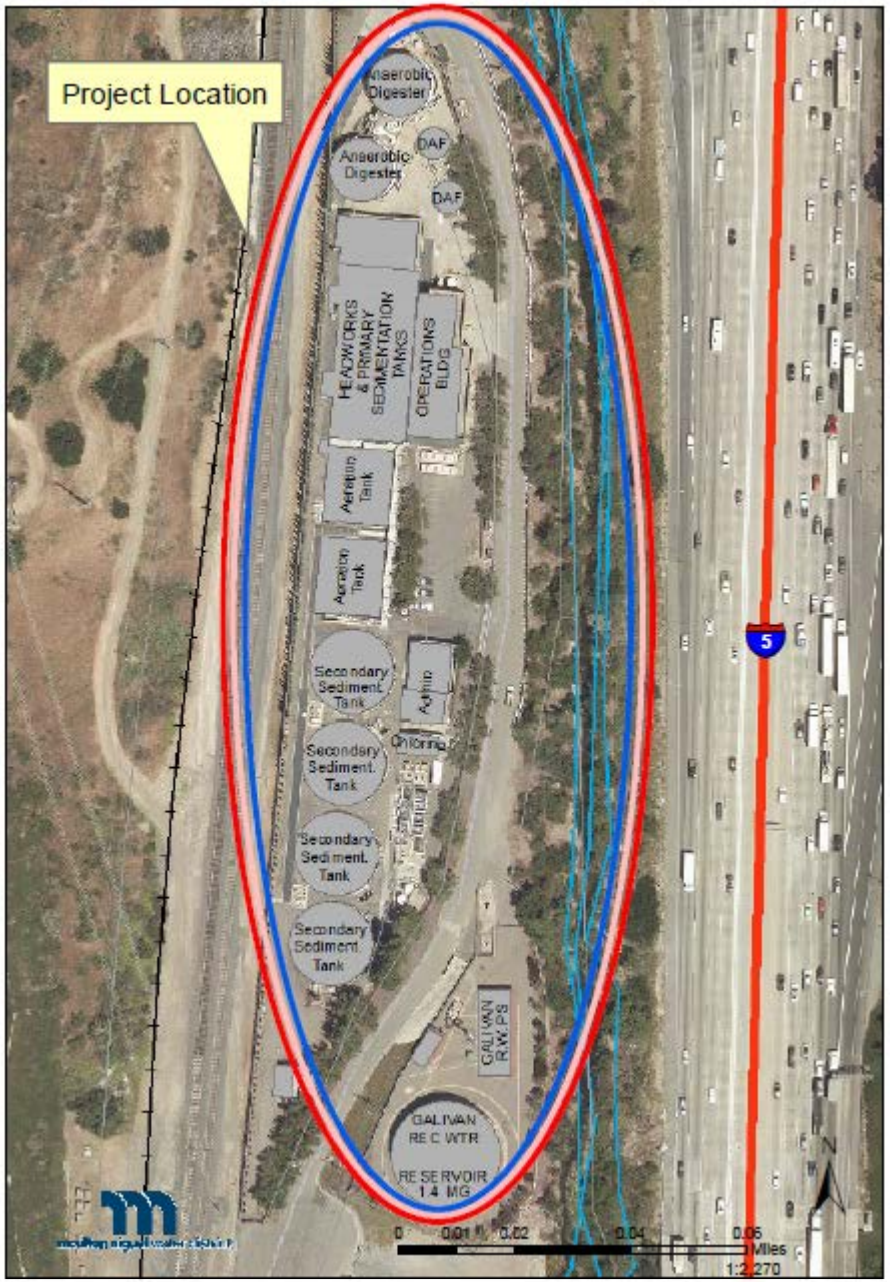
Project Description: Plant 3A requires upgrade of primary clarifiers No. 3 and 4 effluent launders and concrete coating, repair visible break in diffuser in Aeration Tanks 1 and 2 and replace valve actuators in Aeration Tank 2, and rebuilding four (4) RAS pumps.

Project Need: Existing launders and coating on primary clarifiers are corroded and beyond their useful lives; more reliable and consistent aeration for the activated sludge system is necessary for meeting performance requirements; and replacement of wear parts of the RAS pumps is necessary for maintaining reliable operation of liquid treatment processes.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	$35,000
CEQA Compliance	Exempt
Construction Contract	$700,000
Inspection/Other	$15,000
Total Project Budget	**$750,000**



Capital Improvement Program – Project Description

Project No: 2019.301
System: Plant 3A
Fund: 7
Project Name: Subsidence Mitigation
Project Location: Plant 3A, Mission Viejo
Project Description: Plant 3A requires soil stabilization, site grading, and stormwater drainage improvements for the long-term operation of the facility. This project will remediate backfill around deep structures, improve site drainage, and replace site paving. The project will also remove and replace select underground piping systems to restore and improve functionality. Also, the project will remove and replace approximately thirty-five (35) existing bollard style light fixtures with new LED pole mounted lighting throughout the facility, including new conduit, wire and lighting control system.

Project Need: At Plant 3A, ground subsidence has been occurring in locations of backfill around deep structures within the site since construction in the early 1990's. The site grading due to the subsidence needs to be addressed for the long-term operation of the plant and the backfill needs to be remediated to reduce the potential for ongoing settlement and damage. Additionally, several underground pipe systems have developed leaks and been abandoned. Those existing pedestal mounted bollard style light fixtures throughout Plant 3A have reached the end of their useful life and require replacement. Additionally, existing site lighting is inadequate during after-hour operator responses, requiring additional lighting.
Project Status: In Design



Estimated Project Amount:

Item	Estimated Cost
Design	$450,000
CEQA Compliance	Exempt
Construction Contract	$3,450,000
Inspection/Other	$450,000
Total Project Budget	**$4,350,000**

Project No: 2019.302
System: Plant 3A
Fund: 7
Project Name: Solids Handling Facilities Improvements

Project Location: Plant 3A, Mission Viejo

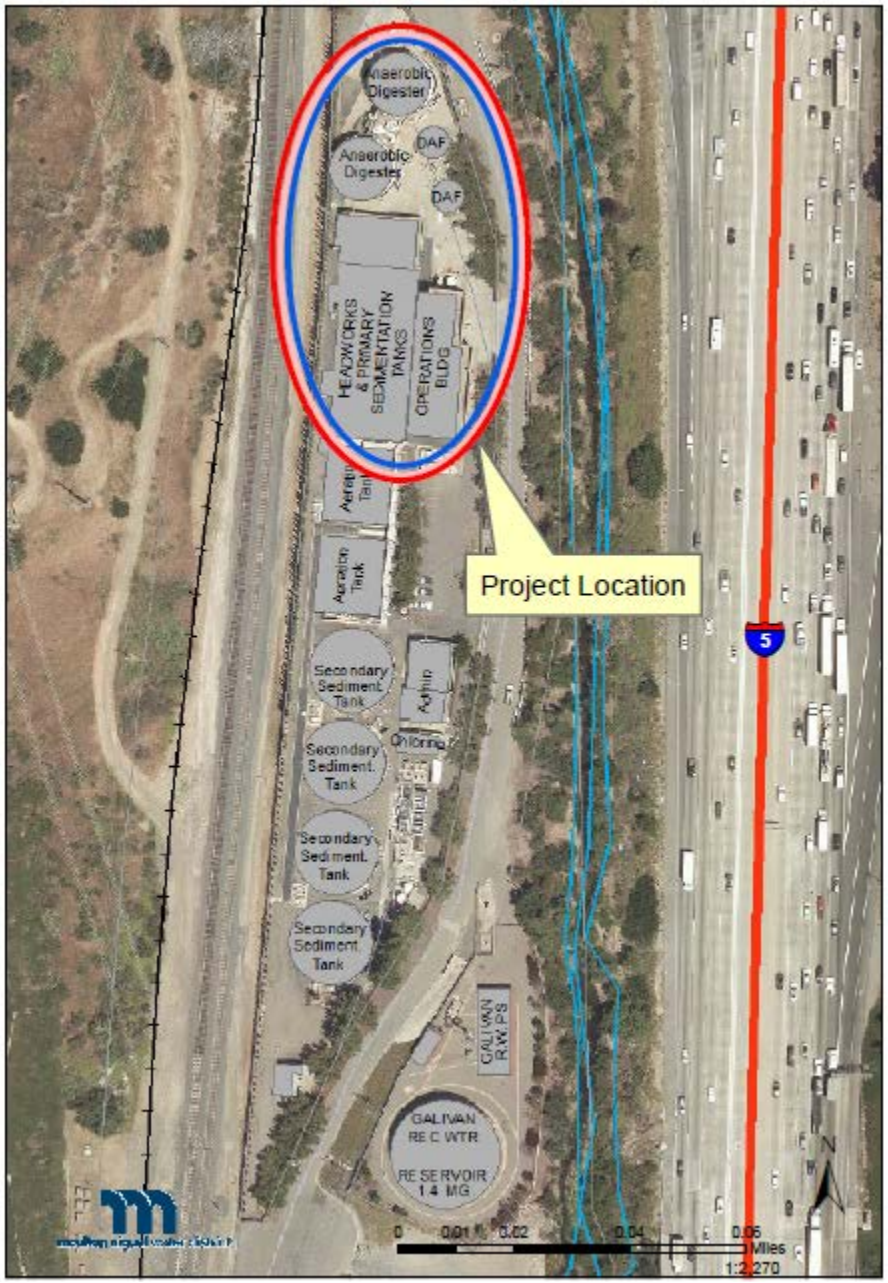
Project Description: This project will rehabilitate and re-establish the desired level of service and redundancy for the solids treatment facilities including solids thickening system, solids digesters (mixing, heating, heat exchangers, sludge transfer pumping system, steel dome covers), solids dewatering system and sludge cake loading system. Dewatering system upgrades and improvements including centrifuges and feed pumping system.

Project Need: The existing solids handling facilities has been in operation since 1997 and the facilities have experienced typical deterioration, and has been impacted by settlement, and has lost the functional redundancy on all of those solids treatment processes. Additionally, due to subsidence, one of the two DAF units cannot operate properly. Heating system is at the end of their useful life and cannot support proper digestion.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	$2,593,635
CEQA Compliance	Exempt
Construction Contract	$15,801,365
Inspection/Other	$2,205,000
Total Project Budget	**$20,600,000**



Project No: Annual Program
System: Plant 3A
Fund: 7
Project Name: Operations-Led Capital Improvements – 3A

Project Location: Plant 3A, Mission Viejo

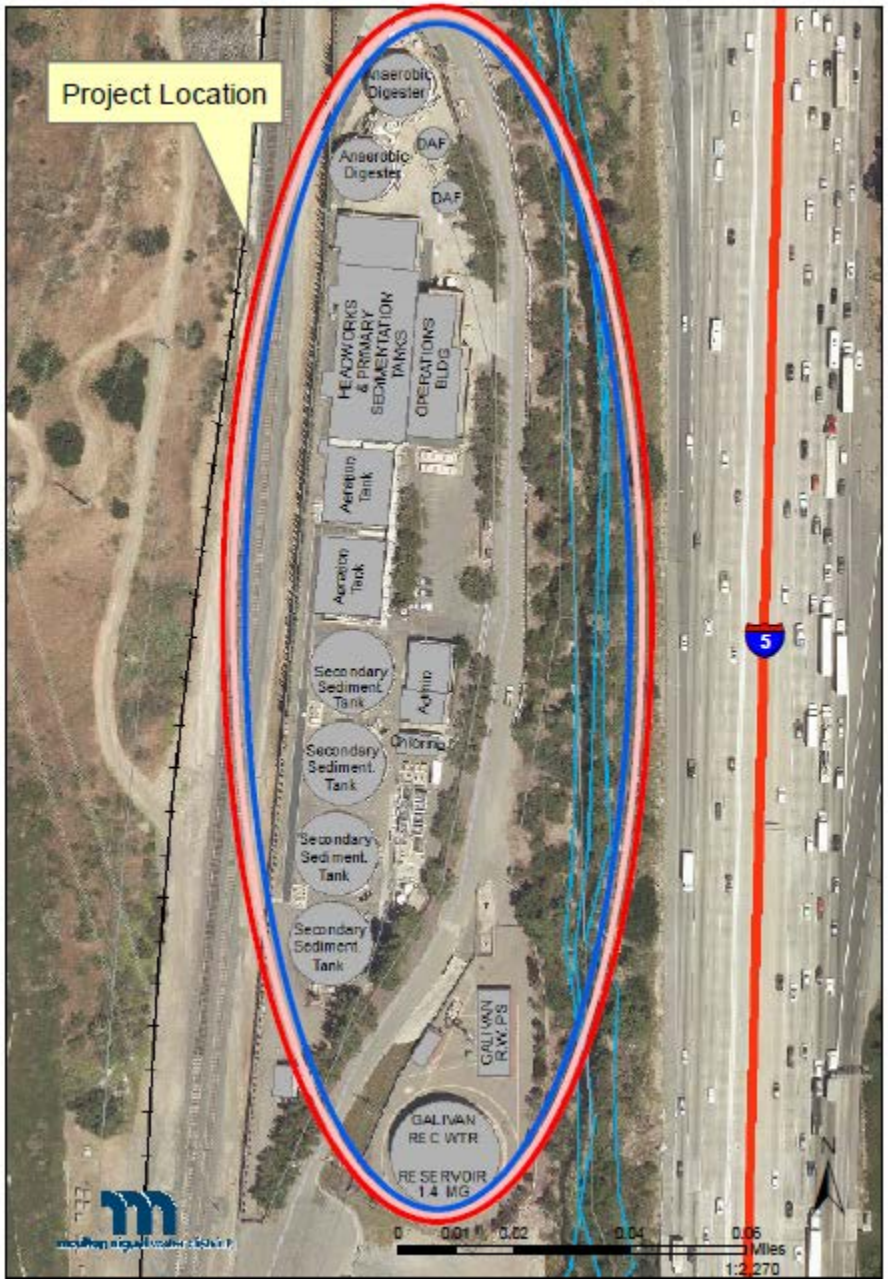
Project Description: This program covers District Operations Staff-led capital equipment and parts purchase and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, programmable logic controllers, mechanical systems, and related equipment.

Project Need: Capital equipment and parts needs are identified by District Operations Staff, as existing equipment reaches the end of its useful life.

Project Status: Proposed, annual program – when individual projects are identified, funds are transferred to the specific project.

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases and Installation	$2,700,000
Total Project Budget	**$2,700,000**



Project No: TBD
System: Plant 3A
Fund: 7
Project Name: Liquid Process Improvements – Group B

Project Location: Plant 3A, Mission Viejo

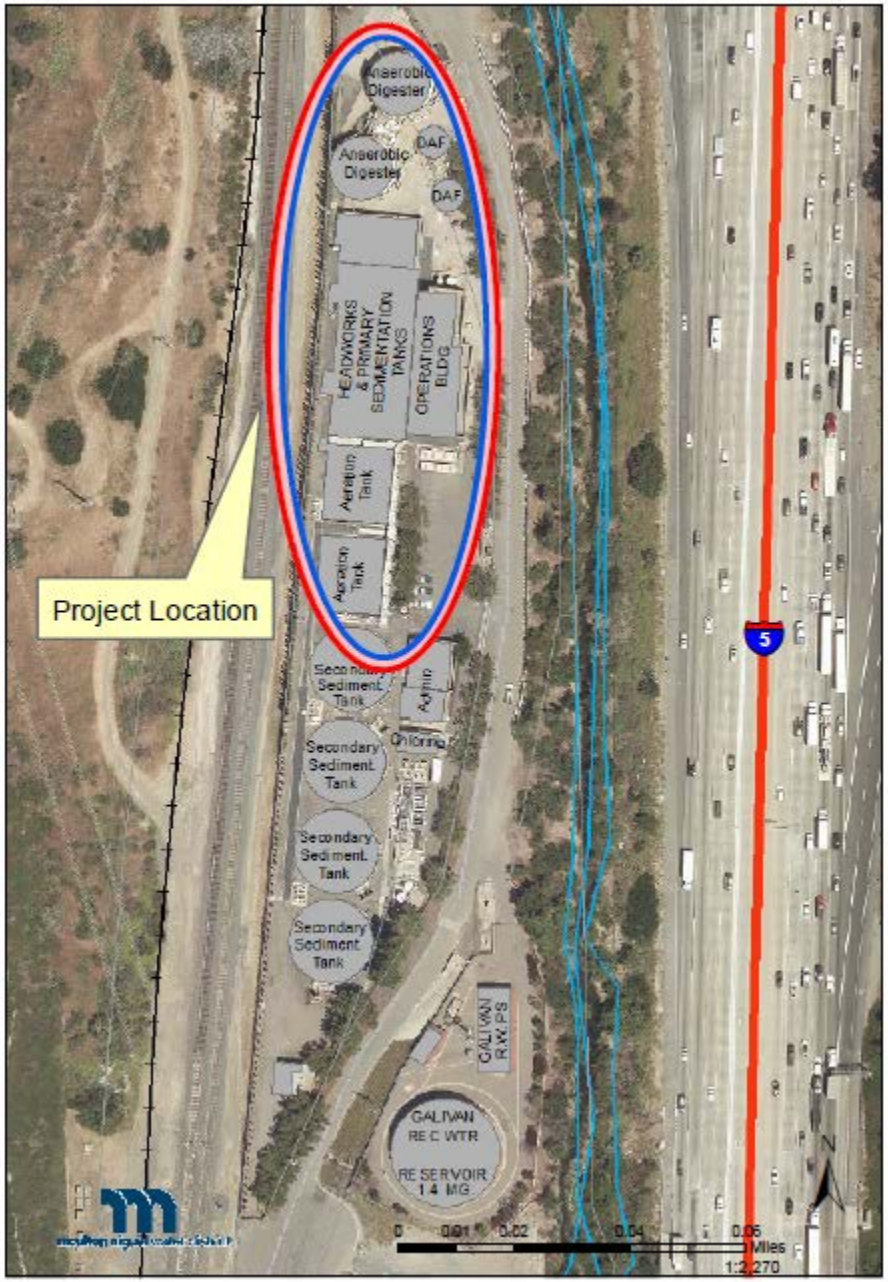
Project Description: Plant 3A requires upgrade of grit removal system and aeration system in influent channel, rehab of non-potable water pump station, access improvement to the influent wet well, and rehabilitation or replacement of two (2) existing WAS pumps and accessories. The project also includes rehabilitation of the secondary clarifier inlet slide gates and replacement of the RAS pump station valves.

Project Need: The existing grit removal system is in poor condition, which results in excess grit load to primary clarifiers and digesters. The existing inlet slide gates for secondary clarifiers no longer seal properly and require rehabilitation. The existing plug and check valves at the RAS pump station are at the end of their useful life and require replacement. The existing non-potable water pump system is at the end of useful life and requires rehabilitation.

Project Status: Proposed Project

Estimated Project Amount:

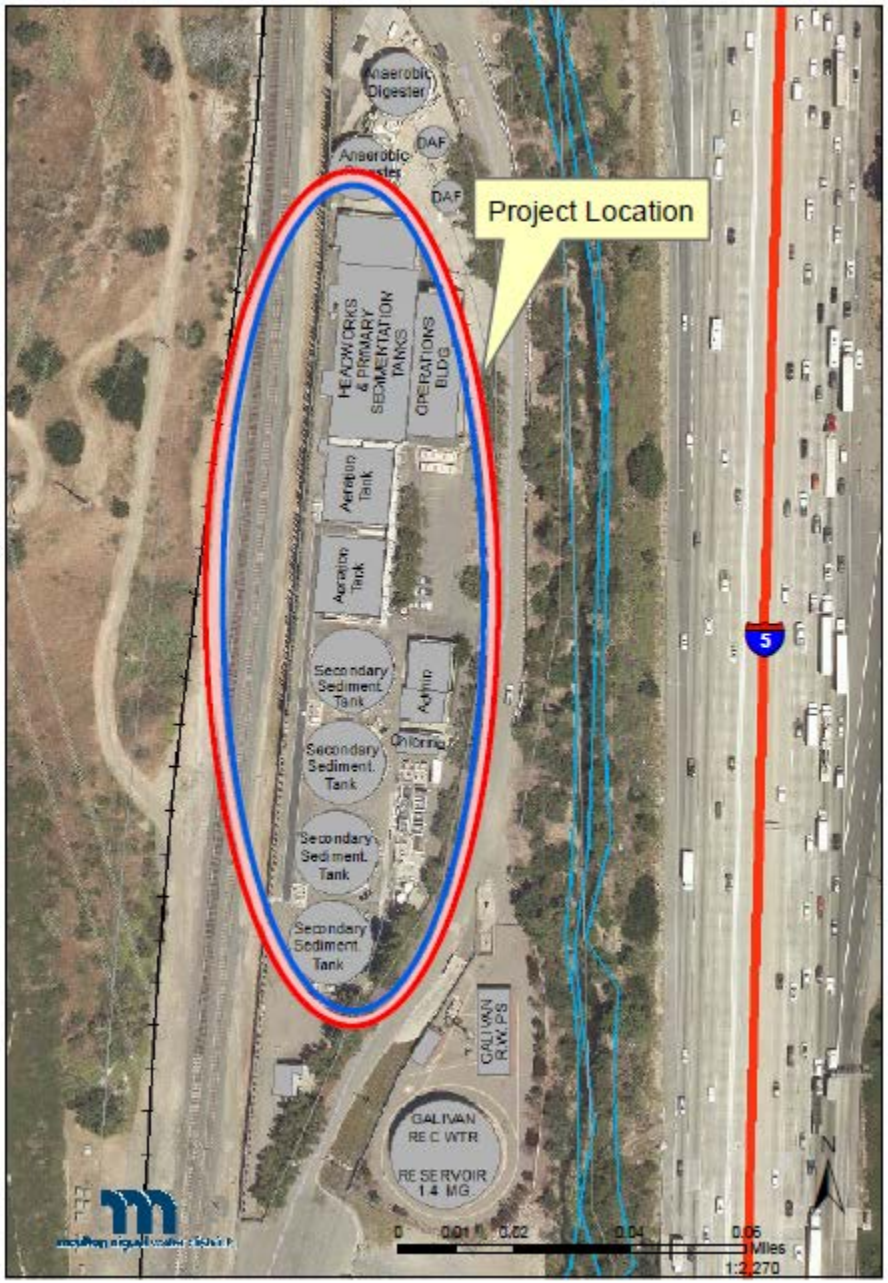
Item	Estimated Cost
Design	$250,000
CEQA Compliance	Exempt
Construction Contract	$2,200,000
Inspection/Other	$50,000
Total Project Budget	**$2,500,000**



Capital Improvement Program – Project Description

Project No: TBD
System: Plant 3A
Fund: 7
Project Name: Liquid Process Improvements – Group C
Project Location: Plant 3A, Mission Viejo
Project Description: A liquids capacity planning and reliability study will evaluate the sources, trends and characteristics of influent flow and loadings rates to Plant 3A and project future loading rates at the rated 6 MGD capacity of the facility, including the ability to upgrade the recycled water capacity. Additionally, an evaluation of the impact of treating all influent flows received at Plant 3A at the plant without bypass of untreated wastewater will identify which plant hydraulics, primary and secondary processes, and backup power improvements are necessary to implement to reach desired goals. The project will remove and replace approximately ten (10) existing light fixtures with new LED pole mounted lighting throughout the facility including new conduit and wire.
Project Need: A plant hydraulic evaluation is needed to determine the ability of Plant 3A to treat all influent flows. Plant 3A currently does not have a backup power source. When power is lost, all raw wastewater is diverted, and recycled water production is temporarily halted. A business case evaluation is needed to compare the cost of maintaining the current operational philosophy to the capital and O&M cost of onsite emergency generators and upgrading plant hydraulics to accommodate all peak flows without bypass. The existing structure and building mounted light fixtures throughout Plant 3A have reached the end of their useful life and require replacement. Additionally, existing area lighting is inadequate during after-hour operator responses, requiring additional lighting.
Project Status: Proposed Project
Estimated Project Amount:

Item	Estimated Cost
Design	$1,725,000
CEQA Compliance	$100,000
Construction Contract	$11,920,000
Inspection/Other	$1,725,000
Total Project Budget	**$15,470,000**



Project No: TBD
System: Plant 3A
Fund: 7
Project Name: Odor Control System Evaluation and Rehabilitation

Project Location: Plant 3A, Mission Viejo

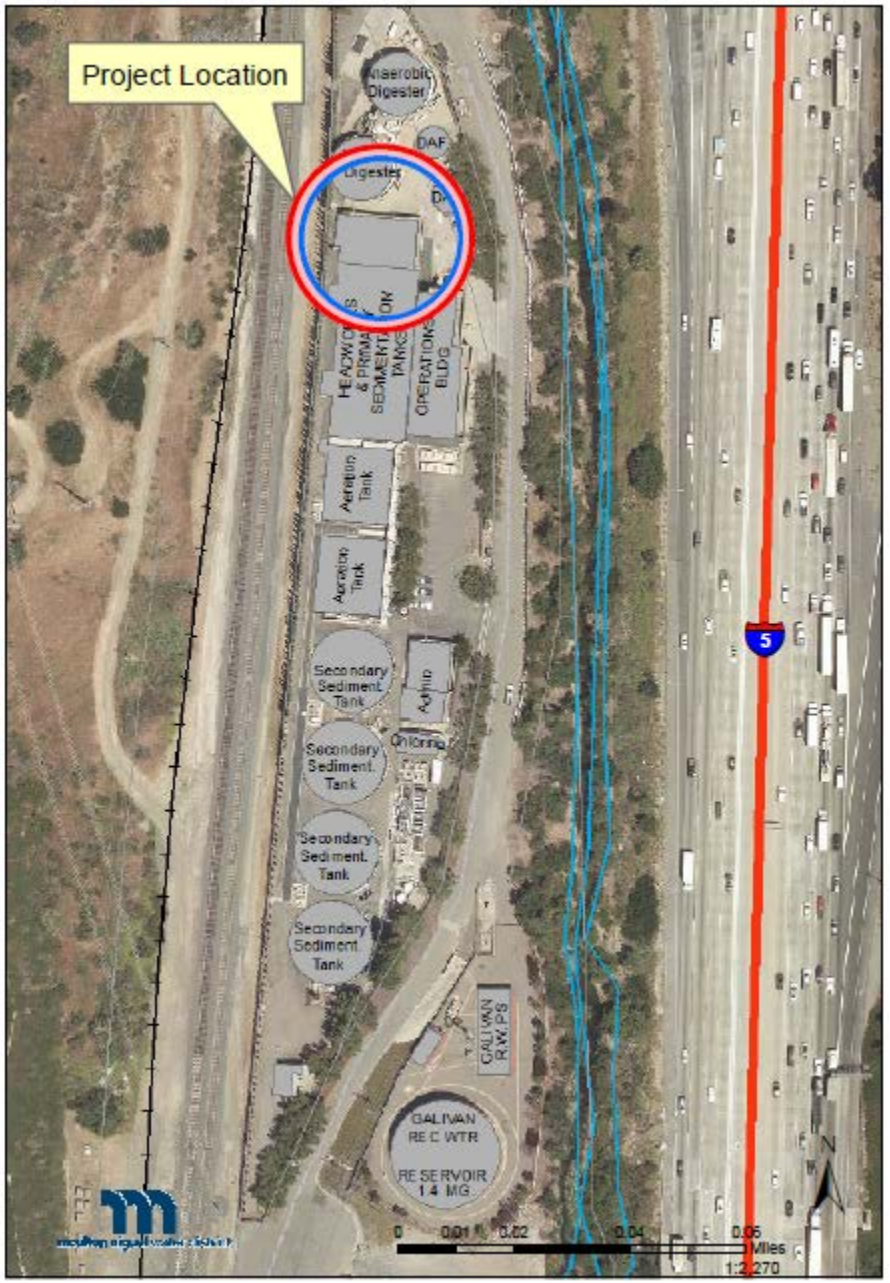
Project Description: The existing odor control system should be evaluated its current condition and performance including media replacement for bioscrubber and activated carbon media. The odor monitoring system also should be evaluated and rehabilitated for maximum performance.

Project Need: The existing odor control system at Plant 3A has not been evaluated its performance and rehabilitated since its first service start in 1997. Activated carbon media never been replaced but replacement of carbon media is required at regular intervals to maintain odor control efficacy and prevent odor complaints.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$90,000
CEQA Compliance	Exempt
Construction Contract	$550,000
Inspection/Other	$85,000
Total Project Budget	**$725,000**



Project No: TBD
System: Plant 3A
Fund: 7
Project Name: Electrical Systems Improvements

Project Location: Plant 3A, Mission Viejo

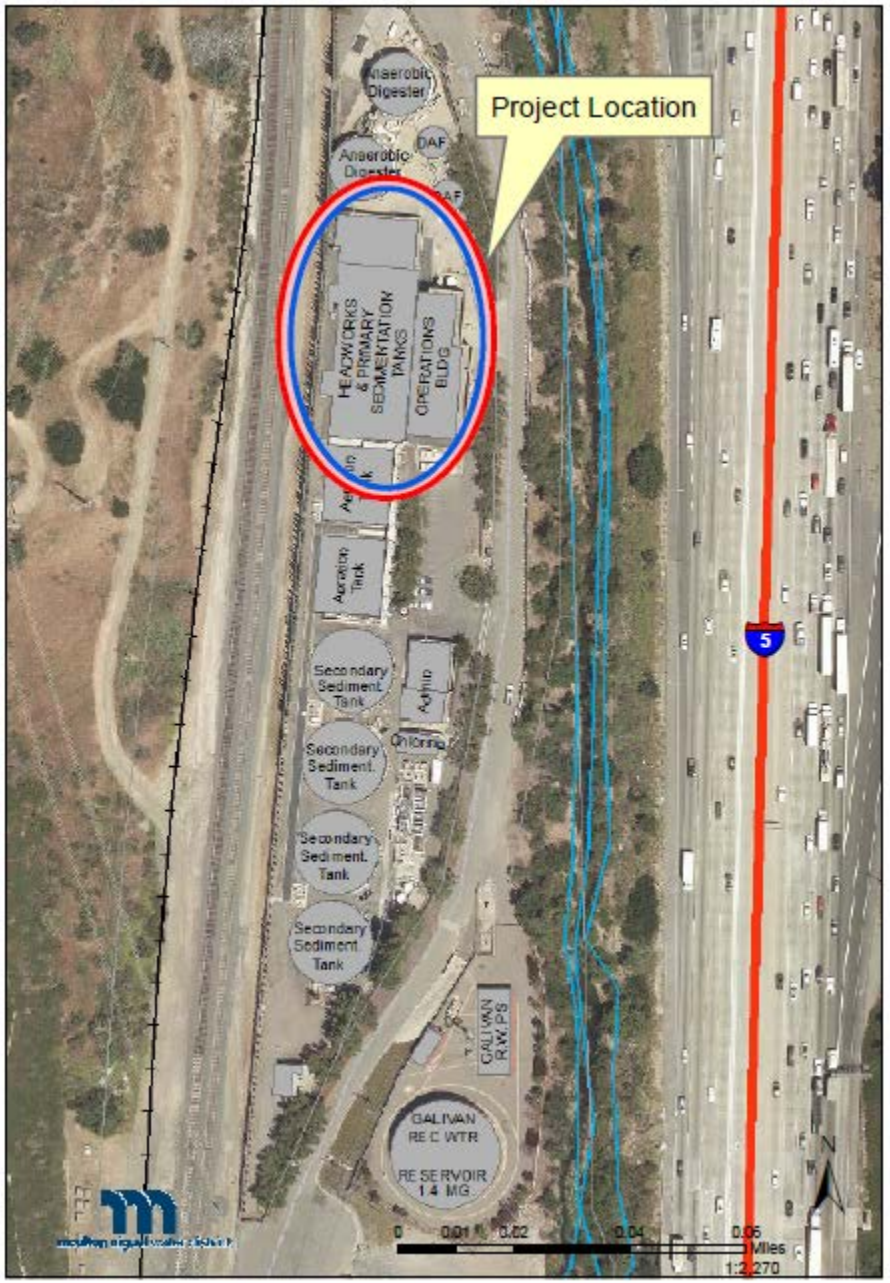
Project Description: Replace existing electrical power distribution system at Plant 3A including main switchgear and transformers, MCCs, and VFDs located at 5 load centers. Additionally, install an automatic transfer switch, which the plant currently does not have.

Project Need: The existing electrical equipment at Plant 3A is outdated making it difficult and costly to replace because the manufacturer no longer provides parts and materials.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$300,000
CEQA Compliance	Exempt
Construction Contract	$2,000,000
Inspection/Other	$300,000
Total Project Budget	**$2,600,000**



Project No: TBD
System: Plant 3A
Fund: 7
Project Name: 2020-21 Operations-Led Capital Improvements – 3A

Project Location: Plant 3A, Mission Viejo

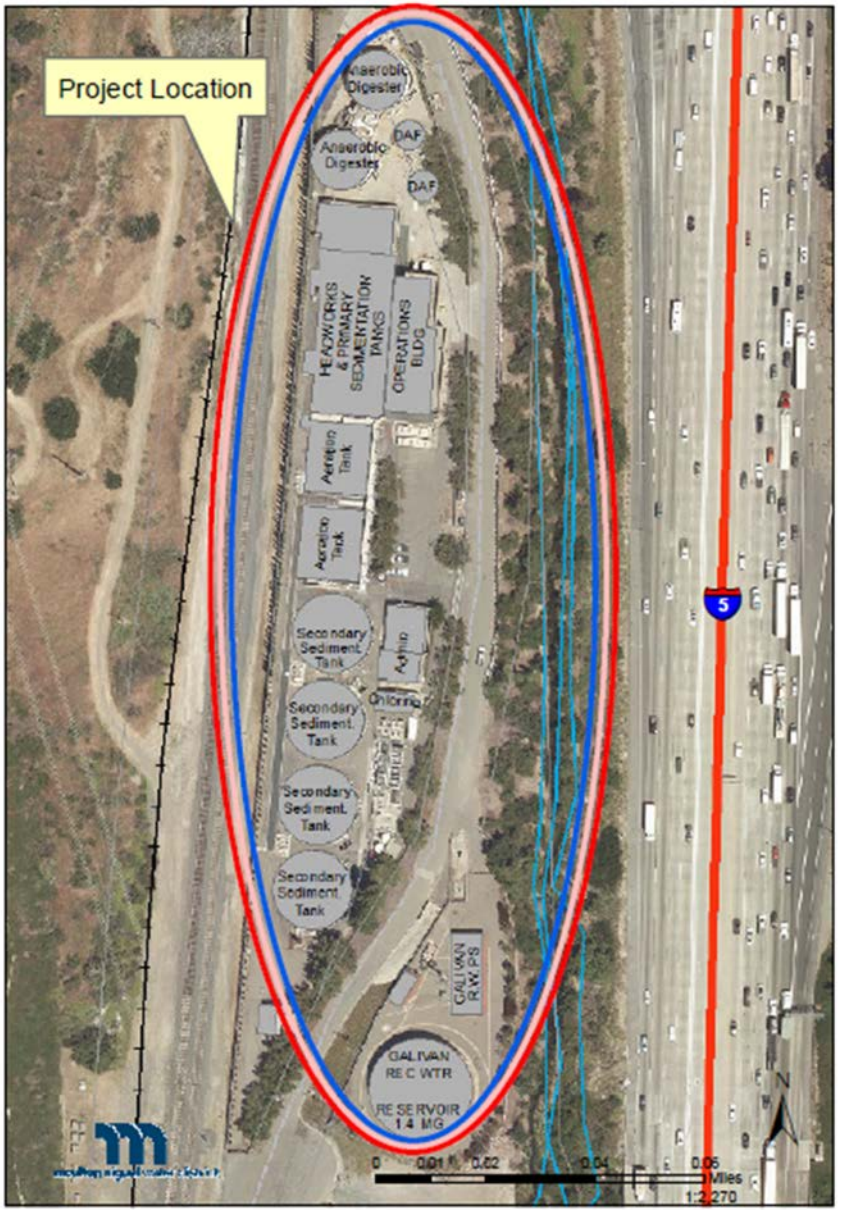
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, programmable logic controllers, mechanical systems, and related equipment.

Project Need: Capital equipment and parts needs are identified by District Operations Staff, as existing equipment reaches the end of its useful life.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases and Installation	$580,000
Total Project Budget	**$580,000**



Project No: TBD
System: Plant 3A
Fund: 7
Project Name: SCADA and PLC Systems Improvements

Project Location: Plant 3A, Mission Viejo

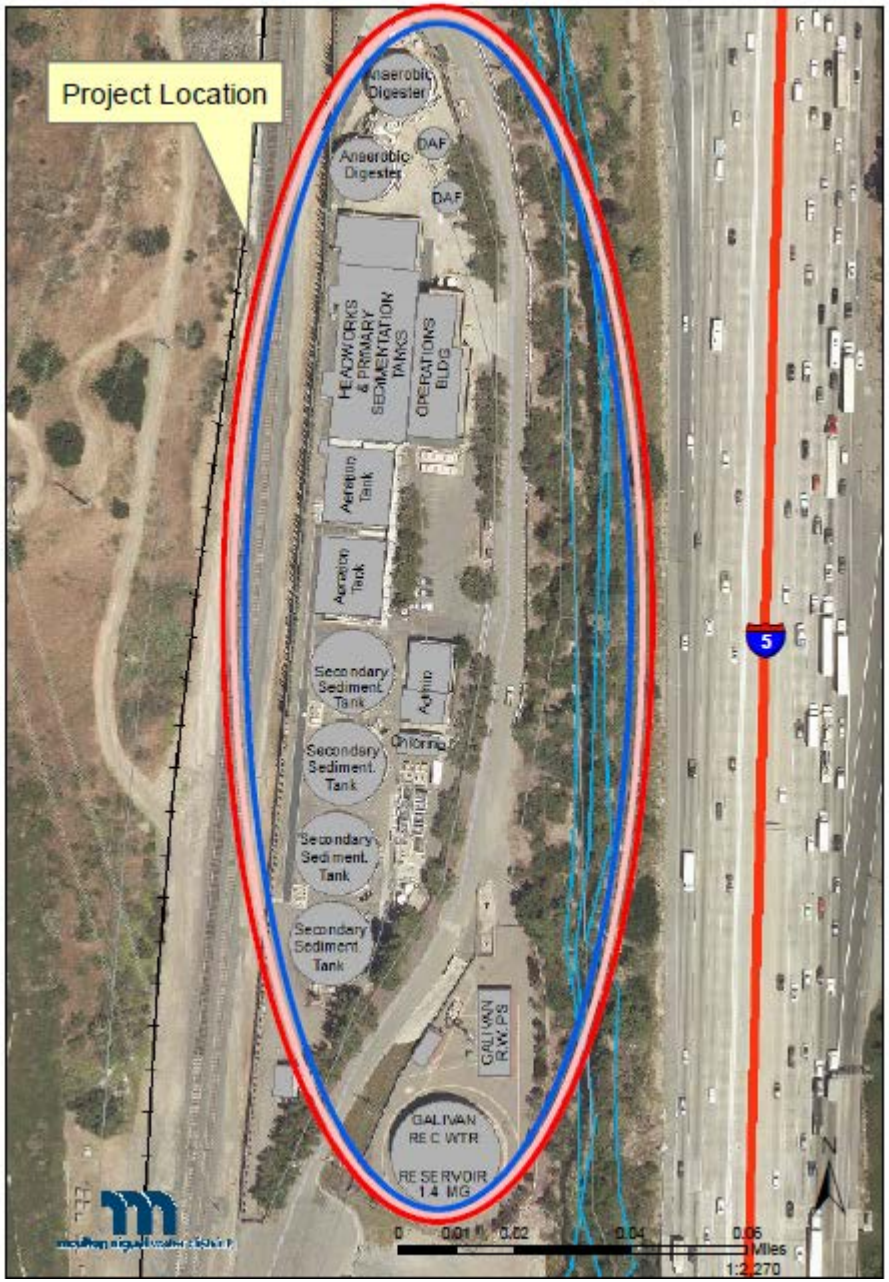
Project Description: This project will replace all existing SCADA controls and PLCs, including network and ethernet system at Plant 3A. Additionally, new Inductive Automation Ignition software platform will be installed to control the entire plant functions.

Project Need: The existing control and communication equipment at Plant 3A is outdated, making it difficult and costly to maintain. A new system is required to improve reliability, provided better communication, and provide improved process control of the Plant 3A treatment processes.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$300,000
CEQA Compliance	Exempt
Construction Contract	$3,000,000
Inspection/Other	$300,000
Total Project Budget	**$3,600,000**



Project No: TBD
System: Plant 3A
Fund: 6
Project Name: Tertiary Treatment Expansion

Project Location: Plant 3A, Mission Viejo

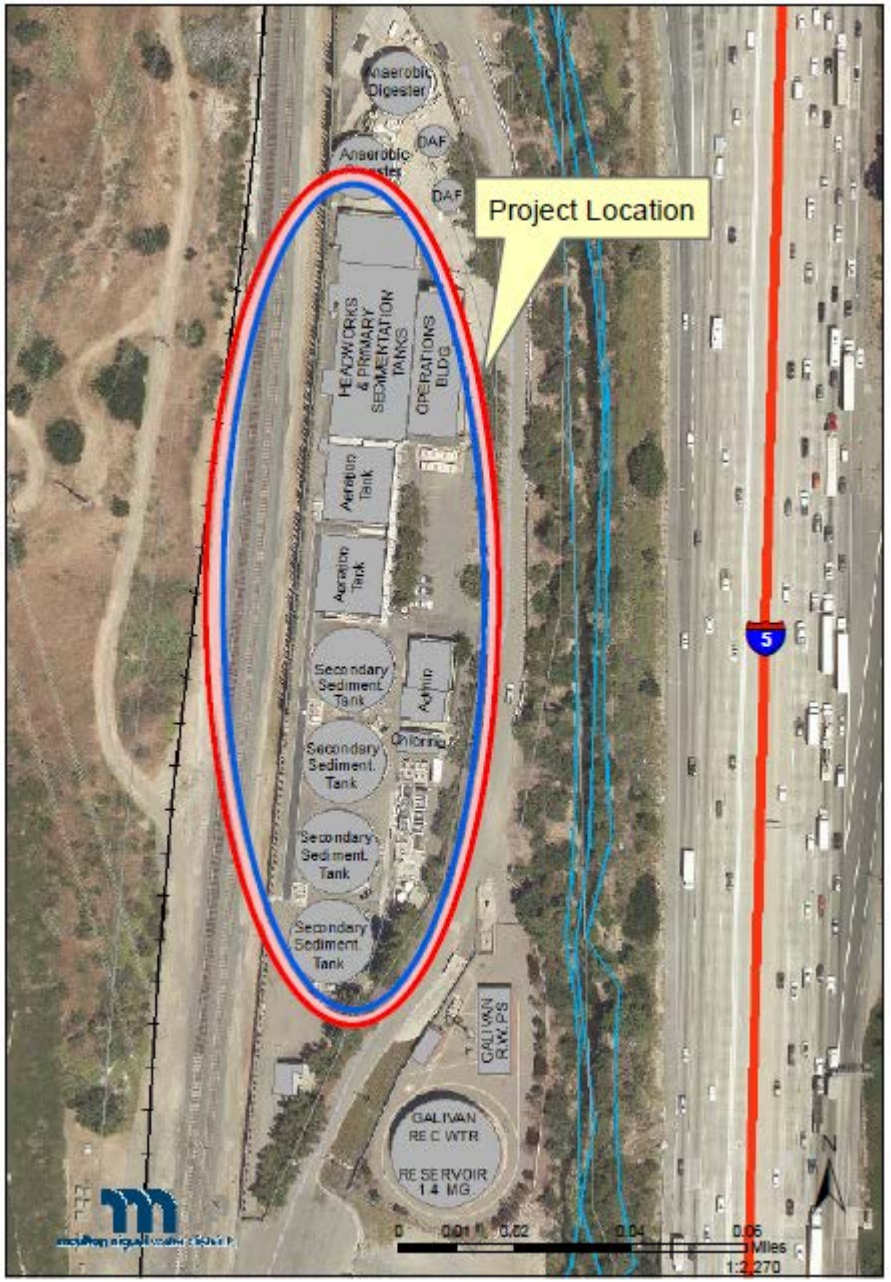
Project Description: Demolish existing sand filters with treatment capacity of 2.4 MGD and install new tertiary filter system with capacity of 4.4 MGD to address additional recycled water demand. The design concept for the project is to construct new higher efficient Title 22 tertiary filtration system including Fuzzy filter system, install pasteurization process for disinfection of the additional flow, install new microturbine power generation system to provide power to Plant 3A and heat for the pasteurization system, expand the pumping capacity at the Galivan Pump Station, and rehabilitate the existing Secondary Clarifier #3 to accommodate the additional wastewater flows to the facility.

Project Need: The existing sand filter equipment has reached its useful life, is experiencing poor performance, requires increased maintenance, and should be replaced. Additionally, to meet increasing recycled water demands, the tertiary treatment capacity needs to be increased.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$500,000
CEQA Compliance	$100,000
Construction Contract	$6,400,000
Inspection/Other	$150,000
Total Project Budget	**$7,150,000**



Project No: IRWD
System: Regional (Potable)
Fund: 7
Project Name: IRWD Baker Water Treatment Plant Capital Projects

Project Location: Baker Water Treatment Plant, Lake Forest

Project Description: Various CIP projects identified by IRWD for Baker Water Treatment Plant.

Project Need: Annual budget required for projects that have not yet been identified.

Project Status: Annual as provided by IRWD. Funds are paid to IRWD upon receipt of and review of CIP associated invoices.

Estimated Project Amount:

Item	Estimated Cost
Design	TBD
CEQA Compliance	TBD
Construction Contract	TBD
Inspection/Other	TBD
Total Project Budget	**$1,500,000**



Capital Improvement Program – Project Description

Project No: JRWSS
System: Regional (Potable)
Fund: 7
Project Name: SCWD/JRWSS Capital Projects

Project Location: Joint Transmission Main

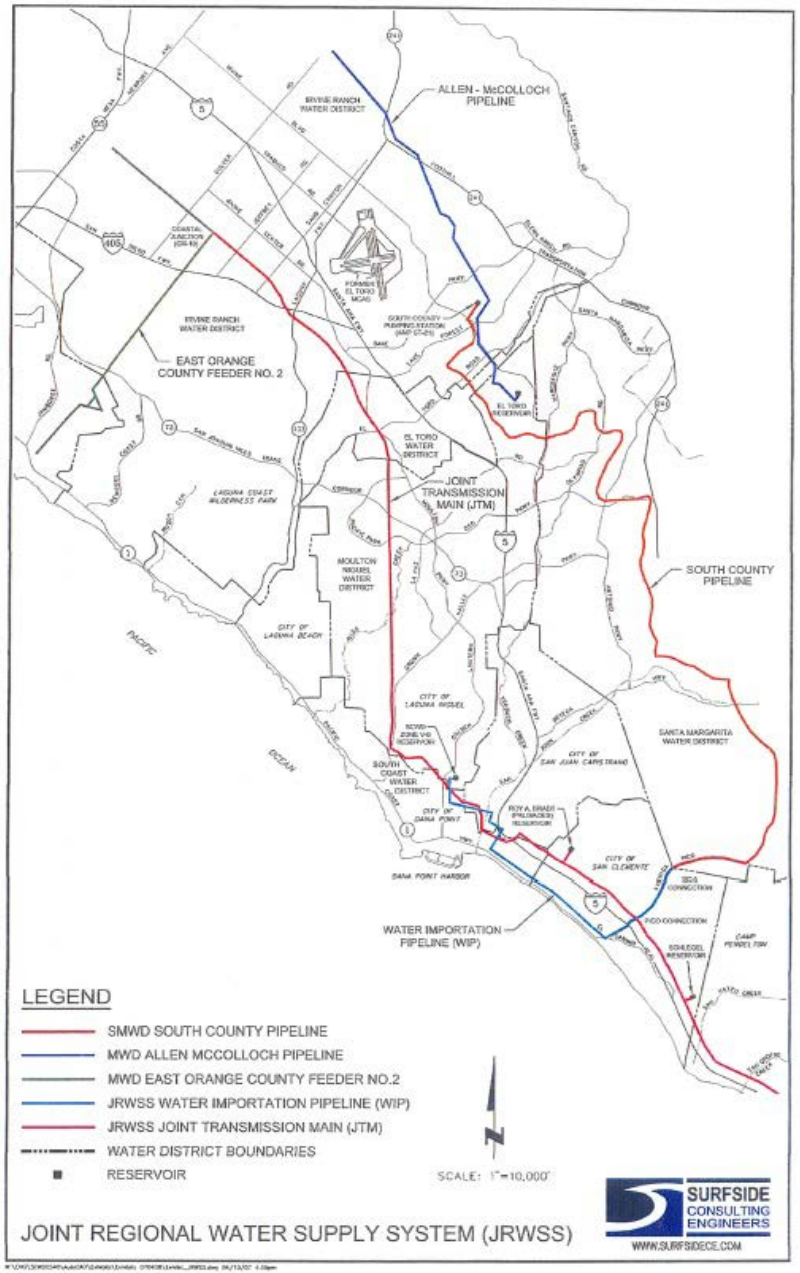
Project Description: Perform capital improvements to the Joint Transmission Main (JTM).

Project Need: The JTM is operated and maintained by the South Coast Water District (SCWD) per an inter-agency project agreement entered in 2000. The District owns about 43% of the JTM capacity, up to 43 cubic feet per second (cfs). SCWD develops a capital improvement program (CIP) for the JTM. This project provides the funding for these CIP expenditures. SCWD updates its 6-year CIP annual and provides that information to the District.

Project Status: Annual as provided by SCWD. Funds are paid to SCWD upon receipt of and review of JTM associated invoices.

Estimated Project Amount:

Item	Estimated Cost
Design	TBD
CEQA Compliance	TBD
Construction Contract	TBD
Inspection	TBD
Total Project Budget	**$8,056,896**



Project No: SMWD
System: Regional (Potable, Wastewater)
Fund: 7
Project Name: SMWD Capital Projects – Joint Facilities

Project Location: Various

Project Description: Various CIP projects identified by SMWD for facilities that are jointly owned by MNWD and SMWD.

Project Need: Annual budget required for projects that have not yet been identified. Historically, funds are required to cover costs associated with these unanticipated projects.

Project Status: Annual as provided by SMWD. Funds are paid to SMWD upon receipt of and review of CIP associated invoices.

Estimated Project Amount:

Item	Estimated Cost
Design	TBD
CEQA Compliance	TBD
Construction Contract	TBD
Inspection/Other	TBD
Total Project Budget	**$279,950**



Project No: SOCWA
System: Regional (Wastewater)
Fund: 7
Project Name: SOCWA Capital Project Committee 2

Project Location: J.B. Latham Wastewater Treatment Plant, Dana Point

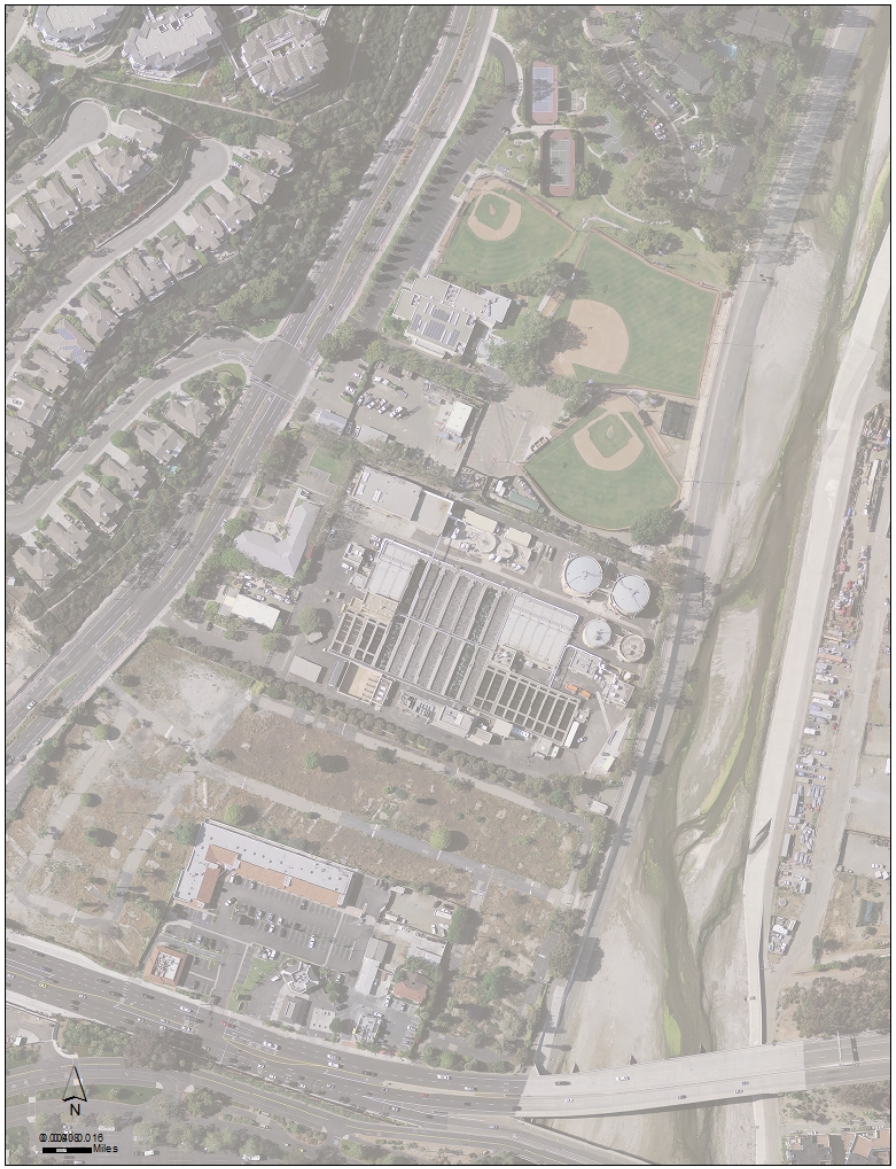
Project Description: Implement capital improvements as recommended by South Orange County Wastewater Authority (SOCWA).

Project Need: SOCWA provides wastewater treatment to the District's service area. SOCWA develops a capital improvement program (CIP) for all of the facilities through various project committees (PC).

Project Status: Annual as provided by SOCWA. Funds are paid to SOCWA upon receipt of and review of CIP associated invoices. The total project budget is a 10-year budget projection.

Estimated Project Amount:

Item	Estimated Cost
Design	TBD
CEQA Compliance	TBD
Construction Contract	TBD
Inspection	TBD
Total Project Budget	**$20,243,686**



Project No: SOCWA
System: Regional (Wastewater)
Fund: 7
Project Name: SOCWA Capital Project Committee 5

Project Location: San Juan Creek Ocean Outfall, Dana Point

Project Description: Implement capital improvements as recommended by South Orange County Wastewater Authority (SOCWA).

Project Need: South Orange County Wastewater Authority (SOCWA) provides wastewater treatment to the District's service area. SOCWA develops a capital improvement program (CIP) for all of the facilities through various project committees (PC).

Project Status: Annual as provided by SOCWA. Funds are paid to SOCWA upon receipt of and review of CIP associated invoices. The total project budget is a 10-year budget projection.

Estimated Project Amount:

Item	Estimated Cost
Design	TBD
CEQA Compliance	TBD
Construction Contract	TBD
Inspection	TBD
Total Project Budget	**$494,127**

Project No: SOCWA
System: Regional (Wastewater)
Fund: 7
Project Name: SOCWA Capital Project Committee 15

Project Location: Coastal Treatment Plant, Aliso Viejo

Project Description: Implement capital improvements as recommended by South Orange County Wastewater Authority (SOCWA).

Project Need: South Orange County Wastewater Authority (SOCWA) provides wastewater treatment to the District's service area. SOCWA develops a capital improvement program (CIP) for all of the facilities through various project committees (PC).

Project Status: Annual as provided by SOCWA. Funds are paid to SOCWA upon receipt of and review of CIP associated invoices. The total project budget is a 10-year budget projection.

Estimated Project Amount:

Item	Estimated Cost
Design	TBD
CEQA Compliance	TBD
Construction Contract	TBD
Inspection	TBD
Total Project Budget	**$13,190,845**



Project No: SOCWA
System: Regional (Wastewater)
Fund: 7
Project Name: SOCWA Capital Project Committee 17

Project Location: Regional Treatment Plant, Laguna Niguel

Project Description: Implement capital improvements as recommended by South Orange County Wastewater Authority (SOCWA).

Project Need: South Orange County Wastewater Authority (SOCWA) provides wastewater treatment to the District's service area. SOCWA develops a capital improvement program (CIP) for all of the facilities through various project committees (PC).

Project Status: Annual as provided by SOCWA. Funds are paid to SOCWA upon receipt of and review of CIP associated invoices. The total project budget is a 10-year budget projection.

Estimated Project Amount:

Item	Estimated Cost
Design	TBD
CEQA Compliance	TBD
Construction Contract	TBD
Inspection	TBD
Total Project Budget	**$85,417,497**



Project No: SOCWA
System: Regional (Wastewater)
Fund: 7
Project Name: SOCWA Capital Project Committee 21

Project Location: Effluent Transmission Main in Aliso Creek

Project Description: Implement capital improvements as recommended by South Orange County Wastewater Authority (SOCWA).

Project Need: South Orange County Wastewater Authority (SOCWA) provides wastewater treatment to the District's service area. SOCWA develops a capital improvement program (CIP) for all of the facilities through various project committees (PC).

Project Status: Annual as provided by SOCWA. Funds are paid to SOCWA upon receipt of and review of CIP associated invoices. The total project budget is a 10-year budget projection.

Estimated Project Amount:

Item	Estimated Cost
Design	TBD
CEQA Compliance	TBD
Construction Contract	TBD
Inspection	TBD
Total Project Budget	**$523,509**

Project No: SOCWA
System: Regional (Wastewater)
Fund: 7
Project Name: SOCWA Capital Project Committee 24

Project Location: Aliso Creek Ocean Outfall

Project Description: Implement capital improvements as recommended by South Orange County Wastewater Authority (SOCWA).

Project Need: South Orange County Wastewater Authority (SOCWA) provides wastewater treatment to the District's service area. SOCWA develops a capital improvement program (CIP) for all of the facilities through various project committees (PC).

Project Status: Annual as provided by SOCWA. Funds are paid to SOCWA upon receipt of and review of CIP associated invoices. The total project budget is a 10-year budget projection.

Estimated Project Amount:

Item	Estimated Cost
Design	TBD
CEQA Compliance	TBD
Construction Contract	TBD
Inspection	TBD
Total Project Budget	**$3,850,072**

Project No: ETWD
System: Regional (Potable)
Fund: 7
Project Name: El Toro Water District R6 Reservoir Cover Replacement

Project Location: R6 Reservoir

Project Description: Replace cover of R6 Reservoir.

Project Need: Replacement is needed due to age and condition. ETWD is the lead agency. MNWD's share is five percent of project cost.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	$29,050
CEQA Compliance	Exempt
Construction Contract	$556,250
Total Project Budget	**$585,300**





Financial Policies for Fiscal Year 2020-21

June 2020

APPENDIX FP - A:
Debt Management Policy

POLICY A-3: MANAGING WATER DISTRICT DEBT

This Policy may be amended by the Board as it deems appropriate from time to time in the prudent management of the debt of the District.

1. Policy Statement

This policy documents Moulton Niguel Water District's goals and guidelines for the use of debt instruments for financing District water, recycled water, and wastewater infrastructure, projects, and other financing needs. The District recognizes the need to invest in ongoing capital replacement and rehabilitation of its facilities as well as new infrastructure to ensure future viability of services, and that the appropriate use of debt can facilitate the timely construction of such facilities.

The District expects to pay for infrastructure and other projects (e.g., water supply) from a combination of current revenues, available reserves, and prudently issued debt. MNWD recognizes that debt can provide an equitable means of financing projects for its customers and provide access to new capital needed for infrastructure and project needs. Debt will be used to meet financing needs (i) if it meets the goals of equitable treatment of all customers, both current and future; (ii) if it is cost-effective and fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (iii) if there are other important policy reasons. Therefore, all District debt must be approved by the Board of Directors.

To achieve the highest practical credit ratings and endorse prudent financial management, the District is committed to systematic capital planning and long-term financial planning. Evidence of this commitment to long term planning is demonstrated through adoption and periodic adjustment of the District's Capital Improvement Plan (CIP) identifying the benefits, costs and method of funding capital improvement projects over the planning horizon.

This Debt Policy complies with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the District.

2. Purpose of Policy

The purpose of this debt management policy is to:

- Establish parameters for issuing debt, including the purposes for which debt can be issued
- Describe how debt and debt proceeds will be managed

- Provide guidance as to the type of debt to be issued
- Provide guidance as to the relationship between the capital improvement plan and debt issuance

3. Purpose and Use of Debt

The District will utilize reasonable debt financing to fund long-term improvements and thus ensure equitable allocation of costs. Long-term improvements may include the acquisition of land, facilities, infrastructure, and supplies of water; and enhancements or expansions to existing water, recycled water, and wastewater capacity and facilities. Debt can be issued to fund the planning, pre-design, design, acquisition of land and/or easements, construction, and related fixtures, equipment and other costs as permitted by law. The District will not issue debt to cover operating needs.

The District may utilize short term financing (including leases) to finance certain essential equipment and vehicles. These assets can range from service vehicles to equipment. The underlying asset must have a minimum useful life of one year or more. Short-term financings, including loans, on bill financing and capital lease purchase agreements, are executed to meet such needs.

The Treasurer, Director of Finance & Water Resources and Financial Planning Manager will periodically evaluate the District's existing debt and recommend re-financings or prepayment (refunding) when economically beneficial. A refinancing may include the issuance of bonds to refund existing bonds or the issuance of bonds in order to refund other obligations, such as commercial paper or loans.

The General Manager, Treasurer, Director of Finance & Water Resources and Financial Planning Manager and District Financial Advisor, as appropriate, shall analyze any debt financing proposal to determine its benefit to the District and if it complies with the District's long-term financial planning objectives, including maintaining or improving credit ratings.

The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized. Debt may only be issued upon Board authorization. The weighted average maturity of the debt (or the portion of the debt allocated to a project or projects) will not exceed the average useful life of the project(s) to be financed by more than 20%. The final maturity of bonds or state or federal loan debt shall be limited to 35 years after the date of issuance.

The District will provide for a periodic review of its financial performance and review its performance relative to the financial policies outlined herein. These financial policies

will be taken into account during the capital planning, budgeting, and rate setting process. Necessary appropriations for annual debt service requirements will be routinely included in the District's annual budget. The District will maintain proactive communication with the investment community, including rating agencies, credit enhancers and investors, to ensure future capital market access at the lowest possible interest rates.

4. District Policies Provide Guidance for Debt Management

General. The District's Debt Management Policy, Reserve Policy and Investment Policy all guide the budgeting and capital improvement planning process. As such, the following principles outline the District's approach to debt management:

The District will issue debt only in the case where there is an identified source of repayment. Debt will be issued when:

- Projected existing revenues pay for the proposed debt service, and
- As necessary, other revenues have been identified to pay for the proposed debt, and
- Bond covenants will be achieved.

Debt will be structured for the shortest period possible, consistent with an equitable allocation of costs to current and future users. Borrowings by the District should be of a duration that does not exceed the average useful life of the project to be financed by more than 20 percent and where feasible, should be shorter than the projected economic life. The standard term of long-term borrowing is typically 20-30 years.

The District may issue bonds bearing a fixed or variable interest rate. When appropriate, the District may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities. Such variable rate bonds will be limited to no more than 20 percent of outstanding debt.

The proceeds of the bond sales will be invested until used for the intended project(s) to ensure effective use of the public funds. The investments will be made to obtain a return, while maintaining the highest level of safety. The District's Investment Policy and the specific bond indentures govern objectives and criteria for investment of bond proceeds. The Treasurer, Director of Finance & Water Resources and Financial Planning Manager will oversee the investment of bond proceeds, while complying with arbitrage and tax provisions.

Bond proceeds will be deposited and recorded in separate accounts. The District's

trustee will administer the disbursement of bond proceeds pursuant to the applicable Indenture of Trust or similar document.
Requisition for the disbursement of bond funds will be approved by the District's General Manager or Treasurer.

The Financial Planning Manager and Controller will monitor dedicated debt reserve fund balances and periodically review the advisability of prepayment or refunding of related debt. The financial advantages of a current refunding must outweigh the cost of issuing new debt. A potential refunding will be assessed in combination with any new capital projects requiring financing, and the benefits of the refunding will be evaluated in relation to its costs and risks.

Debt can be refunded to achieve any of the following objectives:

- Reduce future interest costs or restructure future debt service in response to evolving conditions regarding anticipated revenue sources;
    - Current refundings (that is, refinancings within 90 days of the call date of the bonds to be refunded) must meet a minimum net present value savings target of at least 3 percent of refunded bonds
- Restructure the legal requirements and/or covenants of the original issue to reflect more closely the changing conditions of the District, current market standards, or the type of debt.

5. District Will Maintain Acceptable Debt Service Coverage

The District will not finance debt unless the proposed obligation, when combined with all existing debts, results in acceptable debt service coverage ratios. To help determine the affordability of proposed revenue bonds, the District will compare projected annual net revenues after payment of operating and maintenance (O&M expense) to estimated annual debt service to estimate the resulting debt service coverage ratio (DCR). DCR is the amount of cash flow available to meet annual interest and principal payment on debt.

To keep its high-quality credit rating, the District will maintain a DCR at or above 1.75.

6. Financial Managers Will Pursue Positive Credit Rating on Debt Issuance

The General Manager, Director of Finance & Water Resources and Financial Planning Manager, with the District's Financial Advisor as appropriate, will assess whether a

credit rating should be obtained for an issuance and make a recommendation to the Board.

If it is determined that a credit rating is desirable, the probable rating of the proposed debt issuance is assessed before its issuance, and necessary steps are taken in structuring the debt.

7. Managers and Financial Advisors Will Structure District Debt

The District will seek to structure debt with aggregate level principal and interest payments over the life of the borrowing. "Backloading" of debt service will be considered only when such structuring is beneficial to the District's aggregate overall debt payment schedule.

The Financial Planning Manager, Director of Finance & Water Resources and General Manager, with the advice of the District's Financial Advisor, will evaluate and recommend to the Board the use of a call option, if any, and call protection period for each issuance. A call option, or optional redemption provision, gives the District the right to prepay or retire debt prior to its stated maturity. This option may permit the District to achieve interest savings inthe future through refunding of the bonds. Because the cost of call options can vary widely, depending on market conditions, an evaluation of factors, such as the call premium, time until the bonds may be called at a premium or at par, and interest rate volatility will guide the decision to issue bonds with a call option. Generally, 30-year tax exempt municipal borrowings are structured with a 10-year call. From time to time, shorter call options (3-7 years) may also be used.

8. Types of Debt

The District may use revenue bonds, Certificates of Participation (COPs), variable rate bonds, state revolving fund (SRF) loans, federal loans (including loans through the Water Infrastructure Finance and Innovation Act (WIFIA) program), bank loans, notes, commercial paper, direct placements, capital leases, lease-purchase financing, and on bill financing. The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy. A description of each type of debt is provided in Appendix A.

In addition to the aforementioned long and short term financing instruments, the District may also consider joint arrangements with other governmental agencies. Communication and coordination will be made with local governments regarding cost sharing in potential joint projects, including leveraging grants and funding sources.

The District is authorized to join with other special districts and/or municipal agencies to create a separate entity, a Joint Powers Authority (JPA), to issue debt on behalf of the District, the special district or municipality.

The District will only be liable for its share of debt service, as specified in a contract executed in connection with the joint venture debt.

9. Board May Consider Credit Enhancement to Establish or Improve Credit Rating

The Treasurer and General Manager will recommend to the Board the use of credit enhancement if it reduces the overall cost of the proposed financing or if, in the opinion of the General Manager and/or Treasurer (with the advice of counsel and the District's Financial Advisor), the use of such credit enhancement furthers the District's overall financial objectives.

Unless there are market requirements or it is important to increase credit ratings, the District will not fund a debt service reserve fund as part of its debt issuance. To the extent the Treasurer or Financial Planning Manager determine a debt service reserve fund is advantageous, the debt reserves will be maintained in keeping with the District's Reserve Policy.

Interest may be capitalized for the construction period of a revenue- producing project, that debt service expense does not begin until the project is expected to be operational and producing revenues. For lease back arrangements, such as those used for lease revenue bond transactions, interest may be capitalized for the construction period, until the asset is operational. Only under extraordinary circumstances, interest may be capitalized for a period longer than the construction period. Under all circumstances, interest may not be capitalized for any period longer than that permitted under Federal tax law to the extent such interest relates to tax exempt debt for Federal tax law purposes.

10. District Will Maintain Highest Possible Credit Ratings

The District will seek to maintain the highest possible credit ratings that can be achieved for debt instruments without compromising the District's policy objectives.

Each proposal for additional debt will be analyzed for its impact upon the District's credit rating on outstanding debt.

11. Any Major Credit Rating Agencies May be Used

The District may seek credit ratings from any of the major credit rating agencies - Standard & Poor's, Moody's Investors Service, and Fitch Investors Service, as appropriate. The District will also evaluate the value of additional ratings on a case-by-case basis (e.g., Kroll Rating Services). District staff will provide periodic updates to the rating agencies, both formal and informal, on the District's general financial condition and coordinate meetings and presentations with a new debt issuance when necessary.

The General Manager, Director of Finance & Water Resources, and Financial Planning Manager, working with the District's financial advisor, shall determine whether a rating shall be requested on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.

12. The Best Method of Sale Will be Used to Sell Municipal Bonds

The District will select the method of sale that best fits the type of bonds being sold, market conditions, and the desire to structure bond maturities to improve the performance of the debt portfolio. Three primary methods exist for the sale of municipal debt:

- **Competitive sale.** Bonds will be marketed to a wide audience of investment banking (underwriting) firms. The underwriter is selected based on its best bid for its securities. The District will award the sale of the competitively sold bonds on a true interest cost (TIC) basis. Due to this policy, the General Manager or Treasurer may sign the bid form on behalf of the District to fix the interest rates on bonds sold on a competitive basis.

- **Negotiated sale.** The General Manager, Director of Finance & Water Resources and Financial Planning Manager will select the underwriter, or team of underwriters, of its securities before the bond sale, subject to Board approval. The District works with the underwriter to bring the issue to market and negotiates all rates and terms of the sale. Before the sale, the General Manager, with advice from the District's financial advisor, will determine compensation for and liability of each underwriter employed and the designation rules and priority of orders under which the sale itself will be conducted. With this policy, the General Manager or Treasurer may sign the bond purchase agreement on behalf of the District to fix the interest rates on bonds sold on a negotiated basis.

- **Private placement.** The District may elect to issue debt on a private placement

basis. A private placement would be considered if it is demonstrated to result in cost savings or provide other advantages relative to other methods of debt issuance, or if it is determined that access to the public market is unavailable and timing considerations require that financing be completed before access to the public market is available.

13. Financial Planning Manager Will Make Debt Financing Recommendations to the Board

In developing such recommendations, the Financial Planning Manager shall consider the need for debt financing and assess progress on the current capital improvement program (CIP) and any other program/improvement deemed necessary by the District. The Board authorizes and approves debt service-related recommendations and proposals, and must approve all debt issuances.

The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the District's capital budget and the capital improvement plan.

The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general fund.

Debt is to be issued by the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and laws of the State of California Government Code (CGC) §54300 et seq.

14. Policy Goals Related to Planning Goals and Objectives

The District is committed to long-term financial planning, maintaining appropriate reserves levels and employing prudent practices in governance, management and

budget administration. The District intends to issue debt for the purposes stated in this Policy and to implement policy decisions incorporated in the District's annual operations budget.

It is a policy goal of the District to protect taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than 100% of any escrow fund negative arbitrage.

15. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The District will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and;
- its investment policies as they relate to the investment of bond proceeds.

It is the policy of the District to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by athird-party trustee and the Issuer will submit written requisitions for such proceeds. The District's General Manager or Treasurer will submit a requisition for reimbursement only after obtaining the signature of the Controller or Director of Finance & Water Resources approving expenditures. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the Controller shall retain records of all expenditures of proceeds through the final payment date for the debt.

16. Bond and Disclosure Counsel

As part of its responsibility to oversee and coordinate the marketing of all District indebtedness, the General Manager, Director of Finance & Water Resources, and Financial Planning Manager shall make recommendations for approval by the Board on the retention of bond and disclosure counsel (which may be the same firm).

Bond counsel will prepare the necessary authorizing resolutions, agreements and other documents necessary to execute the financing, while disclosure counsel is responsible for preparing the preliminary and final official statement (or other disclosure documents) and assisting the District with ongoing disclosure responsibilities. All debt issued by the District will include a written opinion by bond counsel affirming that the District is authorized to issue the debt, stating that the District has met all state constitutional and statutory requirements necessary for issuance, and determining the debt's federal income tax status.

17. Financial Advisors

The District will select an independent registered municipal advisor or advisors (financial advisors) to help execute all debt transactions. To avoid any conflict of interest, financial advisor firms shall not also serve as underwriters of bonds. Financial advisors shall be selected through a competitive process after a review of proposals by the staff and approved by the Board.

The financial advisor will:

- Advise the District on refunding opportunities for current outstanding debt.
- Evaluate the merits of competitive, negotiated or private placement of new debt.
- Determine the most appropriate structure to ensure effective pricing that meets the District's near-term and long-term cash flow needs.
- Assist the District in the development of financial plans and policies.

The financial advisor will work with all parties involved in the financing transaction, including the District's bond counsel, trustee, underwriters, credit liquidity providers, to develop and monitor the financing schedule and preparation of the Official Statement. The financial advisor will help the District develop and distribute bid specifications for: desired services, trustee and paying agents, printing, remarketing and credit liquidity service providers, and assist the District in its review process.

The District also expects its financial advisor to provide objective advice and analysis, maintain confidentiality of the District's financial plans, and be free from any conflict of interest.

18. Underwriters

For negotiated sales, the District will generally select or pre-qualify underwriters through a competitive process. This process may include a request for proposal or qualifications to all firms considered appropriate for the underwriting of a particular issue or type of bonds.
The Financial Planning Manager, in consultation with the District's financial advisor, will determine the appropriate method to evaluate the underwriter submittals and then select or qualify firms on that basis, and recommend the firm or firms to function as the District's underwriter. The Board will approve the underwriter(s) to be used for each transaction or a series of transactions. The District is not bound by any underwriting agreement; oral or written, to which it was not a party.

19. The District Will Comply With Federal Arbitrage and Rebate Regulations

The Financial Planning Manager and Controller will take all necessary steps to minimize any rebate liability through proactive management in the structure and oversight of the District's debt. All District tax-exempt issues, including lease purchase agreements, are subject to arbitrage compliance regulations.

The Controller and Financial Planning Manager will:

- Monitor the expenditure of bond proceeds to ensure they are used only for the purpose and authority for which the bonds were issued and exercising best efforts to spend bond proceeds in such a manner that the District shall meet the spend-down exemptions from arbitrage rebate. Tax-exempt bonds will not be issued unless it can be reasonably expected that 85% of the proceeds will be expended within the three-year temporary period.

- Monitor the investment of bond proceeds with awareness of rules pertaining to yield restrictions. Maintaining detailed investment records, including purchase prices, sale prices and comparable market prices for all securities.

- Contract with outside arbitrage consultants to establish and maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of federal tax code.

The District will include any arbitrage rebate liability in its annual Comprehensive Annual Financial Report (CAFR).

20. Continuing Disclosure

The District will meet continuing disclosure requirements in a timely and comprehensive manner, as required by the Securities Exchange Commission (SEC) Rule 15c2-12 and consistent with the District's Disclosure Procedures Policy. The Financial Planning Manager shall provide ongoing disclosure information to the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access (EMMA) system. The District will annually provide financial information and operating data within 9 months of the end of its fiscal year, along with notice of certain material events required under Rule 15c2-12. In addition, the District may provide voluntary disclosures if such disclosure would be in the District's interest.

The District will keep current with any changes in both the administrative aspects of its filing requirements and the national repositories responsible for ensuring issuer compliance with the continuing disclosure regulations. In the event a 'material event' occurs requiring immediate disclosure, the Financial Planning Manager and Controller will ensure information is posted on EMMA.

21. Compliance with Bond Covenants

In addition to financial disclosure and arbitrage compliance, once the bonds are issued, the District is responsible for verifying compliance with all undertakings, covenants, and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:

- Annual appropriation of revenues to meet debt service payments
- Timely transfer of debt service payments to the trustee or paying agent
- Compliance with insurance requirements
- Compliance with rate covenants
- Compliance with all other bond covenants, including maintaining debt service coverage ratios as required

On an annual basis, the Controller will prepare all required debt related schedules and footnotes for inclusion in the District's CAFR. The CAFR shall describe in detail all funds and fund balances established as part of any direct debt financing of the District.

The CAFR may also contain a report detailing any material or rate covenants contained in any direct offering of the District and whether or not such covenants have been satisfied.

22. Updates to this Policy

On an as needed based, the General Manager will update and revise this Policy, which shall be reviewed and adopted by the Board.

APPENDIX A: Types of Debt and Uses

Bank Loans and Notes - Use of short-term borrowing, such as bank loans and notes, will be undertaken only if available cash or reserves are insufficient to meet both project needs and current obligations.

Capital Lease - Capital lease debt may be considered to finance capital improvements, including vehicles and equipment with an expected useful life of less than ten years. A capital lease is a lease in which the lessor finances the lease and all other rights of ownership transfer to the District.

Derivatives - The District may choose to enter into contracts and financing agreements involving interest rate swaps, floating/fixed rate auction or reset securities, or other forms of debt bearing synthetically determined interest rates as authorized under the applicable statutes. The District will only consider the use of derivative products on a case-by-case basis and consistent with state statute and financial prudence. Before entering into such contracts or agreements, the District will review the risks and benefits of such financing techniques and expected impacts on the District's long-term financial operations and credit ratings. The District shall not execute derivative contracts with terms exceeding 10 years.

Lease-Purchase Financing - The use of lease-purchase agreements in the acquisition of vehicles, equipment and other capital assets shall be considered carefully relative to any other financing option. The lifetime cost of a lease may be higher than other financing options or pay-go purchases. Nevertheless, lease-purchase agreements may be used by the District as funding options for capital acquisitions if circumstances warrant.

On Bill Financing - The District may choose to enter into low or zero interest financing agreements with utility providers who offer On Bill Financing. This type of financing offers financing of business improvements at little to no interest and no fees or costs to the District. Repayment amounts will be based on projected savings associated with the project and will be part of the monthly bill received from the issuer. Financing terms can range from three to ten years depending on the project to be financed.

Revenue Bonds - Revenue bonds issued by the District are long term obligations issued to fund a specific project or purpose. The District will generally issue revenue bonds on a fixed interest rate basis, wherein at the time of the bond sale all interest rates are known and do not change while those bonds are outstanding.

Particular conditions may arise where the District would consider the use of variable interest rate bonds. Variable interest rate bonds have interest rates that reset on a periodic basis (e.g. daily, weekly, monthly, etc.).

Revenue bonds are payable solely from District revenues in accordance with the agreed upon bond covenants.

Variable Rate Debt - Variable rate debt is an alternative to fixed rate debt. It may be appropriate to issue short-term or long-term variable rate debt to diversify the District's debt portfolio, reduce interest costs, provide interim funding for capital projects and improve the match of assets to liabilities. Variable rate debt typically has a lower cost of borrowing than fixed rate financing and shorter maturities in the range of 7 to 35 days. The District may consider variable rate debt in certain instances. The District will maintain a conservative level of outstanding variable debt not exceeding 20% of outstanding debt. Under no circumstances will the District issue variable rate debt solely for the purpose of earning arbitrage.

Short Term Debt - Pending the issuance of bonds the Board may authorize the issuance of short term debt. The Financial Planning Manager will determine and recommend the least costly method for short-term borrowing. Such debt shall be authorized by resolution of the Board.

These short term notes may be structured as:

- Bond Anticipation Notes (BANs) - BANs are short term obligations that will be repaid by proceeds of a subsequent long-term bond issue. The District may choose to issue Bond Anticipation Notes as a source of interim construction financing. Before issuing such notes, financing for such notes must be planned for and determined to be feasible by the General Manager and Financial Planning Manager, in consultation with the District's financial advisor.

- Commercial Paper (CP) - CP is a form of debt that has maturities up to 270 days although it may be rolled to a subsequent maturity date. Tax Exempt Commercial Paper shall not be issued for capital programs unless it is of sufficient economic size, as determined by the General Manager, Director of Finance & Water Resources, and Financial Planning Manager, in consultation with the District's Financial Advisor.

- Tax and Revenue Anticipation Notes (TRANs) - TRANs are short term notes secured by a pledge of taxes and other revenues in the current fiscal year. TRANs, if issued, will constitute direct obligations of the District. All TRANs will be redeemed in the same fiscal year in which they are issued.

State Revolving Funds - A State Revolving Fund (SRF) loan is a low or zero interest loan program for the construction of wastewater treatment and sewage collection systems, water recycling facilities, storm water projects, implementation of nonpoint source and

storm drainage pollution control management programs, and for the development and implementation of estuary conservation and management programs. SRF debt service payments are factored into debt service coverage ratios as defined by applicable water and wastewater indentures.

SRF loans are generally structured such that the District is required to contribute a percentage of the total project cost and receives loan proceeds from the State for the balance. The SRF loan interest rate is calculated by taking half of the True Interest Cost (TIC) of the most recent State of California General Obligation Bonds sale. The term of the loans can be 20 to 30 years. When compared to traditional bond financing, the District may realize substantial savings through the use of SRF loans.

SRF Loans may provide additional assistance in the form of principal forgiveness. Principal forgiveness must be specified at the execution of the loan agreement for the amount forgiven to be counted against the total loan required to be provided by the SRF.

WIFIA Loans – The Environmental Protection Agency (EPA) administers loans under the Water Infrastructure Finance and Innovation Act (WIFIA)to provide low cost financing for water projects. The loans are provided on a competitive basis, and borrowers must submit applications to EPA as EPA makes funds available. The loans are based on treasury rates, and may have terms of up to 35 years from substantial completion of the project. WIFIA loans may fund up to 49% of eligible project costs.

Letters of Credit - The District shall have the ability to enter into a letter-of-credit agreement when such an agreement is deemed prudent and advantageous. Only those financial institutions with short-term credit ratings of VMIG 1/A-1, F1 by Moody's Investor Services, Standard & Poor's and Fitch IBCA, may participate in the District's letter of credit agreements.

APPENDIX FP - B:
Investment Policy

A-7: MAINTAINING DISTRICT INVESTMENT FUNDS

This Policy may be amended by the Board as it deems appropriate from time to time in the prudent management of the funds of the District.

This policy documents Moulton Niguel Water District's delegation and guidelines for the investment of public funds. The District's cash management system is designed to monitor and accurately forecast expenditures and revenues, thus enabling the District to invest funds to the fullest extent possible

This Investment Policy is intended to comply with California Government Code Sections 53600 et seq. and shall govern all investment activity undertaken by the District.

1. Purpose of Policy

The purpose of this Investment Policy is to:

- Establish the objectives, policies, and guidelines for the investment of District funds
- Establish how invested funds will be managed
- Establish a basis for evaluating investment results
- Identify principal agents and delegation of authority

2. The Board May Delegate Investment Authority and Management

In accordance with Section 53600 et seq. of the Government Code of the state of California, the authority to invest public funds is expressly delegated to the Board of Directors for subsequent delegation to the Treasurer. Investments are limited to those instruments specified by this Investment Policy.

The Moulton Niguel Water District may hire external investment advisers registered under the Investment Advisers Act of 1940 to help manage the District's investment portfolio in keeping with the District's objectives. External investment advisers may buy and sell securities that comply with this policy.

This policy covers all funds and investment activities under the direct authority of the District, as set forth in the State Government Code, Sections 53600 et seq., with the following exceptions:

1. Proceeds of debt issuance shall be invested in accordance with the District's general investment philosophy as set forth in this policy; however, such proceeds are to be invested pursuant to the permitted investment provisions of their specific bond indentures.
2. Any other funds specifically exempted by the District.

3. District Fiduciaries Shall Follow Prudent Investor Standards

California Government Code, Section 53600.3 stipulates that all persons authorized to make investment decisions on behalf of the District are trustees and are thereby fiduciaries subject to the Prudent Investor Standard.

The Treasurer or designated investment advisor and other authorized persons responsible for managing District funds acting in accordance with written procedures and this investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes provided that the Treasurer or other authorized persons acted in good faith.

The District's Board of Directors will assign a Treasurer, Director of Finance & Water Resources, or Manager of Financial Planning or investment advisers to invest District funds. The Administration Committee of the Board of Directors will oversee the investments.

If a security's credit or market risk changes unexpectedly, the Treasurer, or his or her designee, will report the change to the governing body in a timely fashion and appropriate action should be taken to control adverse developments.

4. District Investment Program Criteria Shall be Followed in Priority Order:

1. Safety: The District will seek investments in a manner that seeks to ensure the preservation of capital in the overall portfolio. To accomplish this, the District will diversify its portfolio by investing funds among a variety of securities with independent returns.

2. Liquidity: The portfolio will remain sufficiently liquid to meet all reasonably anticipated operating requirements.

3. Return on Investments: The portfolio will be designed to obtain a market rate of return throughout budgetary and economic cycles, recognizing investment risk limits for safety and liquidity requirements.

5. District Investments Shall be Organized by Performance Objective

The District's investments are allocated across four fund types, described below. The District shall inform the investment adviser from time to time of amounts to be allocated to each of the four categories.

1. Liquid Fund:
   Funds for current operating expenses and capital requirements. This fund shall preserve principal, provide liquidity for operating and maintenance expenses, debt service payments, and capital needs, and earn a total rate of return commensurate with the first two goals.

   The Liquid Fund's investment performance shall earn a return over a market cycle that equals or exceeds the return on 90-day Treasury Bills.

   The average maturity of the Liquid Fund shall not exceed 90 days, and the maximum final stated maturity of individual securities in the Liquid Fund may not exceed one year.

   The District's Treasurer, Director of Finance & Water Resources, or Manager of Financial Planning shall regularly update the investment adviser on the District's specific short-term liquidity requirements.

   The Liquid Fund shall maintain a minimum fund balance that provides sufficient cash reserves to pay current operating expenses.

2. Limited Maturity Fund:
   Funds needed to meet expenses anticipated over the next one to five years. This fund shall preserve principle, provide liquidity for operations and maintenance, debt service payments, and capital needs within the next five years, and earn a total rate of return in line with the first two goals.

   The investment performance objective of the Limited Maturity Fund is to earn a return that equals or exceeds the return of the ICE Bank of America Merrill Lynch 0-3 Year Treasury Index.

3. Operating Reserve Fund:
   This fund shall preserve principal and provide long-term growth by earning the rate of return available from the longer-term investments permitted under the California Government Code.

The investment performance objective for the Operating Reserve Fund shall be to earn a rate of return over a market cycle, which exceeds the return on the ICE Bank of America Merrill Lynch 1-10 Year US Treasury and Agency Index.

The maximum stated final maturity of individual investments in the Operating Reserve Fund is ten years.

No more than 40 percent of the Operating Reserve Fund may be invested in securities that mature in more than five years.

4. Debt Service Restricted Reserve Funds:
Funds required per bond trust indentures of the District's debt portfolio. This fund will preserve principal, provide capital for debt service payments in case of default, and earn a total rate of return in line with the first two goals.

The investment performance objectives for the Debt Service Restricted Reserve Fund shall be to earn a return over a market cycle, which equals or exceeds the return on ICE Bank of America Merrill Lynch 3-5 Year US Treasury & Agency Index.

6. The District Will Only Work with Qualified Financial Institutions

The District shall work with financial institutions that are reputable and trustworthy, knowledgeable and experienced in Public Agency investing and able to meet all financial obligations. These institutions include "primary" dealers or regional dealers that qualify under Securities and Exchange Commission (SEC) Rule 15c3-1 (uniform net capital rule).

As stated in Section 53601.5, the District may transact business investments with:

- Primary government dealers designated by the Federal Reserve Bank and non-primary government dealers.
- Nationally or state-chartered banks.
- The Federal Reserve Bank.
- Direct issuers of securities eligible for purchase

The District has sole discretion to select the financial institutions and broker/dealers for investment transactions, except where the District utilizes an external investment adviser in which case the District may rely on the adviser for selection.

Public deposits will be made only in qualified public depositories as established by State law. Deposits will be insured by the Federal Deposit Insurance Corporation, or, to the extent the amount exceeds the insured maximum, will be collateralized in accordance with State law.

Selection of broker/dealers used by an external investment adviser retained by the District will be at the sole discretion of the adviser. Where possible, transactions with broker/dealers shall be selected on a competitive basis and their bid or offering prices shall be recorded. If there is no other readily available competitive offering, best efforts will be made to document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, no competitive offerings will be required as all dealers in the selling group offer those securities at the same original issue price.

7. District Mitigates Credit Risk and Market Risk in the Portfolio

Mitigating Credit Risk:
Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. The District will mitigate credit risk by adopting the following strategies:

- The diversification requirements included in the "Authorized Investments" section of this policy are designed to mitigate credit risk in the portfolio.
- No more than 5 percent of the total portfolio may be invested in securities of any single issuer, except where the issuer is the US Government, its Agencies and GSEs, an authorized Supranational issuer or where the security is a Money Market Mutual Fund, Local Agency Investment Fund (LAIF) or other Local Government Investment Pool.
- The District may sell a security before it matures and record a capital gain or loss to manage the quality, liquidity or yield of the portfolio in response to market conditions or District's risk preferences.
- If District securities are downgraded by a nationally recognized statistical rating organization (NRSRO) to a level below the quality required by this investment policy, the District will decide whether to sell or retain the securities.
    - If a security is downgraded, the CFO will decide whether to sell or hold the security based on its current maturity, the economic outlook for the issuer, and other relevant factors.

- If a decision is made to retain a downgraded security in the portfolio, its presence in the portfolio will be monitored and reported monthly to the Board of Directors.

Mitigating Market Risk:
Market risk is the risk that the portfolio value will vary due to changes in the general level of interest rates. The District recognizes that, over time, longer-term portfolios may achieve higher returns. On the other hand, longer-term portfolios have higher volatility of return. The District will mitigate market risk by providing enough liquidity for short-term cash needs, and by making longer-term investments only with funds that are not needed for current cash flow purposes.

The District further recognizes that certain types of securities, including variable rate securities, securities with principal paydowns prior to maturity, and securities with embedded options, will affect the market risk profile of the portfolio differently in different interest rate environments. The District, therefore, adopts the following strategies to control and limit its exposure to market risk:

- The District will keep at least six months of budgeted operating expenditures in short term investments to provide liquidity for expected disbursements.
- The maximum percent of callable securities(does not include “make whole call” securities as defined in the Glossary) in the portfolio will be 20 percent.
- The maximum stated final maturity of individual securities in the portfolio will be five (5) years, unless otherwise stated in this policy.
- The duration of the portfolio will be equal to the duration (typically, plus or minus 20 percent) of a Market Benchmark, an index selected by the District based on the District’s investment objectives, constraints and risk tolerances.

8. District Investments Shall Comply with State Laws

The District’s investments are governed by California Government Code sections 53600 et seq. Within the investments permitted by the Code, the District seeks to further restrict eligible investments to the guidelines listed below. In the event a discrepancy is found between this policy and the Code, the more restrictive parameters will take precedence. Percentage holding limits listed in this section apply at the time the security is purchased.

Any investment currently held at the time the policy is adopted which does not meet the new policy guidelines can be held until maturity and shall be exempt from the current policy (except credit quality). At the time of the investment’s maturity or liquidation, such funds shall be reinvested only as provided in the current policy.

An appropriate risk level shall be maintained by purchasing securities that are of high quality, liquid, and marketable. The portfolio shall be diversified by security type and institution to avoid incurring unreasonable and avoidable risks regarding specific security types or individual issuers.

9. Authorized Investments

All investments shall be made as "delivery vs. payment" transactions. The authorized investments are as listed below:

Municipal Securities

Municipal Securities include obligations of the District, the State of California, any of the other 49 states, and any local District within the State of California, provided that:

- The securities are rated in a rating category of "A" or higher by at least one nationally recognized statistical rating organization ("NRSRO").
- No more than 5% of the portfolio may be invested in any single issuer.
- No more than 30% of the portfolio may be in Municipal Securities.
- The maximum stated maturity does not exceed five (5) years, with the exception of securities that have a "put" feature of five years or less.

U.S. Treasuries

U.S. Treasuries and other government obligations for which the full faith and credit of the United States are pledged for the payment of principal and interest. There are no limits on the dollar amount or percentage of the portfolio that the District may invest in U.S. Treasuries, provided that:

- The maximum maturity is five (5) years, with the exception of securities held in the Operating Reserve, which can have a stated maturity of 10 years.

Federal Agencies

Federal Agencies or United States Government-Sponsored Enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. There are no limits on the dollar amount or percentage of the portfolio that the District may invest in Federal Agency or Government-Sponsored Enterprises (GSEs), provided that:

- No more than 25% of the portfolio may be invested in any single Agency/GSE

issuer.
- The maximum maturity does not exceed five (5) years, with the exception of securities held in the Operating Reserve, which may have a stated maturity of 10 years.

Banker's Acceptances
Banker's Acceptances provided that:

- They are issued by institutions which have short-term debt obligations rated in a rating category of "A-1" or higher by at least one NRSRO; or long-term debt obligations which are rated in a rating category of "A" or higher by at least one NRSRO.
- No more than 40% of the portfolio may be invested in Banker's Acceptances.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 180 days.

Commercial Paper
Commercial Paper provided that:

- The issuer is a corporation organized and operating in the United States with assets in excess of $500 million.
- The securities are rated in a rating category of "A-1"or higher by at least one NRSRO.
- The securities are issued by corporations which have long-term obligations rated in a rating category of "A" or higher by at least one NRSRO.
- The District may purchase no more than 10% of the outstanding commercial paper of any single issuer.
- No more than 25% of the portfolio may be invested in Commercial Paper.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 270 days.

Negotiable Certificates of Deposit (NCDS)
Negotiable Certificates of Deposit (NCDS), issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

- The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
- Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated in a rating category of "A-1" or higher by at least one NRSRO; or long-term obligations rated in a rating category of "A" or

higher by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in NCDs.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

Federally Insured Time Deposits (Non-Negotiable Certificates of Deposit)
Federally Insured Time Deposits (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:

- The amount per institution is limited to the maximum covered under federal insurance.
- No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

Collateralized Time Deposits (Non-Negotiable Certificates of Deposit)
Collateralized Time Deposits (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:

- No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

Collateralized Bank Deposits
District deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651.

Repurchase Agreements
Repurchase Agreements collateralized with securities authorized under California Government Code 53651, maintained at a level of at least 102% of the market value of the Repurchase Agreement. There are no limits on the dollar amount or percentage that the District may invest, provided that:

- Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third-party custodian.
- Repurchase Agreements are subject to a Master Repurchase Agreement between the District and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).

- The maximum maturity does not exceed one (1) year.

State of California Local District Investment Fund (LAIF)
State Of California Local District Investment Fund (LAIF), provided that:

The District may invest up to the maximum amount permitted by LAIF.

LAIF's investments in instruments prohibited by or not specified in the District's policy do not exclude the investment in LAIF itself from the District's list of allowable investments, provided LAIF's reports allow the Treasurer and the outside investment adviser to adequately judge the risk inherent in LAIF's portfolio.

Local Government Investment Pools
The District may invest up to the maximum amount permitted by the following respective Local Government Investment Pools:

- CALTRUST
- California Asset Management Program (CAMP)

Local Government Investment Pool investments in securities prohibited by or not specified in the District's policy do not exclude the investment in LGIPs itself from the District's list of allowable investments, provided the specific LGIP's reports allow the Treasurer and the outside investment adviser to adequately judge the risk inherent in LGIP's portfolio.

Corporate Medium Term Notes (MTNS)
Corporate Medium Term Notes (MTNS), provided that:

- The issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- The securities are rated in a rating category of "A" or higher by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in MTNs.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

Mutual Funds
Mutual Funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940 that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q)

inclusive and that meet either of the following criteria:

- Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
- Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of $500 million.
- No more than 10% of the total portfolio may be invested in shares of any one mutual fund.
- No more than 20% of the total portfolio may be invested in a combination of Mutual Funds and Money Market Mutual Funds.

Money Market Mutual Funds

Money Market Mutual Funds that are registered with the Securities and Exchange Commission under the (link) Investment Company Act of 1940, provided that such Funds meet either of the following criteria:

- Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
- Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of $500 million.
- No more than 20% of the total portfolio may be invested in a combination of Mutual Funds and Money Market Mutual Funds.

Supranationals

Supranationals, provided that:

- Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated in a rating category of "AA" or higher by a NRSRO.
- No more than 30% of the total portfolio may be invested in these securities.
- No more than 10% of the portfolio may be invested in any single issuer.
- The maximum stated maturity does not exceed five (5) years.

Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, And Collateralized Mortgage Obligations

Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, And Collateralized Mortage Obligations from issuers not defined in the US Treasury and Federal Agency sections of the Authorized Investments section of this policy, provided that:

- The securities are rated in a rating category of "AA" or its equivalent or better by a NRSRO.
- No more than 20% of the total portfolio may be invested in these securities.
- No more than 5% of the portfolio may be invested in any single Asset-Backed or Commercial Mortgage security issuer.
- The maximum legal final maturity does not exceed five (5) years.

Prohibited Investment Vehicles and Practices

- Any investments not specifically described herein are prohibited, including, but not limited to futures and options.
- In accordance with Government Code, Section 53601.6, investment in inverse floaters, range notes, or mortgage derived interest-only strips is prohibited.
- Investment in any security that could result in a zero-interest accrual if held to maturity is prohibited.
- Trading securities for the sole purpose of speculating on the future direction of interest rates is prohibited.
- Purchasing or selling securities on margin is prohibited.
- The use of reverse repurchase agreements, securities lending or any other form of borrowing or leverage is prohibited.
- The purchase of foreign currency denominated securities is prohibited.

10. The District Requires Collateralization for Specific Securities

Certificates of Deposit (CDs)

The District shall require any commercial bank or savings and loan association to deposit eligible securities with an Agency of a depository approved by the State Banking Department to secure any uninsured portion of a Non-Negotiable Certificate of Deposit. The value of eligible securities as defined pursuant to California Government Code, Section 53651, pledged against a Certificate of Deposit shall be equal to 150 percent of the face value of the CD if the securities are classified as mortgages and 110 percent of the face value of the CD for all other classes of security.

Collateralization of Bank Deposits

This is the process by which a bank or financial institution pledges securities, or other deposits to secure repayment of deposited funds. The District shall require any bank or financial institution to comply with the collateralization criteria defined in California Government Code, Section 53651.

Repurchase Agreements

The District requires that Repurchase Agreements be collateralized only by securities authorized in accordance with California Government Code:

- The securities which collateralize the repurchase agreement shall be priced at Market Value, including any Accrued Interest plus a margin. The Market Value of the securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities.

- Financial institutions shall mark the value of the collateral to market at least monthly and increase or decrease the collateral to satisfy the ratio requirement described above.

- The District and its investment adviser shall receive monthly statements of collateral.

11. Custodian Keeps District's Investments in Safekeeping

Investment securities and cash shall be held in a bank custody account in the District's name.

All investments shall be made as "delivery vs. payment" transactions.

All cash and securities in the District's portfolio shall be held in safekeeping in the District's name by a third-party custodian, acting as agent for the District under the terms of a custody agreement executed by the bank and the District.

The custodian will report monthly to the District, listing all securities held in safekeeping with current market data and other information.

All investment transactions require a safekeeping receipt or acknowledgment of the trade, except for depository accounts and securities purchases made with:

- Local government investment pools.
- Time certificates of deposits.
- Money market mutual funds (since purchased securities are not deliverable).

12. Reporting

Quarterly Reports

The Treasurer will submit a quarterly investment report to the Governing Body which provides full disclosure of the District's investment activities within 30 days after the end of the quarter. These reports will disclose, at a minimum, the following information about the District's portfolio:

- An asset listing showing par value, cost and independent third-party fair market value of each security as of the date of the report, the source of the valuation, type of investment, issuer, maturity date and interest rate.
- Transactions for the period.
- A description of the funds, investments and programs (including lending programs) managed by contracted parties (i.e. LAIF; investment pools, outside money managers and securities lending agents)
- A one-page summary report that shows:
    - Average maturity of the portfolio and modified duration of the portfolio;
    - Maturity distribution of the portfolio;
    - Percentage of the portfolio represented by each investment category;
    - Average portfolio credit quality; and,
    - Time-weighted total rate of return for the portfolio for the prior one month, three months, twelve months and since inception compared to the District's market benchmark returns for the same periods;
- A statement of compliance with investment policy, including a schedule of any transactions or holdings which do not comply with this policy or with the California Government Code, including a justification for their presence in the portfolio and a timetable for resolution.
- A statement that the District has adequate funds to meet its cash flow requirements for the next six months.

13. Fiduciaries Shall Report to the Board Regularly

The bank custodian and the investment adviser shall each provide monthly statements of holdings and account activity to the District's Treasurer or Director of Finance & Water Resources. The bank custodian shall also provide such information to the District's Investment Adviser(s).

The investment adviser and broker shall promptly confirm all transactions and fund movements to the District. The investment adviser shall also make sure the broker provides duplicate confirmation to the District.

The investment adviser shall meet at least quarterly with District management and/or with the Administrative Committee of the Board of Directors to review account activity, economic conditions and investment performance.

14. Changes to This Policy Must Be Approved by the Board

The Board of Directors may change this Investment Policy from time to time. Changes must be approved by the Board of Directors and sent in writing to the Treasurer or Director of Finance & Water Resources and other responsible employees, third parties and investment advisers.

The investment adviser must inform the District of any changes to the California Government Code that affect the investment of District funds. Such changes shall be considered promptly by the Board of Directors.

The Investment Policy shall be reviewed and approved annually each fiscal year during the budget process.

DEFINITIONS:

Agencies - Shorthand market terminology for any obligation issued by a government-sponsored entity (GSE), or a federally related institution. Most obligations of GSEs are not guaranteed by the full faith and credit of the US government. Examples are:

- FFCB. The Federal Farm Credit Bank System provides credit and liquidity in the agricultural industry. FFCB issues discount notes and bonds.
- FHLB. The Federal Home Loan Bank provides credit and liquidity in the housing market. FHLB issues discount notes and bonds.
- FHLMC. Like FHLB, the Federal Home Loan Mortgage Corporation provides credit and liquidity in the housing market. FHLMC, also called "FreddieMac" issues discount notes, bonds and mortgage pass-through securities.
- FNMA. Like FHLB and FreddieMac, the Federal National Mortgage Association was established to provide credit and liquidity in the housing market. FNMA, also known as "FannieMae," issues discount notes, bonds and mortgage pass-through securities.
- GNMA. The Government National Mortgage Association, known as "GinnieMae," issues mortgage pass-through securities, which are guaranteed by the full faith and credit of the US Government.
- PEFCO. The Private Export Funding Corporation assists exporters. Obligations of PEFCO are not guaranteed by the full faith and credit of the US government.
- TVA. The Tennessee Valley Authority provides flood control and power and promotes development in portions of the Tennessee, Ohio, and Mississippi River valleys. TVA currently issues discount notes and bonds.

Asset Backed Securities - Securities supported by pools of installment loans or leases or by pools of revolving lines of credit.

Average Life - In mortgage-related investments, including CMOs, the average time to expected receipt of principal payments, weighted by the amount of principal expected.

Banker's Acceptance - A money market instrument created to facilitate international trade transactions. It is highly liquid and safe because the risk of the trade transaction is transferred to the bank which "accepts" the obligation to pay the investor.

Benchmark - A comparison security or portfolio. A performance benchmark is a partial market index, which reflects the mix of securities allowed under a specific investment policy.

Bid - The price at which a buyer offers to buy a security.

Broker - A broker brings buyers and sellers together for a transaction for which the broker receives a commission. A broker does not sell securities from his own position.

Callable - A callable security gives the issuer the option to call it from the investor prior to its maturity. The main cause of a call is a decline in interest rates. If interest rates decline since an issuer issues securities, it will likely call its current securities and reissue them at a lower rate of interest. Callable securities have reinvestment risk as the investor may receive its principal back when interest rates are lower than when the investment was initially made.

Certificate of Deposit (CD) - A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

Certificate of Deposit Account Registry System (CDARS) - A private placement service that allows local agencies to purchase more than $250,000 in CDs from a single financial institution (must be a participating institution of CDARS) while still maintaining FDIC insurance coverage. CDARS is currently the only entity providing this service. CDARS facilitates the trading of deposits between the California institution and other participating institutions in amounts that are less than $250,000 each, so that FDIC coverage is maintained.

Collateral - Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

Collateralized Mortgage Obligations (CMO) - Classes of bonds that redistribute the cash flows of mortgage securities (and whole loans) to create securities that have different levels of prepayment risk, as compared to the underlying mortgage securities.

Commercial Paper - The short-term unsecured debt of corporations.

Coupon - The rate of return at which interest is paid on a bond.

Credit Risk - The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Current Yield - The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

Dealer - A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

Debenture - A bond secured only by the general credit of the issuer.

Delivery vs. Payment (DVP) - A securities industry procedure whereby payment for a security must be made at the time the security is delivered to the purchaser's agent.

Derivative - Any security that has principal and/or interest payments which are subject to uncertainty (but not for reasons of default or credit risk) as to timing and/or amount, or any security which represents a component of another security which has been separated from other components ("Stripped" coupons and principal). A derivative is also defined as a financial instrument the value of which is totally or partially derived from the value of another instrument, interest rate, or index.

Discount - The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as T-bills and banker's acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

Diversification - Dividing investment funds among a variety of investments to avoid excessive exposure to any one source of risk.

Duration - The weighted average time to maturity of a bond where the weights are the present values of the future cash flows. Duration measures the price sensitivity of a bond to changes in interest rates. (See modified duration).

Federal Funds Rate - The rate of interest charged by banks for short-term loans to other banks. The Federal Reserve Bank through open-market operations establishes it.

Federal Open Market Committee - A committee of the Federal Reserve Board that establishes monetary policy and executes it through temporary and permanent changes to the supply of bank reserves.

Liquidity - The speed and ease with which an asset can be converted to cash.

Local Agency Investment Fund (LAIF) - A voluntary investment fund open to government entities and certain non-profit organizations in California that is managed by the State Treasurer's Office.

Local Government Investment Pool - Investment pools that range from the State Treasurer's Office Local Agency Investment Fund (LAIF) to county pools, to Joint Powers Authorities (JPAs). These funds are not subject to the same SEC rules applicable to money market mutual funds.

Make Whole Call - A type of call provision on a bond that allows the issuer to pay off the remaining debt early. Unlike a call option, with a make whole call provision, the issuer makes a lump sum payment that equals the net present value (NPV) of future coupon payments that will not be paid because of the call.

With this type of call, an investor is compensated, or "made whole."

Margin - The difference between the market value of a security and the loan a broker makes using that security as collateral.

Market Risk - The risk that the value of securities will fluctuate with changes in overall market conditions or interest rates.

Market Value - The price at which a security can be traded.

Marking to Market - The process of posting current market values for securities in a portfolio.

Maturity - The final date upon which the principal of a security becomes due and payable.

Medium Term Notes - Unsecured, investment-grade senior debt securities of major corporations which are sold in relatively small amounts on either a continuous or an intermittent basis. MTNs are highly flexible debt instruments that can be structured to respond to market opportunities or to investor preferences.

Modified Duration - The percent change in price for a 100 basis point change in yields. Modified duration is the best single measure of a portfolio's or security's exposure to market risk.

Money Market - The market in which short-term debt instruments (T-bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

Mortgage Pass-Through Securities - A securitized participation in the interest and principal cash flows from a specified pool of mortgages. Principal and interest payments made on the mortgages are passed through to the holder of the security.

Municipal Securities - Securities issued by state and local agencies to finance capital and operating expenses.

Mutual Funds - An entity which pools the funds of investors and invests those funds in a set of securities which is specifically defined in the fund's prospectus. Mutual funds can be invested in various types of domestic and/or international stocks, bonds, and money market instruments, as set forth in the individual fund's prospectus. For most large, institutional investors, the costs associated with investing in mutual funds are higher than the investor can obtain through an individually managed portfolio.

Nationally Recognized Statistical Ratings Organization (NRSRO). A credit rating agency that the Securities and Exchange Commission in the United States uses for regulatory purposes. Credit rating agencies provide assessments of an investment's risk. The issuers of investments, especially debt securities, pay credit rating agencies to provide them with ratings. The three most prominent NRSROs are Fitch, S&P, and Moody's.

Negotiable CD - A short-term debt instrument that pays interest and is issued by a bank, savings or federal association, state or federal credit union, or state-licensed branch of a foreign bank. Negotiable CDs are traded in a secondary market and are payable upon order to the bearer or initial depositor (investor).

Premium - The difference between the par value of a bond and the cost of the bond, when the cost is above par.

Prepayment Speed - A measure of how quickly principal is repaid to investors in mortgage securities.

Prepayment Window - The time period over which principal repayments will be received on mortgage securities at a specified prepayment speed.

Primary Dealer - A financial institution (1) that is a trading counterparty with the Federal Reserve in its execution of market operations to carry out U.S. monetary policy, and (2) that participates for statistical reporting purposes in compiling data on activity in the U.S. Government securities market.

Prudent Person (Prudent Investor) Rule - A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

Realized Yield - The change in value of the portfolio due to interest received and interest earned and realized gains and losses. It does not give effect to changes in market value on securities, which have not been sold from the portfolio.

Regional Dealer - A financial intermediary that buys and sells securities for the benefit of its customers without maintaining substantial inventories of securities and that is not a primary dealer.

Repurchase Agreement - Short-term purchases of securities with a simultaneous agreement to sell the securities back at a higher price. From the seller's point of view, the same transaction is a reverse repurchase agreement.

Safekeeping - A service to bank customers whereby securities are held by the bank in the customer's name.

Structured Note - A complex, fixed income instrument, which pays interest, based on a formula tied to other interest rates, commodities or indices. Examples include inverse floating rate notes which have coupons that increase when other interest rates are falling, and which fall when other interest rates are rising, and "dual index floaters," which pay interest based on the relationship between two other interest rates - for example, the yield on the ten-year Treasury note minus the Libor rate. Issuers of such notes lock in a reduced

cost of borrowing by purchasing interest rate swap agreements.

Supranational - A Supranational is a multi-national organization whereby member states transcend national boundaries or interests to share in the decision making to promote economic development in the member countries.

Total Rate of Return - A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains, and losses in the portfolio.

U.S. Treasury Obligations - Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the US and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury Bills - All securities issued with initial maturities of one year or less are issued as discounted instruments and are called Treasury bills. The Treasury currently issues three- and six-month T-bills at regular weekly auctions. It also issues "cash management" bills as needed to smooth out cash flows.

Treasury Notes - All securities issued with initial maturities of two to ten years are called Treasury notes and pay interest semi-annually.

Treasury Bonds - All securities issued with initial maturities greater than ten years are called Treasury bonds. Like Treasury notes, they pay interest semi-annually.

Volatility - The rate at which security prices change with changes in general economic conditions or the general level of interest rates.

Yield to Maturity - The annualized internal rate of return on an investment which equates the expected cash flows from the investment to its cost.

APPENDIX FP - C:
Purchasing Policy

POLICY A-5: PURCHASING SERVICES, MATERIALS, AND PUBLIC WORKS PROJECTS

This policy applies to the purchase of services and materials, equipment, supplies (referred to collectively as "materials"), and Public Works projects for the Moulton Niguel Water District ("District") as required by California State law (Code Sections 54201, 54202 and 54204) and the Office of Management and Budget Uniform Grants Guidance Title 2, Subtitle A, Chapter II, Part 200, Subpart D (UGG 2 CFR 200).

All purchases of services or materials and Public Works projects paid for by the District must adhere to the authority level and dollar limits set in this Policy.

1. **Delegation of Purchasing Authority**

   The Board has authorized the General Manager, or assigned representatives, to perform essential duties for District operations, including purchase authority.

   The General Manager may delegate purchasing authority to others who may use purchasing cards, purchase orders, check requests, or other written authorization.

   Board-established purchasing limits and contract signatory authority are listed in Table 1. These limits apply on a per-purchase/per-contract basis, not on an aggregated basis, for unrelated activities.

   Purchases and Contract awards must be authorized by the appropriate authority in Table 1.

   If an authorized signatory (other than the General Manager) for a given request is absent, the next highest authority in Table 1 may provide the purchase authority.

2. **Unauthorized Purchasing is Prohibited and Subject to Penalties**

   Anyone making purchases outside this Policy and without General Manager or Board authorization, will be subject to disciplinary action and/or termination as outlined in the District Personnel and Salary Policy.

3. **Division of Contracts**

   The District prohibits separating or dividing Contracts, reducing its cost below a specified sum to avoid the requirements of this or any related policy. But Contracts may be divided to meet unique scheduling needs of a project or to meet necessary time frames. Also, no Contract shall include language to limit competitive bidding or

solicitation to any one specific vendor, brand, product, thing, or service, except for the exempt items listed in this policy. (See Item #14)

4. Purchase Amounts Include Taxes and Shipping

Purchase amounts include taxes and the cost of shipping, freight fees, and any other charges billed by the supplier or contractor within the authorized limits in this Policy.

5. Online Purchases and Utilization of Electronic Signatures

The District may use electronic commerce whenever reasonable or cost-effective. The District may accept electronic signatures and records for District procurement.

6. Requisitions for Purchasing Materials and Services

District staff who require materials or services to carry out the defined duties of their positions shall submit Requisitions, in advance, for purchases in accordance with this Policy. The Purchasing Department will generate a Purchase Order (PO) from the Requisition.

7. Check Requests

A check request can be used for certain limited materials or services without a PO. Check requests may be used to request payment for Non-Discretionary Purchases, such as services rendered, subscriptions, membership dues, workshop/seminar/conference registrations, and use of facilities. Check requests are subject to the authorization limits established in Table 1.

8. Purchasing Cards

Authorized District staff may be assigned Cal Cards to make miscellaneous purchases within the limits of Table 1. Cal Card purchases are subject to the terms and conditions of the District Cardholder Acceptance Agreement.

Services may not be purchased with Cal Cards due to lack of insurance and indemnification language associated with these purchases. District staff using Cal Cards are subject to the terms of this Policy and all related Cal Card usage terms or amendments. A Cal Card should not be used if a Purchase Order or other procurement method would be appropriate.

9. Blanket Purchase Orders

A Blanket Purchase Order is issued to cover all amounts expected to be paid to the supplier/contractor/Consultant for the fiscal year or through a Contract term. Blanket Purchase Orders expire at the end of the fiscal year or as soon as a Contract ends, whichever comes first.

For Blanket Purchase Orders exceeding $75,000, the District will utilize work order forms to initiate work with the supplier/contractor/Consultant. The work order forms will indicate the estimated cost for the work order, and must be signed by a Staff Director or Staff Officer prior to initiating the work with the supplier/contractor/Consultant. If the Director or Officer for a given work order is absent, the next highest authority in Table 1 may provide the authorization.

10. References and Financial Responsibility Before Awarding Contracts

Before awarding any Contract, the District will verify the references and financial responsibility of the contracting parties. After award, all Contracts shall be executed on behalf of the District by the appropriate authorized signatory indicated in Table 1.

No Contract will be awarded if funds are not available to make payment upon delivery or completion, or by payment schedule, unless authorized and approved by the Board or General Manager.

11. Contracts are Required for Any Services and Public Works Projects over $5,000

Contracts for Non-Professional Services, Professional Services and Public Works shall be executed when the cost exceeds $5,000 (except for an Emergency as defined in this policy).

12. Authorization of Multi-Year Contracts in the District's Best Interest

Multiple Year Contracts are allowed when they are in the best interest of the District as determined by the General Manager.

The dollar value of a Multiple Year Contract shall be the total contract value, including optional renewal periods. Once initially approved, any contract renewals may be authorized by the General Manager, regardless of dollar amount, if the pre-priced option is consistent with the terms of the initial Contract.

13. Non-Discretionary Purchases

Non-Discretionary Purchases do not require Board approval for payment, including those over the General Manager limit of $75,000. Initial software license agreements and cloud-based services are subject to the purchase limits in Table 1. Purchase Orders are not required for Non-Discretionary Purchases.

14. Emergency Services Above $75,000

The General Manager, Assistant General Manager or the assigned Emergency Operations Director may authorize Emergency expenditures for work, services, and/or supplies where the cost exceeds $75,000 pursuant to Board policy. The Board shall be notified of any expenditures for Emergency work, services and/or supplies exceeding the General Manager's authorization limit at the next regularly scheduled Board meeting.

15. District Warehouse Inventory

Purchase requests to replenish the District's warehouse inventory within established inventory re-order levels require no prior authorization or signatory approval under Table 1.

16. Non-Professional Services and Materials Procurement

The District requires a competitive bid or selection process for purchasing non-professional services and materials, and for Public Works projects.

For non-professional services and materials estimated to cost $10,000 or less, District staff may request a proposal from one qualified Consultant or Vendor.

District staff will request a minimum of three bids or proposals for non-professional services and materials when the contract amount is expected to cost between $10,001 and $75,000.

For a non-professional services and materials contract expected to cost more than $75,000, the District will initiate an RFP or RFQ.

- All quotes, bids and proposals must be in writing. Email is acceptable.
- RFP, RFQ, and Invitation to Bid submissions must comply with all terms of the solicitation, or any related laws. Submissions that fail to comply may be disqualified.

17. Exceptions to Competitive Solicitations

- Sole Source Purchases

- Single Source Purchases
- Emergency expenditures
- Supplies, materials or equipment procured through a Cooperative Purchasing program with federal, state, county, or other public agencies
- Purchases made after a reasonable attempt to obtain competitive bids and:
    - No additional suppliers/providers/contractors/Consultants can be located.
    - The District receives no response from suppliers/providers/contractors/Consultants to a competitive bid.
    - No other satisfactory bids/proposals are received.

Except for purchases greater than $75,000 and requiring Board authorization, the General Manager or Assistant General Manager may decide whether a purchase meets the criteria above to be exempt from competitive solicitation.

18. Public Works Contracts

Contracts for Public Works projects shall comply with all requirements for Public Works contracts under State law, including rules for:

- Listing subcontractors.
- Posting payment bonds equal to no less than 100 percent of the total contract amount (for all Public Works contracts over $25,000).
- Paying prevailing wages (for all contracts for Public Works exceeding $1,000), or as otherwise required by law.

Unless the General Manager and legal counsel approve a waiver, the District requires performance bonds for all Public Works Contracts equal to no less than 100 percent of the total contract amount. Public Works Contracts let by an Invitation to Bid will be awarded to the lowest responsive, responsible bidder as allowed by State law and the District's standard Public Works contract documents.

19. Professional Services Procurement

Professional Services Contracts must meet the terms of California Government Code §4525 et seq., and §53060, based on proof of competence and qualifications for the types of services to be performed at fair and reasonable prices, as determined by the District.

For Professional Services estimated to cost $25,000 or less, District staff may request a proposal from one qualified Consultant.

District staff will request three proposals for Professional Services when the contract amount is expected to cost between $25,001 and $75,000.

For a Professional Services Contract expected to cost more than $75,000, the District will initiate an RFP.

The following criteria shall apply as exceptions to the competitive solicitation requirements as indicated for Professional Services where such requirements would otherwise apply:

- In the case of sole or single source procurements of Professional Services, only one proposal from a qualified firm is required.
- For Professional Services in which it is infeasible to comply with the selection process because of the unique, exploratory or experimental nature of the project, District staff may request a proposal from one qualified Consultant.

20. Nonresponsive or Unqualified Bid or Response

In response to any Invitation to Bid, RFQ, or RFP, the District may reject any unqualified bid or other response that is incomplete, irregular, amplified, unqualified, conditional or otherwise not in compliance with the solicitation documents in all material respects, and in accordance with law.

The District may waive any informality, irregularity, immaterial defects or technicalities in any bids or other responses received; and/or cancel an invitation for bids or RFP/RFQ, or reject all bids or responses for any other reason, which indicates the cancellation or rejection of all bids or responses is in the District's best interest, and in accordance with law.

Rejection of all bids or responses or cancellation of competitive solicitations, including determinations to re-bid, or re-solicit is subject to the same authority level required to award a Contract in Table 1, and as required by law.

In the case of RFPs and RFQs, the General Manager and the Board reserve the right to award Contracts based upon the best interests of the District, as determined by the District.

21. Change Orders for Goods and Services

The District may issue Change Orders, as required by changes in the specifications or conditions of a project, services performed, or materials issued.

Change orders or amendments that extend the expiration date of the original or Board approved contract by no more than 12 months, but do not affect the total contract price can be approved subject to the contract signing authority indicated in Table 1.

The Purchasing department may issue Change Orders up to 10 percent over the original PO without further approvals if the original purchase amount was $10,000 or less. For any Change Order request over the original PO by more than 10 percent or the $1,000 limit, the requesting department will complete a revised Purchase Order Requisition (approved at the levels in Table 1.)

- For Contracts and Amendments up to $75,000:
    - Change Orders can be approved by the total appropriate authorization levels as outlined in Table 1 up to a total Contract amount of $75,000 without Board approval.
    - Board approval is required for a Change Order if the proposed Change Order would cause the total Contract amount to exceed $75,000.

- For Contracts and Amendments over $75,000:
    - Board approval is required for Change Order requests which increase the contract amount, unless sufficient contract contingency was previously approved by the Board.

A Change Order above the Change Order limits set forth in this policy may be authorized by the General Manager or Assistant General Manager prior to Board approval if:

- A delay in Change Order authorization could result in a negative financial impact to the District.
- A delay in Change Order authorization could result in damage to or impairment of the operations of a District facility.
- An Emergency exists which requires immediate work/services.

The Board shall be notified by the General Manager of any Change Order above the General Manager's authorized limit at the next Board meeting.

22. Personal Financial Interest in District Contract

Board members and District staff, spouses, or dependent children shall not be financially interested in any contract made by them in their official capacity. (Government Code Section 1090).Board Members and District staff, spouses, or dependent children shall not participate in any way to influence a governmental decision in which they have a financial interest. (Government Code Section 87100).

All District employees (other than Administrative Personnel not under Designated Positions in the District's Conflict of Interest Code) authorized under this Policy to make purchases or enter into agreements on behalf of the District will complete a Statement of Economic Interests (Form 700) and comply with the District's Conflict of Interest Code.

Confidential or proprietary information must be handled with due care and proper consideration of ethical and legal ramifications and governmental regulations. Purchasing activities must be performed in accordance with all applicable laws and this policy. Employees/individuals who violate the standards set forth in this Section are subject to disciplinary action consistent with District Personnel and Salary Policy.

23. This District Makes Purchases as a California Water District

As a California Water District, the District is not required by State law to competitively bid any purchases, unless otherwise stated in this policy.

The District may:

- Enter into non-bid contracts for Public Works.
- Purchase materials, services and supplies.
- Contract for design-build work.
- Job-order contracting.
- Enter into Cooperative Purchasing contracts to plan, build, and maintain Public Works.
- Undertake any other form of contract found to be in the District's lawful best interest.

24. Maintenance of this Policy

The General Manager and assigned representatives, working with the District's legal counsel, will maintain and propose revisions to this policy as needed. All changes to this policy shall require the approval of the Board of Directors. In all cases, the District shall implement this policy in a manner that is consistent with Federal, State or local regulations.

DEFINITIONS:

Administrative Personnel – District administrative employees authorized by the General Manager to purchase miscellaneous items, food and travel in support of District functions; includes Administrative Assistant, Administrative Analyst, Human Resources Administrator and any other administrative position as authorized by the General Manager.

Amendment – A written change or addition to a legal document which, when properly executed, has the same legal validity of the original document.

Blanket Purchase Orders - Used for payment to the same supplier/contractor/Consultant multiple times, or for ongoing monthly purchases/expenses.

Board – The Board of Directors of Moulton Niguel Water District.

Change Order – A written Amendment modifying the terms of an existing Contract or Purchase Order.

Consultant – An individual, firm or entity that provides or offers to provide Professional Services to the District.

Contingency - A predetermined amount or percentage of a Contract held for changes in a Public Works project.

Contract - Written agreement authorizing a contractor, Consultant, supplier or service provider to provide materials or services, or Public Works, in accordance with the material requirements, conditions or scope of work stated in the Contract.

Cooperative Purchasing – Participation with other agencies in cooperative purchasing arrangements and programs to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices, and the reduction of administrative time and expenses.

District –Moulton Niguel Water District.

Emergency – A situation in which unforeseen circumstances present an immediate risk of harm or hazard to the public health, safety, and welfare, or to the District property, or threaten serious interruption of District operations.

General Manager – General Manager of the District or the person appointed by the Board to act in the capacity of the General Manager and authorized to administer this Policy on his/her behalf.

Invitation for Bids - A formal process for soliciting sealed bids from qualified prospective suppliers or Public Works contractors. Typically involves a formal bid opening, and the awarding

of a Contract to a responsive and responsible supplier or contractor based on price and other specified factors, and as otherwise required by law.

Multiple Year Contract - A Contract for the purchase of services or materials, or for Public Works for a multiple year term or that may contain provisions to extend performance by exercising optional renewal periods. A Multiple Year Contract does not obligate the District beyond the initial award period and shall not provide for a cancellation payment to the contractor if options are not exercised.

Non-Discretionary Purchases – Payments to utilities and national, state or local agencies that relate to routine obligations and expenses essential to the District's ability to provide service to customers and that have been approved in fiscal year operating or capital budgets, and for the purposes of this policy, shall also include expenses previously approved by the Board, which would require significant advanced planning to change service providers, such as software license agreement renewal/ cloud based services renewal, insurance providers, and healthcare providers.

Non-Professional Services – Services other than Professional Services, including supply and maintenance services.

Procurement - The purchase or lease of materials, supplies, equipment or services, or Public Works.

Professional Services – Any type of special service or advice in financial, economic, accounting, engineering, legal or administrative matters by persons specially trained and experienced and competent to perform the special services required. (California Government Code § 53060.) Such services include but are not limited to architectural; engineering; environmental; financial; land surveying; construction management; audits; training services; legal services; preparation of planning or studies; technology application development; and personnel, job classification and benefit studies.

Public Works – As defined by California Public Contract Code Section 22002, public projects include construction, reconstruction, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased or operated facility. Maintenance work is not considered a public project for purposes of this definition.

Purchasing Card - A form of charge card that allows materials and services to be purchased without using a Purchase Order. The District participates in the Cal Card and Home Depot credit card programs.

Purchasing Department – The District employees assigned the duties of identifying vendors, obtaining competitive bids, issuing and processing Purchase Order Requisitions, maintaining

office inventory, and assisting the General Manager in the application of Policy procedures within the District.

Purchase Order (PO) – An authorization, under a standardized form in which the party designated as the "provider" is to provide materials and/or services for which the District agrees to pay.

Request for Proposal (RFP) - A solicitation used for the procurement of Professional Services and Non-Professional Services. Prospective suppliers or Consultants submit requested information and are evaluated/awarded based on pre-established criteria.

Request for Quotes (RFQ) - A solicitation used for procurement of supplies, materials, or equipment.

Requisition (REQ) - The procedural method by which departments may request a PO for the purchase of materials, supplies or equipment. Requisitions are entered into the District's Enterprise Resource Planning system application.

Single Source Purchase - Procurement where: (1) there is a compelling reason for only one source, a preferred brand, like material, etc., to be procured; or (2) the commodity is unique, including, but not limited to, acquisition of data processing, telecommunications and word processing equipment, goods and services; or (3) the purchase of a specific brand name, make or model is necessary to match existing District equipment or facilitate effective maintenance and support; or (4) when it is in the best interest of the District to extend or renew a Contract from a previous contract period, based on satisfactory service, reasonable prices, avoidance of start-up costs, avoidance of interruptions to District business, or good business practices.

Sole Source Purchase - Procurement where only one viable source exists. This is usually due to legal restrictions of patent rights, a proprietary process, warranty issues, original equipment, copyrights, etc.

Work Order – Request and approval for services or performances of specific tasks to be completed, and placed against a pre-established contract. Vendors may also use the terms "task order" and "statement of work". For District purposes, these items will be treated as "work orders". (These typically apply to on call or as needed contracts or Blanket Purchase Orders).

TABLE 1: Procurement Limits and Contract Signature Authority

Procurement Limits and Contract Signature Authority		
Title	**Expenditures**	**Contract Signature Authority**
General Manager	up to $75,000	$75,001 and over with Board authorization up to $75,000 without Board authorization
Assistant General Manager	up to $50,000	up to $50,000
Staff Directors, Government Affairs Officer, Information Systems Officer	up to $25,000	up to $25,000
Board Secretary, Staff Assistant Directors	up to $20,000	None
Superintendents, Managers, Controller, Principal Engineers, Coordinators, Sr. Water Resources Planner	up to $10,000	None
Supervisors, Purchasing Agent, Administrative Personnel, Sr. Water Efficiency Specialist, Sr. Wastewater Treatment Plant Operators	up to $5,000	None

APPENDIX FP - D:
Capitalization Policy

POLICY A-4: CAPITALIZATION, REGULATED ASSETS & SURPLUS

This policy is intended to specify what types of costs will be capitalized by the Moulton Niguel Water District (District), how to properly account for capital assets, and to comply with the requirements of Governmental Accounting Standard Board (GASB) Statement Numbers 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* and IRS code. This Statement requires the reporting of District capital assets and depreciation and regulatory assets and amortization, in the annual audited financial statements.

1. Capital Asset Threshold

The District maintains a schedule of individual capital assets that meet the capitalization threshold within its financial reporting operating system. Items with an original value of less than $3,000, or with an estimated useful life of less than five years, are recorded as operating expenditures.

This financial reporting system should include:

- Capital asset description
- Location
- Physical dimensions, if possible
- Original value
- Date placed in service
- Original useful life
- Accumulated Depreciation
- Book Value
- Impairments, if any
-

2. Depreciation of Capital Assets Using Straight-Line Method

Depreciation will be calculated using the straight-line method with no salvage value for all depreciable capital assets. The following estimated useful lives will be used by asset type:

- Water and wastewater systems 10 to 75 years
- Capacity rights 10 to 99 years

- Buildings 20 to 50 years
- Automobiles and equipment 5 to 15 years

The Engineering Department will provide the Accounting Department with the description and type of asset the expenditures qualify for, and the Accounting Department will record the asset in the financial reporting system.

3. Capital Assets Are Reported at Historical Value

The District will report purchased or District-constructed capital assets at their historical cost for financial reporting in audited financial statements. The total cost of each capital asset is the cash outlay (or its equivalent) required to purchase or construct the asset and put it in service.

These costs will include (when applicable):

- contract price
- freight
- sales tax
- licensing fees
- handling and assembling
- installation and testing
- fully burdened direct labor and materials

Any cost specifically for a planned capital project (or asset acquisition), including public information costs and costs incurred to get project financing will be capitalized. Contributed capital assets will be recorded at their estimated fair market value at the date the asset was contributed to the District. The Accounting Department will determine if the estimated fair market value is appropriate.

4. Repairs and Maintenance Are Classified As Operating Expenses

Any outlay that only returns a capital asset to its existing condition before the repair or maintenance, regardless of amount, will be classified as an operating expense.

5. Regulated Asset Threshold

Regulated assets are created by the Board of Directors by deferring certain expenses that are recoverable by future rate charges in accordance with the District's rate ordinance. The District maintains a schedule of individual regulated assets that meet the criteria to qualify as regulatory assets within its financial reporting operating system. The criteria are as follows:

- The District's Board of Directors establish the rates
- The regulated rates are designed to recover the specific regulated activity's costs of providing the regulated service
- The rates must be set at levels that will at least recover the costs over the life of the asset and the associated rates can be charged to and collected from customers.
- Future revenues will be provided to permit recovery of the actual regulated cost rather than expected levels of similar service.

6. Amortization of Regulated Assets

Regulated assets are amortized over the period in which future rate charges will recover actual costs incurred for regulated services. Amortization will be calculated using a straight-line method to match the associated revenues and expenses. The following estimated useful lives will be used by asset type:

- Potable regulated assets 15 to 25 years
- Wastewater regulated assets 15 to 25 years

The Engineering and Operations Departments will provide the Accounting Department with the description and type of asset the expenditures qualify for, and the Accounting Department will record the asset in the financial reporting system.

7. Regulated Assets Are Reported at Historical Value

The District will report purchased or District-constructed regulated assets at their historical cost for financial reporting in audited financial statements. The total cost of each regulated asset is the cash outlay (or its equivalent) required to purchase or construct the asset and put it in service.

These costs will include (when applicable):

- contract price
- freight
- sales tax
- licensing fees
- handling and assembling
- installation and testing
- fully burdened direct labor and materials

Any cost specifically for a planned capital project (or asset acquisition), including public information costs and costs incurred to get project financing will be capitalized.

8. Purchasing Department Maintains Inventory

The Purchasing department safeguards and maintains inventory items. Inventory will be recorded within the District's financial reporting operating system, and the Purchasing department will count the physical inventory regularly. Access to the warehouse will be restricted to those required to perform the duties of their job. The District will measure the value of all inventory items using the perpetual method of accounting, where inventory reflects actual quantities on hand, including new arrivals and items used in operations.

This financial reporting system should include:

- Item description
- Location
- Physical dimensions
- Usage statistics
- Original value
- Quantity on hand

9. The District Will Sell or Dispose of Surplus Property

Sections 35604 and 65400 of the Water Code (California Water District Act) authorizes the District to dispose of surplus property. The District will sell or dispose of surplus property with the intent to gain the greatest return. Sales will occur in the public market, by public auction, internet sales, consignment, or other public bidding. Property with no net value will be recycled, if practical, or discarded in keeping with environmental and hazardous waste disposal laws.

10. General Manager and Board Decide Whether to Dispose of Real Property

The General Manager will review the District's real property and decide whether it is surplus. Before disposing of any real property, the General Manager will:

- Determine if an appraisal is necessary, and obtain one independent appraisal if determined necessary
- Obtain authorization from the Board to dispose of real property.
- Solicit offers to purchase or lease the real property at fair market value as determined by the appraisal (or opinion of value), from certain public agencies in accordance with Chapter 5 (commencing with Section 54220) of Part 1, Division 2, Title 5 of the Government Code, or successor provisions.

If no acceptable offer is made within the required 60-day (or other) negotiation period, the General Manager may lease or sell the real property as prescribed by the Board.

11. District Recycles Surplus Scrap Material

Scrap material will be collected in a designated location on district property, and the General Manager or designee will regularly review the surplus property to determine it has been accurately designated as scrap material or surplus.

The Purchasing department will recycle scrap material as appropriate. Recycling vendors will be reviewed periodically to consider rates, quality of service provided, fees and other applicable factors.

12. All Other Surplus Property Sales Require Approval

All other surplus property, other than real property and scrap material requires approval of surplus status prior to sale. An "Approval of Surplus Property" form must be completed by staff and approved by a supervisor. Prior to disposal of the approved surplus property, the Assistant General Manager must approve the disposal. The Purchasing department will maintain a list of all approved surplus property. The list of surplus property approved for disposal will be used to sell the items in the public market, by public auction, internet sales, consignment, or other public bidding methods.

13. District Follows California Law When Disposing of Property

The District will comply with the California Environmental Quality Act and all applicable laws for disposing of property.

14. Staff and Families Are Not Eligible to Acquire District Property

Board members, District staff, spouses and dependent children may not bid for, purchase, or otherwise have interests in surplus property of the District, directly with the District, or represent any potential bidder or purchaser, under any terms and conditions.

15. Accounting Will Record All Funds Received From Disposal of Surplus Property

All revenues collected from the disposal of surplus property shall be reported to and deposited by the Accounting department. All revenues will be recorded in a manner consistent with District procedures and standard accounting practices.

DEFINITIONS:

Board – The Board of Directors of Moulton Niguel Water District.

Capital Asset – The Government Finance Officers Association ("GFOA") defines capital assets as "assets that are used in operations and that have initial lives extending beyond a single reporting period." Capital assets may be intangible (capacity rights) or tangible (buildings, equipment). To be considered a capital asset, a District expenditure must cost at least $3,000 and have a useful life of at least five years.

Inventory - an asset that is intended to be used in the ordinary course of business with a cost of less than $3,000 per item or does not have an initial life extending beyond five years.

Salvage value - the estimated market value once the property has been deemed surplus. The salvage value will be determined by the purchasing department through market comparison.

Scrap material - the value of which consists only of intrinsic material content and which has no commercial value for its original purpose as fabricated.

Surplus property – property that is excess of the current or planned future needs of the District or no longer has an economic use by the District, including property that which has become worn, broken, deteriorated or obsolete to a point where it is uneconomical for use by the District

APPENDIX FP - E:
Reserve Policy

A-8: MAINTAINING WATER DISTRICT RESERVE FUNDS

1. District Reserve Funds Shall Satisfy Industry Standards and Best Practices

The District will maintain a General Operating Reserve (Fund 1) to fund daily operating expenses and support the District's cash flow.

The target balance of the General Operating Reserve will equal three months of operating expenses consistent with industry best practices for agencies with monthly rate revenue. Funding for the General Operating Reserve shall be identified at the start of each fiscal year and maintained within Fund 1.

The District will maintain a Self-Insurance Reserve (Fund 4) to fund property and liability insurance deductibles, losses exceeding insurance limits, and unemployment benefit payments in case a claim is made.

The target amount of the Self-Insurance Reserve will equal five times the current JPIA property insurance deductible (currently up to $50,000). The District shall fund and maintain the Self-Insurance Reserve at the start of each fiscal year through budget transfers to the Self-Insurance Fund (Fund 4).

The District will fund a Rate Stabilization Reserve (Fund 52) to provide for revenue losses, significant increases in water purchase costs, and other extraordinary financial impacts to revenues and expenses. The target balance of the Rate Stabilization Reserve will be set equal to fifty percent of the District's budgeted 1 percent ad valorem property tax revenue. The District shall maintain the Rate Stabilization Reserve in the Rate Stabilization Fund.

2. Capital Reserves Will Fund Projects

The Replacement and Refurbishment (R&R) Reserve, the Emergency Reserve, the Water Supply Reliability Reserve, the Planning and Construction Reserve, and the Capital Facilities Restricted Reserve will make up the District's Capital Reserves. Key objectives for accumulating these Reserves are to fund projects identified in the Long-Range Financial Plan and the Ten-Year Capital Improvement Plan, to reduce the volatility of water and sewer rate increases and to quickly repair critical assets in the event of a natural disaster or facility failure.

The Replacement and Refurbishment (R&R) Reserve fund (Fund 7) will fund ongoing costs for the replacement and refurbishment of existing assets in conjunction with the District's Capital Improvement Plan. All amounts will be maintained in a separate R&R Fund. Funding for the R&R Reserve will be from new debt issuances or fund transfers as part of the budget process.

The Emergency Reserve (Fund 1) will provide funds to enable the District to quickly repair critical assets in the event of a natural disaster or facility failure. The target balance of the Emergency Reserve will equal 2 percent of the replacement costs of the District's assets, as outlined in current guidelines from the Federal Emergency Management Agency (FEMA).

The Water Supply Reliability Reserve (Fund 12) will fund the development of new water or recycled water supplies as identified in the District Capital Improvement Plan. All amounts will be maintained in a separate Water Supply Reliability Fund. Funding for the Water Supply Reliability Reserve will be from new debt issuances or fund transfers as part of the budget process.

The Planning and Construction Reserve (Fund 14) will fund the development of new capital facilities that do not result in new water or recycled water supplies as identified in the District Capital Improvement Plan. All amounts will be maintained in a separate Planning and Construction Fund. Funding for the Planning and Construction Reserve will be from new debt issuances or fund transfers as part of the budget process.

The Capital Facilities Restricted Reserve (Fund 15) will fund the development of new district-wide capital facilities or replacement or refurbishment. All amounts will be maintained in a separate Capital Facilities Restricted Reserve Fund and transferred to Funds 7, 12, or 14 as part of the annual budget process. Funding for the Capital Facilities Restricted Reserve will be from capacity fees charged to new developments to buy into existing assets.

3. District Debt Service Reserves Will Be Held in Trust

The District will fund Debt Service Reserves, which are held in trust with a third party trustee as provided for in bond covenants. Increases and decreases to these reserves will be consistent with bond covenants. The District's accounting records show these amounts in various debt funds.

4. District May Use Certain Reserves for Cash Flow Requirements

General Operating, and Self-Insurance Reserves may be used any time to meet cash flow requirements of District operations. Authority to use the funds will be consistent with the District's Purchasing Policy.

The Rate Stabilization Reserve can be used at any time to meet cash flow requirements of District operations. The use of the Rate Stabilization Reserve will require Board authorization.

The Board of Directors will authorize the use of the Replacement and Refurbishment, Planning and Construction, and Water Supply Reliability Reserves during the budget process.

Funds from the Capital Facilities Restricted Reserve are transferred to the R&R, Planning and Construction, and/or Water Supply Reliability Reserves as part of the budget process. The Emergency Reserve may also be used for unplanned (unbudgeted) capital replacement and emergency expenses in case of natural disasters or facility failures. When appropriate, the Board may adopt Reimbursement Resolutions as needed to advance reserves before seeking outside funds. Authorization for the use of Capital Improvement Reserves for unplanned capital replacement will be consistent with the District's Purchasing Policy.

5. Funds Must Be Replenished As Soon As Possible

General Reserves are replenished from the District's revenues with the General Operating and Self-Insurance Reserves taking precedence to the Rate Stabilization Reserve. General Operating and Self Insurance Reserves will be replenished by the end of each fiscal year. The Rate Stabilization Reserve will be replenished as soon as possible with replenishment to commence within 12 months of any Rate Stabilization Reserve draw.

The R&R, Planning and Construction, and Water Supply Reliability Reserves are replenished at year end as part of the budget process via transfers or through debt issuances. The Emergency Reserve is replenished from the District's revenue as soon as possible after an emergency outside the budgeting process. The Capital Facilities Restricted Reserve is funded by developer's capacity fees throughout the year and transferred to the R&R, Planning and Construction, and

Water Supply Reliability Reserves as part of the budget process. The District's General Manager or Director of Finance/Treasurer will do a full review (what does "full" include?) of the District's Long Range Financial Plan and cash flow models to determine if corrective actions are needed to replenish the funds in the event of a draw on the Emergency Reserve.

6. Reserve Analyses are Required for Review by the Board

The General Manager or Director of Finance/Treasurer will submit a reserve analysis to the Board of Directors when:

- The Board of Directors' consider the annual budget.
- The Board of Directors' consider a water and sewer rate increase.
- A major change in conditions threatens the reserve levels.

If analysis indicates projected or actual individual reserve levels would fall 10 percent or more below the target levels outlined in this Policy, at least one of the following actions shall be included with the analysis:

- An explanation of why the reserve levels are not at the targeted level.
- A list of actions needed to bring reserve levels within the target levels prescribed.

The District will also use the internal Long-Range Financial Plan and 10-year and monthly cash flow models to determine forecasted reserve target shortfalls and report on needed corrective actions.

APPENDIX FP - F:
Grant Management Policy

POLICY A-6: FEDERAL GRANT MANAGEMENT

This policy applies to management and fiscal accountability of federal grants for the Moulton Niguel Water District (District). This policy is intended to supplement, not supplant the District's employee/organizational policies and procedures.

As a recipient of federal grants, the District will adhere to the regulations contained at 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, in addition to other applicable federal statutes, guidelines and directives.

1. **Primary Point of Contact**

   A designated project manager shall serve as the primary contact between the District and the federal funding agency and any external consultants.

2. **Cash Management** - *Legal requirement: 2 CFR 200.305*

   Requests for reimbursement of expenses or advance payments must be consistent and fully compliant with the terms of the grant. The District must also comply with Federal regulations.

   a. The District will maintain effective internal controls for federal grant funds.
   b. The District must protect federal grant cash and other assets and must assure that grant monies are only used for authorized purposes.
   c. The District will maintain adequate records which identify the source and application of funds for federally-funded activities. These records must include source documents of Federal awards, authorizations, obligations, unobligated balances, revenue and expenses.
   d. Office of Management and Budget (OMB) cost principles, program regulations, and terms of the grant agreement will determine if the cost is allowable, allocable and reasonable to the award.
   e. Federal expenditures will be compared with budgeted amounts for each grant.

3. **Procedures for Cash Management**- *Legal requirement: 2 CFR 200.305*

   The project manager will approve allowable grant expenditures in accordance with Table 2 of the District's Purchasing Policy. The District pays for the approved expenditures through the District's normal accounting processes.

a. The Controller initiates reimbursement requests per the stipulations of the grant award after review of federal expenditure activity.
b. Reimbursement is made via ACH wire directly into the District's bank account.
c. The cash receipt is entered into the financial system.
d. A copy of the ACH confirmation will be maintained with the cash receipt. The cash receipt is reviewed and approved in the financial system. Cash receipts are recorded in the "Grant funding" object account within the same fund used for the project business unit.
e. If the District receives an advance, per Federal requirement, any interest earned more than $500 will be returned to the awarding agency.

4. **Allowability of Costs** - *Legal requirement: 2 CFR 200.302(b)(7), 2 CFR 200.309, and 2 CFR 200.403 - 2 CFR 200.405*

Except where otherwise authorized by statute, costs must meet the following general criteria to be allowable under Federal awards:

a. Must be necessary and reasonable for the performance of the Federal award or sponsored agreement and does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
b. Must be allocable to a project if it is considered a direct cost of that project.
c. Must be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District.
d. Consistently treated when used in like circumstances and adequately documented.
e. Must be allowed by the District's approved policy and procedures and conform to any limitations or exclusions set forth by §200.403 principles or identified in the award.
f. Determined in accordance with Generally Accepted Accounting Principles (GAAP).
g. Has not been included or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or prior period.

In the event a special or unusual cost arises, the project manager should attempt to receive prior written approval from the Federal awarding agency to avoid any unreasonableness or non-allocability. If prior approval is not obtained, it does not mean those costs will not be allowed.

Direct costs can be identified specifically with a Federal award or other program or activity or can be charged directly to the account assigned to that program or activity. Direct costs include salaries, wages, and proportional fringe benefits of staff directly engaged in the program and only if they are included in the grant agreement. Direct costs also include the cost of equipment, materials, supplies, and services, consultant fees subcontracts, or other allowable costs per the terms of the agreement.

A direct cost can benefit more than one program or function and can be allocated to the benefiting programs or functions on a reasonable or equitable basis.

Any expenditure that is not allowed to be charged to the award by the agreement, federal agency regulations, or the Uniform Guidance for Federal Awards shall not be charged to the award.

5. **Cost Share/Matching Funds** - *Legal requirement: 2 CFR 200.306*

   All cost sharing/matching expenses shall be documented in the same manner as regular program expenses. Contributions must meet all the following criteria to be included as matching funds:

   a. Verifiable from the contributor's records;
   b. Not included as contributions for any other federal grant project or program;
   c. Necessary and reasonable to complete project or program objectives;
   d. Allowable under the applicable Federal Cost Principles;
   e. Not paid by the federal government under another award;
   f. Provided for in the approved budget when required by the federal awarding agency;

6. **Program and Budget Revisions** - *Legal requirement: 2 CFR 200.308*

   The project manager is responsible for obtaining written approvals for program or budget revisions.

7. **Lobbying** - *Legal requirement: 2 CFR 200.450*

   Federal grant funds will not be used for lobbying activities or other influencing activities associated with obtaining grants, contracts, or agreements.

8. **Reporting** - *Legal requirement: 2 CFR 200.327, 2 CFR 200.328 and 2 CFR 200.329*

    a. Grant expenditures are coded by the project manager to the project business unit, separating Federal grant expenditures from other expenditures.
    b. The Controller reviews the financial statements and general ledger activity for accuracy, completeness, proper coding, and general adherence to award terms and conditions.
    c. The project manager submits financial status reports to awarding agency, if required.
    d. The Controller presents monthly financial status reports to the District Administrative Committee.
    e. The Controller maintains the Schedule of Federal Expenditures of Awards.

9. **Monitoring Grant Program** - *Legal requirement: 2 CFR 200.328 and 2 CFR 200.331*

    The District will monitor the activities and progress of its federal grants and any problems, delays or adverse conditions that will materially impact the ability to meet a grant's objectives will be reported to the federal funding agency by the project manager. This will include making sure activities follow laws, regulations and the provisions of the grant agreements; and that performance goals are achieved.

10. **Timesheets** - *Legal requirement: 2 CFR 200.430(i) and 2 CFR 200.306*

    All District employees that work on projects funded through federal grants, are responsible for completing their timesheets on a bi-weekly basis. Employees must record all time spent on grant and non-grant activities. Grant activities will be monitored by a unique identifier in the time sheets, and the actual cost of those hours will be allocated to the project business unit.

    The payroll department will maintain a file with all timesheets, and the project manager will maintain a file that documents hours charged to the project.

11. **Contract Administration and Payment** - *Legal requirement: 2 CFR 200.318(b)*

    The project manager and Contracts Analyst shall be responsible for monitoring administration of the contract and shall ensure the fulfillment of all written requirements. Disbursement of federal funds will follow the same accounts payable process as nonfederal payments.

12. Standards of Conduct - *Legal requirement: 2 CFR 200.318(c)(1) and 2 CFR 200.318(c)(2)*

District employees and members of the Board of Directors must comply with the District's conflict of interest policy. The Board Secretary shall maintain conflict of interest statements for all employees and Board members.

13. Procurement Records and Files - *Legal requirement: 2 CFR 200.318(i)*

The District will retain historical records of federal procurements in accordance with the District's records retention policy.

14. Suspension/Debarment - *Legal requirement: 2 CFR 200.213*

No procurement will be made using a contractor that has been suspended or debarred from receiving federal funds. Prior to awarding any contract, District staff will search the federal *Excluded Parties List System* (www.sam.gov) to determine that the contractor is not suspended or debarred. Documentation of this search will be maintained in the grant procurement file.

15. Open and Free Competition - *Legal requirement: 2 CFR 200.319*

Proposal selection shall be based on responsiveness to the solicitation, price, quality, deadlines of delivery, warranties, accountability and fulfillment of the service and other relevant factors.

To ensure full and open competition, the District will abide by the following guidelines:

Procurement Amount	Action
Greater than $75,000	Formal solicitations shall be conducted, and a cost/price analysis shall be conducted
$10,001 - $75,000	Cost/price analysis shall be conducted
$1 - $10,000	Formal solicitations or cost/price analysis are not required

The District reserves the right to award purchase orders, consultant agreements or project contracts on a sole source/noncompetitive basis when one or more of the following circumstances apply: (1) the item or service is available only from a single source that has predominate capability; (2) there is a public emergency that will not

permit a delay from competitive solicitations; (3) The District received prior approval from the awarding agency; or (4) competition is determined to be inadequate after solicitation from a number of sources. A written justification will be prepared and kept on file for any noncompetitive procurement.

16. Procurement Procedures - *Legal requirement: 2 CFR 200.320*

A. Methods of Procurement. One of the following procurement methods must be used:

Procurement Method	Purpose
Micro-purchases	For supplies or services when the aggregate dollar amount does not exceed $10,000 Solicitation of price quotations is not required.
Small purchases	For supplies, services or other property that do not exceed $75,000. A cost/price analysis must be conducted. A minimum of three written price quotes shall be obtained.
Sealed bids	The preferred procurement method for construction projects. Formal advertising required. A minimum of three responsible bidders must be considered. Public works contracts will be awarded to the lowest responsive bidder.
Competitive proposals	For supplies and services of more than $75,000 when the use of sealed bids is not appropriate. Requests for proposals must be formally advertised and solicited from a minimum of three qualified sources. Formal solicitations shall be conducted.
Noncompetitive proposals	Authorized only by the General Manager.

B. Procurement Authority for Operating Expenses. The individuals with purchasing authority and the ability to sign contracts is listed in Table 2 of the Purchasing Policy.

RFPs must be publicized and identify all evaluation factors and their relative importance. All proposals will be reviewed by the project manager and the contracts department using similar evaluation criteria for nonfederal awards.

17. **Use of Small Businesses, Minority-owned Firms and Women's Business Enterprises** - Legal *requirement: 2 CFR 200.321*

    The District will make positive efforts to utilize small businesses, minority-owned firms, women's business enterprises, wherever fully practicable. To further this goal, the District will:

    a. Place qualified small and minority businesses and women's business enterprises on solicitation lists to encourage and facilitate their participation;
    b. Solicit small and minority businesses and women's business enterprises when they are identified as potential sources;
    c. When feasible, divide larger projects into smaller components to permit maximum participation by small and minority businesses and women's business enterprises;
    d. Establish delivery schedules, when permissible, that encourages participation by small and minority businesses and women's business enterprises;
    e. Use the services of organizations such as local Chambers of Commerce, the Small Business Administration and the Minority Business Development Agency of the Department of Commerce;
    f. Require prime contractors to take the same affirmative steps if subcontracts are awarded.

18. **Cost or Price Analysis** - *Legal requirement: 2 CFR 200.323*

    A cost or price analysis shall be conducted for every procurement action **greater than $10,000**. The cost or price analysis shall be performed **prior to** receiving bids or proposals. A cost analysis shall consist of a review and evaluation of each element of cost to determine reasonableness, allocability and allowability. A price analysis shall consist of comparing price quotations, market prices and similar information.

19. **Required Contract Provisions** - *Legal requirement: 2 CFR 200.326*

    The District shall include all provisions required by the Federal funding agency and applicable provisions found in *Appendix II of the Uniform Guidance (2 CFR Part 200)*.

20. Equipment Records - *Legal requirement: 2 CFR 200.313(d)(1)*

A. For all equipment purchased with federal grant funds, the District will maintain accurate information about the equipment including the following:

i. A description and serial number or other identification number;
ii. Source of funding, including the Federal Award Information Number (FAIN);
iii. Whether title vests in the recipient or the federal government;
iv. Acquisition or received date and cost;
v. Percentage of federal participation in the cost;
vi. Location use, condition, and the date the information was reported;
vii. Ultimate disposition data, including date of disposal and sales price.

B. Equipment owned by the federal government shall be identified as such.

21. Inventory - *Legal requirement: 2 CFR 200.313(d)(2)*

The District will conduct a physical inventory at least once each year. Any differences between quantities between the inspection and the accounting records shall be investigated. The District will verify the existence, current utilization and continued need for the equipment.

22. Disposition of Equipment - *Legal requirement: 2 CFR 200.311(c) 2 CFR 200.313(d)(5) and 2 CFR 200.313(e)*

When equipment purchased with federal funds is no longer needed for the original project or program, District staff will consult the grant's terms and conditions, and the federal program officer for disposition instructions.

23. Financial and Program Records - *Legal requirement: 2 CFR 200.333*

All records will be retained in accordance with the District's records retention policy and retained for at least three years. The only exceptions are the following:

a. Litigation, claims, or audits - records shall be retained until all litigation, claims or audit findings involving the records have been resolved;
b. If the District is notified by the granting agency that records must be retained beyond the three-year period;

c. Records for disposition of equipment shall be retained for three years after disposition;

24. Access to Records - *Legal requirement: 2 CFR 200.336*

The District will grant personnel from the federal awarding agency, Inspectors General, the Comptroller General of the United States and the pass-through entity, or any of their authorized representatives, access to any documents, papers, or other records which are pertinent to the federal grant. District staff will be available to answer questions related to such documents.

25. Safeguarding Sensitive Information - *Legal requirement: 2 CFR 200.303(e)*

The District will take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or District considers sensitive consistent with laws regarding privacy and obligations of confidentiality.

APPENDIX FP - G:
Budget Resolution

RESOLUTION NO. 20-07

RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT APPROVING A BUDGET APPROPRIATION AND ADOPTING THE OPERATIONS AND MAINTENANCE BUDGET AND CAPITAL IMPROVEMENT PROGRAM BUDGET FOR FISCAL YEAR 2020-21

WHEREAS, the Financial Policies of the District provide that the Board shall hold public meetings and adopt the District's budget and may modify appropriations with a majority approval throughout the Fiscal Year. Said budget consists of the estimated and anticipated expenditures and revenues for the Fiscal Year for all funds; and

WHEREAS, the Capital Improvement Program ("CIP") outlines the expenditure plan for future capital projects for the next decade and provides a CIP Budget for the upcoming Fiscal Year. CIP projects are funded from five sources: General ("G") Fund 1, Water Efficiency ("WE") Fund 6, Replacement and Refurbishment ("R&R") Fund 7, Water Supply Reliability ("WSR") Fund 12, and Planning and Construction ("P&C") Fund 14. All of the funds described herein and as further set forth in the budget adopted by this Resolution shall be referred to herein as "Funds;" and

WHEREAS, the Board held multiple public meetings to review and discuss the proposed Fiscal Year 2020-21 Operations and Maintenance Budget and Capital Improvement Budget. In addition, a public meeting of the Board was duly noticed and conducted under the Brown Act on June 11, 2020 during which this Resolution and the budget were considered; and

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

SECTION 1. A certain document now on file in the Finance Division of the Moulton Niguel Water District entitled, "Moulton Niguel Water District FY 2020-21 Budget," is hereby made part of this Resolution.

SECTION 2. Said Operations and Maintenance Budget and Capital Improvement Budget is hereby adopted for the Fiscal Year beginning July 1, 2020, and ending June 30, 2021, and consists of the estimated and anticipated expenditures and revenues for the Fiscal Year for all Funds.

SECTION 3. Except as provided for in SECTION 4, the appropriations for each Fund may only be increased or decreased by the Board during the Fiscal Year by passage of a resolution amending the Budget.

SECTION 4. The following controls are hereby placed on the use and transfers of budgeted Funds:

A. No expenditure of Funds shall be authorized unless sufficient amounts have been appropriated by the Board or General Manager as described herein. The General Manager may authorize all transfers of amounts from category to category within the same Fund. The General Manager may delegate authority to Director level staff, the Assistant General Manager and/or Controller to transfer amounts between categories as necessary.

B. The General Manager may authorize the transfer and expenditure of amounts between the Funds only to the extent of the specific Funds and maximum amounts set forth below. Said transfers may be made at one or more times during the Fiscal Year so long as the total amounts do not exceed the maximum amounts for the specific Funds set forth below. The General Manager may delegate authority to Director level staff, the Assistant General Manager and/or Controller to transfer amounts between categories as necessary.

1. The maximum amount which may be transferred by the General Manager from Fund 1 to Funds 7, 12, and/or 14 shall be $49,448,603.

2. The maximum amount which may be transferred by the General Manager between and among Funds 7, 12, and 14 shall be $49,448,603.

3. The maximum amount which may be transferred by the General Manager from the Capacity Fee Fund 15 to Fund 7 shall be $268,741 to be spent on the identified projects in Table 1.

Table 1.

Description	FY 2020-21 Budget
IRWD BAKER WATER TREATMENT PLANT CAPITAL PROJECTS	$150,000
SCWD/JRWSS CAPITAL PROJECTS	$1,157,394
PLANT 3A LIQUID PROCESS IMPROVEMENTS - GROUP A	$270,000
SOCWA CAPITAL PC 17	$3,023,111
Total	$4,600,505

4. The maximum amount which may be transferred by the General Manager from Fund 1 to Funds 12, 71, and 73 shall be $8,150,081 to be spent on debt service payments.

5. The maximum amount which may be transferred by the General Manager from Fund 70 to Funds 1 shall be $600,000.

6. The maximum amount which may be transferred by the General Manager from Fund 1 to Fund 4 shall be $15,642 to be spent on insurance deductibles and claims.

7. The maximum amount which may be transferred by the General Manager from Fund 1 to Fund 52 shall be $511,369 to align Fund 52 (Rate Stabilization Reserve) with its designated target per the District's Reserve Policy.

C. The General Manager is authorized to employ during the fiscal year(s) covered by this Budget, the number of such full-time employees as are shown in the Budget, all subject to the total number of authorized positions. The General Manager may also authorize the hiring of temporary or part time staff.

SECTION 5. All appropriations for the Capital Improvement Projects remaining unexpended on June 30, 2020, are hereby appropriated for such Capital Projects for the 2020-21 Fiscal Year.

SECTION 6. All appropriations and outstanding encumbrances for non-Capital Projects as of June 30, 2020, expire as of said date.

SECTION 7. The Board of Directors does hereby approve and adopt the General Manager, General Unit, Supervisory Unit and Exempt Employees' Job Classification Salary Schedules effective June 20, 2020, for Fiscal Year 2020-2021.

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. The Recitals set forth above are incorporated herein and made an operative part of this Resolution.

APPROVED, SIGNED and **ADOPTED** this 11th day of June, 2020.

MOULTON NIGUEL WATER DISTRICT

President/Vice President
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

Secretary/Assistant Secretary
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, PAIGE GULCK, Secretary of the Board of Directors of the MOULTON NIGUEL WATER DISTRICT, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of said District at a special meeting of said Board held on the 11th day of June, 2020 that it was so adopted by the following vote:

AYES: CAVE, FIORE, FROELICH, JENNINGS, KURTZ, MOORHEAD, PROBOLSKY

NOES:

ABSTAIN:

ABSENT:

Paige Gulck, Secretary
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

APPENDIX FP - H:
Salary Schedules

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 20, 2020
GENERAL UNIT

JOB CLASSIFICATION	RANGE
Accountant	G30
Accounting Assistant I	G2
Accounting Assistant II	G7
Accounting Assistant III	G17
Administrative Assistant I	G9
Administrative Assistant II	G19
Buyer	G29
Cross Connection Inspector I	G12
Cross Connection Inspector II	G24
Cross Connection Inspector III	G34
Customer Account Representative I	G1
Customer Account Representative II	G4
Customer Account Representative III	G14
Customer Service Field Technician I	G3
Customer Service Field Technician II	G8
Customer Service Field Technician III	G18
Electrical/Instrumentation Technician I	G26.1
Electrical/Instrumentation Technician II	G36
Electrical/Instrumentation Technician III	G46.1
Facilities Coordinator	G32
GIS Analyst	G39
GIS Technician	G20
Information Systems Analyst I	G44
Information Systems Analyst II	G48
Inspector I	G12
Inspector II	G23
Inspector III	G34
Inventory Clerk	G3
Leak Detection Technician I	G10
Leak Detection Technician II	G21
Leak Detection Technician III	G32
Maintenance Worker I - Collections	G6
Maintenance Worker I - Facilities	G10
Maintenance Worker I - Streets	G5
Maintenance Worker II - Collections	G16
Maintenance Worker II - Facilities	G21
Maintenance Worker II - Streets	G15
Maintenance Worker III - Collections	G28

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 20, 2020
GENERAL UNIT

JOB CLASSIFICATION	RANGE
Maintenance Worker III - Facilities	G32
Maintenance Worker III - Streets	G27
Mechanic I	G11
Mechanic II	G22
Mechanic III	G33
Permit Technician	G20
Purchasing Agent	G47
Records & Mapping Technician	G20
Recycled Water Inspector I	G12
Recycled Water Inspector II	G24
Recycled Water Inspector III	G34
Senior Cross Connection Inspector	G42
Senior Customer Account Representative	G26
Senior Customer Service Field Technician	G31
Senior Electrical/Instrumentation Technician	G48.1
Senior Inspector	G42
Senior Leak Detection Technician	G40
Senior Maintenance Worker - Collections	G38
Senior Maintenance Worker - Facilities	G40
Senior Maintenance Worker - Streets	G37
Senior Mechanic	G41
Senior Recycled Water Inspector	G42
Senior Wastewater Treatment Plant Operator	G47.1
Senior Water Efficiency Representative	G31
Senior Water Systems Operator	G45
Wastewater Treatment Plant Operator I	G33.1
Wastewater Treatment Plant Operator II	G41.1
Wastewater Treatment Plant Operator in Training	G22.1
Water Efficiency Analyst	G39
Water Efficiency Representative I	G3
Water Efficiency Representative II	G8
Water Efficiency Representative III	G18
Water Systems Operator I	G13
Water Systems Operator II	G25
Water Systems Operator III	G35

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 20, 2020
GENERAL UNIT

These job classifications are Non-Exempt
2.5% Increase Between Each Step

JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Customer Account Representative I	G1	Monthly	3,820.27	3,915.60	4,014.40	4,113.20	4,217.20	4,322.93	4,430.40	4,541.33	4,654.00	4,770.13	4,889.73
		Hourly	22.04	22.59	23.16	23.73	24.33	24.94	25.56	26.20	26.85	27.52	28.21
		Annually	45,843.20	46,987.20	48,172.80	49,358.40	50,606.40	51,875.20	53,164.80	54,496.00	55,848.00	57,241.60	58,676.80
Accounting Assistant I	G2	Monthly	4,050.80	4,151.33	4,255.33	4,362.80	4,472.00	4,582.93	4,697.33	4,815.20	4,934.80	5,059.60	5,186.13
		Hourly	23.37	23.95	24.55	25.17	25.80	26.44	27.10	27.78	28.47	29.19	29.92
		Annually	48,609.60	49,816.00	51,064.00	52,353.60	53,664.00	54,995.20	56,368.00	57,782.40	59,217.60	60,715.20	62,233.60
Customer Service Field Technician I Inventory Clerk Water Efficiency Representative I	G3	Monthly	4,054.27	4,154.80	4,258.80	4,366.27	4,475.47	4,586.40	4,702.53	4,818.67	4,940.00	5,063.07	5,189.60
		Hourly	23.39	23.97	24.57	25.19	25.82	26.46	27.13	27.80	28.50	29.21	29.94
		Annually	48,651.20	49,857.60	51,105.60	52,395.20	53,705.60	55,036.80	56,430.40	57,824.00	59,280.00	60,756.80	62,275.20
Customer Account Representative II	G4	Monthly	4,296.93	4,404.40	4,513.60	4,628.00	4,742.40	4,862.00	4,983.33	5,108.13	5,234.67	5,366.40	5,499.87
		Hourly	24.79	25.41	26.04	26.70	27.36	28.05	28.75	29.47	30.20	30.96	31.73
		Annually	51,563.20	52,852.80	54,163.20	55,536.00	56,908.80	58,344.00	59,800.00	61,297.60	62,816.00	64,396.80	65,998.40
Maintenance Worker I - Streets	G5	Monthly	4,362.80	4,472.00	4,582.93	4,699.07	4,815.20	4,936.53	5,059.60	5,186.13	5,316.13	5,447.87	5,584.80
		Hourly	25.17	25.80	26.44	27.11	27.78	28.48	29.19	29.92	30.67	31.43	32.22
		Annually	52,353.60	53,664.00	54,995.20	56,388.80	57,782.40	59,238.40	60,715.20	62,233.60	63,793.60	65,374.40	67,017.60
Maintenance Worker I - Collections	G6	Monthly	4,371.47	4,480.67	4,593.33	4,707.73	4,825.60	4,945.20	5,070.00	5,196.53	5,326.53	5,460.00	5,595.20
		Hourly	25.22	25.85	26.50	27.16	27.84	28.53	29.25	29.98	30.73	31.50	32.28
		Annually	52,457.60	53,768.00	55,120.00	56,492.80	57,907.20	59,342.40	60,840.00	62,358.40	63,918.40	65,520.00	67,142.40
Accounting Assistant II	G7	Monthly	4,558.67	4,673.07	4,789.20	4,908.80	5,031.87	5,158.40	5,286.67	5,418.40	5,553.60	5,694.00	5,836.13
		Hourly	26.30	26.96	27.63	28.32	29.03	29.76	30.50	31.26	32.04	32.85	33.67
		Annually	54,704.00	56,076.80	57,470.40	58,905.60	60,382.40	61,900.80	63,440.00	65,020.80	66,643.20	68,328.00	70,033.60
Customer Service Field Technician II Water Efficiency Representative II	G8	Monthly	4,562.13	4,676.53	4,792.67	4,912.27	5,035.33	5,161.87	5,290.13	5,423.60	5,558.80	5,697.47	5,839.60
		Hourly	26.32	26.98	27.65	28.34	29.05	29.78	30.52	31.29	32.07	32.87	33.69
		Annually	54,745.60	56,118.40	57,512.00	58,947.20	60,424.00	61,942.40	63,481.60	65,083.20	66,705.60	68,369.60	70,075.20
Administrative Assistant I	G9	Monthly	4,579.47	4,693.87	4,811.73	4,931.33	5,054.40	5,180.93	5,310.93	5,444.40	5,579.60	5,718.27	5,862.13
		Hourly	26.42	27.08	27.76	28.45	29.16	29.89	30.64	31.41	32.19	32.99	33.82
		Annually	54,953.60	56,326.40	57,740.80	59,176.00	60,652.80	62,171.20	63,731.20	65,332.80	66,955.20	68,619.20	70,345.60
Leak Detection Technician I Maintenance Worker I - Facilities	G10	Monthly	4,634.93	4,751.07	4,868.93	4,992.00	5,116.80	5,243.33	5,375.07	5,510.27	5,647.20	5,787.60	5,933.20
		Hourly	26.74	27.41	28.09	28.80	29.52	30.25	31.01	31.79	32.58	33.39	34.23
		Annually	55,619.20	57,012.80	58,427.20	59,904.00	61,401.60	62,920.00	64,500.80	66,123.20	67,766.40	69,451.20	71,198.40
Mechanic I	G11	Monthly	4,645.33	4,761.47	4,881.07	5,002.40	5,127.20	5,255.47	5,387.20	5,522.40	5,659.33	5,801.47	5,947.07
		Hourly	26.80	27.47	28.16	28.86	29.58	30.32	31.08	31.86	32.65	33.47	34.31
		Annually	55,744.00	57,137.60	58,572.80	60,028.80	61,526.40	63,065.60	64,646.40	66,268.80	67,912.00	69,617.60	71,364.80

MOULTON NIGUEL WATER DISTRICT
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JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Cross Connection Inspector I	G12	Monthly	4,721.60	4,839.47	4,960.80	5,083.87	5,212.13	5,342.13	5,475.60	5,612.53	5,752.93	5,896.80	6,044.13
Inspector I		Hourly	27.24	27.92	28.62	29.33	30.07	30.82	31.59	32.38	33.19	34.02	34.87
Recycled Water Inspector I		Annually	56,659.20	58,073.60	59,529.60	61,006.40	62,545.60	64,105.60	65,707.20	67,350.40	69,035.20	70,761.60	72,529.60
Water Systems Operator I	G13	Monthly	4,787.47	4,907.07	5,030.13	5,154.93	5,284.93	5,416.67	5,551.87	5,690.53	5,832.67	5,978.27	6,129.07
		Hourly	27.62	28.31	29.02	29.74	30.49	31.25	32.03	32.83	33.65	34.49	35.36
		Annually	57,449.60	58,884.80	60,361.60	61,859.20	63,419.20	65,000.00	66,622.40	68,286.40	69,992.00	71,739.20	73,548.80
Customer Account Representative III	G14	Monthly	4,836.00	4,957.33	5,080.40	5,208.67	5,338.67	5,472.13	5,609.07	5,747.73	5,891.60	6,038.93	6,189.73
		Hourly	27.90	28.60	29.31	30.05	30.80	31.57	32.36	33.16	33.99	34.84	35.71
		Annually	58,032.00	59,488.00	60,964.80	62,504.00	64,064.00	65,665.60	67,308.80	68,972.80	70,699.20	72,467.20	74,276.80
Maintenance Worker II - Streets	G15	Monthly	4,914.00	5,037.07	5,163.60	5,291.87	5,423.60	5,560.53	5,699.20	5,841.33	5,986.93	6,137.73	6,290.27
		Hourly	28.35	29.06	29.79	30.53	31.29	32.08	32.88	33.70	34.54	35.41	36.29
		Annually	58,968.00	60,444.80	61,963.20	63,502.40	65,083.20	66,726.40	68,390.40	70,096.00	71,843.20	73,652.80	75,483.20
Maintenance Worker II - Collections	G16	Monthly	4,922.67	5,045.73	5,172.27	5,300.53	5,434.00	5,569.20	5,709.60	5,851.73	5,997.33	6,148.13	6,300.67
		Hourly	28.40	29.11	29.84	30.58	31.35	32.13	32.94	33.76	34.60	35.47	36.35
		Annually	59,072.00	60,548.80	62,067.20	63,606.40	65,208.00	66,830.40	68,515.20	70,220.80	71,968.00	73,777.60	75,608.00
Accounting Assistant III	G17	Monthly	5,128.93	5,257.20	5,388.93	5,524.13	5,661.07	5,803.20	5,948.80	6,096.13	6,248.67	6,404.67	6,565.87
		Hourly	29.59	30.33	31.09	31.87	32.66	33.48	34.32	35.17	36.05	36.95	37.88
		Annually	61,547.20	63,086.40	64,667.20	66,289.60	67,932.80	69,638.40	71,385.60	73,153.60	74,984.00	76,856.00	78,790.40
Customer Service Field Technician III Water Efficiency Representative III	G18	Monthly	5,130.67	5,258.93	5,390.67	5,525.87	5,662.80	5,804.93	5,950.53	6,099.60	6,250.40	6,408.13	6,567.60
		Hourly	29.60	30.34	31.10	31.88	32.67	33.49	34.33	35.19	36.06	36.97	37.89
		Annually	61,568.00	63,107.20	64,688.00	66,310.40	67,953.60	69,659.20	71,406.40	73,195.20	75,004.80	76,897.60	78,811.20
Administrative Assistant II	G19	Monthly	5,167.07	5,297.07	5,428.80	5,564.00	5,702.67	5,846.53	5,992.13	6,141.20	6,295.47	6,453.20	6,614.40
		Hourly	29.81	30.56	31.32	32.10	32.90	33.73	34.57	35.43	36.32	37.23	38.16
		Annually	62,004.80	63,564.80	65,145.60	66,768.00	68,432.00	70,158.40	71,905.60	73,694.40	75,545.60	77,438.40	79,372.80
GIS Technician Permit Technician Records & Mapping Technician	G20	Monthly	5,201.73	5,331.73	5,465.20	5,602.13	5,742.53	5,884.67	6,032.00	6,182.80	6,337.07	6,496.53	6,659.47
		Hourly	30.01	30.76	31.53	32.32	33.13	33.95	34.80	35.67	36.56	37.48	38.42
		Annually	62,420.80	63,980.80	65,582.40	67,225.60	68,910.40	70,616.00	72,384.00	74,193.60	76,044.80	77,958.40	79,913.60
Leak Detection Technician II Maintenance Worker II - Facilities	G21	Monthly	5,210.40	5,340.40	5,473.87	5,610.80	5,751.20	5,895.07	6,042.40	6,193.20	6,349.20	6,506.93	6,669.87
		Hourly	30.06	30.81	31.58	32.37	33.18	34.01	34.86	35.73	36.63	37.54	38.48
		Annually	62,524.80	64,084.80	65,686.40	67,329.60	69,014.40	70,740.80	72,508.80	74,318.40	76,190.40	78,083.20	80,038.40
Mechanic II	G22	Monthly	5,226.00	5,356.00	5,491.20	5,628.13	5,768.53	5,912.40	6,059.73	6,212.27	6,366.53	6,526.00	6,688.93
		Hourly	30.15	30.90	31.68	32.47	33.28	34.11	34.96	35.84	36.73	37.65	38.59
		Annually	62,712.00	64,272.00	65,894.40	67,537.60	69,222.40	70,948.80	72,716.80	74,547.20	76,398.40	78,312.00	80,267.20

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JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Wastewater Treatment Plant Operator in Training	G22.1	Monthly	5,253.73	5,385.47	5,518.93	5,657.60	5,799.73	5,943.60	6,092.67	6,245.20	6,401.20	6,560.67	6,725.33
		Hourly	30.31	31.07	31.84	32.64	33.46	34.29	35.15	36.03	36.93	37.85	38.80
		Annually	63,044.80	64,625.60	66,227.20	67,891.20	69,596.80	71,323.20	73,112.00	74,942.40	76,814.40	78,728.00	80,704.00
Inspector II	G23	Monthly	5,310.93	5,444.40	5,579.60	5,720.00	5,862.13	6,009.47	6,158.53	6,312.80	6,470.53	6,633.47	6,798.13
		Hourly	30.64	31.41	32.19	33.00	33.82	34.67	35.53	36.42	37.33	38.27	39.22
		Annually	63,731.20	65,332.80	66,955.20	68,640.00	70,345.60	72,113.60	73,902.40	75,753.60	77,646.40	79,601.60	81,577.60
Cross Connection Inspector II Recycled Water Inspector II	G24	Monthly	5,352.53	5,486.00	5,622.93	5,763.33	5,908.93	6,056.27	6,207.07	6,363.07	6,520.80	6,683.73	6,851.87
		Hourly	30.88	31.65	32.44	33.25	34.09	34.94	35.81	36.71	37.62	38.56	39.53
		Annually	64,230.40	65,832.00	67,475.20	69,160.00	70,907.20	72,675.20	74,484.80	76,356.80	78,249.60	80,204.80	82,222.40
Water Systems Operator II	G25	Monthly	5,385.47	5,520.67	5,657.60	5,799.73	5,945.33	6,092.67	6,245.20	6,401.20	6,562.40	6,725.33	6,893.47
		Hourly	31.07	31.85	32.64	33.46	34.30	35.15	36.03	36.93	37.86	38.80	39.77
		Annually	64,625.60	66,248.00	67,891.20	69,596.80	71,344.00	73,112.00	74,942.40	76,814.40	78,748.80	80,704.00	82,721.60
Senior Customer Account Representative	G26	Monthly	5,440.93	5,576.13	5,716.53	5,858.67	6,006.00	6,155.07	6,309.33	6,467.07	6,630.00	6,794.67	6,964.53
		Hourly	31.39	32.17	32.98	33.80	34.65	35.51	36.40	37.31	38.25	39.20	40.18
		Annually	65,291.20	66,913.60	68,598.40	70,304.00	72,072.00	73,860.80	75,712.00	77,604.80	79,560.00	81,536.00	83,574.40
Electrical/Instrumentation Technician I	G26.1	Monthly	5,479.07	5,616.00	5,756.40	5,900.27	6,047.60	6,198.40	6,354.40	6,512.13	6,675.07	6,843.20	7,013.07
		Hourly	31.61	32.40	33.21	34.04	34.89	35.76	36.66	37.57	38.51	39.48	40.46
		Annually	65,748.80	67,392.00	69,076.80	70,803.20	72,571.20	74,380.80	76,252.80	78,145.60	80,100.80	82,118.40	84,156.80
Maintenance Worker III - Streets	G27	Monthly	5,518.93	5,657.60	5,798.00	5,943.60	6,092.67	6,243.47	6,399.47	6,560.67	6,723.60	6,891.73	7,065.07
		Hourly	31.84	32.64	33.45	34.29	35.15	36.02	36.92	37.85	38.79	39.76	40.76
		Annually	66,227.20	67,891.20	69,576.00	71,323.20	73,112.00	74,921.60	76,793.60	78,728.00	80,683.20	82,700.80	84,780.80
Maintenance Worker III - Collections	G28	Monthly	5,532.80	5,671.47	5,813.60	5,957.47	6,106.53	6,259.07	6,416.80	6,576.27	6,740.93	6,909.07	7,082.40
		Hourly	31.92	32.72	33.54	34.37	35.23	36.11	37.02	37.94	38.89	39.86	40.86
		Annually	66,393.60	68,057.60	69,763.20	71,489.60	73,278.40	75,108.80	77,001.60	78,915.20	80,891.20	82,908.80	84,988.80
Buyer	G29	Monthly	5,704.40	5,846.53	5,993.87	6,142.93	6,297.20	6,453.20	6,616.13	6,780.80	6,950.67	7,124.00	7,302.53
		Hourly	32.91	33.73	34.58	35.44	36.33	37.23	38.17	39.12	40.10	41.10	42.13
		Annually	68,452.80	70,158.40	71,926.40	73,715.20	75,566.40	77,438.40	79,393.60	81,369.60	83,408.00	85,488.00	87,630.40
Accountant	G30	Monthly	5,766.80	5,910.67	6,058.00	6,210.53	6,364.80	6,524.27	6,687.20	6,855.33	7,026.93	7,202.00	7,382.27
		Hourly	33.27	34.10	34.95	35.83	36.72	37.64	38.58	39.55	40.54	41.55	42.59
		Annually	69,201.60	70,928.00	72,696.00	74,526.40	76,377.60	78,291.20	80,246.40	82,264.00	84,323.20	86,424.00	88,587.20
Senior Customer Service Field Technician Senior Water Efficiency Representative	G31	Monthly	5,770.27	5,914.13	6,063.20	6,214.00	6,370.00	6,527.73	6,692.40	6,858.80	7,030.40	7,205.47	7,385.73
		Hourly	33.29	34.12	34.98	35.85	36.75	37.66	38.61	39.57	40.56	41.57	42.61
		Annually	69,243.20	70,969.60	72,758.40	74,568.00	76,440.00	78,332.80	80,308.80	82,305.60	84,364.80	86,465.60	88,628.80
Facilities Coordinator Leak Detection Technician III Maintenance Worker III - Facilities	G32	Monthly	5,862.13	6,009.47	6,158.53	6,312.80	6,470.53	6,631.73	6,798.13	6,968.00	7,143.07	7,321.60	7,503.60
		Hourly	33.82	34.67	35.53	36.42	37.33	38.26	39.22	40.20	41.21	42.24	43.29
		Annually	70,345.60	72,113.60	73,902.40	75,753.60	77,646.40	79,580.80	81,577.60	83,616.00	85,716.80	87,859.20	90,043.20

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Mechanic III	G33	Monthly	5,879.47	6,026.80	6,177.60	6,331.87	6,489.60	6,652.53	6,818.93	6,988.80	7,163.87	7,342.40	7,526.13
		Hourly	33.92	34.77	35.64	36.53	37.44	38.38	39.34	40.32	41.33	42.36	43.42
		Annually	70,553.60	72,321.60	74,131.20	75,982.40	77,875.20	79,830.40	81,827.20	83,865.60	85,966.40	88,108.80	90,313.60
Wastewater Treatment Plant Operator I	G33.1	Monthly	5,910.67	6,058.00	6,210.53	6,364.80	6,524.27	6,687.20	6,855.33	7,025.20	7,202.00	7,382.27	7,566.00
		Hourly	34.10	34.95	35.83	36.72	37.64	38.58	39.55	40.53	41.55	42.59	43.65
		Annually	70,928.00	72,696.00	74,526.40	76,377.60	78,291.20	80,246.40	82,264.00	84,302.40	86,424.00	88,587.20	90,792.00
Cross Connection Inspector III Inspector III Recycled Water Inspector III	G34	Monthly	5,976.53	6,125.60	6,279.87	6,435.87	6,597.07	6,761.73	6,931.60	7,104.93	7,281.73	7,463.73	7,650.93
		Hourly	34.48	35.34	36.23	37.13	38.06	39.01	39.99	40.99	42.01	43.06	44.14
		Annually	71,718.40	73,507.20	75,358.40	77,230.40	79,164.80	81,140.80	83,179.20	85,259.20	87,380.80	89,564.80	91,811.20
Water Systems Operator III	G35	Monthly	6,059.73	6,210.53	6,366.53	6,526.00	6,688.93	6,855.33	7,026.93	7,203.73	7,384.00	7,567.73	7,756.67
		Hourly	34.96	35.83	36.73	37.65	38.59	39.55	40.54	41.56	42.60	43.66	44.75
		Annually	72,716.80	74,526.40	76,398.40	78,312.00	80,267.20	82,264.00	84,323.20	86,444.80	88,608.00	90,812.80	93,080.00
Electrical/Instrumentation Technician II	G36	Monthly	6,163.73	6,318.00	6,475.73	6,636.93	6,803.33	6,973.20	7,148.27	7,326.80	7,510.53	7,697.73	7,890.13
		Hourly	35.56	36.45	37.36	38.29	39.25	40.23	41.24	42.27	43.33	44.41	45.52
		Annually	73,964.80	75,816.00	77,708.80	79,643.20	81,640.00	83,678.40	85,779.20	87,921.60	90,126.40	92,372.80	94,681.60
Senior Maintenance Worker - Streets	G37	Monthly	6,212.27	6,368.27	6,526.00	6,690.67	6,857.07	7,028.67	7,203.73	7,384.00	7,569.47	7,758.40	7,952.53
		Hourly	35.84	36.74	37.65	38.60	39.56	40.55	41.56	42.60	43.67	44.76	45.88
		Annually	74,547.20	76,419.20	78,312.00	80,288.00	82,284.80	84,344.00	86,444.80	88,608.00	90,833.60	93,100.80	95,430.40
Senior Maintenance Worker - Collections	G38	Monthly	6,224.40	6,380.40	6,539.87	6,702.80	6,870.93	7,042.53	7,217.60	7,399.60	7,583.33	7,774.00	7,968.13
		Hourly	35.91	36.81	37.73	38.67	39.64	40.63	41.64	42.69	43.75	44.85	45.97
		Annually	74,692.80	76,564.80	78,478.40	80,433.60	82,451.20	84,510.40	86,611.20	88,795.20	91,000.00	93,288.00	95,617.60
GIS Analyst Water Efficiency Analyst	G39	Monthly	6,583.20	6,747.87	6,916.00	7,089.33	7,266.13	7,448.13	7,635.33	7,826.00	8,020.13	8,221.20	8,427.47
		Hourly	37.98	38.93	39.90	40.90	41.92	42.97	44.05	45.15	46.27	47.43	48.62
		Annually	78,998.40	80,974.40	82,992.00	85,072.00	87,193.60	89,377.60	91,624.00	93,912.00	96,241.60	98,654.40	101,129.60
Senior Leak Detection Technician Senior Maintenance Worker - Facilities	G40	Monthly	6,597.07	6,761.73	6,931.60	7,104.93	7,281.73	7,463.73	7,650.93	7,841.60	8,037.47	8,238.53	8,444.80
		Hourly	38.06	39.01	39.99	40.99	42.01	43.06	44.14	45.24	46.37	47.53	48.72
		Annually	79,164.80	81,140.80	83,179.20	85,259.20	87,380.80	89,564.80	91,811.20	94,099.20	96,449.60	98,862.40	101,337.60
Senior Mechanic	G41	Monthly	6,612.67	6,777.33	6,947.20	7,120.53	7,299.07	7,481.07	7,668.27	7,860.67	8,056.53	8,257.60	8,465.60
		Hourly	38.15	39.10	40.08	41.08	42.11	43.16	44.24	45.35	46.48	47.64	48.84
		Annually	79,352.00	81,328.00	83,366.40	85,446.40	87,588.80	89,772.80	92,019.20	94,328.00	96,678.40	99,091.20	101,587.20
Wastewater Treatment Plant Operator II	G41.1	Monthly	6,649.07	6,815.47	6,985.33	7,160.40	7,338.93	7,522.67	7,711.60	7,904.00	8,101.60	8,304.40	8,510.67
		Hourly	38.36	39.32	40.30	41.31	42.34	43.40	44.49	45.60	46.74	47.91	49.10
		Annually	79,788.80	81,785.60	83,824.00	85,924.80	88,067.20	90,272.00	92,539.20	94,848.00	97,219.20	99,652.80	102,128.00
Senior Cross Connection Inspector Senior Inspector Senior Recycled Water Inspector	G42	Monthly	6,721.87	6,890.00	7,061.60	7,238.40	7,420.40	7,605.87	7,794.80	7,990.67	8,190.00	8,394.53	8,604.27
		Hourly	38.78	39.75	40.74	41.76	42.81	43.88	44.97	46.10	47.25	48.43	49.64
		Annually	80,662.40	82,680.00	84,739.20	86,860.80	89,044.80	91,270.40	93,537.60	95,888.00	98,280.00	100,734.40	103,251.20

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 20, 2020
GENERAL UNIT

These job classifications are Non-Exempt
2.5% Increase Between Each Step

JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
	G43	Monthly	6,740.93	6,909.07	7,082.40	7,259.20	7,441.20	7,626.67	7,817.33	8,013.20	8,212.53	8,418.80	8,628.53
		Hourly	38.89	39.86	40.86	41.88	42.93	44.00	45.10	46.23	47.38	48.57	49.78
		Annually	80,891.20	82,908.80	84,988.80	87,110.40	89,294.40	91,520.00	93,808.00	96,158.40	98,550.40	101,025.60	103,542.40
Information Systems Analyst I	G44	Monthly	6,803.33	6,973.20	7,148.27	7,326.80	7,508.80	7,697.73	7,890.13	8,087.73	8,288.80	8,496.80	8,708.27
		Hourly	39.25	40.23	41.24	42.27	43.32	44.41	45.52	46.66	47.82	49.02	50.24
		Annually	81,640.00	83,678.40	85,779.20	87,921.60	90,105.60	92,372.80	94,681.60	97,052.80	99,465.60	101,961.60	104,499.20
Senior Water Systems Operator	G45	Monthly	6,815.47	6,985.33	7,160.40	7,338.93	7,522.67	7,711.60	7,904.00	8,101.60	8,304.40	8,512.40	8,723.87
		Hourly	39.32	40.30	41.31	42.34	43.40	44.49	45.60	46.74	47.91	49.11	50.33
		Annually	81,785.60	83,824.00	85,924.80	88,067.20	90,272.00	92,539.20	94,848.00	97,219.20	99,652.80	102,148.80	104,686.40
	G46	Monthly	6,929.87	7,103.20	7,280.00	7,462.00	7,649.20	7,839.87	8,035.73	8,236.80	8,443.07	8,654.53	8,871.20
		Hourly	39.98	40.98	42.00	43.05	44.13	45.23	46.36	47.52	48.71	49.93	51.18
		Annually	83,158.40	85,238.40	87,360.00	89,544.00	91,790.40	94,078.40	96,428.80	98,841.60	101,316.80	103,854.40	106,454.40
Electrical/Instrumentation Technician III	G46.1	Monthly	6,933.33	7,106.67	7,285.20	7,467.20	7,652.67	7,845.07	8,040.93	8,242.00	8,448.27	8,658.00	8,874.67
		Hourly	40.00	41.00	42.03	43.08	44.15	45.26	46.39	47.55	48.74	49.95	51.20
		Annually	83,200.00	85,280.00	87,422.40	89,606.40	91,832.00	94,140.80	96,491.20	98,904.00	101,379.20	103,896.00	106,496.00
Purchasing Agent	G47	Monthly	7,124.00	7,302.53	7,484.53	7,671.73	7,864.13	8,060.00	8,261.07	8,467.33	8,680.53	8,897.20	9,119.07
		Hourly	41.10	42.13	43.18	44.26	45.37	46.50	47.66	48.85	50.08	51.33	52.61
		Annually	85,488.00	87,630.40	89,814.40	92,060.80	94,369.60	96,720.00	99,132.80	101,608.00	104,166.40	106,766.40	109,428.80
Senior Wastewater Treatment Plant Operator	G47.1	Monthly	7,482.80	7,670.00	7,862.40	8,058.27	8,259.33	8,465.60	8,677.07	8,895.47	9,117.33	9,344.40	9,578.40
		Hourly	43.17	44.25	45.36	46.49	47.65	48.84	50.06	51.32	52.60	53.91	55.26
		Annually	89,793.60	92,040.00	94,348.80	96,699.20	99,112.00	101,587.20	104,124.80	106,745.60	109,408.00	112,132.80	114,940.80
Information Systems Analyst II	G48	Monthly	7,652.67	7,843.33	8,040.93	8,240.27	8,446.53	8,658.00	8,874.67	9,096.53	9,323.60	9,557.60	9,796.80
		Hourly	44.15	45.25	46.39	47.54	48.73	49.95	51.20	52.48	53.79	55.14	56.52
		Annually	91,832.00	94,120.00	96,491.20	98,883.20	101,358.40	103,896.00	106,496.00	109,158.40	111,883.20	114,691.20	117,561.60
Senior Electrical/Instrumentation Technician	G48.1	Monthly	7,800.00	7,995.87	8,195.20	8,399.73	8,609.47	8,824.40	9,046.27	9,271.60	9,503.87	9,741.33	9,984.00
		Hourly	45.00	46.13	47.28	48.46	49.67	50.91	52.19	53.49	54.83	56.20	57.60
		Annually	93,600.00	95,950.40	98,342.40	100,796.80	103,313.60	105,892.80	108,555.20	111,259.20	114,046.40	116,896.00	119,808.00
	G49	Monthly	8,609.47	8,824.40	9,044.53	9,271.60	9,503.87	9,741.33	9,984.00	10,233.60	10,490.13	10,751.87	11,020.53
		Hourly	49.67	50.91	52.18	53.49	54.83	56.20	57.60	59.04	60.52	62.03	63.58
		Annually	103,313.60	105,892.80	108,534.40	111,259.20	114,046.40	116,896.00	119,808.00	122,803.20	125,881.60	129,022.40	132,246.40

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 20, 2020
SUPERVISORY UNIT

JOB CLASSIFICATION	RANGE
Accounting Supervisor	S6
Collection System Supervisor	S4
Cross Connection Supervisor	S10
Customer Account Supervisor	S13
Customer Service Field Supervisor	S5
Electrical/Instrumentation Supervisor	S15
Inspection Supervisor	S10
Records and Mapping Coordinator	S1
Senior Accountant	S2
Senior GIS Analyst	S7
Station Maintenance Supervisor	S8
Street Crew Supervisor	S3
Support Services Supervisor	S9
Wastewater Treatment Plant Supervisor	S14
Water Distribution Supervisor	S11
Water Efficiency Supervisor	S5

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 20, 2020
SUPERVISORY UNIT

These job classifications are Non-Exempt
2.5% Increase Between Each Step

JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Records and Mapping Coordinator	S1	Monthly	5,851.73	5,997.33	6,148.13	6,302.40	6,458.40	6,621.33	6,786.00	6,955.87	7,129.20	7,307.73	7,491.47
		Hourly	33.76	34.60	35.47	36.36	37.26	38.20	39.15	40.13	41.13	42.16	43.22
		Annually	70,220.80	71,968.00	73,777.60	75,628.80	77,500.80	79,456.00	81,432.00	83,470.40	85,550.40	87,692.80	89,897.60
Senior Accountant	S2	Monthly	6,487.87	6,650.80	6,815.47	6,987.07	7,162.13	7,340.67	7,524.40	7,711.60	7,904.00	8,101.60	8,304.40
		Hourly	37.43	38.37	39.32	40.31	41.32	42.35	43.41	44.49	45.60	46.74	47.91
		Annually	77,854.40	79,809.60	81,785.60	83,844.80	85,945.60	88,088.00	90,292.80	92,539.20	94,848.00	97,219.20	99,652.80
Street Crew Supervisor	S3	Monthly	6,988.80	7,163.87	7,342.40	7,526.13	7,715.07	7,907.47	8,105.07	8,307.87	8,515.87	8,727.33	8,945.73
		Hourly	40.32	41.33	42.36	43.42	44.51	45.62	46.76	47.93	49.13	50.35	51.61
		Annually	83,865.60	85,966.40	88,108.80	90,313.60	92,580.80	94,889.60	97,260.80	99,694.40	102,190.40	104,728.00	107,348.80
Collection System Supervisor	S4	Monthly	7,002.67	7,177.73	7,358.00	7,541.73	7,728.93	7,923.07	8,120.67	8,323.47	8,531.47	8,744.67	8,964.80
		Hourly	40.40	41.41	42.45	43.51	44.59	45.71	46.85	48.02	49.22	50.45	51.72
		Annually	84,032.00	86,132.80	88,296.00	90,500.80	92,747.20	95,076.80	97,448.00	99,881.60	102,377.60	104,936.00	107,577.60
Customer Service Field Supervisor Water Efficiency Supervisor	S5	Monthly	7,134.40	7,312.93	7,494.93	7,682.13	7,874.53	8,072.13	8,273.20	8,481.20	8,692.67	8,909.33	9,132.93
		Hourly	41.16	42.19	43.24	44.32	45.43	46.57	47.73	48.93	50.15	51.40	52.69
		Annually	85,612.80	87,755.20	89,939.20	92,185.60	94,494.40	96,865.60	99,278.40	101,774.40	104,312.00	106,912.00	109,595.20
Accounting Supervisor	S6	Monthly	7,300.80	7,482.80	7,670.00	7,862.40	8,058.27	8,259.33	8,467.33	8,678.80	8,895.47	9,117.33	9,346.13
		Hourly	42.12	43.17	44.25	45.36	46.49	47.65	48.85	50.07	51.32	52.60	53.92
		Annually	87,609.60	89,793.60	92,040.00	94,348.80	96,699.20	99,112.00	101,608.00	104,145.60	106,745.60	109,408.00	112,153.60
Senior GIS Analyst	S7	Monthly	7,404.80	7,590.27	7,779.20	7,973.33	8,172.67	8,377.20	8,586.93	8,801.87	9,022.00	9,247.33	9,479.60
		Hourly	42.72	43.79	44.88	46.00	47.15	48.33	49.54	50.78	52.05	53.35	54.69
		Annually	88,857.60	91,083.20	93,350.40	95,680.00	98,072.00	100,526.40	103,043.20	105,622.40	108,264.00	110,968.00	113,755.20
Station Maintenance Supervisor	S8	Monthly	7,420.40	7,605.87	7,796.53	7,990.67	8,190.00	8,396.27	8,606.00	8,820.93	9,041.07	9,266.40	9,498.67
		Hourly	42.81	43.88	44.98	46.10	47.25	48.44	49.65	50.89	52.16	53.46	54.80
		Annually	89,044.80	91,270.40	93,558.40	95,888.00	98,280.00	100,755.20	103,272.00	105,851.20	108,492.80	111,196.80	113,984.00
Support Services Supervisor	S9	Monthly	7,439.47	7,624.93	7,815.60	8,011.47	8,212.53	8,417.07	8,626.80	8,843.47	9,063.60	9,290.67	9,522.93
		Hourly	42.92	43.99	45.09	46.22	47.38	48.56	49.77	51.02	52.29	53.60	54.94
		Annually	89,273.60	91,499.20	93,787.20	96,137.60	98,550.40	101,004.80	103,521.60	106,121.60	108,763.20	111,488.00	114,275.20
Cross Connection Supervisor Inspection Supervisor	S10	Monthly	7,566.00	7,754.93	7,949.07	8,148.40	8,351.20	8,560.93	8,774.13	8,994.27	9,217.87	9,448.40	9,685.87
		Hourly	43.65	44.74	45.86	47.01	48.18	49.39	50.62	51.89	53.18	54.51	55.88
		Annually	90,792.00	93,059.20	95,388.80	97,780.80	100,214.40	102,731.20	105,289.60	107,931.20	110,614.40	113,380.80	116,230.40
Water Distribution Supervisor	S11	Monthly	7,670.00	7,862.40	8,058.27	8,259.33	8,465.60	8,677.07	8,895.47	9,117.33	9,344.40	9,578.40	9,817.60
		Hourly	44.25	45.36	46.49	47.65	48.84	50.06	51.32	52.60	53.91	55.26	56.64
		Annually	92,040.00	94,348.80	96,699.20	99,112.00	101,587.20	104,124.80	106,745.60	109,408.00	112,132.80	114,940.80	117,811.20

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 20, 2020
SUPERVISORY UNIT

These job classifications are Non-Exempt
2.5% Increase Between Each Step

JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
	S12	Monthly	7,798.27	7,992.40	8,193.47	8,398.00	8,607.73	8,822.67	9,042.80	9,269.87	9,502.13	9,739.60	9,982.27
		Hourly	44.99	46.11	47.27	48.45	49.66	50.90	52.17	53.48	54.82	56.19	57.59
		Annually	93,579.20	95,908.80	98,321.60	100,776.00	103,292.80	105,872.00	108,513.60	111,238.40	114,025.60	116,875.20	119,787.20
Customer Account Supervisor	S13	Monthly	7,832.93	8,028.80	8,229.87	8,434.40	8,645.87	8,862.53	9,084.40	9,311.47	9,543.73	9,782.93	10,027.33
		Hourly	45.19	46.32	47.48	48.66	49.88	51.13	52.41	53.72	55.06	56.44	57.85
		Annually	93,995.20	96,345.60	98,758.40	101,212.80	103,750.40	106,350.40	109,012.80	111,737.60	114,524.80	117,395.20	120,328.00
Wastewater Treatment Plant Supervisor	S14	Monthly	8,417.07	8,626.80	8,843.47	9,063.60	9,290.67	9,522.93	9,760.40	10,004.80	10,256.13	10,510.93	10,774.40
		Hourly	48.56	49.77	51.02	52.29	53.60	54.94	56.31	57.72	59.17	60.64	62.16
		Annually	101,004.80	103,521.60	106,121.60	108,763.20	111,488.00	114,275.20	117,124.80	120,057.60	123,073.60	126,131.20	129,292.80
Electrical/Instrumentation Supervisor	S15	Monthly	8,775.87	8,996.00	9,219.60	9,450.13	9,687.60	9,928.53	10,178.13	10,431.20	10,692.93	10,959.87	11,233.73
		Hourly	50.63	51.90	53.19	54.52	55.89	57.28	58.72	60.18	61.69	63.23	64.81
		Annually	105,310.40	107,952.00	110,635.20	113,401.60	116,251.20	119,142.40	122,137.60	125,174.40	128,315.20	131,518.40	134,804.80

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 20, 2020
EXEMPT EMPLOYEES

JOB CLASSIFICATION	RANGE
Administrative Analyst	E1
Assistant Director of Operations	E14
Assistant General Manager	E18
Board Secretary/Executive Assistant	E4.1
Communications Coordinator	E4.1
Contracts Analyst	E2
Controller	E11
Customer Engagement Coordinator	E3
Data Scientist	E2
Development Services Specialist	E1
Director of Engineering	E16
Director of Engineering & Operations	E17
Director of Finance & Water Resources	E16
Director of Human Resources	E16
Director of Operations	E15.1
Engineering Manager	E15
Financial Data Analyst	E2
GIS Administrator	E5
Government Affairs Officer	E15.1
Human Resources Analyst	E1
Information Systems Administrator	E5
Information Systems Manager	E6
Information Systems Officer	E15
Manager of Financial Planning	E11
Marketing & Social Media Coordinator	E4.1
Principal Engineer	E13
Regulatory Compliance Coordinator	E5
Safety & Compliance Coordinator	E4.1
Senior Engineer	E8
Senior Human Resources Analyst	E3
Senior Water Efficiency Specialist	E3
Senior Water Resources Analyst	E4
Senior Water Resources Planner	E8
Superintendent of Customer Service	E12
Superintendent of Engineering	E12
Superintendent of Operations	E12
Superintendent of Wastewater Operations	E12
Water Efficiency Manager	E11

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 20, 2020
EXEMPT EMPLOYEES

JOB CLASSIFICATION	RANGE
Water Resources Analyst	E2

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 20, 2020
EXEMPT EMPLOYEES

These job classifications are Exempt
2% Increase Between Each Step

JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16
Administrative Analyst	E1	Monthly	5,973.07	6,092.67	6,214.00	6,338.80	6,465.33	6,595.33	6,727.07	6,860.53	6,999.20	7,137.87	7,281.73	7,427.33	7,574.67	7,727.20	7,881.47	8,039.20
Development Services Specialist		Hourly	34.46	35.15	35.85	36.57	37.30	38.05	38.81	39.58	40.38	41.18	42.01	42.85	43.70	44.58	45.47	46.38
Human Resources Analyst		Annually	71,676.80	73,112.00	74,568.00	76,065.60	77,584.00	79,144.00	80,724.80	82,326.40	83,990.40	85,654.40	87,380.80	89,128.00	90,896.00	92,726.40	94,577.60	96,470.40
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracts Analyst	E2	Monthly	6,385.60	6,513.87	6,643.87	6,775.60	6,912.53	7,049.47	7,191.60	7,335.47	7,481.07	7,631.87	7,784.40	7,940.40	8,098.13	8,261.07	8,425.73	8,593.87
Data Scientist		Hourly	36.84	37.58	38.33	39.09	39.88	40.67	41.49	42.32	43.16	44.03	44.91	45.81	46.72	47.66	48.61	49.58
Financial Data Analyst		Annually	76,627.20	78,166.40	79,726.40	81,307.20	82,950.40	84,593.60	86,299.20	88,025.60	89,772.80	91,582.40	93,412.80	95,284.80	97,177.60	99,132.80	101,108.80	103,126.40
Water Resources Analyst			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Engagement Coordinator	E3	Monthly	7,198.53	7,342.40	7,489.73	7,638.80	7,791.33	7,947.33	8,106.80	8,268.00	8,434.40	8,602.53	8,774.13	8,950.93	9,129.47	9,311.47	9,498.67	9,687.60
Sr. Human Resources Analyst		Hourly	41.53	42.36	43.21	44.07	44.95	45.85	46.77	47.70	48.66	49.63	50.62	51.64	52.67	53.72	54.80	55.89
Sr. Water Efficiency Specialist		Annually	86,382.40	88,108.80	89,876.80	91,665.60	93,496.00	95,368.00	97,281.60	99,216.00	101,212.80	103,230.40	105,289.60	107,411.20	109,553.60	111,737.60	113,984.00	116,251.20
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sr. Water Resources Analyst	E4	Monthly	7,423.87	7,572.93	7,723.73	7,878.00	8,035.73	8,196.93	8,359.87	8,528.00	8,697.87	8,872.93	9,049.73	9,230.00	9,415.47	9,604.40	9,795.07	9,990.93
		Hourly	42.83	43.69	44.56	45.45	46.36	47.29	48.23	49.20	50.18	51.19	52.21	53.25	54.32	55.41	56.51	57.64
		Annually	89,086.40	90,875.20	92,684.80	94,536.00	96,428.80	98,363.20	100,318.40	102,336.00	104,374.40	106,475.20	108,596.80	110,760.00	112,985.60	115,252.80	117,540.80	119,891.20
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Board Secretary/Executive Assistant	E4.1	Monthly	8,127.60	8,290.53	8,455.20	8,625.07	8,798.40	8,973.47	9,153.73	9,335.73	9,522.93	9,713.60	9,907.73	10,105.33	10,308.13	10,514.40	10,724.13	10,939.07
Communications Coordinator		Hourly	46.89	47.83	48.78	49.76	50.76	51.77	52.81	53.86	54.94	56.04	57.16	58.30	59.47	60.66	61.87	63.11
Marketing & Social Media Coordinator		Annually	97,531.20	99,486.40	101,462.40	103,500.80	105,580.80	107,681.60	109,844.80	112,028.80	114,275.20	116,563.20	118,892.80	121,264.00	123,697.60	126,172.80	128,689.60	131,268.80
Safety and Compliance Coordinator			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GIS Administrator	E5	Monthly	8,866.00	9,042.80	9,224.80	9,408.53	9,597.47	9,788.13	9,984.00	10,185.07	10,387.87	10,595.87	10,807.33	11,024.00	11,244.13	11,469.47	11,698.27	11,932.27
Information Systems Administrator		Hourly	51.15	52.17	53.22	54.28	55.37	56.47	57.60	58.76	59.93	61.13	62.35	63.60	64.87	66.17	67.49	68.84
Regulatory Compliance Coordinator		Annually	106,392.00	108,513.60	110,697.60	112,902.40	115,169.60	117,457.60	119,808.00	122,220.80	124,654.40	127,150.40	129,688.00	132,288.00	134,929.60	137,633.60	140,379.20	143,187.20
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Information Systems Manager	E6	Monthly	9,210.93	9,394.67	9,583.60	9,774.27	9,970.13	10,169.47	10,372.27	10,580.27	10,791.73	11,008.40	11,228.53	11,452.13	11,680.93	11,914.93	12,154.13	12,396.80
		Hourly	53.14	54.20	55.29	56.39	57.52	58.67	59.84	61.04	62.26	63.51	64.78	66.07	67.39	68.74	70.12	71.52
		Annually	110,531.20	112,736.00	115,003.20	117,291.20	119,641.60	122,033.60	124,467.20	126,963.20	129,500.80	132,100.80	134,742.40	137,425.60	140,171.20	142,979.20	145,849.60	148,761.60
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	E6.1	Monthly	9,238.67	9,424.13	9,611.33	9,803.73	9,999.60	10,200.67	10,403.47	10,611.47	10,824.67	11,041.33	11,261.47	11,486.80	11,717.33	11,951.33	12,190.53	12,433.20
		Hourly	53.30	54.37	55.45	56.56	57.69	58.85	60.02	61.22	62.45	63.70	64.97	66.27	67.60	68.95	70.33	71.73
		Annually	110,864.00	113,089.60	115,336.00	117,644.80	119,995.20	122,408.00	124,841.60	127,337.60	129,896.00	132,496.00	135,137.60	137,841.60	140,608.00	143,416.00	146,286.40	149,198.40
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	E7	Monthly	9,453.60	9,642.53	9,834.93	10,032.53	10,233.60	10,438.13	10,646.13	10,859.33	11,076.00	11,297.87	11,523.20	11,753.73	11,989.47	12,228.67	12,473.07	12,722.67
		Hourly	54.54	55.63	56.74	57.88	59.04	60.22	61.42	62.65	63.90	65.18	66.48	67.81	69.17	70.55	71.96	73.40
		Annually	113,443.20	115,710.40	118,019.20	120,390.40	122,803.20	125,257.60	127,753.60	130,312.00	132,912.00	135,574.40	138,278.40	141,044.80	143,873.60	146,744.00	149,676.80	152,672.00
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senior Engineer	E8	Monthly	9,538.53	9,729.20	9,923.33	10,122.67	10,325.47	10,531.73	10,741.47	10,956.40	11,176.53	11,400.13	11,627.20	11,859.47	12,096.93	12,339.60	12,585.73	12,837.07
Senior Water Resources Planner		Hourly	55.03	56.13	57.25	58.40	59.57	60.76	61.97	63.21	64.48	65.77	67.08	68.42	69.79	71.19	72.61	74.06
		Annually	114,462.40	116,750.40	119,080.00	121,472.00	123,905.60	126,380.80	128,897.60	131,476.80	134,118.40	136,801.60	139,526.40	142,313.60	145,163.20	148,075.20	151,028.80	154,044.80
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	E9	Monthly	9,862.67	10,060.27	10,261.33	10,465.87	10,675.60	10,888.80	11,107.20	11,329.07	11,556.13	11,786.67	12,022.40	12,263.33	12,507.73	12,759.07	13,013.87	13,273.87
		Hourly	56.90	58.04	59.20	60.38	61.59	62.82	64.08	65.36	66.67	68.00	69.36	70.75	72.16	73.61	75.08	76.58
		Annually	118,352.00	120,723.20	123,136.00	125,590.40	128,107.20	130,665.60	133,286.40	135,948.80	138,673.60	141,440.00	144,268.80	147,160.00	150,092.80	153,108.80	156,166.40	159,286.40
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 20, 2020
EXEMPT EMPLOYEES

These job classifications are Exempt
2% Increase Between Each Step

JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16
	E10	Monthly	9,883.47	10,081.07	10,282.13	10,488.40	10,698.13	10,911.33	11,129.73	11,353.33	11,580.40	11,810.93	12,048.40	12,289.33	12,535.47	12,785.07	13,041.60	13,301.60
		Hourly	57.02	58.16	59.32	60.51	61.72	62.95	64.21	65.50	66.81	68.14	69.51	70.90	72.32	73.76	75.24	76.74
		Annually	118,601.60	120,972.80	123,385.60	125,860.80	128,377.60	130,936.00	133,556.80	136,240.00	138,964.80	141,731.20	144,580.80	147,472.00	150,425.60	153,420.80	156,499.20	159,619.20
Controller Manager of Financial Planning Water Efficiency Manager	E11	Monthly	9,914.67	10,112.27	10,315.07	10,521.33	10,732.80	10,946.00	11,166.13	11,388.00	11,616.80	11,849.07	12,086.53	12,327.47	12,573.60	12,824.93	13,081.47	13,343.20
		Hourly	57.20	58.34	59.51	60.70	61.92	63.15	64.42	65.70	67.02	68.36	69.73	71.12	72.54	73.99	75.47	76.98
		Annually	118,976.00	121,347.20	123,780.80	126,256.00	128,793.60	131,352.00	133,993.60	136,656.00	139,401.60	142,188.80	145,038.40	147,929.60	150,883.20	153,899.20	156,977.60	160,118.40
Superintendent of Customer Service Superintendent of Engineering Superintendent of Operations Superintendent of Wastewater Operations	E12	Monthly	10,122.67	10,325.47	10,531.73	10,741.47	10,956.40	11,176.53	11,400.13	11,627.20	11,859.47	12,096.93	12,339.60	12,585.73	12,838.80	13,095.33	13,357.07	13,624.00
		Hourly	58.40	59.57	60.76	61.97	63.21	64.48	65.77	67.08	68.42	69.79	71.19	72.61	74.07	75.55	77.06	78.60
		Annually	121,472.00	123,905.60	126,380.80	128,897.60	131,476.80	134,118.40	136,801.60	139,526.40	142,313.60	145,163.20	148,075.20	151,028.80	154,065.60	157,144.00	160,284.80	163,488.00
Principal Engineer	E13	Monthly	10,618.40	10,831.60	11,046.53	11,268.40	11,493.73	11,724.27	11,958.27	12,197.47	12,441.87	12,689.73	12,944.53	13,202.80	13,466.27	13,736.67	14,010.53	14,291.33
		Hourly	61.26	62.49	63.73	65.01	66.31	67.64	68.99	70.37	71.78	73.21	74.68	76.17	77.69	79.25	80.83	82.45
		Annually	127,420.80	129,979.20	132,558.40	135,220.80	137,924.80	140,691.20	143,499.20	146,369.60	149,302.40	152,276.80	155,334.40	158,433.60	161,595.20	164,840.00	168,126.40	171,496.00
Assistant Director of Operations	E14	Monthly	10,802.13	11,018.80	11,238.93	11,462.53	11,693.07	11,927.07	12,164.53	12,408.93	12,656.80	12,909.87	13,168.13	13,431.60	13,700.27	13,974.13	14,253.20	14,537.47
		Hourly	62.32	63.57	64.84	66.13	67.46	68.81	70.18	71.59	73.02	74.48	75.97	77.49	79.04	80.62	82.23	83.87
		Annually	129,625.60	132,225.60	134,867.20	137,550.40	140,316.80	143,124.80	145,974.40	148,907.20	151,881.60	154,918.40	158,017.60	161,179.20	164,403.20	167,689.60	171,038.40	174,449.60
Engineering Manager Information Systems Officer	E15	Monthly	11,440.00	11,668.80	11,902.80	12,140.27	12,382.93	12,630.80	12,883.87	13,140.40	13,403.87	13,672.53	13,944.67	14,223.73	14,508.00	14,799.20	15,095.60	15,397.20
		Hourly	66.00	67.32	68.67	70.04	71.44	72.87	74.33	75.81	77.33	78.88	80.45	82.06	83.70	85.38	87.09	88.83
		Annually	137,280.00	140,025.60	142,833.60	145,683.20	148,595.20	151,569.60	154,606.40	157,684.80	160,846.40	164,070.40	167,336.00	170,684.80	174,096.00	177,590.40	181,147.20	184,766.40
Director of Operations Government Affairs Officer	E15.1	Monthly	12,204.40	12,448.80	12,696.67	12,951.47	13,209.73	13,474.93	13,743.60	14,019.20	14,300.00	14,586.00	14,877.20	15,175.33	15,478.67	15,787.20	16,102.67	16,425.07
		Hourly	70.41	71.82	73.25	74.72	76.21	77.74	79.29	80.88	82.50	84.15	85.83	87.55	89.30	91.08	92.90	94.76
		Annually	146,452.80	149,385.60	152,360.00	155,417.60	158,516.80	161,699.20	164,923.20	168,230.40	171,600.00	175,032.00	178,526.40	182,104.00	185,744.00	189,446.40	193,232.00	197,100.80
Director of Engineering Director of Finance & Water Resources Director of Human Resources	E16	Monthly	13,026.00	13,286.00	13,552.93	13,823.33	14,098.93	14,381.47	14,669.20	14,962.13	15,262.00	15,567.07	15,879.07	16,196.27	16,520.40	16,849.73	17,187.73	17,530.93
		Hourly	75.15	76.65	78.19	79.75	81.34	82.97	84.63	86.32	88.05	89.81	91.61	93.44	95.31	97.21	99.16	101.14
		Annually	156,312.00	159,432.00	162,635.20	165,880.00	169,187.20	172,577.60	176,030.40	179,545.60	183,144.00	186,804.80	190,548.80	194,355.20	198,244.80	202,196.80	206,252.80	210,371.20
Director of Engineering and Operations	E17	Monthly	14,014.00	14,294.80	14,580.80	14,872.00	15,168.40	15,471.73	15,782.00	16,097.47	16,419.87	16,747.47	17,083.73	17,425.20	17,773.60	18,128.93	18,491.20	18,860.40
		Hourly	80.85	82.47	84.12	85.80	87.51	89.26	91.05	92.87	94.73	96.62	98.56	100.53	102.54	104.59	106.68	108.81
		Annually	168,168.00	171,537.60	174,969.60	178,464.00	182,020.80	185,660.80	189,384.00	193,169.60	197,038.40	200,969.60	205,004.80	209,102.40	213,283.20	217,547.20	221,894.40	226,324.80
Assistant General Manager	E18	Monthly	15,721.33	16,035.07	16,355.73	16,683.33	17,017.87	17,357.60	17,704.27	18,059.60	18,420.13	18,787.60	19,163.73	19,546.80	19,938.53	20,337.20	20,744.53	21,158.80
		Hourly	90.70	92.51	94.36	96.25	98.18	100.14	102.14	104.19	106.27	108.39	110.56	112.77	115.03	117.33	119.68	122.07
		Annually	188,656.00	192,420.80	196,268.80	200,200.00	204,214.40	208,291.20	212,451.20	216,715.20	221,041.60	225,451.20	229,964.80	234,561.60	239,262.40	244,046.40	248,934.40	253,905.60

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 20, 2020
GENERAL MANAGER

JOB CLASSIFICATION	FREQUENCY	RATE
General Manager	Annually	$ 306,987

APPENDIX FP - I:
GANN Appropriations Limit Resolution

RESOLUTION NO. 20-06

RESOLUTION OF THE BOARD OF DIRECTORS OF MOULTON NIGUEL WATER DISTRICT APPROVING ITS APPROPRIATIONS LIMIT FOR FISCAL YEAR 2020-21 AND FINDING COMPLIANCE WITH ARTICLE XIIIB OF THE CONSTITUTION OF THE STATE OF CALIFORNIA

WHEREAS, the Board of Directors of the Moulton Niguel Water District (MNWD) has reviewed the financial affairs of MNWD and has reviewed the proposed Budget for the Fiscal Year 2020-21; and

WHEREAS, the Board of Directors desires to establish an Appropriations Limit for Fiscal Year 2020-21 for the purpose of complying with Article XIIIB of the Constitution of the State of California. Said calculations have been posted at MNWD's offices and made available to the public at least 15 days prior to the adoption of this Resolution; and

WHEREAS, the Board of Directors desires at this time to approve its Budget for the Fiscal Year 2020-21, as well as its Appropriations Limit for said Fiscal Year 2020-21;

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

Section 1. That an Appropriations Limit of **$8,896,093** be and the same hereby is established as the limit to which funds derived from proceeds of taxes may be appropriated during the Fiscal Year 2020-21.

Section 2. That the Budget for the Fiscal Year 2020-21 be and the same hereby is approved by this Board of Directors which Budget is on file with the Treasurer of MNWD and is by this reference incorporated herein.

Section 3. That the Treasurer of MNWD be and the same is hereby authorized to file copies of said Budget with such other public agencies as may be necessary. Pursuant to Government Code Section 7910, any judicial action or proceeding to attach, review, set aside, void, or annul the establishment of the appropriations limit as set forth herein must be commenced within 45 days of the adoption of this Resolution.

APPROVED, SIGNED and ADOPTED this 11th day of June, 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

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, PAIGE GULCK, Secretary of the Board of Directors of the MOULTON NIGUEL WATER DISTRICT, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of said District at a special meeting of said Board held on the 11th day of June, 2020 that it was so adopted by the following vote:

AYES: CAVE, FIORE, FROELICH, JENNINGS, KURTZ, MOORHEAD, PROBOLSKY

NOES:

ABSTAIN:

ABSENT:

Paige Gulck, Secretary
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof