



FISCAL YEAR | 2022-23
BUDGET


moulton niguel water district

Moulton Niguel Water District is proud to present our 2022-23 Fiscal Year Budget.

This year's balanced budget secures our ability to provide more than 170,000 customers with safe and reliable water, in addition to comprehensive wastewater and recycled water services. It is the product of a six-month open and transparent budget review process that incorporates feedback from our customers.

Upon approval by the Board of Directors, this budget will invest \$137.2 million towards maintaining our robust infrastructure, financing our reliable water supply, and funding our water quality systems that keep our water safe.

We are committed to our customers. We know you work hard for your money. That's why we work hard to treat your dollars as our own by providing safe and reliable services at the lowest rates possible. Under this year's budget, Moulton Niguel will continue to offer our customers the lowest average bill in South Orange County.

We maintain our low rates while reinvesting your ratepayer funds back into infrastructure projects and technological upgrades. In 2022-23, the District's largest budget expenditure is approximately \$40 million for capital projects to support our extensive infrastructure system that includes more than 1,300 miles of water, wastewater, and recycled water pipelines; approximately 20,000 valves; 53 pump and lift stations; 39 reservoirs and 3 treatment plants. Over the next decade, Moulton Niguel will invest \$434.1 million in our infrastructure.

As California enters our third year of drought, this year's budget reflects the importance of helping our customers continue to be water resilient. In recent years, we've upgraded to smart meters that identify potential water leaks, expanded conservation rebate programs, and organized one of the state's most successful turf replacement programs. We'll build on these extensive water resiliency successes in the years ahead with another \$33.1 million investment in water reliability projects.

From ongoing supply chain challenges to record inflation, we recognize the uncertainty of the future. That's why this budget includes a \$71.8 million reserve fund to prepare for the future. By planning responsibly, investing in innovation, and engaging with our customers, we've built resiliency to carry us through these tough times.

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

Respectfully Submitted,



Joone Kim-Lopez, General Manager

BOARD OF
DIRECTORS

Duane D. Cave
VICE PRESIDENT

Richard Fiore
DIRECTOR

Donald Froelich
VICE PRESIDENT

Bill Moorhead
DIRECTOR

Brian S. Probolsky
PRESIDENT

Diane Rifkin
DIRECTOR

Sherry Wanninger
DIRECTOR



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INTRODUCTION & OVERVIEW



Executive Summary

Open and Transparent Budget Process

Moulton Niguel is committed to an open and transparent budget process. Last year's budget received the Government Finance Officers Association's Distinguished Budget Award for adhering to best practices for accountability, transparency, and public accessibility. Each year, the budget process begins with a strategic planning session that is open to the public. At this year's session, held on February 28, 2022, the Board of Directors and staff identified priority initiatives for the year ahead.

Helping Customers with Financial Hardships

We recognize that the last year has left many of our customers, families and businesses alike, with difficult financial decisions. During the COVID-19 public health emergency, the District helped our customers facing hardships by easing the bill adjustment process, expanding temporary bill adjustments for economic hardships, and implementing a policy of no customer shutoffs for non-payment prior to State Executive Orders. The proposed FY 2022-23 (FY23) Budget includes additional outreach and customer noticing services to comply with new State laws.

Financial Responsibility: AAA Rating and Reserves

The District enters the new fiscal year in a strong financial position with a reaffirmed AAA credit rating from both Fitch Ratings and S&P Global Ratings. Both agencies cited the District's financial resiliency, affordable customer bills, infrastructure investments, and risk mitigation strategies as key factors in awarding the District their highest possible rating. This budget includes a \$71.8 million reserve fund to prepare for a tough future.

\$2 Billion in District Infrastructure

System reliability is paramount. The District maintains more than \$2 billion worth of water infrastructure assets. The FY23 Budget will fund \$40.0 million for the replacement or refurbishment of existing infrastructure assets. Over the next decade, \$33.1 million has been identified for water reliability investments. These projects expand the District's water reuse programs and evaluate emergency interconnection opportunities with the Orange County groundwater basin.

10-Year Capital Improvements

Moulton Niguel's 10-year Capital Improvement Program (CIP) will invest \$434.1 million in ongoing reservoir rehabilitation, rehabilitation of the District's pump stations, transmission main rehabilitation, valve replacements, and future water reliability projects. The District's capital financing plan accounts for unexpected cost impacts, such as updated condition assessments, delayed project starts, and municipal permitting requirements. Projects included in the 10-year CIP this year include a pipeline replacement program and reliability investments in vertical assets, such as pump stations.

Technology to Improve Service, Reduce Costs

The District deploys new technologies to streamline operations and reduce costs. Our technology upgrades include cloud-based software to provide customers with tools that explain ways to save money on their monthly bill, use water wisely, and adjust water use to changing weather conditions. This software helps shift paper-based requests to web-based forms, saving both time and money.

MyWater MNWD: 38,000 Customers Enrolled

Moulton Niguel has enrolled more than 38,000 customers in the District's customer portal. At MyWater MNWD, customers can access their water usage, sign up for leak alerts, pay their bill, and much more. In the last 12 months, nearly 26,000 customers have interacted over 287,000 times with the online portal.

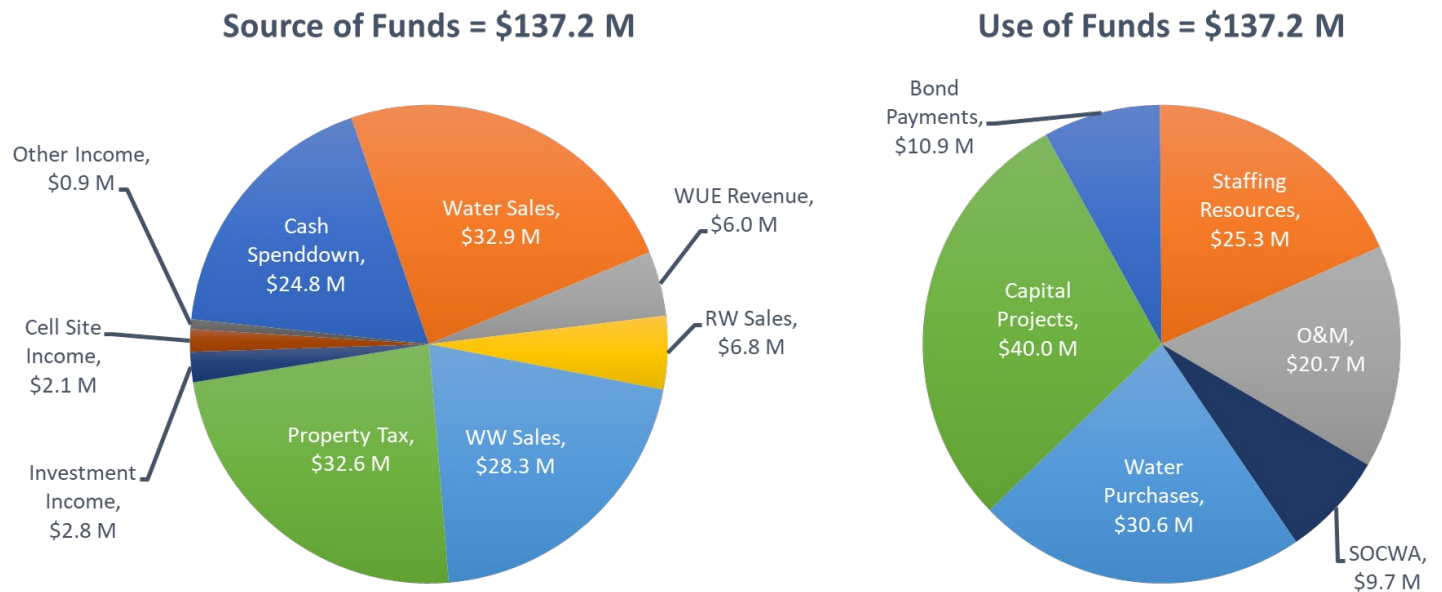
Budget Overview, Factors, and Assumptions

The Fiscal Year 2022-23 (FY23) budget of \$137.2 million is comprised of both Operation & Maintenance (O&M) and Capital expenditures. The O&M portion is \$86.3 million differentiated between Funds 1 and 6 and presented by departments. 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 inefficient water usage.

Capital Improvement Program Funds 7, 12, and 14 make up \$37.2 million which are replenished throughout the fiscal year via budget transfers authorized through the budget resolution to meet capital expenditures. Another \$2.8 million is attributed to capital outlays in Funds 1 and 6. The debt service funds are restricted bond accounts which, through transfers authorized by the budget resolution, are utilized to fund debt service payments of \$10.9 million. The total District’s overall sources and use of funds for FY23 is shown below in Figure 1.

Capital improvement projects are the largest portion of the District’s budget and the reflected spenddown of existing cash reserves to fund these investments is consistent with the Long-Range Financial Plan (LRFP). This budget continues the practice of evaluating the long-term implications of annual budget decisions by presenting the proposed budget alongside forecasts developed in the prior fiscal year.

Figure 1: FY23 Budget Summary



The factors and assumptions that guided the development of this budget include:

- Asset management planning, tools, and data to inform the renewal and replacement of the District's infrastructure. The completion of the upgrade of the new Computerized Maintenance Management System (CMMS) will serve to better inform future capital investments.
- Water supply and reliability investments based on the District's updated Long Range Water Reliability Plan adopted by the Board in March 2021.
- Projections for water purchases and sales are slightly reduced from FY 2021-22 (FY22) levels due to anticipated water conservation by customers from increased messaging and outreach from the District as well as broad media focus on worsening drought conditions. Total water purchases are budgeted at 23,490 acre-feet.
- Potable water deliveries from the Baker Water Treatment Plant for FY23 are budgeted at 8,908 AF, reflecting a full year of water deliveries. The remaining 14,582 AF of potable water deliveries will be supplied from imported sources by Metropolitan Water District of Southern California via the District's wholesaler, the Municipal Water District of Orange County.
- Water purchase costs are budgeted based on the rates and charges adopted as part of MET's biennial budget in April 2022.
- Recycled water production is budgeted at 6,823 acre-feet, 10% higher than the budget for FY22 recycled water use due to expected higher demands and proposed recycled water retrofit conversions.
- Continued educational programs and resources to support customers interested in making landscape transformations.
- The final year of the 2021 two-year extension of the 2017 Memorandum of Understanding with employees.
- The budget increases funding for 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 for customers.
- FY23 represents the fourth year of operating the Plant 3A wastewater treatment plant to ensure more direct oversight of the District's wastewater treatment costs. Rising wastewater treatment costs from the current regional wastewater treatment provider had been the primary cost driver for the 2017 Rate Study and remained a key component of the 2021 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.
- Water and wastewater rate projections are consistent with forecasts presented to the Board since December 2017 and reaffirmed with the approval of the 2021 Cost of Service (COS) Rate Study.

Strategic Plan

For the past ten years, District staff has jointly conducted an annual strategic planning session with the Board of Directors to identify the key objectives and initiatives to prioritize for the upcoming fiscal year. This session provides an opportunity to ensure that the objectives identified by staff for the upcoming fiscal year are consistent with the policy direction of the Board of Directors. These identified priorities are incorporated into the budget to allocate fiscal and staffing resources accordingly.

During this year's session, District staff consolidated its key goals and objectives into the five areas comprising F.O.C.U.S. While these do not account for all areas of the District's activities, they are intended to substantially encapsulate the services necessary to carry out the District's mission within this upcoming fiscal year. These strategic planning areas are shown in Figure 2.

Each F.O.C.U.S. area and its strategy is listed in Table 1 on the next page. Each of the District's departments have goals and objectives that contribute to these F.O.C.U.S. areas. Those performance measures can be found in the [Departmental Information](#) section of this budget document.



Figure 2: Strategic Planning Areas

Table 1: Strategic Goals and Strategies

Strategic Plan/Goal	Strategy
<p>1. Fiscal Responsibility</p>	<p>Provide actionable, timely financial information through adaptive modeling, regular reporting and third-party reviews, and forecasts to meet changing conditions with a view towards long-term, sustained fiscal health.</p>
<p>2. Operational Optimization</p>	<p>Develop and implement a comprehensive Asset Management Program that will optimize the life-cycle management of the District’s infrastructure and assets. Develop new and improve existing strategies to cost effectively reduce the District’s water and energy demands.</p>
<p>3. Community & Government Relations</p>	<p>Promote the District’s programs and services to our customers and stakeholders in a positive, purposeful, and cost-effective manner, while also soliciting customer and community feedback. The District will continue its leadership role in implementing the Governor’s Water Action Plan to make “conservation a way of life” through engagement with our customers. 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.</p>
<p>4. Unified Workforce</p>	<p>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.</p>
<p>5. Secure & Reliable Service</p>	<p>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. Plan, invest and execute programs and projects to implement Board policy on water reliability and develop resilient water resource programs to meet projected future water demands to sustain the economic and watershed health of the region. Furthermore, plan, invest and execute programs and projects to implement Board policy on water reliability and develop resilient water resource programs to meet projected future water demands to sustain the economic and watershed health of the region.</p>

District Profile

The District delivers high-quality drinking water, recycled water, and wastewater services to more than 55,000 accounts, representing more than 170,000 residents. While its operations have evolved with the growth of its service area, the District's primary focus has remained largely unchanged: ensuring ratepayers have reliable, sustainable, and economical services for the future. Residential land uses are the greatest single land use, occupying 51 percent of the service area. Open space and park lands comprise the second largest land use, occupying 31 percent of the service area. Commercial/ industrial/ institutional (CII) land uses occupy 17 percent of the service area, and miscellaneous land uses occupy approximately 1 percent of the service area.

Service Area

The District's service area (Figure 3) is located in south Orange County, California, encompassing approximately 37 square miles, serving a population of the cities of Laguna Niguel, Aliso Viejo, Laguna Hills, Mission Viejo, San Juan Capistrano, and Dana Point. Located just inland of the Pacific Ocean, the District enjoys a Mediterranean climate with mild winters, dry, warm summers, and moderate rainfall. The service area averages 13.81 inches of rainfall per year, almost entirely within a six-month period of November through April. The usually mild climatological pattern is interrupted by periods of hot weather, winter storms, and/or Santa Ana winds. Elevation within the District ranges from 230-904 feet above sea level and incorporates 9 different pressure zones. The District's service area experienced a net taxable value increase of 2.8% for the most current tax roll, which was slightly less than the countywide increase of 3.7%. The assessed net taxable valuation of the properties within the District's service area has grown to \$41.6 billion as of June 30, 2022. Property tax accounts for approximately 24% of the District's annual revenue.

Local Community

The District serves communities within South Orange County that historically reports stronger financial indicators than that of the nation and state. Residential development is the predominant land use throughout, and the highest concentration of commercial development is in the City of Mission Viejo, which includes the Shops at Mission Viejo, an affluent shopping mall, and in the City of Aliso Viejo, which includes the Pacific Park Business Center. The highest concentration of schools (students) is within the cities of Mission Viejo and Aliso Viejo, which includes Mission Viejo High School, Capistrano Valley High School, Saddleback Community College, Aliso-Niguel High School, and Soka University. The highest concentration of recreation areas is within Laguna Niguel and Aliso Viejo, where each city has a golf course and numerous community parks. Future growth will primarily occur on a redevelopment basis of existing property and land.

Water Supply & Services

The District imports all its potable water from the Metropolitan Water District of Southern California (MET) via the Municipal Water District of Orange County (MWDOC), a wholesale agency which facilitates water purchases on behalf of customer retail agencies in Orange County. MET's primary sources of water include water from the Colorado River and the State Water Project. The District receives treated potable water from the Diemer Filtration Plant in Yorba Linda, California. The plant supplies approximately two-thirds of the District's potable water supply. The remaining one-third supply is imported raw water that is treated at the Baker Water Treatment Plant (Baker WTP) in Lake Forest, California. Due to the Board's investment, the Baker WTP is owned by the District in partnership with four other water agencies, providing a secondary treatment plant for imported water and improving local water reliability. All potable water is delivered through three major transmission facilities: South County Pipeline, Joint Transmission Main/Eastern Transmission Main, and the Allen-McColloch Pipeline (Figure 4).

Long-range water supply planning is paramount to ensuring our customers have access to adequate water supplies and investments in water supply reliability projects are appropriate and cost-effective. In March 2021, the District updated its Long-Range Water Reliability Plan (LRWRP) and adopted a resolution setting forth goals to enhance potable water system and supply reliability. The goals included evaluating and developing reliability projects and demand management measures that will provide at least 31 days, and up to 60 days of supplies to meet customer demands in the event of planned or unplanned outages of imported water supplies and considers phasing in dry-year storage levels of up to 10,000 acre-feet. With the implementation of projects like the Baker WTP, Upper Chiquita Reservoir, and other water reliability projects and demand management programs, the District is currently able to meet an average system outage of approximately 31-days. The District has continued to pursue expansion of its recycled water system based on outputs of its Recycled Water Optimization Study and is engaged in several feasibility studies and joint planning efforts to further expand the District's local water reliability.

Wastewater Services

The District maintains approximately 500 miles of wastewater pipelines. The District's wastewater system has 17 lift stations that pump wastewater over ridge lines to the various treatment plants for disposal or recycling. The District is a member of and contributes flow to the South Orange County Wastewater Authority (SOCWA), a joint powers agency comprised of ten governmental agencies, which owns and operates three regional treatment plants and two ocean outfalls. The District's cost to SOCWA for wastewater treatment and disposal is for operations and maintenance costs and a pro-rata share of the capital costs based on the capacity, type and location of each project.

In addition, the District owns and operates Wastewater Treatment Plant 3A. This facility treats flow from both Moulton Niguel and Santa Margarita Water Districts (SMWD). Since assuming operations in 2019, the District has made significant investments to rehabilitate the facility (as shown in the capital budget).

In compliance with the State Water Resources Control Board's wastewater regulations, the District implements its Sewer System Management Plan (SSMP). The SSMP outlines the District's activities for operating and maintaining the wastewater collection system to mitigate any potential causes of a sanitary sewer overflow and includes elements such as: the District's Sanitary Sewer Overflow Prevention Plan, Sanitary Sewer Overflow Response Plan, and pretreatment and engineering programs. The last formal update was in February 2019 with internal audits occurring annually. The next update/re-certification will occur in 2024.

Recycled Water Supply and Services

The District promotes the use of recycled water to reduce reliance on imported water by maximizing the reuse of available resources. The recycled water system consists of two Advanced Water Treatment (AWT) plants to treat wastewater and supply recycled water, as well as 150 miles of recycled water distribution pipelines with 5 pre-stressed concrete and 6 steel storage reservoirs to service the recycled water system. The District also operates 9 pump stations to pump recycled water from lower pressure zones to the higher-pressure zones. In addition, the District owns 1,000 acre-feet of capacity rights in the Upper Oso recycled water reservoir owned by SMWD. The Recycled Water Optimization Study (RWOS) was developed to identify cost-effective opportunities to expand the system to new customers and the necessary infrastructure to support the expansion, as well as to encourage and open the door to cooperation and involvement from regional partners. The District has expanded its recycled water distribution system through implementation of the RWOS which includes model development, supply and storage assessments, and identification of new recycled water users, along with all associated capital needs. The District offers a recycled water retrofit rebate as an incentive to encourage recycled water use. Additionally, the District has partnered with the MET to help customers in its service area access additional financial incentives for recycled water use through its On-Site Retrofit Program.

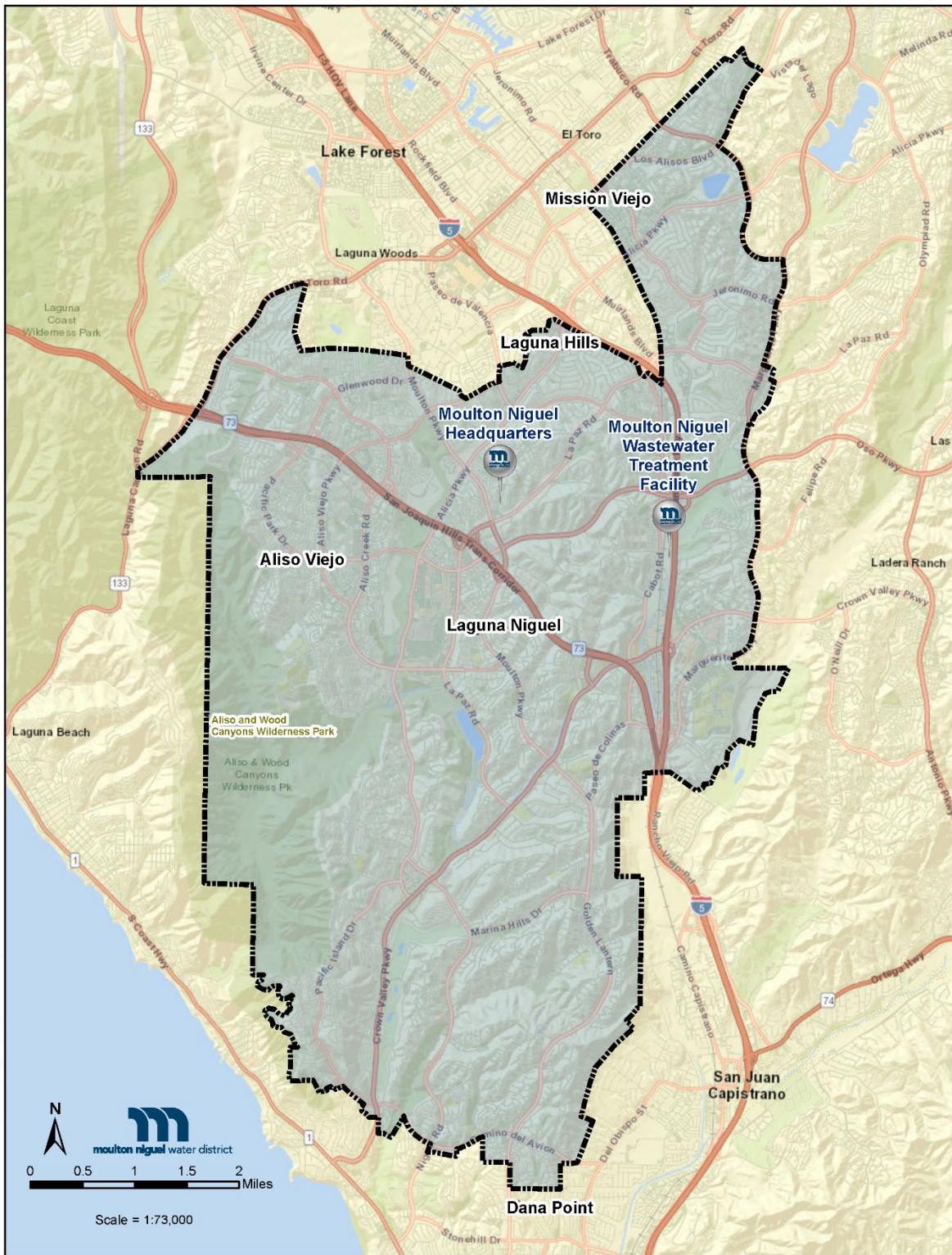
Social Media & Information

A copy of this budget can be found on the District's website: mnwd.com/finance

The District's social media platforms will post the link to the approved budget:

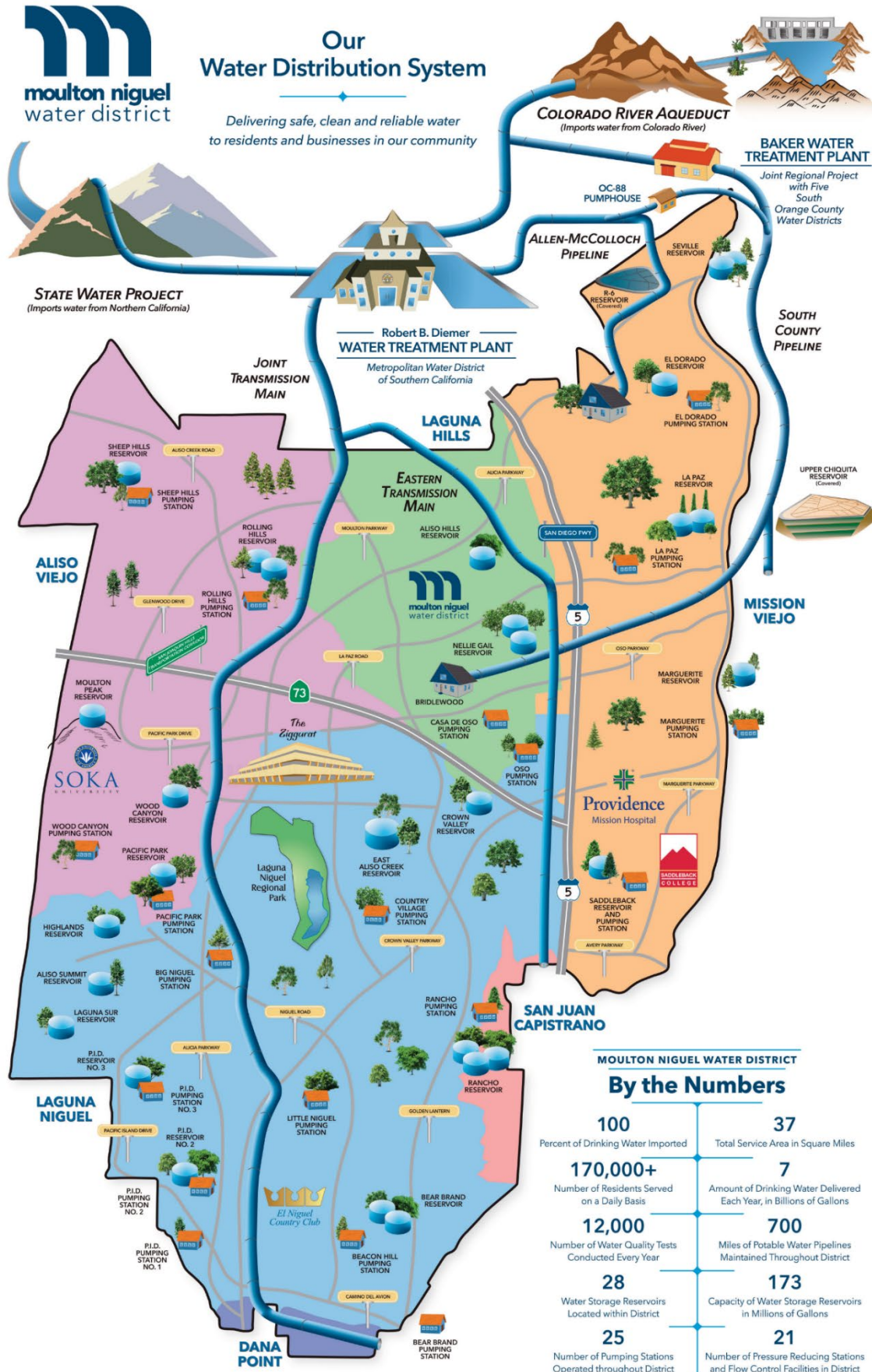


Figure 3: Map of Service Area



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Figure 4: Potable Water Distribution System



By the Numbers

100 Percent of Drinking Water Imported	37 Total Service Area in Square Miles
170,000+ Number of Residents Served on a Daily Basis	7 Amount of Drinking Water Delivered Each Year, in Billions of Gallons
12,000 Number of Water Quality Tests Conducted Every Year	700 Miles of Potable Water Pipelines Maintained Throughout District
28 Water Storage Reservoirs Located within District	173 Capacity of Water Storage Reservoirs in Millions of Gallons
25 Number of Pumping Stations Operated throughout District	21 Number of Pressure Reducing Stations and Flow Control Facilities in District

Board of Directors (Governance)

The District is governed by a seven-member Board of Directors (Board), who are publicly elected by registered voters within the District's service area for staggered four-year terms, Figures 5 and 6. The Board is dedicated to providing the 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.

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, setting policies governing the operation of the District, 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 departments.

Figure 5: BOD President and Vice Presidents



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.



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.



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 10 year capital improvement plan, investing millions of dollars into upgrading Moulton Niguel's extensive water infrastructure system.

Figure 6: Board of Directors



Director Richard "Dick" S. 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.



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).



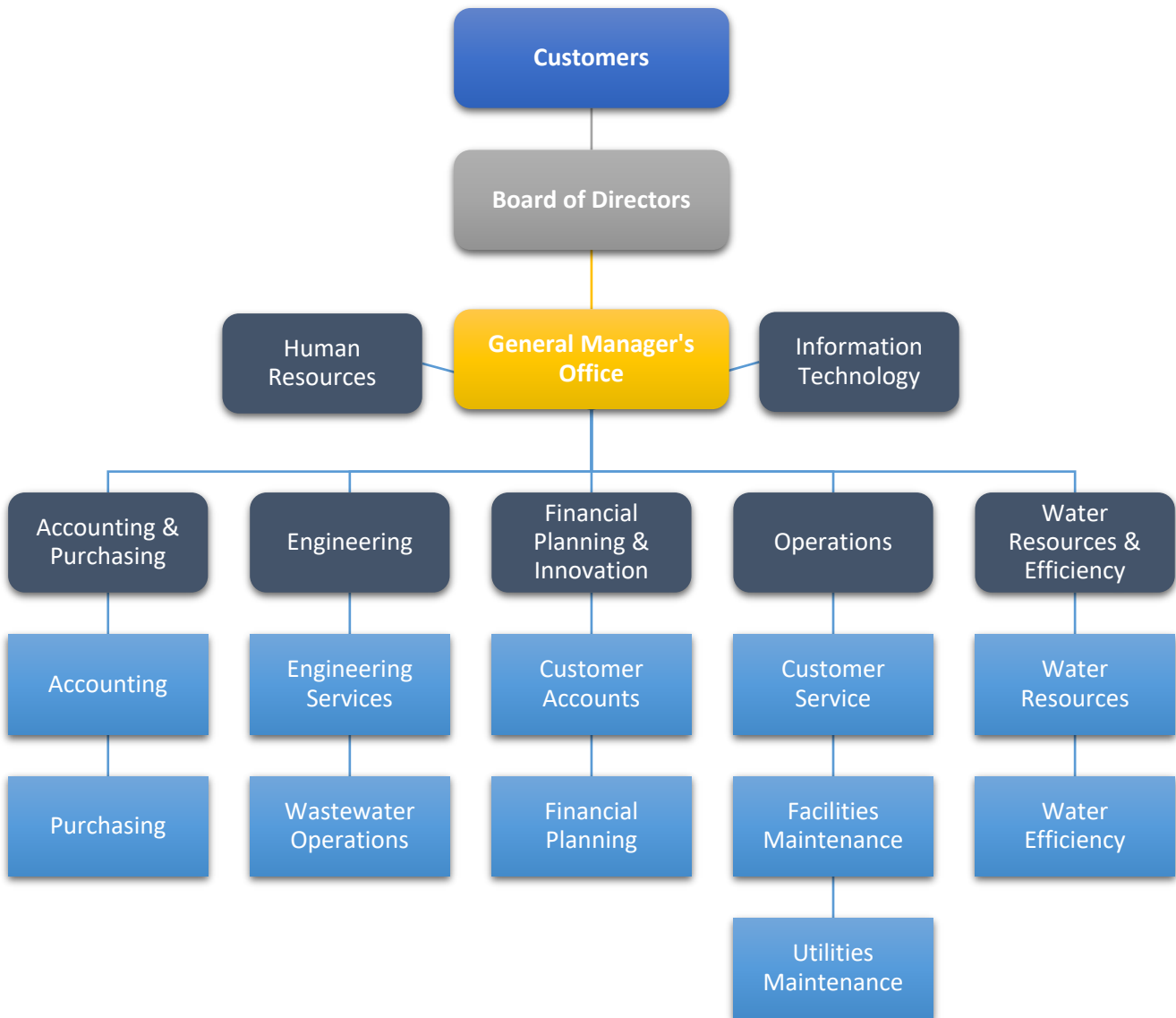
Director Sherry Wanninger serves as an elected Director of the Moulton Niguel Water District and represents the District on the Santiago Aqueduct Commission. Elected to her first term in 2020, Ms. Wanninger believes in prioritizing long-term water resiliency to build on the District's success at delivering safe, reliable and affordable water services to its more than 170,000 customers.



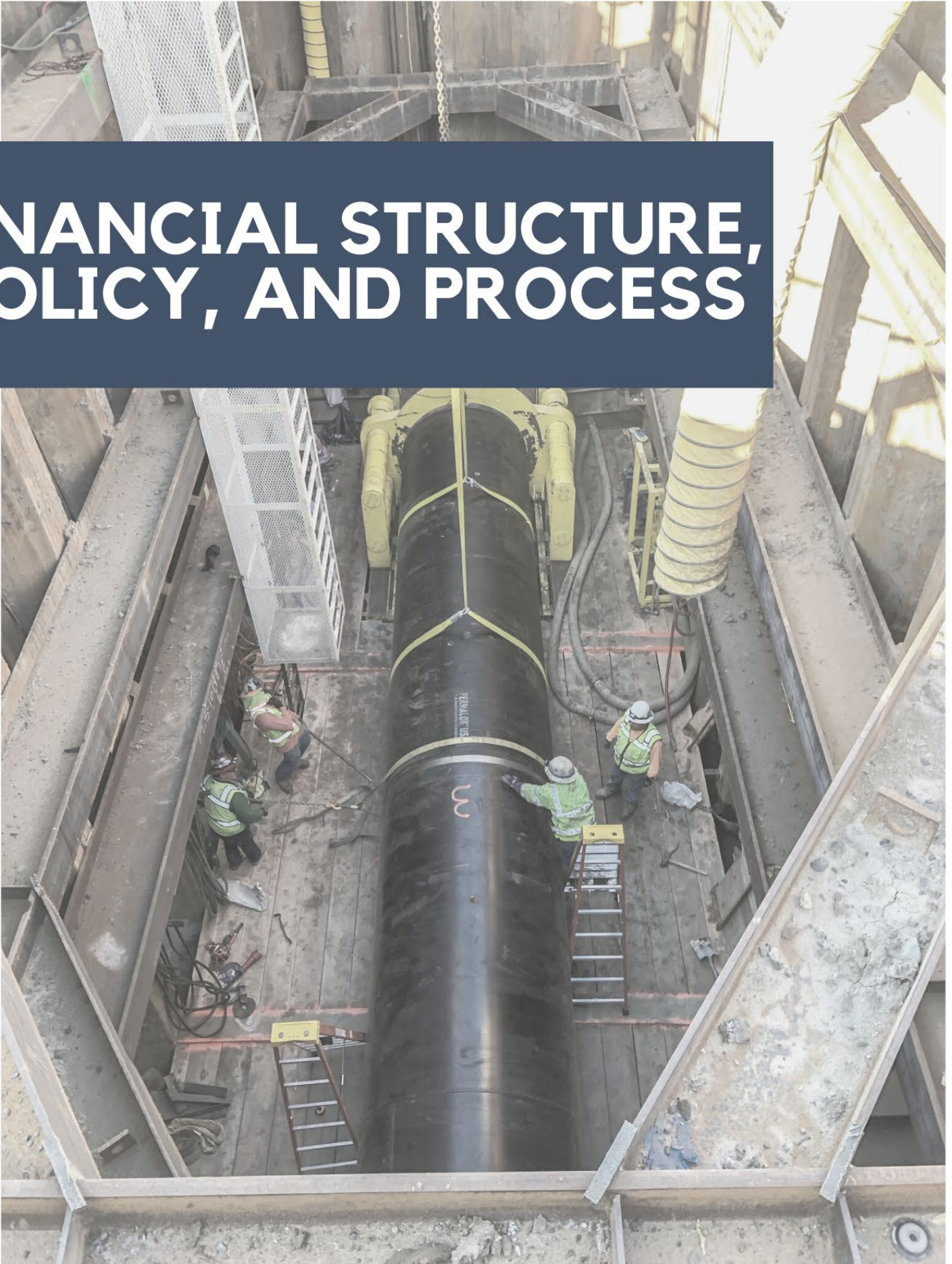
Director Diane Rifkin serves as a Director of the Moulton Niguel Water District. On the strength of her impressive professional background, interest in local water and infrastructure issues, and long term community service and leadership in the District, she was appointed unanimously by her colleagues on January 14th, 2021 to a vacant seat on the Board of Directors.

Organization Chart

Figure 7: Organization Chart



FINANCIAL STRUCTURE, POLICY, AND PROCESS



Fund Descriptions & Structure

The overall flow of funds is shown in Figure 8. This section is divided by the primary purpose of each fund: operations and maintenance, capital, and restricted debt funds. Classification of expenditures into operating or capital expenses is provided in more detail in the description of the Capitalization & Surplus Policy (Appendix F).

Operating Funds

Fund 1 – General Fund

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. It also includes the Operating Reserves and Emergency Reserves used to meet the cashflow needs of the District as well as fund any unplanned repairs that may be necessary due to an emergency or damages caused by a 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 is a reserve used to meet the insurance claims by the District. The Self Insurance Reserve sets a funding target of five times the \$50,000 insurance deductible for a target of \$250,000 in the Self Insurance Fund.

Fund 52 – Rate Stabilization Fund

The District maintains a Rate Stabilization Reserve in the Rate Stabilization Fund to provide for unanticipated losses of revenue, significant increases in water purchase costs, and other extraordinary financial impacts to revenues or expenses. This helps to mitigate the impact on rates in the event of reduced or eliminated property tax revenues and helps avoid large fluctuations in customer water and wastewater rates. The target balance of the Rate Stabilization Reserve is equal to fifty percent (50%) of the District's current fiscal year budgeted ad valorem property tax revenue.

Fund 6 – Water Efficiency Fund

The Water Efficiency (WE) Fund is used for the purposes related to water efficiency, conservation, and water reliability projects. The District's rate structure calculates a water budget for each customer based on individual 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 water use is therefore subject to higher water use rates to offset the costs created as a result of the higher demand placed on the District's water and recycled water systems.

In addition to the costs associated with the ongoing management of the District's water efficiency and conservation programs, a portion of the capital costs associated with future water supply reliability enhancement projects have been allocated to the Water Efficiency Fund. There is a natural nexus between efficient water use and long-term supply reliability, as any reductions in inefficient water use decrease the size, and ultimately cost, of future supply reliability projects. Conversely, continued inefficient water use would otherwise necessitate more costly reliability projects: the costs of which should be recovered from inefficient usage.

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 this fund.

Capital Funds

Fund 7 – Replacement and Refurbishment Fund

The Replacement and Refurbishment (R&R) Fund is used for: (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. Funding for the R&R Fund 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 expenditures associated with projects which enhance the system reliability of the water and recycled water systems as identified in the District’s 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 is used to pay expenditures associated with the development of new capital facilities that do not result in new potable or recycled water supplies as identified in the District’s 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 new or expanded connections to the water and wastewater systems. As part of the annual budget process, contributed funds are deposited into Fund 7 to pay for capital projects in the upcoming year.

Debt Funds

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 the Baker Water Treatment Plant, Upper Chiquita Reservoir, Emergency Interconnection with the Orange County groundwater basin and additional projects that provide greater water system reliability for the distribution of potable and recycled water.

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.

Fund 73 – 2019 Certificates of Participation Fund

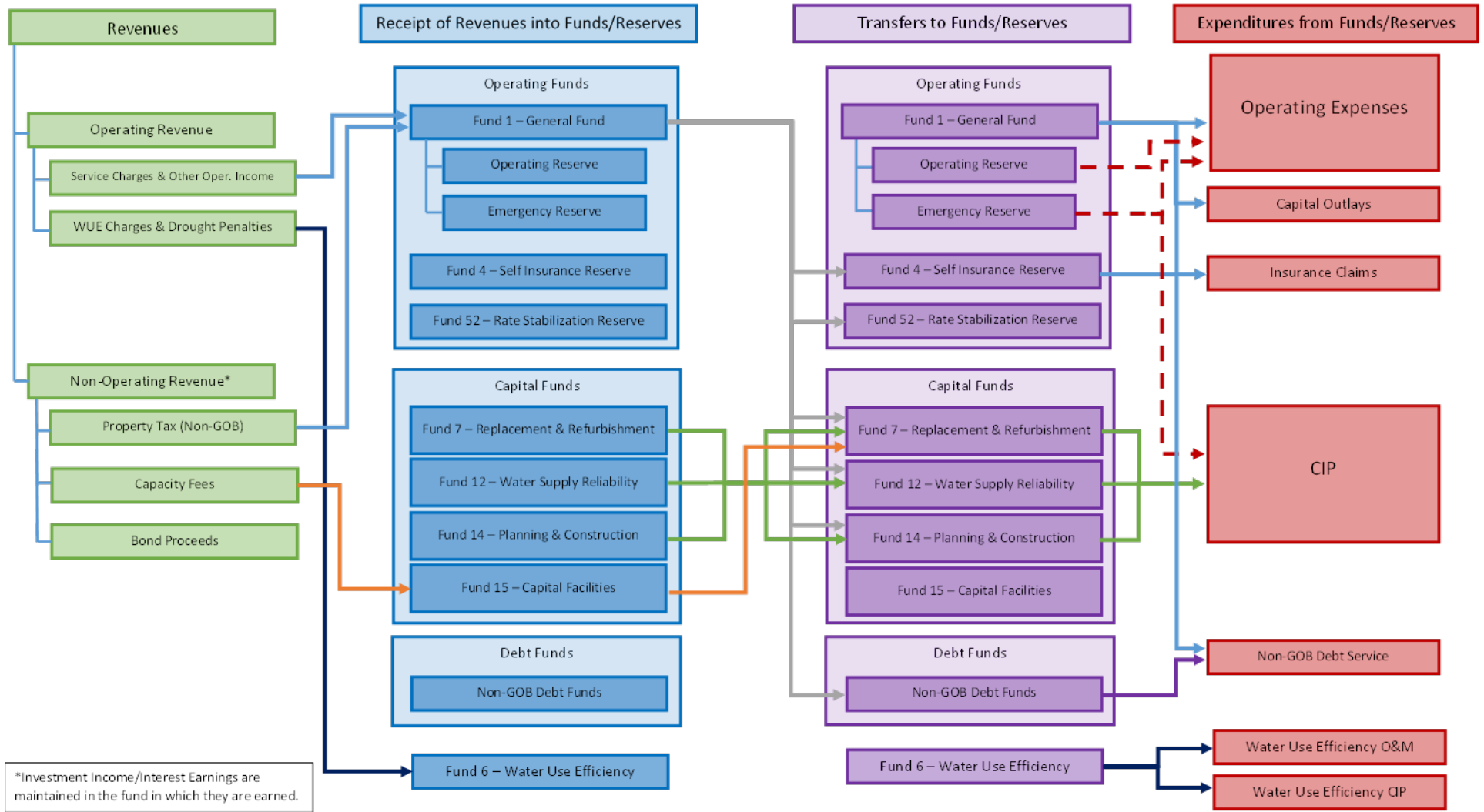
On November 6, 2019, the District issued \$64,570,000 of 2019 Revenue Refunding Bonds. Due to favorable market conditions, the District issued at a premium and received approximately \$68 million in proceeds from the issuance which were used to finance construction and other project costs related to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

Fund 74 – 2021 Certificates of Participation Fund

On December 16, 2021, the District issued \$60,000,000 of 2021 Revenue Refunding Bonds. Due to the historic low interest rates seen in FY22, District staff identified an opportunity to advance a planned debt issuance, originally anticipated in FY23, which ultimately reduced total issuance costs by \$14 million compared to if the certificates were issued at the time of this budget’s publication. Proceeds from the issuance have been and will be used to finance construction and other project costs related to the District’s adopted Capital Improvement Program.

Fund Relationship

Figure 8: Flow of Funds



Financial Policies & Basis of Budgeting

All financial policies are set by the Board of Directors and authorize the General Manager to execute the policies as part of day-to-day operations to ensure the District's financial goals are achieved. Financial policies are reviewed by the Board of Directors annually or as needed to provide timely updates as public agency laws or conditions change. This section includes a summary of the District's financial policies. Each policy can be found in its entirety between Appendix F to Appendix K. All District accounting and financial reporting systems will be maintained in conformance with all state and federal laws, Generally Accepted Accounting Principles (GAAP), and standards of the Governmental Accounting Standards Board (GASB), in addition to the stringent requirements of the Government Finance Officers Association (GFOA) Award for Excellence in Financial Reporting requirements.

Figure 9: GFOA's Budget Presentation Award



Financial Plans

The District will continue to effectively utilize internally developed short-term financial planning tools, while emphasizing long-range financial planning. District staff maintains a monthly cashflow model to forecast temporal distributions of cash inflows and outflows to ensure sufficient liquid funds are available for anticipated expenses as needed throughout the year. District finance staff receives monthly capital expense projections from the engineering department and updates the monthly cashflow model to identify anticipated cashflow shortfalls and coordinate portfolio restructuring with the District's investment advisor as needed. This regular and proactive communication between departments has allowed the District to maximize its investment earnings as cash reserves are drawn and expended between planned bond issuances.

The objective of the LRFP is to identify strategies and actions to ensure sufficient financial resources are available for the District to achieve its mission. The plan projects the operating budget and incorporates the capital improvement program to project 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 10-year cashflow summary serves as key contextual information to aid in making near-term financial decisions.

Basis of Budgeting

Consistent with GFOA's best practices, the District's utilizes a modified-accrual basis for its budgetary basis of accounting. On the other hand, financial statements are prepared under GAAP basis of accounting.

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 well as identifying the financial resources necessary for the budget term.

Under GAAP accounting for governmental funds, payments for pension, Other Post-Employment Benefits (OPEB), and other long-term obligations are recorded in the period they are due and payable. However, under the budgetary basis of accounting, these payments are recorded when the disbursements are actually made.

Budget Appropriations

The District maintains a balanced operating budget for all funds, with total recurring revenues equal to or greater than total recurring expenditures, such that at year-end, all funds maintain a positive fund balance and reserves are replenished. Funds appropriated for capital are carried over and the current year capital budget authorization continues.

Enterprise Funds - Rates

The District will calculate potable water, recycled water, and wastewater rates at levels which, in addition to other revenues and available cash balances, fully recover the total direct and indirect costs of providing these services – including operations and maintenance, capital expenses, 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 in California, 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 budget-based water 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: "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 rate 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 updated in June 2022 and is attached as Appendix G.

Capital Management – Infrastructure Capitalization

The District maintains a long-range perspective of fiscal needs by incorporating the 10-year Capital Improvement Plan (CIP) to ensure the reliability of District water and wastewater infrastructure. The CIP is 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, including fully burdened direct labor and materials. The adopted revision established that expenses must have an initial estimated useful life of five or more years and an initial value of at least \$3,000 to be eligible for capitalization. The Policy was updated in June 2022 to include indirect labor costs (administrative support cost allocation) and is attached as Appendix F.

Risk Management

The District identifies and quantifies all areas of financial and operating risk and prepares contingencies for those risks, including: legal liabilities, infrastructure maintenance, refurbishment and replacement, emergency response, and contractual obligations.

Investments

The Board takes action annually to delegate investments and cash management responsibilities and authority to 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 Policy was updated in June 2022 and is attached as Appendix I.

Procurement

The purchasing and procurement system encourages 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 updated in June 2022 and is attached as Appendix J.

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. The District's Federal Grant Management Policy was updated in June 2022 and is attached as Appendix H.

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 creditworthiness by adequately providing for:

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

The District's Reserve Policy is reviewed and adopted annually and is attached in Appendix K.

The District currently maintains four types of reserves:

1. *General Operating Reserve*

This reserve is used to provide sufficient liquidity for 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).

2. *Self-Insurance Reserve*

This reserve is used to provide for expenses incurred by 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).

3. *Rate Stabilization Reserve*

This reserve is used to provide funds to smooth out potential fluctuations in water service rates of the District that may result from changes in wholesale water rates or unanticipated reductions in non-rate revenue. 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 52).

4. *Emergency Reserve*

This reserve enables the District 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).

Budget Process

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. Additionally, in mid-December the Engineering Department coordinates with District staff to collect new capital projects to integrate into the 10-year Capital Improvement Program and inform the 10-year Capital Financing Plan.

In February 2022, the District held a strategic planning session to discuss the District's goals and strategic objectives that drive resource needs to best serve customers. Over the years, the District has identified core functional areas that substantially define the scope of activities executed by the Board of Directors. The District develops a management strategy for each goal along with objectives, encapsulated this year as areas of F.O.C.U.S., as discussed earlier in the Strategic Planning section of this document.

The District budgets on an annual basis to integrate the long-range planning developed in the internal 10-year Cashflow Model and 10-year Capital Financing Plan.

At a public Board Workshop on April 28, 2022, staff presented the proposed 10-year Capital Improvement Program, Capital Financing Plan, and Operations & Maintenance Budgets for FY23. Opportunities for Board discussion and public comment are an integral part of the budget process, and as such the proposed budgets were agendaized for discussion at multiple public meetings prior to consideration for adoption by the Board. District staff integrated feedback and present here the proposed Fiscal Year 2022-23 budget, which is scheduled for Board consideration and action on June 9, 2022.

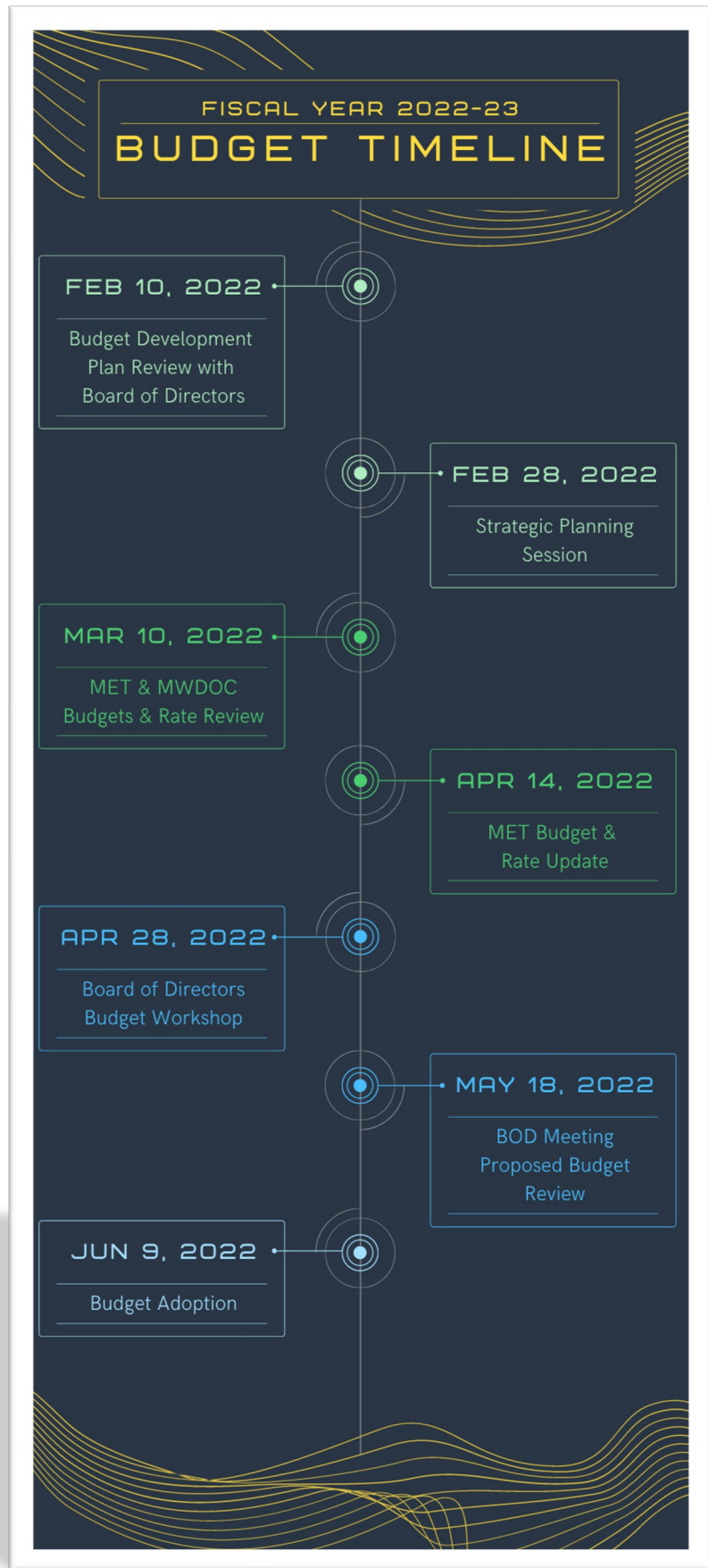
Budget Amendments and Transfers between Funds

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 C, 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 and Deputy General Managers and/or the 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.

Figure 10: FY23 Budget Timeline



FINANCIAL SUMMARIES



Consolidated & Fund Financial Schedules

The All Funds budget presents the annual flow of funds consolidated across all District functions. The statement summarizes the overall annual operating and non-operating revenues, operating expenses, capital expenses, and debt service expenses. The operating expenses are presented consistent with the monthly financials reported by the Accounting Department at each Board meeting. Transfer activities that occur across funds are captured in Table 2.

The All Funds budget is comprised of two primary funds: General Fund (Table 3) and Water Efficiency Fund (Table 4).

Detailed summaries of the revenue and expense line-items presented in Table 3 are provided in Appendix A.

Consistent with GFOA's best practices, the District's utilizes a modified-accrual basis for its budgetary basis of accounting. On the other hand, financial statements are prepared under GAAP basis of accounting.

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 well as identifying the financial resources necessary for the budget term.

Under GAAP accounting for governmental funds, payments for pension, Other Post-Employment Benefits (OPEB), and other long-term obligations are recorded in the period they are due and payable. However, under the budgetary basis of accounting, these payments are recorded when the disbursements are actually made.

Therefore, the expenses and actuals in the following budget statements are different from actuals found in the Comprehensive Annual Financial Report.

Table 3: General Fund - Statement

	FY21 Budget	FY21 Actuals	FY21 Difference	FY22 Budget	FY23 Proposed	FY23 Forecast*	FY23 vs FY22 \$Δ	%Δ
REVENUE (Operating):								
Water Revenue	31,438,154	32,490,936	1,052,782	32,471,606	32,895,199	32,827,327	423,594	1%
Recycled Water Revenue	5,941,355	6,179,569	238,214	6,222,975	6,762,798	6,084,747	539,823	9%
Sewer Revenue	25,446,037	28,033,043	2,587,006	26,718,392	28,255,850	28,425,310	1,537,458	6%
Other Operating Revenue	1,079,522	319,591	(759,931)	576,020	702,782	706,880	126,762	22%
Total Operating Revenues	63,905,068	67,023,139	3,118,071	65,988,994	68,616,630	68,044,264	2,627,636	4%
REVENUE (Non-Operating):								
Property Tax Income	30,744,255	31,289,772	545,517	31,671,356	32,621,422	32,621,422	950,066	3%
Investment Income	2,464,629	2,307,640	(156,989)	2,486,866	2,663,281	2,188,385	176,415	7%
Cell Site Income	1,943,911	1,931,062	(12,849)	2,016,093	2,091,040	2,091,040	74,947	4%
Misc. Non-Operating Income	250,812	175,215	(75,597)	250,812	250,812	250,812	-	0%
Total Non-Operating Revenues	35,403,607	35,703,689	300,082	36,425,127	37,626,556	37,151,659	1,201,428	3%
TOTAL REVENUES	99,308,675	102,726,827	3,418,152	102,414,121	106,243,186	105,195,923	3,829,065	4%
EXPENSES (Operating)**								
Salaries	14,531,475	12,762,590	(1,768,885)	15,686,168	16,266,643	16,227,889	580,475	4%
PERS Employer Contributions	2,610,595	2,808,923	198,328	3,200,847	3,232,376	3,501,868	31,529	1%
Defined Contribution 401A	263,876	230,902	(32,974)	281,323	299,726	290,280	18,402	7%
Educational Courses	80,360	48,679	(31,681)	96,075	94,895	97,997	(1,180)	-1%
Travel & Meetings	340,301	81,194	(259,106)	287,056	292,797	292,797	5,741	2%
Employee Relations	98,055	56,462	(41,593)	101,700	111,717	103,734	10,017	10%
General Services	528,874	418,211	(110,663)	481,834	507,381	489,271	25,547	5%
Annual Audit	55,000	37,860	(17,140)	52,500	55,000	53,550	2,500	5%
Member Agencies O&M	515,520	490,755	(24,765)	598,632	545,071	574,464	(53,561)	-9%
Dues & Memberships	131,147	117,684	(13,463)	124,932	119,914	127,431	(5,018)	-4%
Election Expenses	180,000	-	(180,000)	-	180,000	135,000	180,000	-
Consulting Services	1,799,000	1,655,407	(143,593)	2,008,700	2,340,470	2,046,554	331,770	17%
Equipment Rental	63,010	19,698	(43,312)	47,510	62,520	48,460	15,010	32%
District Fuel	330,000	315,626	(14,375)	340,000	412,500	346,800	72,500	21%
Insurance - District	558,300	523,311	(34,989)	558,300	758,300	569,466	200,000	36%
Insurance - Personnel	371,257	461,280	90,023	418,524	430,518	440,917	11,994	3%
Insurance - Benefits	3,216,962	4,061,189	844,227	3,401,187	3,276,776	3,576,790	(124,411)	-4%
Legal Services - Personnel	50,000	10,963	(39,038)	50,000	50,000	51,000	-	0%
Legal Services - General	600,000	255,120	(344,880)	500,000	400,000	510,000	(100,000)	-20%
District Office Supplies	706,803	277,883	(428,920)	713,650	653,500	723,483	(60,150)	-8%
District Operating Supplies	1,158,250	859,571	(298,679)	1,066,400	938,400	1,087,728	(128,000)	-12%
Repairs & Maint. - Equipment	1,381,595	1,157,987	(223,608)	1,299,152	1,345,355	1,325,135	46,203	4%
Repairs & Maint. - Facilities	4,359,324	4,107,213	(252,111)	4,121,663	4,422,435	4,230,106	300,772	7%
Safety & Compliance	361,137	335,053	(26,084)	374,371	392,943	381,858	18,572	5%
SOCWA	9,374,975	8,975,619	(399,356)	9,507,471	9,660,238	9,512,926	152,767	2%
Special Outside Assessments	153,967	156,786	2,820	156,602	159,634	159,734	3,032	2%
Utilities	3,079,533	3,019,841	(59,692)	3,132,890	3,253,650	3,195,548	120,760	4%
Water Purchases	28,637,921	29,466,282	828,361	28,897,373	30,057,298	29,240,558	1,159,925	4%
TOTAL OPERATING EXPENSES	75,537,236	72,712,088	(2,825,149)	77,504,861	80,320,057	79,341,343	2,815,197	4%
Change in Operating Position	23,771,439	30,014,740		24,909,260	25,923,128	25,854,580		4%
CAPITAL EXPENSES								
Capital Outlay Expense	1,690,404	1,423,575	266,829	386,000	1,250,000	500,000	864,000	224%
Total Capital Expenses	1,690,404	1,423,575	266,829	386,000	1,250,000	500,000	864,000	224%
PROJECTED CHANGE IN FUNDS	22,081,035	28,591,165		24,523,260	24,673,128	25,354,580		1%

*Forecasted values based on projections developed for the 2021 Cost of Service Study

**Does not include non-cash expenses to better show financial resources for this year.

Totals may not foot due to rounding.

Table 4: Water Efficiency Fund - Statement

	FY21 Budget	FY21 Actuals	FY21 Difference	FY22 Budget	FY23 Proposed	FY23 Forecast*	FY23 vs FY22 \$Δ	%Δ
REVENUE (Operating):								
Projected Water Efficiency Revenue	4,587,175	5,102,185	515,010	4,770,662	5,927,640	5,819,926	1,156,978	24%
Total Operating Revenues	4,587,175	5,102,185	515,010	4,770,662	5,927,640	5,819,926	1,156,978	24%
REVENUE (Non-Operating):								
Investment Income	4,857	(10,467)	(15,324)	-	48,003	64,908	48,003	-
Demand Offset Fees	96,079	32,708	(63,371)	5,378	36,000	36,000	30,622	569%
Total Non-Operating Revenues	100,936	22,241	(78,695)	5,378	84,003	100,908	78,625	1,462%
TOTAL REVENUES	4,688,111	5,124,426	436,315	4,776,040	6,011,643	5,920,834	1,235,603	26%
EXPENSES (Operating)**								
Labor	2,222,218	2,232,219	(10,002)	2,220,426	2,217,939	2,317,317	(2,487)	0%
Educational Courses	1,000	7,017	(6,017)	3,500	5,500	3,570	2,000	57%
Travel & Meetings	51,200	4,797	46,403	48,400	49,368	49,368	968	2%
Dues & Memberships	77,500	18,506	58,994	106,850	125,681	108,987	18,831	18%
Consulting Services	1,478,000	800,323	677,677	1,440,000	1,260,000	929,322	(180,000)	-13%
Legal Services	20,000	45,232	(25,232)	20,000	15,000	20,400	(5,000)	-25%
Conservation Supplies	387,250	205,847	181,403	388,250	344,000	233,858	(44,250)	-11%
Repairs & Maint. – Equipment	25,000	8,339	16,661	20,000	30,500	12,036	10,500	53%
Safety & Compliance	2,650	1,325	1,325	5,100	5,900	5,202	800	16%
Water Efficiency	1,850,000	614,167	1,235,833	1,367,000	1,963,063	810,507	596,063	44%
TOTAL OPERATING EXPENSES	6,114,818	3,937,771	2,177,046	5,619,526	6,016,950	4,490,567	397,425	7%
Change in Operating Position	(1,426,707)	1,186,654		(843,486)	(5,307)	1,430,267		-99%
CAPITAL EXPENSES								
Recycled Water Retrofits	10,000	66,034	(56,034)	10,000	10,000	10,000	-	0%
Metering System Enhancements	3,000,000	2,787,103	212,897	500,000	1,000,000	1,000,000	500,000	100%
RWOS – System Improvements	340,000	911,492	(571,492)	400,000	500,000	500,000	100,000	25%
Total Capital Expenses	3,350,000	3,764,629	(414,629)	910,000	1,510,000	1,510,000	600,000	66%
PROJECTED CHANGE IN FUNDS	(4,776,707)	(2,577,975)		(1,753,486)	(1,515,307)	(79,733)		-14%

*Forecasted values based on projections developed for the 2021 Cost of Service Study

**Does not include non-cash expenses to better show financial resources for this year.

Totals may not foot due to rounding.

Table 5: Summary of Revenues, Expenditures, and Transfers

Moulton Niguel Water District
FY23 – Change in Fund Balances

Fund No.	Fund	Projected Cash Fund Balance 6/30/2021	Designated / Reserved	Net Available	Increases		Total Available	Decreases		Total Decreases	Projected Ending Balance 06/30/2022	Fund Balance Change
					Revenue	Transfer		Expense	Transfer			
1	General ¹	135,694,753 ³	55,254,611	80,440,143	106,243,186	-	186,683,328	81,570,057	36,215,601	117,785,685	124,152,281	-9%
6	Water Efficiency	3,524,692	-	3,524,692	6,011,643	-	9,536,336	7,526,950	-	7,526,950	2,009,385	-43%
Capital Improvement Funds												
7	Replacement & Refurbishment	11,695,338	-	11,695,338	-	23,520,836	35,216,174	35,216,174	-	35,216,174	-	-100%
12	Water Supply Reliability ²	-	-	-	-	750,000	750,000	750,000	-	750,000	-	-100%
14	Planning & Construction	1,819,492	-	1,819,492	-	-	1,819,492	1,278,750	-	1,278,750	540,742	-70%
Miscellaneous Funds												
15	Capital Facilities	134,428	-	134,428	136,715	-	271,143	-	271,143	271,143	-	2%
4	Self Insurance	63,413	250,000	(186,587)	-	192,309	5,722	5,722	-	5,722	250,000	294%
52	Rate Stabilization	15,219,519	16,310,711	(-1,091,192)	-	1,091,192	-	-	-	-	16,310,711	7%
Debt Service Funds												
12	2019 Revenue Bonds ²	-	-	-	-	2,430,250	2,430,250	2,430,250	-	2,430,250	-	0%
71	2015 COPS ('03 Refunding)	576,144	449,000	127,144	-	2,232,606	2,359,750	2,359,750	-	2,359,750	449,000	-22%
73	2019 COPS	-	-	-	-	3,318,706	3,318,706	3,318,706	-	3,318,706	-	0%
74	2021 COPS	-	-	-	-	2,814,129	2,814,129	2,814,129	-	2,814,129	-	-
Total		168,727,780	72,264,322	96,463,458	112,391,544	36,350,029	245,205,030	137,270,489	36,350,029	173,620,518	143,848,834	-15%

¹Emergency Reserves and Operating Reserves are included in General Fund Designated/Reserved in the amounts of \$35,300,000 and \$19,376,112 respectively.

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

³Proceeds from the 2021 COPS are held in Fund 74; however, they are shown in the General Fund as capital expenses are initially paid through transfers from the General Fund into to the respective Capital Fund. The General Fund is then reimbursed from Fund 74. The remaining proceeds allocated to each fund are consistent with anticipated CIP expenses.

Table 5 summarizes anticipated cashflow activity for each of the District’s major funds for FY23. This discussion below provides rationale for changes in each fund that exceeds 10%.

Fund Balance, details

General Fund – Fund 1

The individual revenues and expenses that make up the aggregate totals reported in Table 5 are presented in detail in Fund 1 – General Fund (Table 3) and the Revenue & Expense section. In addition to the \$81.6M budgeted operating and capital outlay expenses, total use of funds for the General Fund includes \$36.2M in transfers to the Capital, Miscellaneous, and Debt Service Funds for total cash outflows of \$117.8M in FY23.

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. Revenues fund investments which improve customer water efficiency and water supply reliability. The District has identified a spenddown of the Water Efficiency Fund with investments in new water supply and developing new water efficiency programs as detailed in Fund 6 – Water Efficiency Fund (Table 4) and the Water Resources & Efficiency section. The spenddown of \$7.5M in the fund balance is consistent with the overall plan.

Capital Improvement & Misc. Funds

The capital expenses shown in Table 5 are included in the District's overall Capital Financing Plan. The following discussions provide a high-level summary of major project categories and highlights significant nonrecurring capital expenses. The large decreases 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 through the year. Annual funding for these funds consists of bond issuance proceeds and other transfers from Fund 1.

Replacement and Refurbishment (R&R) – Fund 7

Major projects for the proposed \$35.2M capital expenditures for Fund 7 includes: \$14.0M for the Plant 3A solids handling facilities improvement and subsidence mitigation, \$3.5M for the potable water steel reservoir seismic retrofits, and \$2.75M for the Reservoir Management System Replacement, Phase 3. Wastewater treatment related expenses continue to account for a large share of total Fund 7 costs with SOCWA treatment facilities budgeted at \$10.4M.

Water Supply Reliability – Fund 12

Initial project designs for the South County Pipeline (SCP) Takeout Facility (\$0.5M) will improve potable water supply reliability should the SCP have a shutdown. In addition, the OCWD Basin Emergency Interconnection (\$0.5M) would provide an emergency interconnection to the OCWD groundwater basin.

Planning and Construction – Fund 14

The major projects for the proposed \$3.9M capital expenditures include: \$2.2M for Plant 3A improvements and \$0.5M for the 1050-Zone secondary feed pump station and transmission main.

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 and is consistent with the 10-year projected activity in the District's 2020 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 debt service reserve funds consistent with bond covenants.

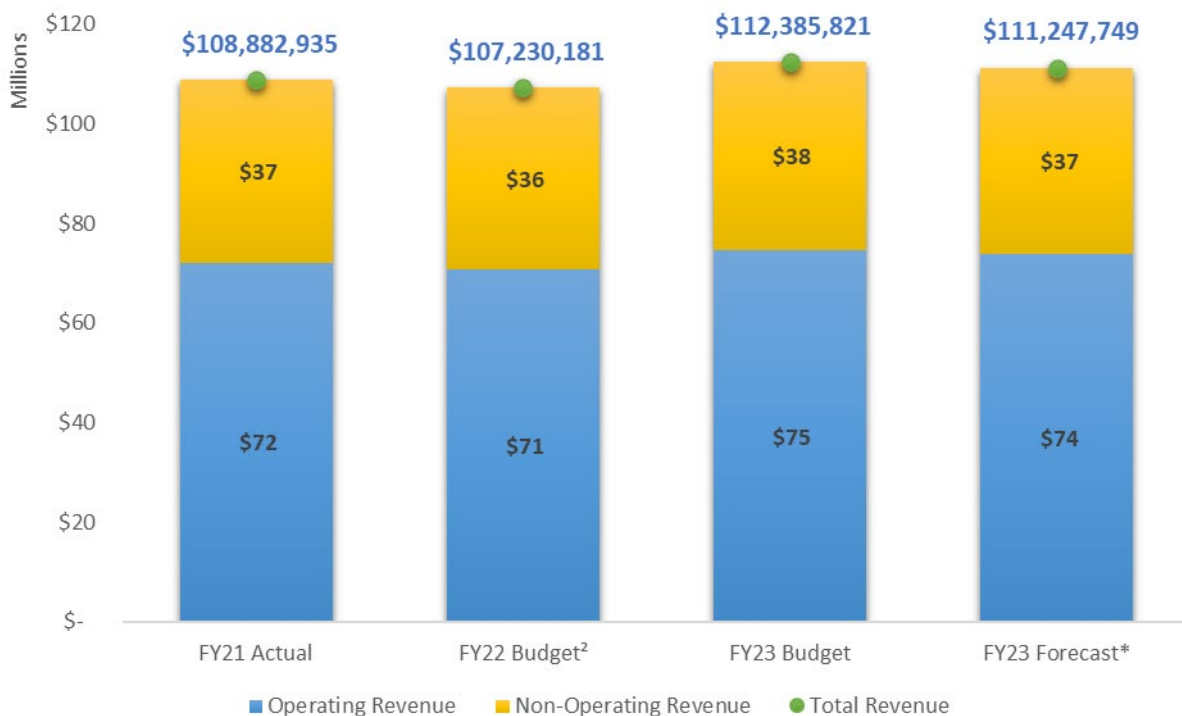
Revenues & Expenses

Revenues

There are two main sources of revenue for the District, operating and non-operating. Operating revenue accounts for 66% of the total revenue and is projected to increase 5% in FY23 as compared to FY22 and is comprised of rate revenue and other operating income. The remaining 34% are received from non-operating revenue which includes property tax revenue, investment income, cell site income, and capacity/developer fees.

Most year over year revenue change is driven by changes in customer behavior on water use and change in the Ad Valorem property tax. Revenue projections are based on trend analysis and defined in the following line-items.

Figure 11: Revenues Trend



*Forecasted values based on projections developed for the 2021 Cost of Service Study

²FY22 Budget does not include Bond Proceeds

Rate Revenue

In January 2022, the Board adopted a four-year rate schedule for potable, recycled, and wastewater service charges based on recommendations from the 2021 Cost of Service (COS) Study. A 3% rate revenue increase is assumed for the potable and recycled water and a 5.5% increase for wastewater.

The FY23 budget utilizes these adjustments to calculate rate revenue. The projected increase in Water Efficiency Revenue from forecast is due to the 2021 COS Study's financial plan anticipating a one-time 25% increase in water efficiency rates to fund water efficiency programs and water reliability planning projects.

Other Operating Revenue

Other operating revenue includes many of the user fees customers pay to utilize specific services such as turn on/turn off, late bill payments, and other user 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. The 22% increase in budgeted revenues are attributable to increased revenues from PCI fees and correlated with increase in capacity fees.

Property Tax Income

The District receives an apportionment of Ad Valorem property taxes from the County of Orange. Property tax revenue accounts for almost 24% of the District's total revenue. This has been a key component of the District's revenue base and has provided customers with the lowest average monthly bills in south Orange County. Property tax revenue budgeted for FY23 represents about a 3% increase over the budget for FY22. Finance staff works with 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 FY23; 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. SCWD continues to provide wastewater service to the area. Consistent with the terms of the annexation agreement, 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 payments to SCWD. Any increases are reflective of the rate increase passed through from South Coast Water District. SCWD adopted a two-year rate adjustment effective July 1, 2021 which the District is obligated to pass through per the terms of the annexation agreement.

Investment Income

The District currently holds a diverse portfolio of investments to meet both short term liquidity, midterm cash funded Capital Improvement Programs, and long-term earnings. The goals for the District's investments are safety, liquidity, and earning a total rate of return commensurate with the first two goals.

The projected \$2.7M is a result of anticipated higher than forecast fund balances resulting from the advanced 2021 Certificate of Participation issuance and investment earnings at 1.75% throughout the fiscal year. The District continues to adhere to the financial plan and policies outlined in the 2017 Long Range Financial Plan, updated in the 2021 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 cash funded Capital Improvement Program costs, while maintaining long-term earnings. The assumed 1.75% factor was developed in coordination with the District's Investment Advisor and reflects realistic expectations of portfolio performance over the fiscal year.

Cell Site Income

This revenue is collected from leasing District facilities to cell carriers to place cell towers and equipment on reservoirs and other District locations. Since implementation of the Communications Lease Agreement and Lease Policy, the Program has grown to include 48 agreements with various amendments. These communications facilities are distributed among approximately 20 District sites. Revenues are projected 4% above FY22 levels at \$2.1M for the FY23 budget. The increase is due to annual rent increases on existing agreements.

Misc. Non-Operating Income

The income includes grant funding, sale of scrap, and other revenues sources that are not directly related to the operations of the District. However, the District does not assume grant funding in its forecast. There is no change for this item in FY23.

Capacity Fees

The District assess charges on new development to buy into the system assets existing customers have paid to develop and maintain. The District's private development group actively works with the local cities to produce a 10-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 FY23 of \$136,715 represents a 200% increase from FY22 budget which is consistent with increased planned development between fiscal years.

Demand Offset Fees

In FY17, 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 569%, reflecting the increase in planned development.

Expenses

Though presented in the aggregate in the All Funds statement, operating expenses are classified according to these two categories with the costs of providing continued services reported and budgeted in Fund 1 – General Fund while the remaining costs of conservation and water efficiency efforts are reported and budgeted in Fund 6 – Water Efficiency Fund.

Water purchases and staffing resources are the major expense categories. Fund 1's expenses are projected to increase 4% while Fund 6's expenses will increase by 7%, for an aggregate of 4% in FY23. The departmental information section will provide details for expenses that year-over-year changed by either 10% or \$100,000.

Capital Expenditures

The anticipated Capital Improvement Program budget represents the largest cost category for the proposed FY23 budget, accounting for more than one third of total District expenses. Detailed discussion of the program can be found in the Capital & Debt section of this document.

Long-Range Financial Plan

The objective of the LRFPP is to identify strategies and actions which ensure sufficient financial resources are available for the District to achieve its mission, and to ensure those resources are utilized effectively. The LRFPP projects the annual operating budget and incorporates the 10-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.

The long-range financial planning model (10-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 10-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 LRFPP is to ensure that this strong performance continues through timely and thoughtful financial analysis, budgeting, and planning. The District's debt obligations were recently reaffirmed at "AAA" by Fitch Ratings and remain "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 LRFPP, in conjunction with other long-term planning efforts, provides a roadmap for future resource needs and actions. Currently, the District is implementing a \$623 million Capital Improvement Plan (CIP) and evaluating local and regional supply reliability projects and programs to meet the goals outlined in the 2020 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.

The District's Operations and Engineering staff annually develop the 10-year CIP based on prioritization of needed projects and potential replacement costs for large projects over the 10-year planning horizon. Potential future projects are identified by remaining useful asset life and consequence of failure; however, actual costs will vary based on condition assessments and better data. Recognizing that actual costs will differ from projections, the District's Finance staff and Engineering staff work 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 \$434.1 million Capital Financing Plan can be seen below in the shaded blue area plot in Figure 13.

The District's high bond rating and strong financial position, aided by the 10-year Cash Flow Model, serve as tools to aid in appropriately sizing future issuances to mitigate volatile rate increases and maintain a consistent financial plan. In February 2022, the District approved a new 4-year rate adjustment plan based on the 2021 Cost of Service study. In addition, staff worked closely with the District's Financial Advisors to shift the 2022-23 issuance a year earlier due to historically low rates, avoiding approximately \$14 million in interest payments over the life of the issuance (issuance in December 2021 versus April 2022).

The 10-year financial outlook for rate increases has remained consistent across updates to the Long-Range Financial Plan until MET revised their 10-year rate projections in 2022, directly affecting the District's long range rate projection since MET is the sole water provider of potable water. The update in April 2022 has shown that rates will increase in Years 3-10; however, staff will continue to track any regional changes and update the LRFPP accordingly.

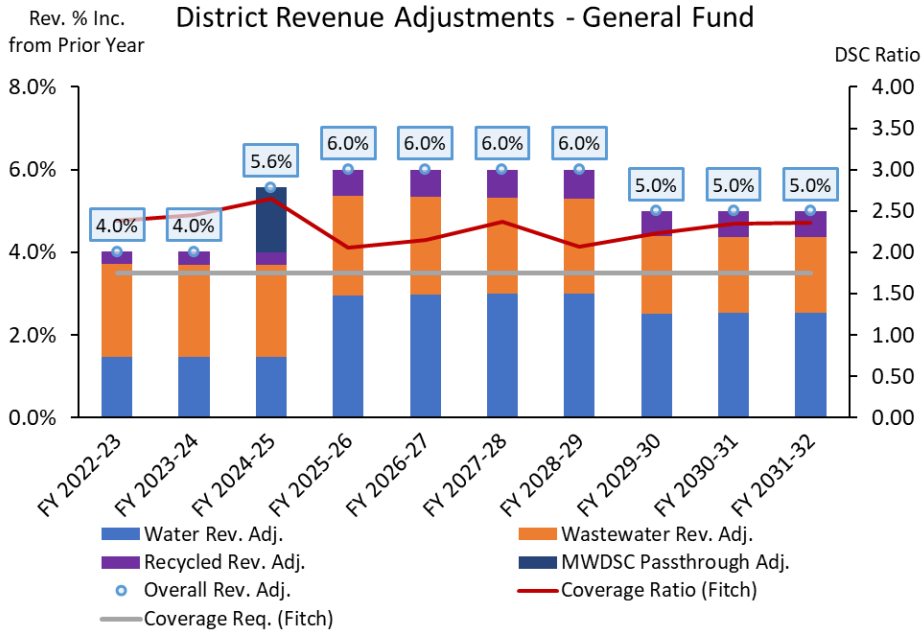
The District's total projected bond issuances have remained the same even as updated information on asset needs was incorporated, in particular: updated regional wastewater capital plans, improvements to the District's Plant 3A, and significant updates to the District's pipeline replacement program. However, due to delays in supply chain, the timing has shifted out further. The District has, and will continue to, maintain its debt-service coverage and reserve targets as set by policy and bond covenants. The dates of previous outputs of the 10-year Cashflow Model are shown alongside the current projections in Table 6.

Table 6: 10-year Cashflow Model - Outputs Comparison

LRFP Update	Forecasted Rate Adjustments				Projected Bond Issuances	
	2022 23	2023 24	2024 25	2025 26	Fiscal Year	Amount
Jan 2021	4.0%	4.0%	4.0%	4.0%	2022-23 2025-26 2028-29	\$60 million \$80 million \$80 million
Mar 2021	4.0%	4.0%	4.0%	4.0%	2021-22 2024-25 2027-28	\$60 million \$80 million \$78 million
Sep 2021	4.0%	4.0%	4.0%	4.0%	2021-22 2024-25 2027-28	\$60 million \$80 million \$78 million
April 2022*	4.0%	4.0%	5.6%	6.0%	2024-25 2027-28 2030-31	\$75 million \$63 million \$20 million

**Figures 12-15 provides detail of this update.*

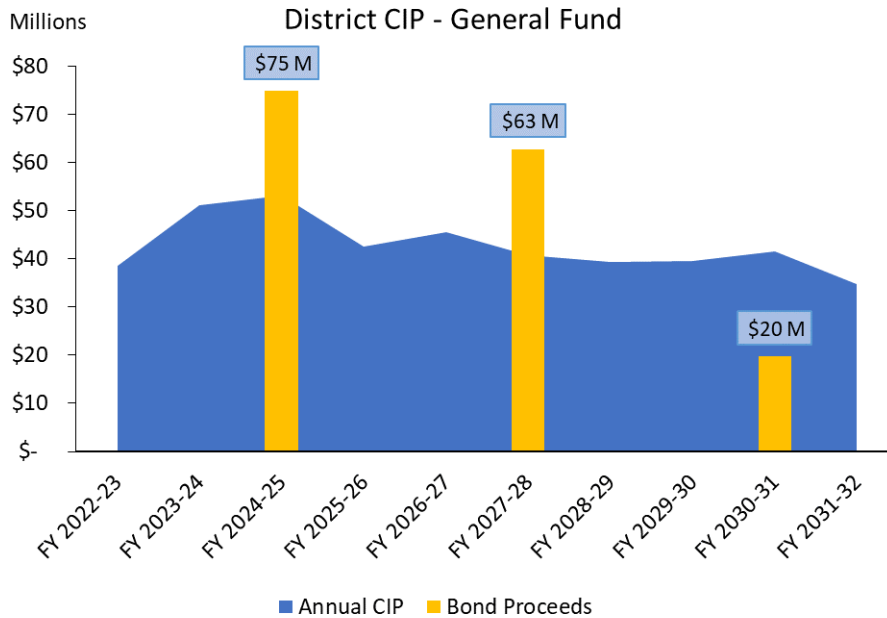
Figure 12: District Revenue Adjustments - General Fund



The forecast General Fund revenue adjustments for water, wastewater, and recycled water will keep debt service coverage ratios at or above the Board policy requirement of 1.75 and well above the 1.25 required by bond covenants.

Metropolitan Water District revised its 10-year rate projection, which would tentatively affect the District's rate forecasts in Years 3-10 as shown. The District will conduct another Cost of Service study in 2025, but update the LRFPS annually.

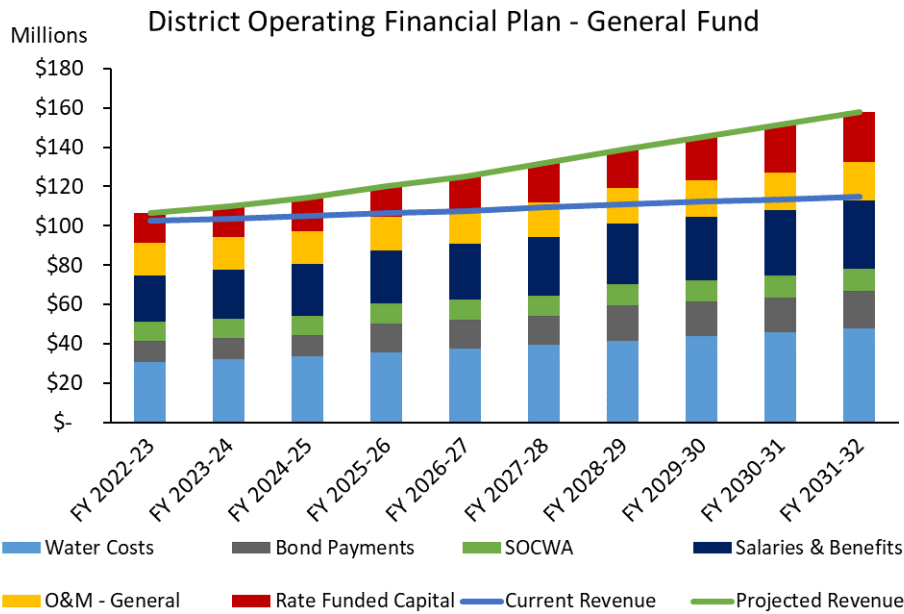
Figure 13: District CIP - General Fund



The debt issuances identified in Figure 13 are timed to align with the retirement of existing debt and anticipated capital expenditures.

By utilizing the District's strong debt service coverage ratio and timing future issuances as the District's capacity to issue debt increases, the proposed financial plan supports the forecasted annual rate adjustments, while providing for inter-generational equity amongst today's customers and the rate payers of tomorrow. The total anticipated issuance amount remains consistent as forecasted.

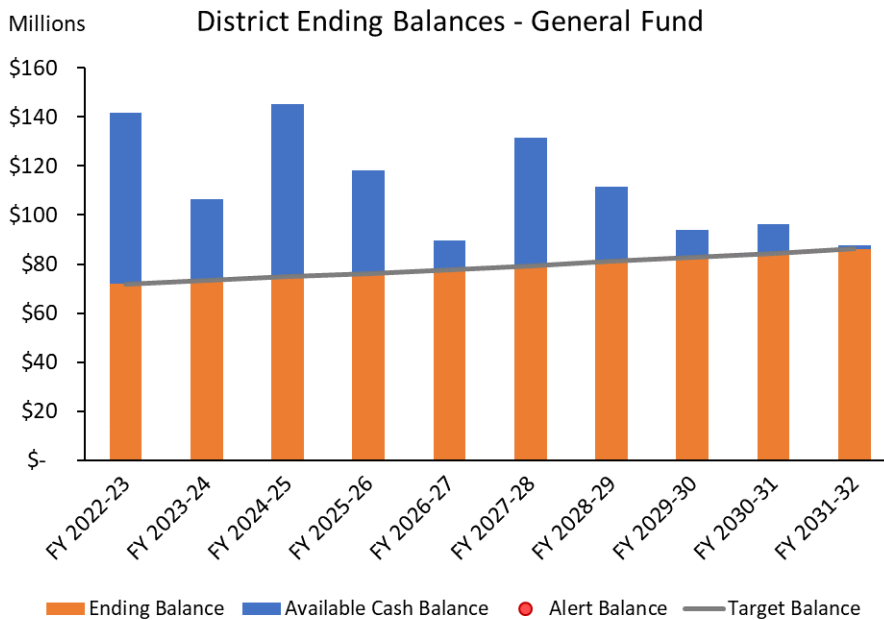
Figure 14: District Operating Financial Plan - General Fund



The Operating Financial Plan breaks down the major component costs and compares the proposed revenue stream to the status quo.

Rate Funded Capital is total revenue, net of operating and debt service-related expenses that is used to cash-fund capital expenses. These funds can also be used to replenish reserves if they drop below established targets.

Figure 15: District Ending Balances - General Fund



The proposed revenue adjustments and bond issuances provide adequate cash balances to meet current reserve policy requirements.

Available cash balances can be used to fund capital projects and provide additional policy options including the ability to meet unforeseen risks.



DEPARTMENTAL INFORMATION

Functional Organization

As shown in the earlier Strategic Plan section, the District consolidated its goals and objectives into five areas of F.O.C.U.S. The District implements F.O.C.U.S. by organizing departments into five main functional divisions: Administration, Customer Experience, Engineering, Operations, and Water Resources & Efficiency. Table 7 below, provides an overview of how the divisions collaborate to achieve the F.O.C.U.S. objectives.

Therefore, the District’s O&M budget is presented in detail by functional divisions, including departmental descriptions, goals and objectives, and performance measures. Expenses are reported where they are budgeted/managed, as shown in Table 8 below, and the District’s functional structure is different from its organizational structure (Figure 7).

Table 7: FOCUS & Responsible Divisions

	Functional Divisions				
	Administration	Customer Experience	Engineering	Operations	Water Resources & Efficiency
1. Fiscal Responsibility	X	X			
2. Operational Optimization			X	X	X
3. Community & Government Relations	X	X			X
4. Unified Workforce	X				
5. Secure & Reliable Service			X	X	X

Table 8: FOCUS Oriented Structure

Functional Divisions & Departments	Adopted FY21	Adopted FY22	Proposed FY23
ADMINISTRATION			
<i>Accounting</i>	6	6	7
<i>Contracts & Purchasing</i>	3	3	3
<i>Financial Planning & Innovation</i>	3	3	3
<i>General Administration</i>	7	9	9
<i>Human Resources</i>	3	2	3
ADMINISTRATION TOTAL	22	23	25
CUSTOMER EXPERIENCE			
<i>Communications</i>	3	2	3
<i>Customer Accounts</i>	14	16	14
<i>Customer Engagement</i>	1	1	3
CUSTOMER EXPERIENCE TOTAL	18	19	20
ENGINEERING			
<i>Assets & Records Management</i>	6	7	6
<i>Capital Engineering</i>	4	5	6
<i>Construction Oversight</i>	6	6	7
<i>Cross Connection Control</i>	4	2	2
<i>Development Services</i>	2	2	2
<i>Engineering Administration</i>	3	3	3
<i>Recycled Water Program</i>	3	4	4
<i>Wastewater Treatment (Plant 3A)</i>	5	5	5
ENGINEERING TOTAL	33	34	35
OPERATIONS			
<i>Collections</i>	7	7	7
<i>Electrical/Instrumentation</i>	5	5	5
<i>Facilities Maintenance</i>	10	10	10
<i>Fleet Maintenance</i>	4	5	5
<i>Information Technology</i>	8	8	8
<i>Meter Maintenance</i>	15	15	15
<i>Operations Administration</i>	6	6	6
<i>Pipe & Valve Maintenance</i>	16	16	21
<i>Water Distribution</i>	5	5	5
OPERATIONS TOTAL	76	77	82
WATER RESOURCES & EFFICIENCY			
<i>Proactive Leak Detection</i>	3	3	3
<i>Water Efficiency</i>	9	9	9
<i>Water Resources</i>	2	2	2
WATER RESOURCES & EFFICIENCY TOTAL	14	14	14
Total Personnel	163	167	176

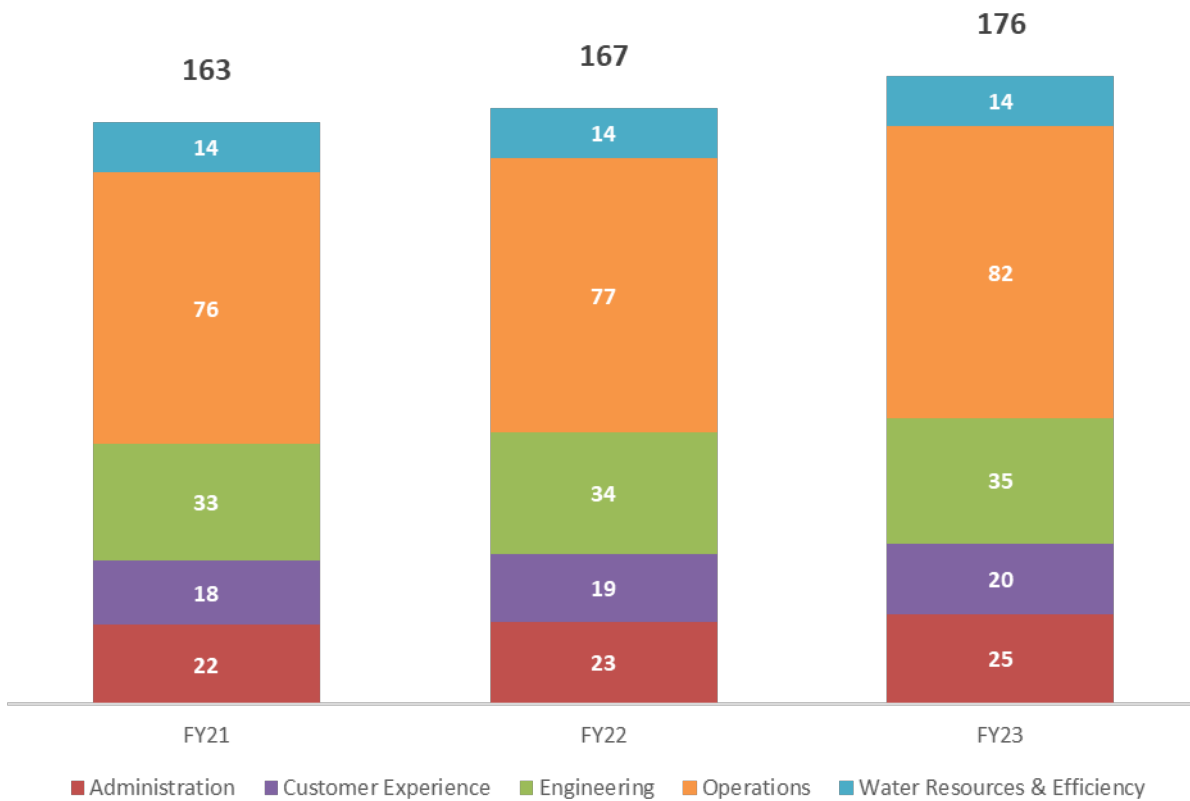
Position Summary Schedule

The District prides itself on cross-departmental collaboration and each employee is expected to be a Moulton H.E.R.O. which stands for Honesty, Effort, Respect, and One-team. These guiding principles allow for continued operational efficiencies as crews and departments cross-train, share resources and provide support to one another. Table 9 lists the total position counts by functional division while Figure 16 stacks it visually.

Table 9: Trend of Position Count by Functional Division

Functional Divisions	FY21	FY22	FY23
Administration	22	23	25
Customer Experience	18	19	20
Engineering	33	34	35
Operations	76	77	82
Water Resources & Efficiency	14	14	14
District Department Totals	163	167	176

Figure 16: Trend of Position Count by Functional Division





ADMINISTRATION

The Administration Division is responsible for the overall day-to-day management and support of the District. Therefore, the Division is comprised of Accounting, Contracts & Purchasing, Financial Planning & Innovation, General Administration, and Human Resources.

General Administration

The General Administration Office oversees and provides administrative support for the other divisions and departments in the District. In addition, the Department supports the Board of Directors (posting meeting notices/agendas, conducting Board and Committee meetings, etc.) and assures that Board policies, resolutions, and ordinances are properly administered.

This Office also includes Government Affairs to expand the District's engagement and influence on local, county, state, and federal issues associated with water, wastewater, and recycled water. The District has recognized tremendous value in pursuing interagency partnerships and grant funding opportunities. To identify and pursue these opportunities, District staff are complemented by 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. In addition, staff works with political partners to secure grant funding for many projects.

Accounting

The Accounting Department work collaboratively with other departments in support of the District's financial functions. The Department oversees payroll, accounts receivable, accounts payable, capital expenses, and preparation of the Comprehensive Annual Financial Report.

Contracts & Purchasing

Contracts & Purchasing Departments provides value-oriented contract services by assisting all District departments in procuring the highest quality services in a timely manner, while adhering to applicable State and Federal requirements, as well as District policies and procedures.

Financial Planning & Innovation

Financial Planning & Innovation oversees the management of the District's existing debt and planning to support future debt issuances, setting equitable rates, and oversight of the District's investment portfolio in collaboration with the Accounting team. This department also has oversight of the District's Data Team which provides analytical support through data analysis and programming.

Human Resources

The Human Resources Department strives to maintain strong employee morale and enhance organizational performance through recruiting top talent personnel, enhancing existing labor force's skillsets, complying with all labor regulations, and enforcing District labor policies and Memorandum of Understandings.

Table 10: Trend of Position Count in Administration

	FY21	FY22	FY23	Changes/Trends
Administration				
Accounting	6	6	7	Proposed new position: <i>Accounting Assistant I</i>
Contracts & Purchasing	3	3	3	
Financial Planning & Innovation	3	3	3	
General Administration	7	9	9	
Human Resources	3	2	3	Proposed new position: <i>Senior HR Analyst</i>
Total Personnel	22	23	25	

Table 11: Operating Expenses, Administration

	FY21 Budget	FY21 Actuals	FY21 Difference	FY22 Budget	FY23 Proposed	FY23 Forecast	FY23 vs FY22	
							\$Δ	%Δ
EXPENSES (Operating)								
Labor	3,671,343	3,542,062	-129,281	3,961,502	4,459,420	4,135,212	497,918	12.6%
Educational Courses	7,354	1,467	-5,886	9,000	25,905	9,180	16,905	187.8%
Travel & Meetings	118,301	31,157	-87,144	101,366	107,742	103,393	6,376	6.3%
Employee Relations	98,055	56,462	-41,593	101,700	111,717	103,734	10,017	9.8%
General Services	216,599	150,223	-66,376	197,334	198,881	200,380	1,547	0.8%
Annual Audit	55,000	37,860	-17,140	52,500	55,000	53,550	2,500	4.8%
Dues & Memberships	74,996	62,823	-12,173	83,312	79,476	84,978	-3,836	-4.6%
Election Expenses	180,000	0	-180,000	0	180,000	135,000	180,000	-
Consulting Services	260,834	236,378	-24,456	274,500	297,670	236,865	23,170	8.4%
Legal Services - Personnel	50,000	10,963	-39,037	50,000	50,000	51,000	0	0.0%
Legal Services - General	596,154	290,663	-305,491	500,000	400,000	510,000	-100,000	-20.0%
District Office Supplies	10,449	5,180	-5,269	10,500	11,120	9,992	620	5.9%
Repairs & Maint. - Equipment	1,599	2,488	888	1,500	1,510	1,520	10	0.7%
Repairs & Maint. - Facilities	226,657	0	-226,657	214,300	0	0	-214,300	-100.0%
Safety & Compliance	863	737	-126	900	906	918	6	0.7%
Special Outside Assessments	149,051	151,694	2,643	151,602	154,634	154,634	3,032	2.0%
TOTAL	\$5,717,254	\$4,580,157	(\$1,137,097)	\$5,710,016	\$6,133,981	\$5,790,358	\$423,965	7.4%

Expense Details

Details of line-item expenses that changed by more than \$100,000, 10%, or are of note:

Labor:

The District will provide the final 2% Cost of Living Adjustment per the latest MOU in the beginning of this fiscal year. In addition to merit increases, this line-item includes the addition of two new positions for the Administration Division: Accounting Assistant and Senior Human Resources Analyst. These roles will provide crucial support in implementing the latest accounting best practices, management of grant reporting requirements, and complying with the latest personnel regulations.

Educational Courses:

The District places considerable value in 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. The educational course expense includes provisions for ongoing training and education as well as the costs for 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. This year's increase is due to staff completing more certifications and utilizing the District's education reimbursement program to advance their professional knowledge.

Election Expenses:

The District is governed by a seven-member Board of Directors, who are publicly elected by registered voters for staggered four-year terms. In November 2022, three Director seats will be on the ballot. Actual costs may vary depending on the number of candidates. This expense is expected every two years.

Legal Services - General:

Last year, the District required more legal review and services than usual, especially with the Finance Department. Legal review was required for the development of the Cost-of-Service Rate Study, adopting said rates, and conducting public hearings. The issuance of the 2021 Certificates of Participation also required detailed review by counsel. With the completion of these one-time projects, the annual legal expenses are projected to decrease.

Repair & Maintenance - Facilities:

All janitorial and maintenance costs associated with maintaining the District's permanent facilities are now managed by the Operations Division.

Table 12: Completed Administration Goals

COMPLETED FY22 FOCUS-Oriented GOALS

1. Fiscal Responsibility

- Issued RFP for audit services and engaged a new CPA firm for five years.
- Achieved a successful financial and single audit.
- Completed 2021 Cost of Service and Rate Study.
- Adopted four-year schedule of rates and charges recommended by the District's 2021 COS and Rate Study.
- Performed annual review of investment policy, reserve policy, debt management policy, capitalization & surplus policy, purchasing policy, and grant management policy.
- Achieved the Distinguished Budget & Comprehensive Annual Financial Report Awards from the GFOA.
- Maintained AAA rating from Fitch and S&P Global.
- Issued \$56 million Certificates of Participation at record low interest rates.
- Adopted a Reimbursement Resolution for 2021 COPs allowing the District to immediately reimburse \$7.3 million for capital expenditures incurred prior to the COP issuance.

3. Community & Government Relations

- Monitored regional, state, and federal discussions related to key issues that may directly impact the District such as COVID-19 regulations and issues, Delta Conveyance, MET and MWDOC issues, rates and charges, water grant programs, and the federal property in Laguna Niguel.
- Participated in several South Orange County Wastewater Authority (SOCWA) member agency meetings to discuss the Joint Powers Authority and service expectations/options going forward.
- Supported internal grants team to review new state and federal grants opportunities, as well as work with local agencies, non-profits and elected officials to advocate for MNWD funding requests.

4. Unified Workforce

- Responded to the COVID-19 pandemic by safely discontinuing temporary remote work assignments and brought all staff back to work in-person at the new HQ, monitored CDC and CalOSHA guidance, assisted employees affected by COVID-19 and conducted contact tracing to prevent the spread of the virus in the workplace, provided appropriate PPE to staff, revised the COVID-19 Prevention Plan (CPP) to comply with updated regulations, and collected vaccination records for all staff in order to apply exclusion and return to the worksite protocols.
- Won the Top Workplace in Orange County designation for the fifth year in a row and Top Workplace USA designation for the second year in a row.
- Filled 162 of 167 budgeted full-time positions (97% staffed) and hired 28 employees (18 FTE + 10 Temp) between March 2021 to January 2022.
- Negotiated a 5% increase as opposed to increases of 14% for HMO and 15.6% for PPO plans in Anthem health insurance rates.
- Incorporated Family First Coronavirus Response Act reporting, enhanced FMLA tracking, 457 Roth tracking, and additional IRS requirements into enterprise resource planning system.

Table 13: Planned Goals & Objectives for FY23

PLANNED FY23 FOCUS-Oriented GOALS

1. Fiscal Responsibility

- Complete 2022 Capacity Charge and Demand Offset Fee study.
- Review and update financial policies as part of the annual review.
- Achieve the Distinguished Budget & Comprehensive Annual Financial Report Awards from the GFOA and improve rating scores.
- Apply for the first Popular Annual Financial Report award from GFOA.
- Maintain AAA rating from Fitch and S&P Global and monitor use of 2021 COPs proceeds.
- Issue late bill payment collections RFP and select vendor.
- Issue Fiscal Agent RFP and select institution.
- Issue Financial Advisor RFP and Bond & Disclosure Counsel RFP and select firms.

3. Community & Government Relations

- Evaluate upcoming District projects and programs and identify possible new grant funding opportunities.
- Meet with newly elected Congress Member and State Assembly Member in District area and their staff and continue to involve local, state, federal and other policy makers and their staff in several District events and activities (e.g., community forums, online events, state and federal agency official briefings).
- Continue to work with 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.
- Continue to work closely with Councils, Board members and staff from the Orange County Water District (OCWD) and the City of Santa Ana, and other interested parties to conduct a preliminary design of a potential emergency potable water interconnection.

4. Unified Workforce

- Develop new Moulton Niguel Water District Employee Association – Memoranda of Understanding with the General and Supervisory Units.
- Facilitate deferred compensation financial counseling and education sessions between staff and consultants.
- Monitor legislation relative to the COVID-19 pandemic and take appropriate action.
- Deliver upon the objectives of the Future Leaders Of Water (FLOW) Initiative by encouraging a diverse pool of future talent to consider a career in the water industry and equipping existing water professionals with the necessary leadership skills, developing and implementing an internal leadership academy, building upon collaborative partnerships with educational institutions, such as Santiago Canyon College and UC Irvine, and professional groups, such as the Water Energy Education Alliance.

Performance Measures and Achievements

- Performed annual review of Investment Policy, Reserve Policy, Debt Management Policy, Capitalization & Surplus Policy, Purchasing Policy, and Grant Management Policy.
- Presented at GFOA's national conference on GASB 87 implementation.
- Served as a national reviewer for GFOA's Certificate of Achievement for Excellence in Financial Reporting
- Completed redesign of office spaces at warehouse.
- Issued 1099 tax documents for commercial customers that received COVID aid for water arrearages and customers that received over \$600 in water efficiency rebates.
- Completed 247 documents (agreements/task orders/amendments) as of 2/1/2022 in support of the District. Completed 14 RFP/Q as of 2/1/2022.
- Worked with IT to Improve JDE capabilities related to contract tracking and automation.
- Developed training material and lead small group training classes to employees regarding purchasing policies and procedures (e.g., updated solicitation guidelines and new operating procedures for RFP's).
- Updated LRFP and 10-year cash flow model.
- Conducted short-term cash forecasting and coordinated restructuring of investment portfolio with advisors to fund capital improvements.
- Developed Prop.218 notice with Communications Department and received zero protest from the public.
- Created job descriptions for: Accounting Manager, Assistant Director of Engineering, Communications Manager, Computerized Maintenance Management System Administrator, Records & Mapping Analyst, Sr. Customer Engagement Coordinator and Sr. Financial Data Analyst.

Table 14: Administration KPIs

Key Performance Indicators	FY21 Achieved	FY22 Current	FY23 Forecast
1. Debt Coverage Ratio The District is required by bond covenants to collect revenues that will be at least sufficient to yield net revenues equal to 1.25 of debt service payable during the fiscal year. To keep its high-quality credit rating, the District's Board of Directors has established a coverage target of 1.75.	4.60	2.78	2.38
2. Days Cash	569	560	520
3. Credit Rating	AAA	AAA	AAA
4. Recruitments	28	27	29
5. New Employee Orientations	30	37	32
6. Applications Received	1,174	804	1,000
<i>Applications/Recruitment</i>	42	22	34

CUSTOMER EXPERIENCE



The District has developed a comprehensive Customer Experience functional division which includes an integrated approach to customer communications, community engagement, public outreach, and education programs. Therefore, the Division is comprised of Communications, Customer Accounts, and Customer Engagement.

Communications

The Communications Department has seen a record number of interactions with the public through expanded outreach and community programs, along with increased value from new local and regional partners, and a data-driven multichannel outreach approach to maximize engagement with customers. Based on the feedback from customers and member cities, the community appreciates the increased engagement and participation at events, especially with the transition from virtual events to in-person events during the past year.

A great example of communication and coordination occurred during the Coastal Fire in Laguna Niguel (May 11, 2022). The Communications team worked with Engineering and Operations to identify areas to send messages to shut off irrigation and non-critical water use to ensure sufficient waterflow and pressure to the portion of the distribution system that fed the local fire hydrants. Simultaneously, the team met with GIS, the Data Team, and Customer Service Field and compiled contact lists to call and/or send emails. Staff also utilized social media to reach out to residents and asked them to turn off their irrigation, which allowed the Orange County Fire Department to access water when needed.

Customer Accounts

The Customer Accounts Department is the first point of contact for customers, for issue resolution and concerns on a wide variety of service-related issues. This group provides reception services, call center activity, customer portal support, walk-up counter payment service, internet payment service, ACH and credit card payment processing, customer billing, new account processing, service order generation, leak notifications, and delinquent account processing, including collection processing, bill adjustments and budget modifications.

Customer Engagement

The Customer Engagement Department coordinates, plans and implements a variety of programs, tools, and analysis in support of both internal customer service staff and District customers. Specifically, this group designs, implements and maintains data and user interface integrations between customer-facing technology solutions to ensure a seamless customer experience across all stages and touchpoints of the customer journey that incorporates multiple channels. Furthermore, the team develops business transformation solutions to support District initiatives driving efficiencies in customer operations.

Table 15: Trend of Position Count in Customer Experience

	FY21	FY22	FY23	Changes/Trends
Customer Experience				
Communications	3	2	3	Proposed new position: <i>Communications Specialist</i>
Customer Accounts	14	16	14	Reorganized (2) positions to Customer Engagement
Customer Engagement	1	1	3	Reorganized (2) positions from Customer Accounts
Total Personnel	18	19	20	

Table 16: Operating Expenses, Customer Experience

	FY21 Budget	FY21 Actuals	FY21 Difference	FY22 Budget	FY23 Proposed	FY23 Forecast	FY23 vs FY22	
							\$Δ	%Δ
EXPENSES (Operating)								
Labor	1,876,198	1,821,465	-54,733	2,034,052	2,238,407	2,125,892	204,355	10.0%
Educational Courses	12,256	6,114	-6,143	15,000	10,000	15,300	-5,000	-33.3%
Travel & Meetings	15,172	2,943	-12,229	13,000	9,000	13,260	-4,000	-30.8%
General Services	244,222	221,017	-23,205	222,500	233,500	225,934	11,000	4.9%
Dues & Memberships	524	392	-133	582	540	594	-42	-7.2%
Consulting Services	285,064	222,648	-62,416	300,000	283,000	258,869	-17,000	-5.7%
District Office Supplies	580,660	253,875	-326,785	583,500	533,230	506,985	-50,270	-8.6%
Repairs & Maint. - Equipment	3,199	2,488	-711	3,000	3,060	3,041	60	2.0%
Repairs & Maint. - Facilities	5,288	3,392	-1,897	5,000	11,500	5,100	6,500	130.0%
Safety & Compliance	1,150	1,106	-44	1,200	1,800	1,224	600	50.0%
TOTAL	\$3,023,733	\$2,535,437	(\$488,295)	\$3,177,834	\$3,324,037	\$3,156,200	\$146,203	4.6%

Expense Details

Details of line-item expenses that changed more than \$100,000, 10%, or are of note:

Labor:

Staff strives to provide the best customer experience possible. In order to comply with State regulations such as SB998 (water shutoff protection) and improving a robust customer portal, two vacant Customer Accounts positions were reorganized to Customer Engagement positions. These new roles provide operational and programmatic support for the Customer Experience Team. In addition, the District is proposing a Communication Specialist to assist with enhancing public outreach campaigns and working closely with the community.

Educational Courses:

As mentioned, these costs vary from year to year. This year's decrease compared to last, is due to reduced request from staff for tuition reimbursement.

Travel & Meetings:

Even though staff are back on-site, some organizations that the District is involved with are still remote. The decrease in travel/meetings are due to these events being virtual.

Repairs & Maintenance – Facilities:

The safety of District staff is of the utmost importance for the Board of Directors and Management Team. An on-going increase to this line-item was budgeted to bring on a mail courier service to pick up outgoing District mail (not customer bills, which are printed offsite) and deliver incoming mail from the Post Office (which does not include customer bill payments) versus utilizing staff, preventing safety issues of leaving the premises and reduce loss of time with customer assistance.

Safety & Compliance:

As recently witnessed by the Coastal Fire, investment in personnel and coordination is crucial during emergencies. These new staff members will also need safety boots for field work, hence the additional \$600 request in Safety & Compliance line-item.

Table 17: Completed Customer Experience Goals

COMPLETED FY22 FOCUS-Oriented GOALS

1. Fiscal Responsibility

- Monitored customer bill delinquencies during moratorium on shut offs.
- Revised District’s policy regarding Discontinuation of Service for Non-Payment to extend payment arrangement terms from six months to twelve months.
- Launched Payment Plan Application and Tracking Tool for administration and reporting related to state legal requirements for customer shutoff noticing for nonpayment.
- Launched proactive payment plan outreach to customers unable to pay past due balances.
- Successfully applied for approximately \$1 million in funding through SWRCB for water and wastewater service-related arrearages.

3. Community & Government Relations

- Developed hybrid programs to be available both online and in-person (e.g., H2O for HOAs, Home Savings Surveys).
- The District’s hybrid Watershed Education Field Trips experienced its highest participation yet with over 1,400 students taking part in the program.
- Produced District 2021 Year-in-Review brochure and video to highlight information about Moulton Niguel, key facts, and achievements.
- Partnered with the Southern California Gas Company to co-market water and energy saving direct installation programs.
- Implemented an outreach campaign to commercial customers to make them aware of COVID relief opportunities through the District’s budget modification process.
- Completed a comprehensive Crisis Communication Plan, a document to guide outreach and messaging to customers during significant emergencies.
- Published the 2020 Water Quality & Consumer Confidence Report.
- Re-opened District doors to the public for in-person customer service with utmost attention to customer and staff safety.
- Deployed the Enterprise Customer Portal via MyWater MNWD where Commercial customers can pay their bills across multiple accounts with one click and view their water usage across accounts.
- Completed a comprehensive evaluation of the District’s residential workshop offerings.

Table 18: Planned Goals & Objectives for FY23

PLANNED FY23 FOCUS-Oriented GOALS

1. Fiscal Responsibility

- Initiate assessment of Utility Billing System replacement.

3. Community & Government Relations

- Provide timely, informative, and educational messaging to encourage efficient water use in response to the escalating drought via the Resilient Together campaign.
- Implement Leak Alert Outreach Campaign and related marketing study in coordination with Stanford University's Marketing Department.
- Upcoming Payment Reminders: Initiate the next implementation phase of automated payment reminders and providing customers with e-mail notifications about their upcoming payment.
- Electronic Outage Notifications: Evaluate and implement informing customers of service outages via web, email and mobile communications.
- Reformat the customer information welcome packet to be available in both print and digital versions.
- Evaluate the need for a follow-up Customer Communications Survey and/or improve customer programs, services and communications and implement accordingly.
- Expand online resources and videos to give customers options on programs and services during the pandemic and beyond.

Performance Measures and Achievements

- Moved all Customer Accounts staff to support all Customer Experience related functions from off-site to Head Quarters. Re-opened District doors back to the public for in person Customer Service with utmost attention to customer and staff safety.
- Secured ~\$1M for non-payment accounts through water and wastewater funding for COVID related arrearages.
- Deployed a payment plan processing tool with consultants at Water UX which captures the stringent requirements of SB998. This tool will be instrumental in assisting staff in processing payment plan requests and adhering to SB998 requirements.
- Extended payment plan period from 6 months to 12 months.
- Created reporting on Contact Center metrics and staff utilization as well as outbound calls to drive staffing and marketing decisions.
- Successfully deployed JDE updates to accommodate Commercial budget overrides for Commercial customers who had reduced usage due to COVID closure. This streamlined the processing and review of the Commercial override process until 2023. Additionally, this reduced Commercial customer bills to reflect financial hardships from COVID.
- In September 2021, successfully deployed an end-to-end Enterprise Portal where Commercial customers can pay their bills across multiple accounts with one click and view their water usage across accounts.
- Supported CS Field Team by entering meter changeouts into JDE during the AMI implementation of all commercial and residential accounts.
- Successfully implemented the 2022 customer billing rate increase.
- Successfully increased our social media reach and engagement after cutting back dramatically on outreach to focus on COVID-19 communication to ensure customers that their water is safe, reliable, and clean.
- Successfully increased email open rate to 38.89% while the average open rate for all industries is 21.33%.

Table 19: Customer Experience KPIs

Key Performance Indicators	FY21 Achieved	FY22 Current	FY23 Forecast
1. Customer Portal Engagement			
New Enrollments	6,311	5,552	5,932
% of Active Customer Base	17%	15%	16%
2. Number of Meter Work Orders			
Turn On	5,755	5,280	5,518
Turn Off	1,588	1,568	1,578
3. Social Media Reach (Facebook, LinkedIn, Twitter)			
Impressions	75,377	265,759	531,518
Engagements	3,045	12,438	24,876
Post Link Clicks	794	6,555	13,110
4. Email Communication			
Emails Sent	1.16M	1.27M	1.40M
Open Rate	24.5%	38.9%	40.0%



ENGINEERING

The Engineering Division manages all aspects of engineering and project management including the planning, environmental, design, construction, inspection, permitting, and functional operation of the District's water, wastewater, and recycled water systems; the Division also oversees private development, records management, and wastewater treatment operations. The Engineering Division is comprised of the following departments: Assets & Records Management, Capital Engineering, Construction Oversight, Cross Connection Control, Development Services, Engineering Administration, Recycled Water Program, and Wastewater Treatment.

Assets & Records Management

A comprehensive asset management strategy is essential for accurate Capital Improvement Program planning and budgeting, as well as ensuring effective replacement and refurbishment of the District's assets. This Department oversees the Asset Management functions of the District, including comprehensive GIS and CMMS services. GIS services include items such as data updates, spatial analyses, field GIS applications to support field workflows and data collection (e.g. valve exercising, water loss reporting, valve isolation tracing, sewer CCTV, hydrant maintenance, etc.), exhibit creation, and sectional map book generation. Primary CMMS services include work order management, timesheet entry and tracking, and maintenance metrics/reporting. Records Management provides document management services for the Engineering and Operations Divisions, including archival scanning and indexing of all Capital Improvement and Private Development project documents, assisting with document retrieval, publishing sectional books, processing staff redlines, responding to public records requests, and tracking bond releases.

Capital Engineering

This Department primarily oversees the day-to-day implementation of the District's robust 10-Year Capital Improvement Program, including all elements of planning, environmental, design, and construction. Responsibilities generally include project management and engineering expertise required to complete items such as technical studies, analyses, condition assessments, construction documents, and cost estimates, to ensure the successful completion of individual projects. The Department also provides engineering support to the Operations Division and works collaboratively with the Operations Division and the Financial Planning and Innovation Department in the development of the Capital Improvement Program Budget.

Construction Oversight

This Department provides construction oversight of all Capital Improvement and Private Development projects, inspection of annual paving programs for cities in the District's service area, and response to after-hours emergencies, including the facilitation of required repairs. The Department also ensures that District facilities are protected through the Underground Service Alert Program and develops scopes of work for District projects to assist other departments.

Cross Connection Control

This Department is responsible for the development, management, administration, and execution of the District's Cross Connection Control/Backflow Protection Programs including the oversight of approximately 5,400 backflow devices.

Development Services

This Department manages the permitting process for customers and Private Development projects, ensuring that all development projects meet current District Standards. This includes processing applications for service, site plan checks, performing hydraulic analyses for project demands and fire flow, securing easements, projecting 10-year demand growth and collecting fees, establishing construction meter accounts, managing the Fats Oils and Grease program, and issuing will serve letters to cities. The Department also manages the District's Pretreatment and Source Control Program and the Communications Facilities License Program.

Engineering Administration

This Department provides administrative oversight of all departments within the Engineering Division.

Recycled Water Program

This Department is responsible for conducting inspections and oversight of the District's 1,300+ recycled water use site accounts and facilitating and overseeing installation of new recycled water irrigation retrofits, as well as the construction of new recycled water use sites. The Department also employs public education and runoff mitigation strategies, in addition to complying with regulatory reporting requirements.

Wastewater Treatment (Plant 3A)

This Department successfully operates and maintains Plant 3A facilities while protecting public health, the environment, and remaining in compliance with regulatory and public health agencies. Staff facilitates all capital work at Plant 3A in compliance with District objectives and regulatory performance standards. The Department also performs sampling, monitoring, and testing of wastewater treatment processes and responds to treatment plant issues and emergency situations. Lastly, the Department also operates the Advanced Water Treatment facility at Plant 3A, which produces Title 22 recycled water for the District's customers and accounts for approximately 4% of the District's demand.

Expense Details

Details of line-item expenses that changed more than \$100,000, 10%, or are of note:

Labor:

Two main drivers for this decrease are a change in capitalization and reduced reliance on contractors for construction inspections. Staff identified specific departments that provide overall support and benefits to the capital program. The indirect cost rate for administrative support will be determined as of July 1 each fiscal year and added to labor charged to capital projects for the upcoming fiscal year.

Educational Courses:

This year's decrease is due to reduced requests from staff for tuition reimbursement.

Travel & Meetings:

As the District and many organizations in the industry are back on-site, seminars, conferences, and meetings are transitioning from virtual to in-person events. The \$12,000 increase will allow more staff to attend these events to learn new ideas and stay up to date with industry best practices. This line-item is adjusted on an annual basis.

General Services:

Being at headquarters and on-site meant that GIS and Records Management staff now have access to the District's advanced printers. After taking a year off due to COVID-19 and not printing any sectionals, staff is restarting the print schedule for sectionals, leading to this one-time adjustment of \$13,000.

Consulting Services:

The proposed Consulting Services budget includes provisions for the District to support the planning needs of its Engineering Department. Due to the one-time or project specific nature of these costs, staff has recommended that these needs be fulfilled by consultants. These projects and services include the Northern Transmission Main Assessment, Inspection Services, Cell Site Management, FOG Program, and GIS Support.

Insurance – District:

The District is a member of ACWA-JPIA and the premiums for insurance have increased industry-wide, contributing to this increase of \$200,000. These increases are expected to be held going forward.

District Operating Supplies:

The decrease in operating supplies was due to purchasing less chemicals for wastewater treatment at Plant 3A. Though unit costs for chemicals have gone up, the District is forecasting no influent from Santa Margarita Water District; therefore, staff expects total costs to decline.

Repairs & Maintenance - Equipment:

The largest budget from last year was due to new equipment needed for the new headquarters. Now that staff is settled in and the one-time costs have been realized, this line-item has been adjusted accordingly.

Safety & Compliance:

The District has sufficient Personal Protective Equipment and miscellaneous safety equipment and have reduced this line-item.

SOCWA:

Given the significant annual financial contributions to wastewater treatment, there is a growing need to ensure the District's ratepayers receive high quality and cost-effective services from its contract 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 SOCWA to review opportunities to identify the most effective ways to treat wastewater and managing costs to do so. This increase is based on the best information that SOCWA staff provides to the District at the time of budget development.

Utilities:

Costs associated with the Utilities line-item are expected to increase based on general inflation for utilities. The continued trend of minimal year-over-year increases reflects continued operational efficiency monitoring by District staff. However, this year, the increase is due to higher projections for Plant 3A's electric and gas utilities. Since SMWD does not intend to send flow to the facility, the District is responsible for a higher share of the cost. However, staff continues to conduct pilot studies exploring energy reduction.

Table 22: Completed Engineering Goals

COMPLETED FY22 FOCUS-Oriented GOALS

2. Operational Optimization

- Substantially completed the implementation of the Computerized Maintenance Management System (CMMS).
- Expanded and refined the comprehensive register and hierarchy of assets for District facilities.
- Completed construction of the following significant projects:
 - Plant 2A Upgrades Projects
 - Regional Lift Station Enhancements
 - Regional Treatment Plant Southerly Influent Sewer Improvements
 - Saddleback Auxiliary Pump and Engine Replacement
 - Aliso Creek and Southwing Lift Station Generator Replacements
- Commenced construction of the following significant projects:
 - Phase 3 of the Reservoir Management Systems Replacement Program
 - Potable Water Steel Reservoir Seismic Retrofits
 - Upper Salada Lift Station Auxiliary Generator Replacement
- Substantially advanced the design of the following significant projects:
 - Phase 4 & 5 of the Reservoir Management Systems Replacement Program
 - 1050-Zone Secondary Feed Pump Station and Transmission Main
 - Plant 3A Subsidence Mitigation Project
 - Plant 3A Solids Handling Facilities Improvements Project
 - Regional Lift Station Force Main Replacement
 - Crown Valley Pipelines Replacement Project
(Lower Salada Force Mains, Crown Valley Transmission Main – Lower Reach, ID#1 Master Meter)
- Advanced assessment of Collection System Inflow and Infiltration.
- Completed condition assessment of the Eastern Transmission Main.

5. Secure & Reliable Service

- Advanced the data analysis of the Collection System Inflow and Infiltration assessment; implemented regular sampling and testing to complement wet-weather data.
- Implemented 8 recycled water sites (6 were new and 2 were retrofits). The potable water usage offset from all 8 sites was 24 AF/Y.
- Integrated new shops and south maintenance yard at Plant 3A into daily operations.
- Substantial advancement of analyses related to future regional wastewater planning and operations.
- Supported implementation of the District's 10-year Capital Improvement Program.

Table 23: Planned Goals & Objectives for FY23

PLANNED FY23 FOCUS-Oriented GOALS

2. Operational Optimization

- Update the 10-year Capital Improvement Program.
- Implement additional refinements, enhancements, and training for CMMS.
- Develop rehabilitation and monitoring strategies in targeted sub-basins based on data collected from the Collection System Inflow and Infiltration Program.
- Implement valve isolation tracing in GIS system to support strategic valve replacement projects, planned capital projects, and isolation needs during emergency repairs.
- Complete construction of the Plant 3A Subsidence Mitigation Project.
- Commence construction of the first two major pipeline projects from the pipeline rehabilitation and replacement program:
 - Regional Lift Station Force Main Replacement
 - Crown Valley Pipelines Replacement
- Initiate the next major pipeline condition assessment of the Northern Transmission Main to support planning of future pipeline rehabilitation and replacement projects.
- Commence construction of the following significant projects:
 - Plant 3A Solids Handling Facility Improvements
 - 1050-Zone Secondary Feed Pump Station and Transmission Main
 - 2022-23 Valve Replacements in support of the Valve Replacement Program
- Initiate design of the first two major station projects from the Vertical Asset Rehabilitation and Replacement Program:
 - North Aliso Creek Lift Station Reconstruction
 - Aliso Creek Lift Station Rehabilitation
- Complete various reservoir condition assessments in coordination with the Reservoir Seismic Retrofits Project and to support planning of future reservoir rehabilitation projects.

5. Secure & Reliable Service

- Support advancement of Collection System Inflow and Infiltration with increased focus on targeted sub-basins.
- Initiate contract support for additional recycled water system inspections in response to recent RWQCB requirements.
- Evaluate salinity control to improve recycled water quality.
- Review and analyze findings from the machine health learning pilot currently in operation at Lower and Upper Salada Lift Stations.
- Complete Fire Risk Assessment of closed zone pump stations and major lift stations.

Performance Measures and Achievements

- Completed Backflow Prevention Assembly Testing program by ensuring that ~5,400 private and District-owned backflow prevention assemblies are tested annually to ensure proper functionality, protecting the District's water system from possible contamination
- Facilitated the successful onsite construction of 6 new recycled water irrigation systems and 2 recycled water retrofits to ensure compliance with MNWD and California State Title 17 and 22 Health and Safety regulations
- Successfully inspected 441 recycled water use sites and an additional 36 recycled water use site inspections, focusing on run-off mitigation
- Installed over 500 identification tags and labels on field appurtenances to easily identify recycled water use sites
- Replaced over 200 deteriorated recycled water signs
- Inspected and coordinated ~120 critical construction support and after-hours emergency repairs, as well as 230 service line replacements
- Processed over 3,300 tickets for the Underground Service Alert program

Table 24: Engineering KPIs

Key Performance Indicators	FY21 Achieved	FY22 Current	FY23 Forecast
1. CIP Expenditure vs Depreciation <i>Ideally, the ratio of CIP expenditures to depreciation is greater than 1.0. This is an indicator that the District's capital investments are staying ahead of age-based infrastructure needs.</i>	2.69	1.27	1.82
2. Number of Fats, Oil, and Grease (FOG) inspections.			
<i>Manhole inspections</i>	7,641	8,084	8,127
<i>Best Management Practices Inspections</i>	577	580	584
<i>Number of Food Service Establishments</i>	520	523	526
3. Recycled Water Use Sites Inspections			
<i>Recycled Water Inspections Completed</i>	466	497	485
<i>Total Recycled Water Use Sites</i>	1,359	1,362	1,364
<i>Percentage of Use Sites Inspected</i>	34%	36%	36%
4. Number of Cross Connection Tests Completed	473	473	459
5. Cumulative number and percentage of backflow devices:			
<i>Inspected</i>	1,798/33%	1,804/33%	1,808/33%
<i>Repaired</i>	178/20%	200/11%	200/11%
<i>Replaced</i>	132/7%	200/11%	200/11%
6. Number of will serve letters issued	73	94	75

OPERATIONS



The Operations Division is responsible for the day-to-day operations and maintenance of potable water, recycled water, and wastewater infrastructure to meet service expectations of the District's customers. 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 are enhanced through regular education and training programs, implementation of new innovative strategies and tools, and updates to industry best practices. The Departments within this Division includes Collections, Electrical/Instrumentation, Facilities Maintenance, Fleet Maintenance, Information Technology, Meter Maintenance, Operations Administration, Pipe & Valve Maintenance, and Water Distribution.

Collections

This Department inspects, cleans, and maintains the District's wastewater collection system, consisting of over 11,000 manholes and 500 miles of pipeline. This Department responds to gravity sewer system issues such as odor concerns, pest control, root/grease issues and blockages.

Electrical/Instrumentation

This Department maintains electrical at vertical assets and the District's Supervisory Control And Data Acquisition (SCADA) and other instrumentation to ensure reliable communication between asset infrastructure and command centers.

Facilities Maintenance

This Department performs routine maintenance and repairs to the District's facilities, including potable pump stations, recycling pump stations, and sewer lift stations. The Department is also responsible for all pump refurbishments and keeping the District's oxygen generation systems online. The facilities maintenance crew responds to emergencies at all hours, ranging from communication failures to motor/pump failures.

Fleet Maintenance

This Department is responsible for the maintenance and repair of over 115 vehicles, including fuel management hardware and software. In addition, portable equipment and stationary back-up emergency generators are also maintained in this shop.

Information Technology

This Department supports District strategic business requirements by providing technology services. The Department is responsible for managing all technology assets including SCADA, telecommunications, mobile communications, hardware and infrastructure, and software applications. In addition, this group also manages all cloud services including applications, data storage and backup, and integration with third party service providers. The Department implements and maintains software applications and related processes to ensure current and future business needs and regulatory compliance obligations are met while protecting the District's digital assets.

Meter Maintenance

This Department supports customers in the field and investigates any concerns or complaints from District customers, state and local officials, private citizens, and surrounding agencies regarding District operations. They work with the Administration Division and Legal regarding claims and District policies. Each month, staff reviews Advanced Metering Infrastructure (AMI) data with the District's Data Team to better implement the meter maintenance and replacement program. This group also works with Customer Accounts and handles work order investigations, turn on/off service requests, and responds to leaks, breaks, odors, and overflows.

Operations Administration

This Department provides support to the entire division and specializes in regulatory and safety compliance.

Pipe & Valve Maintenance

This Department is responsible for the maintenance and repair of the District's potable water and recycled water system, providing around the clock response to line breaks, damaged hydrants, valve leaks, and customer inquiries. In addition, this group manages the completion of concrete and asphalt repairs resulting from District repairs and projects. This Department also replaces and exercises all District-owned valves.

Water Distribution

The operators are responsible for maintaining and repairing the District's reservoirs and pressure reducing stations, and for the planning and execution of complex mainline isolations that are necessary to support various projects. This is done through computer-based telemetry control (SCADA) and direct field control and monitoring. The Department is also charged with monitoring the District's water quality and reporting programs.

Table 25: Trend of Position Count in Operations

	FY21	FY22	FY23	Changes/Trends
Operations				
Collections	7	7	7	
Electrical/Instrumentation	5	5	5	
Facilities Maintenance	10	10	10	
Fleet Maintenance	4	5	5	
Information Technology	8	8	8	
Meter Maintenance	15	15	15	
Operations Administration	6	6	6	
Pipe & Valve Maintenance	16	16	21	Proposed (5) new positions: (1) Supervisor (4) Maintenance Worker
Water Distribution	5	5	5	
Total Personnel	76	77	82	

Table 26: Operating Expenses, Operations

	FY21 Budget	FY21 Actuals	FY21 Difference	FY22 Budget	FY23 Proposed	FY23 Forecast	FY23 vs FY22 \$Δ	%Δ
EXPENSES (Operating)								
Labor	10,127,889	9,615,487	-512,403	11,016,069	11,364,229	11,523,148	348,160	3.2%
Educational Courses	32,540	19,753	-12,787	39,825	38,915	40,622	-910	-2.3%
Travel & Meetings	121,714	24,269	-97,445	104,290	95,580	106,376	-8,710	-8.4%
General Services	65,858	35,584	-30,273	60,000	60,000	60,926	0	0.0%
Member Agencies O&M	515,520	490,755	-24,765	598,632	545,071	574,464	-53,561	-8.9%
Dues & Memberships	5,895	5,496	-399	6,548	6,558	6,679	10	0.2%
Consulting Services	129,229	100,934	-28,295	136,000	289,000	117,354	153,000	112.5%
Equipment Rental	63,010	19,698	-43,312	47,510	62,520	48,460	15,010	31.6%
District Fuel	330,000	315,626	-14,374	340,000	412,500	346,800	72,500	21.3%
District Office Supplies	88,816	38,004	-50,811	89,250	79,250	77,547	-10,000	-11.2%
District Operating Supplies	516,185	334,681	-181,504	476,400	518,400	485,276	42,000	8.8%
Repairs & Maint. - Equipment	1,222,341	862,513	-359,828	1,146,352	1,275,685	1,162,011	129,333	11.3%
Repairs & Maint. - Facilities	1,823,010	1,932,596	109,587	1,723,623	2,216,935	1,758,095	493,312	28.6%
Safety & Compliance	326,687	300,558	-26,128	340,771	365,945	347,586	25,174	7.4%
Utilities	2,518,553	2,454,516	-64,037	2,562,190	2,621,650	2,613,434	59,460	2.3%
Water Purchases	28,637,921	29,466,282	828,361	28,897,373	30,057,298	29,240,558	1,159,925	4.0%
TOTAL	\$46,525,166	\$46,016,752	(\$508,414)	\$47,584,833	\$50,009,536	\$48,509,335	\$2,424,703	5.1%

Expense Details

Details of line-item expenses that changed more than \$100,000, 10%, or are of note:

Labor:

Although a portion of their labor cost will be capitalized, this increase is due to the addition of a new Pipe & Valve Maintenance crew consisting of a supervisor and four crew members. The District currently supports service line replacements with a mix of internal staff and external contractor support. After recognizing that there is a regular/base-loaded need to perform these replacements, District staff evaluated the costs of bringing this function completely in-house and saw an opportunity for both significant cost savings and increased operational flexibility. For example, replacing a service line project would cost \$3,000 internally versus \$7,000 externally (if contractors are available and can respond).

Consulting Services:

IT requires a new SCADA integrator to increase reliability in data transfer and support enhanced services. In addition, there have been many reports of increased cyberattacks on both public and private companies. Therefore, staff is forecasting an increased expenditure trend for cybersecurity measures.

Equipment Rental:

Staff continue to see significant shipping delays for parts and equipment orders due to persistent supply chain disruptions and have had to rely on equipment rentals to meet operational needs while waiting for orders to be fulfilled. Staff expects this cost to revert to historical levels once permanent equipment is received.

District Fuel:

District personnel are back on-site full time as compared to last year during the COVID-19 pandemic. Crews can perform more field work and the amount of fuel utilized has increased. In addition, the cost for fuel has increased worldwide and forecasted into this increase.

District Office Supplies:

The Division have sufficient supplies from previous fiscal year and have decreased this line-item accordingly after a review of inventory and trend analysis.

Repairs & Maintenance – Equipment:

In conjunction with increased cybersecurity measures, the IT Department updates District equipment regularly and is acquiring new PCs, monitors, peripherals (keyboards, mice, headphones, cables, video cameras, speakers, mousepads, adapters, flash drives, and other small, related equipment), and recording software for next year, allowing staff to operate securely and efficiently.

Repairs & Maintenance – Facilities:

Most of this increase is due to rising janitorial, landscape and tree maintenance costs associated with maintaining the District's facilities. Previously recognized elsewhere, these costs will be captured here going forward. Furthermore, hazardous waste disposal costs have increased significantly due to shortage of haulers and regulatory compliance.

Water Purchases:

Although this line-item increase is 4%, the amount is half of the year-over-year difference for this Division. The 4% is consistent with the increased water rates (5%) from MET. The District is forecasting slightly lower demand for next year (23,490 AF) as compared to the current year (24,176 AF) as a response to drought declaration and increased interest in water efficiency rebates and programs, as reflected in the increase in proposed Water Efficiency budget. Details of the District's water conservation efforts will be described in detail in the Water Resources & Efficiency section.

Table 27: Completed Operations Goals

COMPLETED FY22 FOCUS-Oriented GOALS

2. Operational Optimization

- Completed CEC grant funded project with UC Davis to develop WaterWatch software to optimize load shifting and energy management; completed pilot energy load shifting simulation exercises with UC Davis to refine tool.
- Completed the final phase of the smart meter installation project.

5. Secure & Reliable Service

- Adapted to evolving COVID-19 safety protocols for staff and customers while maintaining the effective operation of the District's systems.
- Facilitated comprehensive SWRCB inspection of the District's wastewater collection and conveyance system.
- Completed installation of final phase of AMI program, involving all residential meters.
- Initiated program for suspected leak identification and isolation of recycled water customers utilizing AMI data.
- Continued successful operation and maintenance of Plant 3A. Completed several maintenance and rehabilitation projects as well as security fencing at Plant 3A and adjacent District property.
- Implemented video monitoring, fire monitoring, security and access control systems for Headquarters.
- Completed major technical upgrades to accommodate Headquarters network and communications.
- Completed updates to the District's Emergency Response and Emergency Action Plans.
- Completed the American Water Infrastructure Act's Risk and Resiliency Assessment and began implementing recommendations.

Table 28: Planned Goals & Objectives for FY23

PLANNED FY23 FOCUS-Oriented GOALS

2. Operational Optimization

- Coordinate with UC Davis to expand WaterWatch software and develop a water loss dashboard to evaluate water loss and energy intensity in each pressure zone.
- Develop water-energy database to support future energy efficiency projects and evaluation of potential power generation to offset the District's energy needs.
- Refine acoustic leak detection program to complete listening to all District Service connections.

5. Secure & Reliable Service

- Implement water loss control programs: expand proactive leak detection, 1050-zone pilot pressure management project, and zonal water loss control dashboard.
- Support implementation of the District's 10-year Capital Improvement Program.
- Substantially complete high frequency radio replacements (18GHz) of SCADA network.
- Complete the consumer confidence water quality report, as well as the triennial public health goals report.
- Complete wastewater line cleaning and CCTV inspection in accordance with the SSMP.
- Commence the initial phase of the low-resolution meter replacement program.
- Update Board on cyber security measures and initiatives.
- Update Emergency Response Incident Command System certifications District-wide.
- Update Emergency Response Plan at Plant 3A.
- Collaborate with City of Laguna Hills on development of their Hazard Mitigation Plan.
- Assess the feasibility of adding electric vehicles to our fleet and pilot an electric vehicle program.

Performance Measures and Achievements

- Completion of the AMI Phase III (full AMI deployment)
- Test and calibrated all scheduled potable 3” to 10” water meters
- Completed 300 random water meter test for water loss reporting
- Updated spill prevention, spill response, and emergency response plans
- Completed 12,000-hour preventative maintenance service for Centrifuge No.2
- Installed slide gates and external mounts for return activated sludge stations and secondary clarifier tanks
- Performed much needed modifications and repairs to boiler and flare systems for AQMD compliance
- Replaced and commissioned Blower No.3
- Initiated implementation of new Fuel Management hardware and software
- CCTV inspected over 56 miles of gravity sewer mains
- Cleaned over 396 miles of gravity sewer mains
- Performed inflow & infiltration mitigation for the Regional Lift and Lower Salada Sub-Basins, which includes sampling for TDS/Manganese, short liner installation, and manhole rehabilitation
- Replaced over 250 water service lines
- Continued the District hydrant rebuilding program and hydrant painting program
- Continued developing District heavy equipment safety training and commercial drivers training for future employee’s obtaining class A & B licenses
- Completed installation and configuration of new IT network, internet and phone connection, and firewall for new Headquarters campus.
- Provided technical support for the design and construction of the move into the new Headquarters campus, specifically supporting the audio/visual systems, networking, security and access control, video camera system, and fuel management system.
- Provided technical expertise and support to Plant 3A design projects including subsidence and solids handling projects.
- Relocated several communication poles to improve SCADA communication.
- Continued rollout of CMMS modules to various divisions.
- Replaced the Board agenda management system.

Table 29: Operations KPIs

Key Performance Indicators	FY21 Achieved	FY22 Current	FY23 Forecast
1. Number of Valves			
<i>Exercised (internal staff)</i>	679	2,400	2,700
<i>Replaced (internal staff & contractor)</i>	110	155	175
2. Number of Mainline Breaks	29	23	29
3. Feet of Sewer Lines			
<i>Inspected</i>	344,575	152,226	248,400
<i>Cleaned</i>	1,735,458	1,827,251	1,781,355
4. Number of Meters Changed	2,004	2,913	2,459
5. Water Service Lines Replaced			
<i>Internal Staff</i>	239	300	325
<i>Contractor</i>	98	100	50*

*Transition of new pipe & valve maintenance crew. FY24 would be closer to zero replacement completed by contractor.



WATER RESOURCES & EFFICIENCY

The Water Resources and Efficiency Functional Division manages the District's water efficiency and rebate programs, assists customers with questions related to water efficiency programs and inefficient water usage, provides reliability and demand management analysis, and is responsible for water, energy, and water loss reporting to the State. The Functional Division ensures the efficient use of water by all customer classes within the District by confirming that each customer's budget billing factors are accurate and providing budget modifications when additional water need is justified due to medical needs, changes to occupancy, larger irrigated area, increase in business, change in business type, or additional employees. The Division is also responsible for updating the District's long-range water resources planning functions including the LRWRP and the UWMP, and supporting review, evaluation and potential development of water resources projects and programs.

Proactive Leak Detection

This Department works closely with Engineering and Operations to focus on leak detection efforts. The group proactively seeks, documents, and tracks sub-surface leaks. When a leak is detected, the team will work with internal staff or contractors to repair the leaks.

Water Efficiency

The District is seen as a statewide leader in providing a portfolio of innovative tools to help customers manage their water demands. The Department's 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 the District has been successful. It is paramount to continue developing strategies and tools to help customers use water efficiently while ensuring reliable service and the economic health of the community.

Some of the many water efficiency programs and other resources include, but are not limited to:

- Offering virtual and in-person assistance to all customer classes by conducting commercial site assessments, landscape assessments, and residential home savings surveys to identify causes of high consumption and inefficient use. Implementing outreach and educational campaigns and materials, garden tours, landscape and irrigation workshops, professional landscaper trainings, regional educational workshops for HOAs, and targeted and seasonal water efficiency messaging.
- Overseeing the District's educational programs, engaging with MWDOC and MET to partner on regional educational programs, building relationships with local school districts

(Mission Viejo High School, Capistrano Valley High School, Saddleback Community College, Aliso-Niguel High School, and Soka University), supporting the District's FLOW initiative, participating in statewide and regional educational conferences, and developing and maintaining educational related webpages and content.

- Managing the District's water efficiency programs, engaging with MWDOC and MET to partner on regional rebate and water efficiency programs, engaging with professional associations, consultants, landscape professionals, business, and others to develop and support local, regional, and statewide water efficiency programs and initiatives.
- Evaluating the effectiveness of water efficiency programs and implementing refinements based on customer feedback and water savings estimates.
- Supporting the District's water loss control program by compiling monthly water loss data, performing the annual water loss audit and validation, supporting component analyses of the water loss program, Implementing water loss pilot programs, introducing new software and technologies to streamline and manage the water loss and leak detection programs, and coordinating with Operations as needed to implement the District's water loss control program.
- Providing customers with communications and outreach materials about their water consumption, conservation education, water efficiency programs, and local events.
- Promoting the District's water efficiency and recycled water programs and services to our customers and general public in a positive and cost-effective manner.
- Developing focused customer marketing and education programs to reinforce our policies and programs.

Water Resources

The District has been proactive in its water resources planning efforts to meet water reliability objectives to ensure that a reliable, high-quality supply of water is available where and when customers need it. Successful implementation of the 2020 Long-Range Water Reliability Plan (LRWRP) adaptive management plan is essential to ensuring that there will be reliable water supplies for customers in the future. Staff reviews regional water supply projections on a monthly basis and compares against projected water demands to identify necessary actions the District's Board of Directors should consider to maintain water reliability. Staff will work towards implementing the appropriate Board approved recommendations in the 2020 LRWRP and the associated Water Reliability Policy objectives for cost effective emergency and dry-year storage water supplies.

This Department manages the District's long-range water resources planning documents and activities to meet the goals and objectives of the Board of Directors by:

- Implementing the District's Long Range Water Reliability Plan and exploring new opportunities to increase water reliability and savings. Supporting the development and implementation of new projects or pilot programs to enhance the District's water reliability.
- Reviewing and updating the District's water supply and water demand forecasts. Coordinating with MET and MWDOC on future supply conditions. Reviewing and engaging with MET and MWDOC on the update of the MET Integrated Resources Planning Document.
- Tracking and reviewing federal, state, and local legislative and regulatory activities that impact water supply and water demands for the District's customers.
- Engaging with local cities and the County of Orange on partnerships to enhance education and communication on watershed protection and reduction of urban runoff. Continue to identify programs or projects to partner with local stormwater management agencies to enhance water supply and reduce urban runoff.

Table 30: Trend of Position Count in Water Resources & Efficiency

	FY21	FY22	FY23	Changes/Trends
Water Resource & Efficiency				
Proactive Leak Detection	3	3	3	
Water Efficiency	9	9	9	
Water Resources	2	2	2	
Total Personnel	14	14	14	

Table 31: Operating Expenses, Water Resources & Efficiency

	FY21 Budget	FY21 Actuals	FY21 Difference	FY22 Budget	FY23 Proposed	FY23 Forecast	FY23 vs FY22	
							\$Δ	%Δ
EXPENSES (Operating)								
Labor	2,049,912	2,121,941	72,030	2,220,426	2,217,939	2,319,020	-2,487	-0.1%
Educational Courses	2,860	611	-2,248	3,500	5,500	3,570	2,000	57.1%
Travel & Meetings	56,486	11,246	-45,241	48,400	49,368	49,368	968	2.0%
Dues & Memberships	96,185	51,499	-44,685	106,850	125,681	108,987	18,831	17.6%
Consulting Services	1,368,307	1,096,911	-271,396	1,440,000	1,260,000	1,242,573	-180,000	-12.5%
Legal Services - General	23,846	9,689	-14,157	20,000	15,000	20,400	-5,000	-25.0%
District Office Supplies	382,877	169,506	-213,371	384,750	331,500	334,297	-53,250	-13.8%
District Operating Supplies	3,792	745	-3,047	3,500	12,500	3,565	9,000	257.1%
Repairs & Maint. - Equipment	21,326	20,730	-596	20,000	30,500	20,273	10,500	52.5%
Safety & Compliance	4,889	3,272	-1,617	5,100	5,900	5,202	800	15.7%
Water Efficiency	1,850,000	614,167	-1,235,833	1,367,000	1,963,063	810,507	596,063	43.6%
TOTAL	\$5,860,480	\$4,100,316	(\$1,760,164)	\$5,619,526	\$6,016,951	\$4,917,762	\$397,425	7.1%

Expense Details

Details of line-item expenses that changed more than \$100,000, 10%, or are of note:

Educational Courses:

These costs vary from year to year and this year's increase of \$2,000 is due to staff having delayed certification exams as testing sites were closed to the public due to COVID-19 and more staff completing certifications and utilizing the educational reimbursement program.

Dues & Memberships:

The District controls this expense by comparing the cost of District-wide membership and individual membership costs for specific groups and changes on an annual basis. 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. Some of these memberships include California Water Efficiency Partnership, Sustain SoCal, UC Davis Center for Water and Energy Efficiency Affiliates Program, UC Irvine – Industry-University Cooperative Research Center, Water Energy Education Alliance, Water Research Foundation, WaterReuse Association of California, and WaterNow Alliance.

Consulting Services:

By reorganizing staff priorities, shifting program responsibilities, and utilizing interns, the District was able to reduce \$180,000 in consulting service costs. Savings were applicable in the residential/commercial landscape assessments, customer portal, and conservation outreach services.

District Office Supplies:

The Division reduced the budget for supplies, promotional items, and advertisement by working collaboratively with other departments and outside agencies.

Legal Services – General:

A reduction of \$5,000 was applicable for this Division's budget since many of the legal reviews needed are incorporated with other departments.

District Operating Supplies:

The entire water efficiency/conservation team are back on-site full time as compared to last year and will perform more home saving surveys, water loss inspection, and miscellaneous customer inquiries. This leads to a one-time adjustment for this year, but consistent for future years of \$5,000. In addition, \$4,000 was increased in this line-item to publish water resource, efficiency, and conservation materials in American Water Works Association publications.

Repairs & Maintenance – Equipment:

As mentioned in the Operating Supplies above, field crew members will require the proper equipment and material to implement all the District's water savings program. This increase is proposed for the purchase of new FCS Permalog Automatic Acoustic leak loggers and FCS B-Mic kits to replace outdated equipment and yield more accurate readings for the leak detection crew.

Safety & Compliance:

Although the position count remains the same for this Division, there were vacancies that were filled and these new staff members will need safety boots, increasing the budget by \$800.

Water Efficiency:

This budget starts after the driest 3 years on record, staff plans to increase public engagement and participation with water efficiency/conservation programs. These programs include smart timers, NatureScape garden conversion, school retrofits, and turf removal rebates.

Table 32: Completed Water Resources & Efficiency Goals

COMPLETED FY22 FOCUS-Oriented GOALS

3. Community & Government Relations

- Conducted fifth annual, first-ever hybrid H₂O for HOAs workshop and formed a full-scale HOA Assistance Program by contracting for landscape assessment and water management support services for HOAs.
- Completed an evaluation of the District's workshop offerings, which will be used to inform updated workshop content, outreach, and strategy.
- Expanded access to leak alert notifications for commercial and residential customers as AMI smart meters are installed across the service area.
- Successfully retrofitted three local schools in the Saddleback Valley Unified School District with high efficiency plumbing devices: Lomarena Elementary, Montevideo Elementary, and Silverado High School.
- Awarded \$400,000 Water and Energy Efficiency Grant from the US Bureau of Reclamation to support the NatureScape and Smart Timer Direct Installation Programs.
- Increased the turf removal incentive of NatureScape and Regional Turf Removal Programs to \$4 per square foot.
- Hosted the District's first-ever Earth Day themed workshop.
- Hosted the District's 100th residential workshop; an estimated 3,000 people have attended District workshops since 2014.
- Installed the 100th landscape through the NatureScape Program.
- Launched the Meter Service Area Measurement and Mapping Project to measure and digitally map irrigated area associated with commercial and irrigation meters.

5. Secure & Reliable Service

- Implementation of the recommendations from the adopted 2020 LRWRP Update adaptive management plan:
 - Collaborated with Orange County Water District (OCWD) and the City of Santa Ana to draft an Interagency Agreement for preparing a preliminary design analysis of the infrastructure required to provide an emergency interconnection.
 - Prepared the Draft Reuse and Reservoir Conversion Opportunity Study to begin investigating the progressive increase of beneficial reuse of recycled water for implementation of a Direct Potable Reuse Project.
- Completed Phase 2 of the Smart Watershed Network, which included collecting flow monitoring and salinity data in Aliso Creek Watershed and developing a dashboard for data exploration and to support decisions about dry weather flow management and potential resource recovery.
- Held separate Board Workshops and adopted the 2020 Urban Water Management Plan and the Water Shortage Contingency Plan for submittal to DWR in compliance with the Water Code.
- Participated in MET's 2020 Integrated Water Resources Plan.

Table 33: Planned Goals & Objectives for FY23

PLANNED FY23 FOCUS-Oriented GOALS

3. Community & Government Relations

- Pursue additional state/federal funding opportunities for demand management and recycled water program expansion.
- Host the District's 3rd NatureScape Garden Tour and continue to build on the online NatureScape Garden Tour educational materials.
- Host 6th H₂O for HOAs workshop.
- Implement a pilot rainwater harvesting incentive developed in partnership with the County of Orange; this will be a stacked incentive with the NatureScape Program.
- Retrofit at least six schools in the Capistrano Unified School District with high efficiency plumbing devices.
- Perform a Peer Effect Study of the District's turf removal programs.
- Partner with California Data Collaborative on the 7th Annual Water Data Summit.
- Expand educational and web support materials for the H₂O Pro Water Management Program.
- Engage with DWR, SWRCB and other California water agencies and professional organizations to monitor regulatory rulemaking processes as the Water Efficiency Framework and water loss standards are developed and adopted.
- Initiate scoping a comprehensive water efficiency plan and solicit professional services as well as research partnerships to support the effort.

5. Secure & Reliable Service

- Continue to stay engaged with MWD, MWDOC and other local water agencies to monitor water resource and reliability projects that are planned and implemented to evaluate how that impacts the District's water reliability.
- Work with OCWD and the City of Santa Ana to begin the preliminary design study and environmental analysis for an emergency interconnection at the City's East Station facility for conveyance of groundwater during an emergency outage.
- Develop collaborative groundwater banking/storage project to cost effectively support meeting the District's 2021 water reliability policy goals for supply reliability.
- Implement the multi-year water quality monitoring program to support a future Direct Potable Reuse Project and continue to engage with regulatory agencies and project partners to support a pathway to direct potable reuse at the Regional Treatment Plant.
- Engage in regional discussions regarding drought conditions and regional response actions being taken to determine the District's need to implement the Water Shortage Contingency Plan.
- Prepare the first Annual Water Supply and Demand Assessment for submittal to DWR in compliance with the Water Code.
- Present the Smart Watershed Network Project to the District Board and MET as part of the Future Supply Action Grant.
- Utilize the Smart Watershed Network dashboard to evaluate opportunities for potential use of wastewater assets to capture and reuse dry-weather diversions through collaboration with the Urban Runoff Reduction Partnership.
- Complete the Sustainable Water Management (SWM) Profile, which identifies how well the District is responding to water supply stressors within our region and to help advance the District's sustainable water management. Building off the results of the SWM Profile, work with various District departments to identify cost-effective opportunities to advance the District's sustainable water management.

Performance Measures and Achievements

- In the first quarter of this fiscal year, the crew surveyed 144 miles of pipeline.
- Completed a weeklong subsurface leak detection training with Leif Koch (from Denmark, is considered one of the premier leak detection companies in the world).
- Worked with Fluid Conservation Services to gain technical expertise in the use of leak identification correlators. Leak detection team was provided permalog+ automatic acoustic leak detectors for use in a small pilot program.
- 63 subsurface leaks found in the first 8 months of the quarter with an average leakage rate of 1.23 gpm.

Table 34: Water Resources & Efficiency KPIs

Key Performance Indicators	FY21 Achieved	FY22 Current	FY23 Forecast
1. Emergency Water Supply, days	26	28	28
2. Turf Removal, square feet	77,421	405,171	648,000
3. Number of Home Savings Survey	205 (virtual)	341	300
4. Water Loss (real) 1-Year Time Delay for Reporting gallons/connection/day	FY20 32.55	FY21 27.41	FY22 < 27.0

CAPITAL & DEBT



Capital Program

Overview

The Moulton Niguel Water District Capital Improvement Program (CIP) outlines the projected future capital projects for the next decade and provides a 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. As part of an annual review, many of the identified projects are ultimately refined in scope or reprioritized 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'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:

1. General (G) Fund 1
2. Water Efficiency (WE) Fund 6
3. Replacement and Refurbishment (R&R) Fund 7
4. Water Supply Reliability (WSR) Fund 12
5. 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 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, and potential liability. Engineering and Operations staff conduct a series of annual budget development workshops to review and discuss all on-going and new projects based on each of these factors. These workshops help prioritize projects within the 10-year program and are used as a basis for selecting specific projects for implementation in the upcoming Fiscal Year.

10-Year Capital Improvement Program

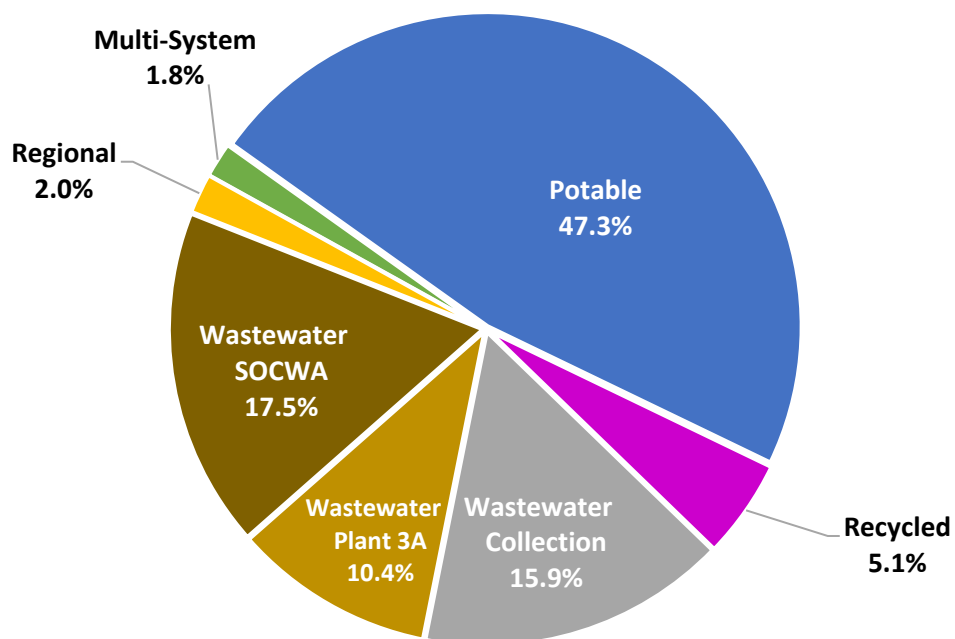
The 10-year CIP represents potable, recycled, wastewater, and multi-system projects that are required to maintain and operate the District’s infrastructure. Appendix CIP-A lists the projects in the 10-year CIP. The budgets are planning level costs based on similar completed projects and engineering estimates 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 \$623 million for FY23 through FY32. About 20 percent (\$122 million) of these projected CIP projects are associated with the District’s participation in regional activities such as Joint Power Authorities (JPAs).

Figure 17 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 vehicle replacements, geographic information systems, operational software enhancements 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, Upper Chiquita Reservoir, R6 Reservoir, and Baker Water Treatment Plant.

Figure 17: Distribution of the 10-Year CIP



Fiscal Year 2021-22 CIP Adopted Budget

The CIP for the FY22 as adopted by the Board of Directors in June of 2021 had a budget of \$56.2 million. The FY22 budget contained 75 individual projects, along with regional projects. District Engineering staff anticipates that at fiscal year-end, 40 projects will have been completed, 9 projects will be in construction and 19 projects will be in various stages of design.

Staff estimates that by fiscal year-end, \$59 million will be contracted or otherwise committed (includes multi-year projects with expenditures beyond the end of FY22) and approximately \$30 million will have been expended. Table 35 summarizes the FY22 adopted budget.

Table 35: FY22 Adopted CIP Budget

ITEM/FUND	FY22 Adopted Budget ⁽¹⁾
General - Fund 1	\$421,000
Water Efficiency - Fund 6	\$991,250
Replacement and Refurbishment - Fund 7	\$34,055,000
SOCWA, JRWSS, SMWD, ETWD, IRWD, & SAC - Fund 7	\$14,561,850
Water Supply Reliability - Fund 12	\$900,000
Planning and Construction - Fund 14	\$5,248,594
Total	\$56,177,694
Projected Expenditures for FY22 ⁽²⁾	\$29,864,550
Projected Committed Funds/Contracts ⁽³⁾	\$59,448,110

⁽¹⁾ Includes \$35,000 transfer from Fund 7 to 1 as authorized by General Manager.

⁽²⁾ Based on actual expenditures through March 31, 2022 and projected expenditures through the end of FY22.

⁽³⁾ Includes multi-year projects with expenditures beyond the end of FY22.

Fiscal Year 2022-23 Proposed Budget

The FY23 CIP outlines \$58.9 million in appropriations to continue funding existing projects and provide funding for new projects. Projects carried forward from FY22 account for about \$33.5 million of the FY23 CIP budget - \$11.6 million is currently in construction and \$21.9 million is in various design phases. Appropriations for new projects are about \$10.6 million, primarily for design and bidding. Construction of the new projects will occur during later fiscal years and is projected in the 10-year CIP. Regional projects, totaling \$14.8 million, include projects proposed by SOCWA for wastewater treatment; South Coast Water District (SCWD) for JRWSS; Santa Margarita Water District (SMWD) for jointly owned facilities such as Upper Oso and Upper Chiquita Reservoirs; El Toro Water District (ETWD) for R6 Reservoir Cover and Liner Replacement; and Irvine Ranch Water District (IRWD) for Baker Water Treatment Plant. Appendix CIP-B lists the projects proposed for the FY23 budget. These projects are described individually in Appendix CIP-C.

Table 36 summarizes the proposed budget for each of the various Funds while Figure 18 shows the percentage allocation. Rehabilitation and replacement of infrastructure generally drive budget requirements and account for approximately 88 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. The proposed funding for water supply reliability in the FY23 CIP budget will support further evaluation of identified projects and programs as considered in the District's LRWRP, specifically further evaluation of an emergency interconnection with Orange County Water District, continued expansion of the recycled water system, and on-going review of additional water reuse opportunities. As viable projects are identified and the regulatory picture becomes clearer, there could be a high degree of variability in these types of projects that would be considered and addressed as part of future budgets.

Table 36 summarizes the proposed expenditure by system while Figure 19 displays the percentage distribution across systems. The Wastewater and Potable systems account for approximately 48 and 36 percent, respectively, of the fiscal year budget due in large part to regional projects; Regional Lift Station Force Main Replacement; Lower Salada Lift Station Force Main Replacement; multiple phases of Reservoir Management System Replacements; Reservoir Seismic Retrofits; 1050-Zone Secondary Feed Pump Station and Transmission Main; Crown Valley Transmission Main Replacement; ongoing replacement of valves, services lines, and meters; as well as commencing the comprehensive rehabilitation of the 3A Wastewater Treatment Plant (first time since the plant's original construction), beginning with the Subsidence Mitigation Project.

Capital Financing Plan

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 conducts monthly cashflow projections on a project-by-project basis and revise these annual capital spending projections based on new asset data and current trends. The District's Finance and Engineering staff have jointly developed a 10-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 10-year capital financing plan total of \$434.1 million is utilized in the 10-year cashflow modeling to forecast revenue requirements in the future.

Table 36: Proposed Budget for FY23 by FUND

ITEM/FUND	FY23 Proposed Budget
General - Fund 1	\$1,250,000
Water Efficiency - Fund 6	\$1,510,000
Replacement and Refurbishment - Fund 7	\$37,089,063
SOCWA, JRWSS, SMWD, ETWD, & IRWD - Fund 7	\$14,768,358
Water Supply Reliability - Fund 12	\$1,000,000
Planning and Construction - Fund 14	\$3,304,219
Total FY23 Proposed Budget	\$58,921,639

Figure 18: Percent Distribution of Proposed Budget by FUND

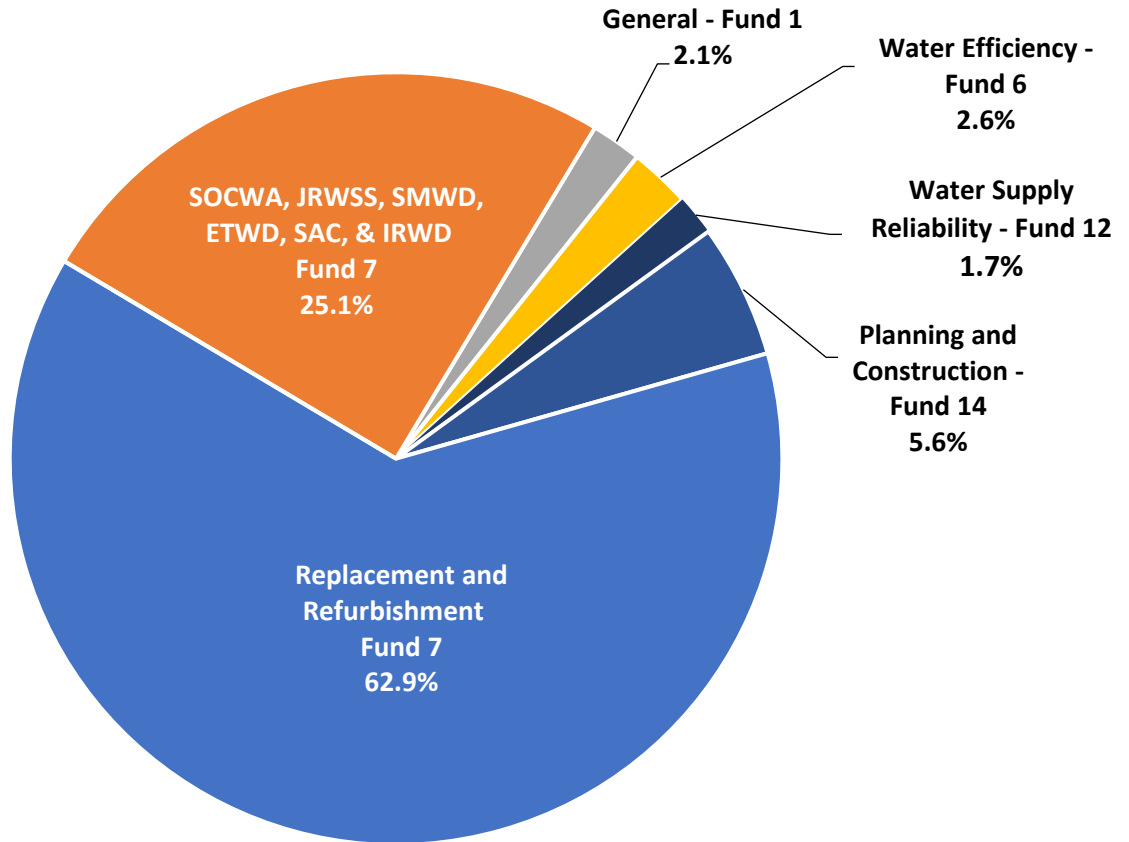


Table 37: Proposed Budget for FY23 by SYSTEM

SYSTEM	FY23 Proposed Budget
Multi-System	\$3,390,000
Potable Water	\$21,210,000
Recycled Water	\$1,915,000
Wastewater	
Collection	\$5,150,000
Treatment (Plant 3A)	\$12,488,281
Treatment (SOCWA)	\$10,421,507
Regional JRWSS, Upper Oso/Upper Chiquita, R6 Reservoir, Baker WTP, etc.	\$4,346,851
Total FY23 Proposed Budget	\$58,921,639

Figure 19: Percent Distribution of Proposed Budget by SYSTEM

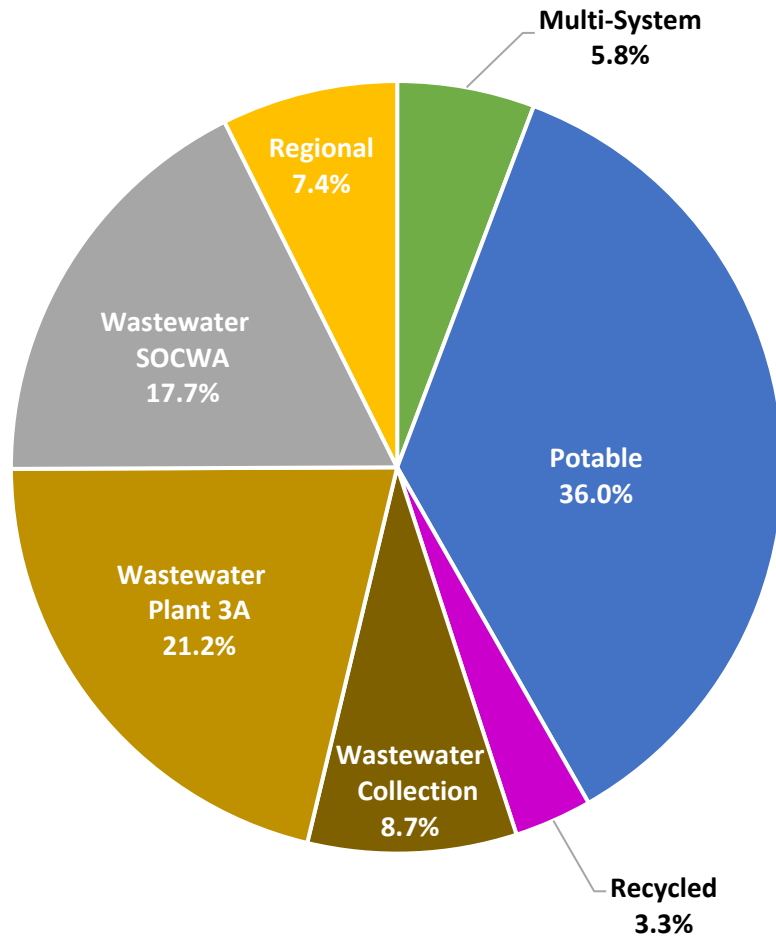
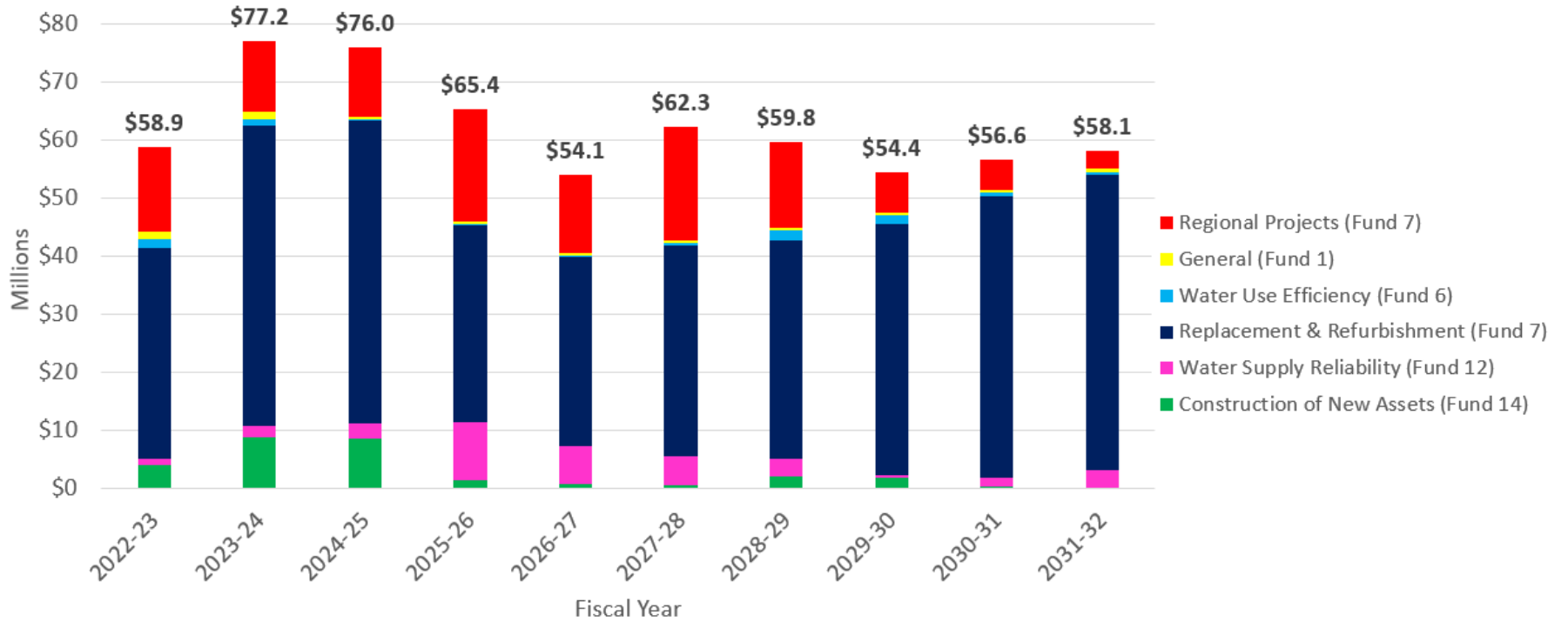


Figure 20: Proposed 10-Year CIP Budget Distribution



Impact of Capital on Operating Budget

Some aspects of the CIP will result in impacts to the operating budget. The anticipated impacts to the operating budget associated with the FY 2022-23 proposed CIP budget are outlined below.

Salaries:

Approximately \$3.3M of staff's salary from working on CIP will be capitalized.

Debt/Funding:

Approximately \$40.0M of eligible capital expenses are anticipated to be funded by bond proceeds while the remaining balance is funded by cash balance. Actual disbursements will be based on eligible expenses.

Maintenance:

The FY 2022-23 proposed CIP budget includes 69 individual projects, in addition to regional projects. The vast majority of these projects involve replacing existing assets such as pipelines and related appurtenances where the new assets are expected to result in a negligible change to the maintenance requirements associated with those assets. However, projects that involve the replacement of mechanical equipment with moving parts that are susceptible to wear such as pumps and generators are expected to result in reduced maintenance frequency associated with those assets. With the implementation of the District's new Computerized Maintenance Management System (CMMS), the District can now more effectively monitor the maintenance requirements of assets and evaluate how they change over time.

Utilities:

Similar to maintenance impacts, the vast majority of projects in the FY 2022-23 proposed CIP budget involve replacing existing assets such as pipelines and related appurtenances where the new assets are expected to result in a negligible change to utility requirements (e.g. electricity consumption) associated with that asset. However, projects that involve the replacement of mechanical equipment where the new equipment will have a higher efficiency than the existing equipment such as pumps and generators are expected to result in reduced electricity consumption associated with those assets.

Debt Management

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. In 2009, the District issued Certificates of Participation to fund reliability improvements including Upper Chiquita Reservoir, expansion of the recycled water system, 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 2 days to almost 31 days on average, when coupled with the District’s demand management programs. Additionally, the District actively works with its Financial Advisor to identify potential opportunities to refinance its debt portfolio at optimal interest rates. The 2021 Certificates of Participation was issued a year earlier than expected to take advantage of historically low rates, resulting in a cost avoidance of ~\$14 million in interest.

The District currently holds a AAA rating from Fitch and Standard and Poor’s, which enables the District to obtain the lowest possible rates from the public finance markets when needing to borrow to fund future infrastructure projects. A key component of funding the 10-year Capital Improvement Program is to issue debt to smooth out rate increases. This is also presented in the District’s internally created 10-year cashflow model which is updated every year as part of the budget process. Figure 13 presents the expected debt service over the next ten years and includes three bond issuances: FY 2024-25, FY 2027-28, and FY 2030-31. 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. Table 38 presents the scheduled debt service payments for FY23 for each of the District’s existing bonds, certificates, and loans while Table 39 presents their maturity schedule.

Table 38: Summary of Debt Service Payments for FY23

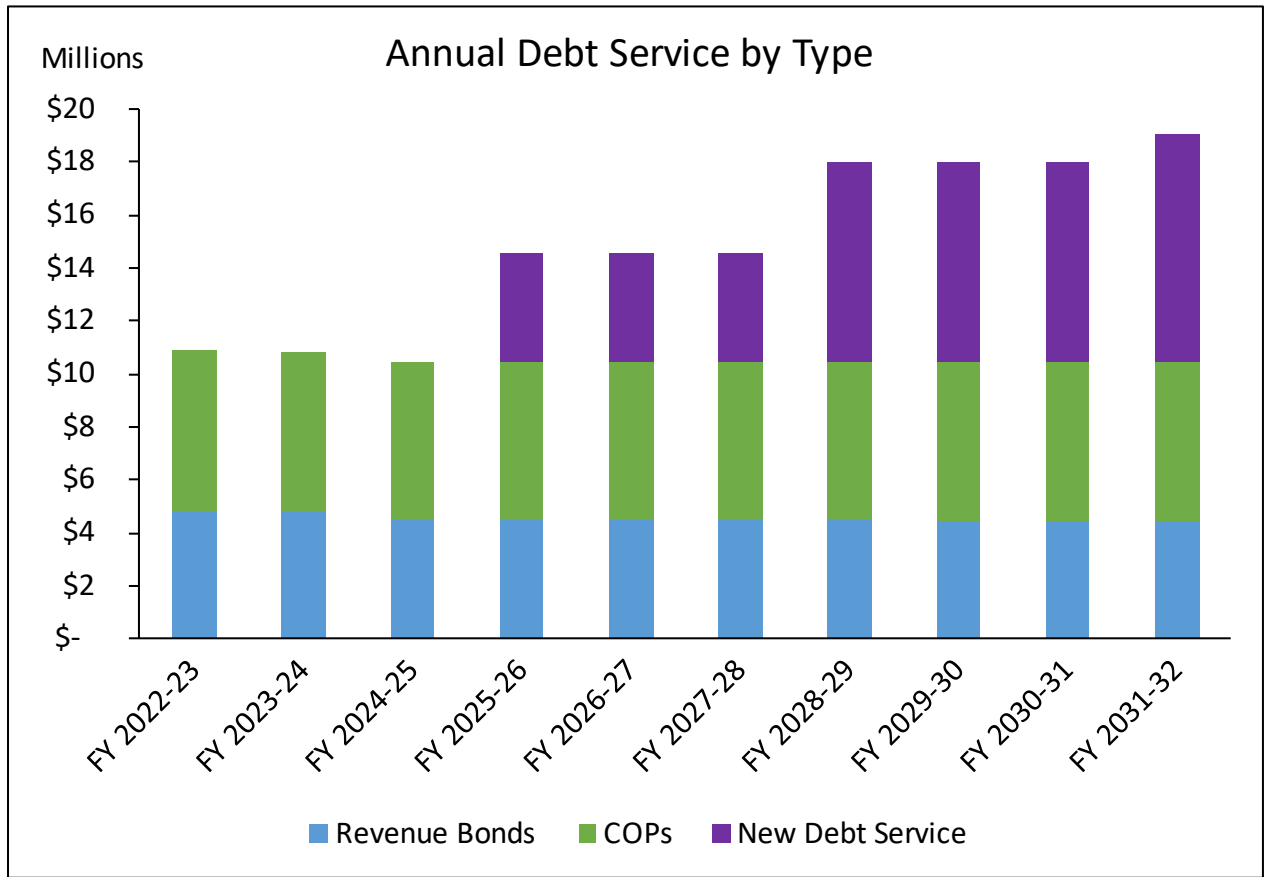
DESCRIPTION	FY23		Total
	Principal	Interest	
2021 Certificate of Participation – Fund 74	\$2,084,129	\$730,000	\$2,814,129
2019 Certificate of Participation – Fund 73	\$1,275,000	\$2,043,706	\$3,318,706
2019 Revenue Bonds (Refunding of 2009 COPs) – Fund 12	\$ -	\$2,430,250	\$2,430,250
2015 Revenue Bonds (Refunding of 2003 COPs) – Fund 71	\$2,190,000	\$169,750	\$2,359,750
TOTAL FY23 DEBT SERVICE EXPENSE	\$5,549,129	\$5,373,706	\$10,922,835

Table 39: Debt Service Payment Schedules

FY	2021 Certificate of Participation			2019 Certificate of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$730,000	\$2,084,129	\$2,814,129	\$1,275,000	\$2,043,706	\$3,318,706
2024	\$1,070,000	\$1,676,650	\$2,746,650	\$1,340,000	\$1,978,331	\$3,318,331
2025	\$1,120,000	\$1,621,900	\$2,741,900	\$1,405,000	\$1,909,706	\$3,314,706
2026	\$1,180,000	\$1,564,400	\$2,744,400	\$1,475,000	\$1,837,706	\$3,312,706
2027	\$1,235,000	\$1,504,025	\$2,739,025	\$1,550,000	\$1,762,081	\$3,312,081
2028	\$1,300,000	\$1,440,650	\$2,740,650	\$1,625,000	\$1,682,706	\$3,307,706
2029	\$1,365,000	\$1,374,025	\$2,739,025	\$1,710,000	\$1,599,331	\$3,309,331
2030	\$1,430,000	\$1,304,150	\$2,734,150	\$1,795,000	\$1,511,706	\$3,306,706
2031	\$1,505,000	\$1,230,775	\$2,735,775	\$1,885,000	\$1,419,706	\$3,304,706
2032	\$1,580,000	\$1,153,650	\$2,733,650	\$1,975,000	\$1,333,081	\$3,308,081
2033	\$1,655,000	\$1,081,050	\$2,736,050	\$2,055,000	\$1,273,031	\$3,328,031
2034	\$1,725,000	\$1,013,450	\$2,738,450	\$2,095,000	\$1,230,222	\$3,325,222
2035	\$1,795,000	\$943,050	\$2,738,050	\$2,140,000	\$1,183,888	\$3,323,888
2036	\$1,865,000	\$879,175	\$2,744,175	\$2,190,000	\$1,126,963	\$3,316,963
2037	\$1,920,000	\$822,400	\$2,742,400	\$2,255,000	\$1,065,925	\$3,320,925
2038	\$1,980,000	\$763,900	\$2,743,900	\$2,310,000	\$1,008,863	\$3,318,863
2039	\$2,035,000	\$703,675	\$2,738,675	\$2,370,000	\$950,363	\$3,320,363
2040	\$2,100,000	\$652,150	\$2,752,150	\$2,430,000	\$888,844	\$3,318,844
2041	\$2,140,000	\$609,750	\$2,749,750	\$2,490,000	\$819,600	\$3,309,600
2042	\$2,185,000	\$566,500	\$2,751,500	\$2,565,000	\$743,775	\$3,308,775
2043	\$2,225,000	\$522,400	\$2,747,400	\$2,645,000	\$665,625	\$3,310,625
2044	\$2,270,000	\$476,031	\$2,746,031	\$2,725,000	\$585,075	\$3,310,075
2045	\$2,320,000	\$425,813	\$2,745,813	\$2,805,000	\$502,125	\$3,307,125
2046	\$2,370,000	\$373,050	\$2,743,050	\$2,890,000	\$416,700	\$3,306,700
2047	\$2,425,000	\$319,106	\$2,744,106	\$2,975,000	\$328,725	\$3,303,725
2048	\$2,480,000	\$263,925	\$2,743,925	\$3,065,000	\$238,125	\$3,303,125
2049	\$2,535,000	\$207,506	\$2,742,506	\$3,155,000	\$144,825	\$3,299,825
2050	\$2,595,000	\$149,794	\$2,744,794	\$3,250,000	\$48,750	\$3,298,750
2051	\$2,650,000	\$90,788	\$2,740,788			
2052	\$2,710,000	\$30,488	\$2,740,488			
Total by Issue	\$56,495,000	\$25,848,354	\$82,343,354	\$64,570,000	\$34,564,522	\$99,134,522

FY	2019 Revenue Refunding Bonds			2015 Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ -	\$2,430,250	\$2,430,250	\$2,190,000	\$169,750	\$2,359,750
2024	\$ -	\$2,430,250	\$2,430,250	\$2,300,000	\$57,500	\$2,357,500
2025	\$2,055,000	\$2,378,875	\$4,433,875			
2026	\$2,155,000	\$2,273,625	\$4,428,625			
2027	\$2,265,000	\$2,163,125	\$4,428,125			
2028	\$2,380,000	\$2,046,100	\$4,426,100			
2029	\$2,500,000	\$1,925,000	\$4,425,000			
2030	\$2,620,000	\$1,797,000	\$4,417,000			
2031	\$2,755,000	\$1,662,625	\$4,417,625			
2032	\$2,890,000	\$1,521,500	\$4,411,500			
2033	\$3,035,000	\$1,373,375	\$4,408,375			
2034	\$3,185,000	\$1,217,875	\$4,402,875			
2035	\$3,345,000	\$1,054,625	\$4,399,625			
2036	\$3,515,000	\$883,125	\$4,398,125			
2037	\$3,690,000	\$703,000	\$4,393,000			
2038	\$3,875,000	\$513,875	\$4,388,875			
2039	\$4,070,000	\$315,250	\$4,385,250			
2040	\$4,270,000	\$106,750	\$4,376,750			
Total by Issue	\$48,605,000	\$31,656,725	\$80,261,725	\$8,565,000	\$882,375	\$9,447,375

Figure 21: 10-Year Summary of Forecasted Debt Service



Glossary

Basis of Accounting	The timing of recognition, that is, when the effects of transactions or events should be recognized. The basis of accounting used for purposes of financial reporting in accordance with generally accepted accounting principles (GAAP) is not necessarily the same basis used in preparing the budget document.
Acre-Foot	The volume of water necessary to cover one acre to a depth of one foot, equal to 435.6 units/ccf or 325,850 gallons.
Appropriation	A funding authorization made by the Board of Directors, which permits the District to incur obligations and to make expenditures of resources.
Assets	Resources owned or held by the District that have monetary value.
Balanced Budget	Budgeted revenues are sufficient to cover all budgeted expenditures, principal payments on long-term debt, and minimum funding of all reserve requirements as required by the District's reserve policy.
Bond	A written promise to pay a sum of money on a specific date or dates at a specified interest rate. The interest payments and the repayment of the principal are authorized in a District bond resolution. Common types of bonds are General Obligation (GO) bonds and Certificates of Participation (COPs). These are used for construction of large capital projects of long-lasting assets such as buildings, reservoirs, pipelines and pump stations.
Capital Budget	The portion of the annual budget that appropriates funds for the purchase of capital equipment items and capital improvements. These expenditures are separated from operating expenses, such as salaries and office supplies.
Capital Outlays	Expenditure on an item that meets the District's \$5,000 threshold for capitalization.
Capital Improvement	Expenses related to the construction, rehabilitation and modernization of District owned and operated infrastructure.
Capital Replacement	Expenses related to major replacements of existing facilities or systems.
Certificates of Participation	A long-term debt instrument authorized for construction or acquisition of facilities, equipment, and more.
Debt Service	The District's obligation to pay the principal and interest of bonds and other debt instruments according to a predetermined payment schedule.
Depreciation	An expense recorded to allocate a tangible asset's cost over its useful life.
Enterprise Fund	Fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public.
Evapotranspiration	Evaporation of water from the land surface and the transpiration of water through plants into the atmosphere.
Expenditures/Expenses	A charge incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges presumed to benefit the current fiscal period.
Fiscal Year	A 12-month period of time to which the annual budget applies and at the end of which a government determines its financial position and the results of its operations. The District has specified July 1 to June 30 as its fiscal year.
Fund Balance	See "Net Assets"
Geographic Information System	A system combining computer hardware, software, and geographic data for collecting, storing, analyzing and displaying geographically referenced information.
Generally Accepted Accounting Principles	Accounting and financial reporting standards, conventions, and practices that have authoritative support from standards-setting bodies such as the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).
Government Finance Officers Association	National organization whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.
Infrastructure	The accumulated pipelines, storage facilities, and treatment plants of the District, including meters, valves, pumps, filters and other appurtenances.
Interest Income	Earnings (realized gains) from the investment portfolio.
Liabilities	Present obligations of the District arising from past events.
Operating Budget	The portion of the budget that pertains to daily operations that provide basic district services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel and fuel, and does not include purchases of major capital plant or equipment which is budgeted separately in the Capital Budget.

Operating Expenses	All costs associated with the day-to-day business of the District, which are not considered capital improvements or debt repayments. This does not include payments for pension, OPEB, and other long-term obligations.
Purchased Import Water	All imported water obtained from Metropolitan Water District of Southern California (MWD) through the Municipal Water District of Orange County (MWDOC).
Reserve Fund	The District maintains Reserve Funds per the District’s policy for both designated and restricted funds. Designated Reserve Funds are “general use” funds designated by the Board. Restricted Reserve Funds are those that are set aside for a particular purpose due to a legal or contractual commitment and cannot be used for any other purpose.
Revenue	Monies that the District receives as income. It includes such items as water sales and sewer fees. Estimated revenues are those expected to be billed during the fiscal year.
Supervisory Control and Data Acquisition	The system that collects operational data from remote units to monitor and control water and wastewater systems and facilities throughout the District service area.
Special District	An independent unit of local government organized to perform a single governmental function or a restricted number of related functions.
Uncollectible Accounts	Includes the write-off of unpaid water and sewer charges.
User Charge	A charge levied against users of a service or purchasers of a product.
Variable Water Costs	Water costs based on a set price per unit but that varies on the quantity of units bought or produced. Variable water costs for the District are related to the quantity of import water that the District purchases and the quantity of ground water pumped from the wells.
Vehicle and Equipment Outlay	Purchases of assets, such as vehicles, equipment and furniture, which cost over \$5,000 each and are depreciated over their useful life.

List of Acronyms

ACWA/JPIA	Association of California Water Agencies / Joint Powers Insurance Authority	MGD	Million Gallons per Day
AF	Acre-Foot	MNWD	Moulton Niguel Water District
AFY	Acre-feet per Year	MOU	Memorandum of Understanding
Allocation	Personalized Water Budget per Customer	MWDOC	Municipal Water District of Orange County
AMI	Advanced Metering Infrastructure	MWDSC/MET	Metropolitan Water District of Southern California
AMP	Allen-McColloch Pipeline	O&M	Operations and Maintenance
AWE	Alliance for Water Efficiency	OPEB	Other Post-Employment Benefits
AWS	Amazon Web Services	R&R	Replacement and Refurbishment
AWT	Advanced Wastewater Treatment	SCADA	Supervisory Control and Data Acquisition
AWWA	American Water Works Association	SCP	South County Pipeline
BMP	Best Management Practices	SCWD	South Coast Water District
Board/BOD	District Board of Directors	SJBA	San Juan Basin Authority
BU	Billing Unit = 748 gallons or 100 Cubic Feet of Water	SJC	San Juan Capistrano
ccf	hundreds of cubic feet	SMWD	Santa Margarita Water District
CDR	Center for Demographic Research	SOCWA	South Orange County Wastewater Authority
CEC	California Energy Commission	SWP	State Water Project
CERBT	California Employers' Retiree Benefit Trust	SWRCB	State Water Resources Control Board
cfs	Cubic Feet per Second	USBR	U.S. Department of the Interior, Bureau of Reclamation
CIP	Capital Improvement Plan	USEPA	U.S. Environmental Protection Agency
CMMS	Computerized Maintenance Management System	UWMP	Urban Water Management Plan
COP	Certificates of Participation (debt instrument)	WBBRS	Water Budget Based Rate Structure
CPI	Consumer Price Index	WBIC	Weather Based Irrigation Controller
CY	Calendar Year	WEF	Water Environment Federation
DOHS	Department of Health Services	WUE	Water Use Efficiency
DPR	Direct Potable Reuse		
DWR	Department of Water Resources		
EOCF #2	East Orange County Feeder No.2		
ET	Evapotranspiration		
ETM	Eastern Transmission Main		
ETWD	El Toro Water District		
FEMA	Federal Emergency Management Agency		
FLOW	Future Leaders of Water Initiative		
FOG	Fats, Oils & Grease		
FY	fiscal year ending June 30		
GAAP	Generally Accepted Accounting Principals		
GASB	Governmental Accounting Standards Board		
GFOA	Government Finance Officers Association		
GIS	Geographic Information System Mapping		
GPCD	Gallons Per Capita per Day		
GPM	Gallons per Minute		
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		
LRFP	Long-Range Financial Plan		
MAF	Million Acre-Feet		
MG	Million Gallons		

Appendix A: *Detailed Expense Tables*

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Overall District Revenues

Description	FY 2020-21			FY 2021-22 Approved Budget	FY 2022-23			
	Approved Budget	Actuals	Difference		Proposed Revenue	Forecasted Revenue	Difference	% Change
<u>Operating Revenue</u>								
Water Sales	31,438,154	32,490,936	1,052,782	32,471,606	32,895,199	32,827,327	423,594	1%
Recycled Water Sales	5,941,355	6,179,569	238,214	6,222,975	6,762,798	6,084,747	539,823	9%
Sewer Sales	25,446,037	28,033,043	2,587,006	26,718,392	28,255,850	28,425,310	1,537,458	6%
Other Operating Income	1,079,522	319,591	(759,931)	576,020	702,782	706,880	126,762	22%
Total Operating Revenue Budget	63,905,068	67,023,139	3,118,071	65,988,994	68,616,630	68,044,264	2,627,636	4%
<u>Non-Operating Revenue</u>								
Property Tax Summary								
Secured Property Taxes	28,990,945	29,702,490	711,545	29,931,791	30,829,674	30,829,674	897,883	3%
Unsecured Taxes	998,654	872,019	(126,634)	1,002,263	1,032,329	1,032,329	30,066	3%
Supplemental and Miscellaneous Taxes	1,117,232	1,105,016	(12,216)	1,110,951	1,144,277	1,144,277	33,326	3%
Secured Taxes paid to SCWD	(362,576)	(389,753)	(27,177)	(373,649)	(384,857)	(384,857)	(11,209)	3%
Total Property Tax Summary Budget	30,744,255	31,289,772	545,517	31,671,356	32,621,422	32,621,422	950,066	3%
Other Non-Operating Revenue								
Investment Income	2,464,629	2,307,640	(156,989)	2,486,866	2,663,281	2,188,385	176,415	7%
Property Lease Income	1,943,911	1,931,062	(12,849)	2,016,093	2,091,040	2,091,040	74,947	4%
Misc. Non-Operating Income	250,812	175,215	(75,597)	250,812	250,812	250,812	-	0%
Total Other Non-Operating Revenue Budget	4,659,352	4,413,917	(245,435)	4,753,771	5,005,133	4,530,237	251,363	5%
Total Revenue Budget	99,308,675	102,726,827	3,418,152	102,414,121	106,243,186	105,195,923	3,829,065	4%

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Salaries and Benefits Summary

Description	FY 2020 21			FY 2021 22 Approved Budget	FY 2022 23			
	Approved Budget	Actuals	Difference		Proposed Budget	Forecasted Budget	Difference	% Change
<u>Salaries</u>								
Staff Salaries	13,217,797	11,767,373	(1,450,424)	14,338,215	15,083,986	14,840,348	745,771	5%
Directors Fees	203,742	175,250	(28,492)	213,929	218,184	211,973	4,255	2%
Overtime	899,598	555,330	(344,267)	923,198	757,498	964,742	(165,700)	-18%
Standby	210,339	218,880	8,541	210,826	206,974	210,826	(3,851)	-2%
Compensatory Time Expense	-	45,757	45,757	-	-	-	-	-
Total Salaries Budget	14,531,475	12,762,590	(1,768,885)	15,686,168	16,266,643	16,227,889	580,475	4%
<u>Retirement Contribution Budget</u>								
PERs Employer Contributions	2,610,595	2,808,923	198,328	3,200,847	3,232,376	3,501,868	31,529	1%
Defined Contribution 401A	263,876	230,902	(32,974)	281,323	299,726	290,280	18,402	7%
Total Retirement Contribution Budget	2,874,471	3,039,825	165,354	3,482,171	3,532,102	3,792,148	49,931	1%
<u>Insurance - Benefits Budget</u>								
Life and Health Insurance	2,156,140	1,951,329	(204,810)	2,276,343	2,239,169	2,396,247	(37,174)	-2%
Dental Insurance	202,582	171,670	(30,912)	230,066	250,083	242,720	20,017	9%
Vision Insurance	27,485	28,858	1,373	31,214	33,930	32,931	2,716	9%
Disability Insurance	95,904	95,785	(119)	101,113	105,567	103,291	4,454	4%
OPEB Costs	259,028	259,028	(0)	255,611	134,014	276,914	(121,597)	-48%
Auto Allowance	59,975	39,300	(20,675)	61,096	46,900	62,318	(14,196)	-23%
Wellness	42,480	10,239	(32,241)	43,830	45,177	43,830	1,347	3%
Sick Leave Accrual	205,538	446,548	241,009	222,070	233,033	228,993	10,963	5%
Vacation Accrual	167,831	1,058,432	890,601	179,843	188,903	189,547	9,059	5%
Total Insurance - Benefits Budget	3,216,962	4,061,189	844,227	3,401,187	3,276,776	3,576,790	(124,411)	-4%
Total Salaries and Benefits Budget	20,622,908	19,863,604	(759,304)	22,569,525	23,075,521	23,596,827	505,995	2%

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Education, Travel, Mtgs Summary

Description	FY 2020 21			FY 2021 22 Approved Budget	FY 2022 23			
	Approved Budget	Actuals	Difference		Proposed Budget	Forecasted Budget	Difference	% Change
<u>Educational Courses</u>								
Educational Courses	58,850	28,851	(29,999)	67,010	67,010	68,350	-	0%
Certifications	21,510	19,828	(1,682)	29,065	27,885	29,646	(1,180)	-4%
Total Educational Courses Budget	80,360	48,679	(31,681)	96,075	94,895	97,997	(1,180)	-1%
<u>Travel & Meetings</u>								
Travel and Expenses	139,506	1,988	(137,518)	115,816	118,132	118,132	2,316	2%
Seminars, Conferences, and Meetings	200,795	79,207	(121,588)	171,240	174,665	174,665	3,425	2%
Total Travel & Meetings Budget	340,301	81,194	(259,106)	287,056	292,797	292,797	5,741	2%
<u>Employee Relations</u>								
Pre-Employment Costs	23,950	16,371	(7,579)	25,700	32,450	26,214	6,750	26%
Employee Relations (Recognition, Medical, Safety)	74,105	40,091	(34,014)	76,000	79,267	77,520	3,267	4%
Total Employee Relations Budget	98,055	56,462	(41,593)	101,700	111,717	103,734	10,017	10%

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
General Services & Elections

Description	FY 2020 21			FY 2021 22	FY 2022 23			
	Approved Budget	Actuals	Difference		Approved Budget	Proposed Budget	Forecasted Budget	Difference
<u>Election Expenses</u>								
Registrar of Voters	180,000	-	(180,000)	-	180,000	135,000	180,000	-
<u>Annual Audit</u>								
Annual Financial Records Audit	55,000	37,860	(17,140)	52,500	55,000	53,550	2,500	5%
<u>General Services</u>								
Financial Services								
Billing Services	167,000	80,166	(86,834)	110,000	121,000	110,000	11,000	10%
Accounting Services	95,000	104,660	9,660	110,000	110,000	112,200	-	0%
Tax Collection Charges	74,974	78,319	3,345	77,334	78,881	78,881	1,547	2%
Unpaid Accounts Write-Off	132,500	94,979	(37,521)	122,500	122,500	124,950	0	0%
Engineering Services								
Mapping Updates	14,400	11,686	(2,714)	2,000	15,000	2,040	13,000	650%
Overall Services								
Uniform Service	45,000	48,400	3,400	60,000	60,000	61,200	-	0%
Total General Services Budget	528,874	418,211	(110,663)	481,834	507,381	489,271	25,547	5%

**Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Member Agencies O&M**

Description	FY 2020 21			FY 2021 22	FY 2022 23			
	Approved Budget	Actuals	Difference		Approved Budget	Proposed Budget	Forecasted Budget	Difference
<u>Potable Water Facilities</u>								
San Juan Basin Authority (SJBA)	116,466	51,530	(64,937)	101,561	48,000	166,464	(53,561)	-53%
Upper Chiquita Reservoir (UCR)	47,708	197,518	149,810	58,010	58,010	56,347	-	0%
5B Reservoir	6,790	-	(6,790)	7,000	7,000	6,799	-	0%
R6 Reservoir	22,633	23,004	371	20,000	20,000	19,427	-	0%
IRWD Emergency Interconnection	22,633	-	(22,633)	20,000	20,000	19,427	-	0%
Total Potable Water Facilities	216,231	272,052	55,822	206,571	153,010	268,464	(53,561)	-26%
<u>Recycled Water Facilities</u>								
Upper Oso Reservoir System	299,289	218,703	(80,587)	392,061	392,061	306,000	-	0%
Total Recycled Water Facilities	299,289	218,703	(80,587)	392,061	392,061	306,000	-	0%
Total Member Agencies O&M	515,520	490,755	(24,765)	598,632	545,071	574,464	(53,561)	-9%

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Consultants FY 2022-23

Description	FY 2022-23 Proposed Budget
<u>Fund 1 Consulting</u>	
General Outreach	283,000
Govt. Affairs	116,000
Finance Consultants	141,270
Contract & Document Management	34,250
IT Support	256,000
Engineering Support	275,000
RW Rules & Regulations	125,000
Collection System Assessment	200,000
Northern Transmission Main Assessment	300,000
Misc. Inspection Services	50,000
Cell Site Management & FOG Program	250,000
GIS Support	206,950
Plant 3A Small Studies and Support	50,000
Human Resources Support	20,000
Electrical Services	33,000
Total Fund 1 Overall Consulting Expenses	2,340,470
<u>Fund 6 Consulting</u>	
Residential/Commercial Landscape Assessments	50,000
Customer Portal	100,000
Workshop Instruction	12,000
Conservation Outreach	75,000
Water Efficiency Studies	275,000
Form Builder	20,000
Large Landscape Program	75,000
Water Reliability Consulting	45,000
Smart Watershed Project Follow-up & Watershed Studies	101,000
Direct Potable Reuse Studies	450,000
Data Analytics Support	45,000
Misc. Consulting Services	12,000
Total Fund 6 Overall Consulting Expenses	1,260,000
Total Overall Consulting Expenses	3,600,470

**Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Dues and Memberships**

Description	FY 2022-23 Proposed Budget
<u>District Dues and Memberships - Fund 1</u>	
Aliso Viejo Chamber of Commerce	1,200
Association of California Cities Orange County(ACC-OC)	5,000
Association of California Water Agencies(ACWA)	32,000
Association of Women in Water, Energy and Environment(AWWEE)	600
California Association Sanitation Agencies(CASA)	7,000
California Special Districts Association (CSDA)	8,195
Dana Point Chamber of Commerce	1,000
Independent Special Districts of Orange County (ISDOC)	-
Laguna Hills Chamber of Commerce	2,500
Laguna Niguel Chamber of Commerce	2,500
Mission Viejo Chamber of Commerce	1,000
San Juan Capistrano Chamber of Commerce	575
Smart Water Networks Forum(SWAN)	500
South Orange County Economic Coalition(SOCEC)	5,000
South Orange County Watershed Management Area (SOCWMA)	8,000
Southern California Water Coalition (SCWC)	10,000
Technology Approval Group (TAG by Isle Utilities)	14,000
Urban Water Institute	1,250
Water Information Sharing and Analysis Center (WaterISAC)	3,150
Total District Dues and Memberships Budget	103,470
<u>District Dues and Memberships - Fund 6</u>	
California Water Efficiency Partnership(CalWEP)	3,000
Sustain SoCal	5,000
UC Davis Center for Water and Energy Efficiency Affiliates Program (CWEE-AP)	20,000
UC Irvine Industry-University Cooperative Research Center(IUCRC)	50,000
Water Energy Education Alliance	2,500
Water Research Foundation	19,000
WaterReuse Association of California	6,195
WaterNow Alliance	-
Total District Dues and Memberships Budget	105,695
<u>Staff Dues and Memberships</u>	
Staff Development Memberships	36,430
Total Staff Dues and Memberships Budget	36,430
Total Dues and Memberships Budget	245,595

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Equipment Rental & Fuel

Description	FY 2020 21				FY 2021 22		FY 2022 23			
	Approved Budget	Actuals	Difference				Proposed Budget	Forecasted Budget	Difference	% Change
<u>Equipment Rental</u>										
Office Equipment	62,010	19,698	(42,312)		47,510		62,520	48,460	15,010	32%
Misc. Field Equipment	1,000	-	(1,000)		-		-	-	-	-
Total Equipment Rental Budget	63,010	19,698	(43,312)		47,510		62,520	48,460	15,010	32%
<u>District Fuel</u>										
Unleaded Fuel	190,000	157,642	(32,358)		190,000		230,000	193,800	40,000	21%
Diesel Fuel	130,000	149,024	19,024		140,000		170,000	142,800	30,000	21%
Vehicle Oil	10,000	8,960	(1,040)		10,000		12,500	10,200	2,500	25%
Total District Fuel Budget	330,000	315,626	(14,375)		340,000		412,500	346,800	72,500	21%

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
District Insurance Summary

Description	FY 2020 21			FY 2021 22	FY 2022 23				
	Approved Budget	Actuals	Difference		Approved Budget	Proposed Budget	Forecasted Budget	Difference	% Change
<u>Insurance - District</u>									
Property Insurance	100,000	97,594	(2,406)	100,000	300,000	102,000	200,000	200%	
Automobile and General Liability	450,000	416,470	(33,530)	450,000	450,000	459,000	-	0%	
Misc. Insurance General	8,300	9,247	947	8,300	8,300	8,466	-	0%	
Total Insurance - District Budget	558,300	523,311	(34,989)	558,300	758,300	569,466	200,000	36%	
<u>Insurance - Personnel</u>									
State Unemployment	25,000	13,870	(11,131)	25,000	25,000	26,375	-	0%	
Workers Comp	136,002	206,194	70,191	160,213	162,662	174,255	2,450	2%	
Medicare Insurance	193,545	227,484	33,939	209,730	220,086	216,235	10,355	5%	
Employer FICA	16,709	13,732	(2,977)	23,581	22,770	24,053	(811)	-3%	
Total Insurance - Personnel Budget	371,257	461,280	90,023	418,524	430,518	440,917	11,994	3%	

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Legal Services

Description	FY 2020 21				FY 2021 22		FY 2022 23			
	Approved Budget	Actuals	Difference		Approved Budget		Proposed Budget	Forecasted Budget	Difference	% Change
<u>Legal Services</u>										
Legal Services - General	600,000	255,120	(344,880)		500,000		400,000	510,000	(100,000)	-20%
Legal Services - Personnel	50,000	10,963	(39,038)		50,000		50,000	51,000	-	0%
Total Legal Services	650,000	266,082	(383,918)		550,000		450,000	561,000	(100,000)	-18%

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
District Supplies

Description	FY 2020 21			FY 2021 22	FY 2022 23			
	Approved Budget	Actuals	Difference		Approved Budget	Proposed Budget	Forecasted Budget	Difference
<u>District Office Supplies</u>								
General Office	122,303	59,453	(62,850)	121,650	124,500	124,083	2,850	2%
Billing Supplies	217,000	161,575	(55,425)	222,000	264,000	222,000	42,000	19%
Community Relations	345,000	46,743	(298,257)	345,000	245,000	351,900	(100,000)	-29%
Shipping	22,500	10,112	(12,388)	25,000	20,000	25,500	(5,000)	-20%
Total District Office Supplies Budget	706,803	277,883	(428,920)	713,650	653,500	723,483	(60,150)	-8%
<u>District Operating Supplies</u>								
Operating Supplies	437,250	506,188	68,938	469,900	503,400	479,298	33,500	7%
Chemicals	721,000	353,384	(367,616)	596,500	435,000	608,430	(161,500)	-27%
Total District Operating Supplies Budget	1,158,250	859,571	(298,679)	1,066,400	938,400	1,087,728	(128,000)	-12%

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Repairs and Maintenance

Description	FY 2020 21			FY 2021 22 Approved Budget	FY 2022 23			
	Approved Budget	Actuals	Difference		Proposed Budget	Forecasted Budget	Difference	% Change
<u>Repairs and Maintenance - Equipment</u>								
Office Equipment	279,000	31,312	(247,688)	107,800	12,770	109,956	(95,030)	-88%
Field Equipment	29,500	32,831	3,331	32,000	43,500	32,640	11,500	36%
Information Technology Hardware	165,600	165,849	249	183,000	183,300	186,660	300	0%
Computer Support Contracts	667,495	684,981	17,486	736,352	845,785	751,079	109,433	15%
Vehicle Maintenance and Repair	240,000	243,014	3,014	240,000	260,000	244,800	20,000	8%
Total Repairs and Maintenance - Equipment Budget	1,381,595	1,157,987	(223,608)	1,299,152	1,345,355	1,325,135	46,203	4%
<u>Repairs and Maintenance - Facilities</u>								
System Maintenance	676,554	774,693	98,139	905,500	965,500	923,610	60,000	7%
System Repairs	1,735,500	1,535,106	(200,394)	1,182,500	1,314,000	1,206,150	131,500	11%
Janitorial Services	42,000	56,916	14,916	145,000	211,449	56,304	66,449	46%
Landscape and Tree Maintenance	372,988	281,968	(91,020)	385,541	429,885	393,252	44,344	12%
Waste Disposal	330,000	299,942	(30,058)	280,000	192,500	285,600	(87,500)	-31%
Underground Service Alert	8,000	15,517	7,517	20,000	20,000	20,400	-	0%
Contract & Maintenance Agreements	222,600	241,462	18,862	257,500	490,396	135,660	232,896	90%
Pest Control	34,682	23,350	(11,332)	38,422	26,705	39,190	(11,717)	-30%
Paving Repairs	300,000	70,438	(229,562)	100,000	-	102,000	(100,000)	-100%
Electrical & Instrumentation	67,000	78,197	11,197	67,000	92,000	68,340	25,000	37%
Raising Valves and Manholes	450,000	561,855	111,855	610,200	600,000	867,000	(10,200)	-2%
Permits	120,000	167,769	47,769	130,000	80,000	132,600	(50,000)	-38%
Total Repairs and Maintenance - Facilities Budget	4,359,324	4,107,213	(252,111)	4,121,663	4,422,435	4,230,106	300,772	7%
<u>Meter/Vault Purchases</u>								
Meter/Vault Replacement	-	7,281	7,281	-	-	-	-	-
Total Meter/Vault Purchases Budget	-	7,281	7,281	-	-	-	-	-

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Safety Program

Description	FY 2020 21			FY 2021 22 Approved Budget	FY 2022 23			
	Approved Budget	Actuals	Difference		Proposed Budget	Forecasted Budget	Difference	% Change
<u>Safety Program and Regulatory Compliance</u>								
Safety Equipment and Supplies	98,340	88,144	(10,196)	93,350	87,663	95,217	(5,687)	-6%
Safety Shoes	39,557	21,307	(18,250)	40,681	41,993	41,495	1,312	3%
Safety Training	35,700	29,688	(6,012)	35,700	36,414	36,414	714	2%
Regulatory Compliance	187,540	195,915	8,374	204,640	226,873	208,733	22,233	11%
Total Safety Program and Regulatory Compliance Budget	361,137	335,053	(26,084)	374,371	392,943	381,858	18,572	5%

**Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
SOCWA**

Description	FY 2020 21			FY 2021 22 Approved Budget	FY 2022 23			
	Approved Budget	Actuals	Difference		Proposed Budget	Forecasted Budget	Difference	% Change
<u>SOCWA Costs</u>								
PC 2 - JB Latham Treatment Plant	1,412,881	1,317,050	(95,831)	1,433,577	1,456,612	1,456,612	23,035	1.6%
Plant 3A - UAL OPEB*	-	139,028	139,028	144,983	147,313	-	2,330	1.6%
PC 5 - San Juan Creek Ocean Outfall	116,187	107,931	(8,256)	154,543	157,026	157,026	2,483	1.6%
PC 2SO - Recycled Water Permit	28,172	82,299	54,127	34,582	35,138	35,138	556	1.6%
PC 15 - Coastal Treatment Plant	315,396	151,792	(163,604)	245,903	249,854	249,854	3,951	1.6%
PC 17 - Regional Treatment Plant	7,226,303	6,856,449	(369,854)	7,006,245	7,118,822	7,118,822	112,577	1.6%
PC 21 - Effluent Transmission Main	13,265	3,086	(10,179)	3,964	4,028	4,028	64	1.6%
PC 24 - Aliso Creek Ocean Outfall	210,868	281,520	70,651	427,661	434,533	434,533	6,872	1.6%
Pretreatment Program	51,903	36,465	(15,438)	56,013	56,913	56,913	900	1.6%
Total SOCWA Budget	9,374,975	8,975,619	(399,356)	9,507,471	9,660,238	9,512,926	152,767	1.6%

*FY 2021-22 & FY 2022-23 budgets include payments for UAL/OPEB costs accrued while SOCWA operated Plant 3A

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Special Outside Assessments

Description	FY 2020 21			FY 2021 22	FY 2022 23	FY 2022 23			
	Approved Budget	Actuals	Difference			Approved Budget	Proposed Budget	Forecasted Budget	Difference
<u>Special Outside Assessments</u>									
Department of Health Services (DOHS) Fees	5,000	-	(5,000)	5,000	5,000	5,100	-	0%	
LAFCO Fees	28,382	31,243	2,861	32,434	33,082	33,082	649	2%	
Property Tax Assessment	120,585	125,543	4,958	119,169	121,552	121,552	2,383	2%	
Total Special Outside Assessments Budget	153,967	156,786	2,820	156,602	159,634	159,734	3,032	2%	

**Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Utilities**

Description	FY 2020 21			FY 2021 22	FY 2022 23				
	Approved Budget	Actuals	Difference		Approved Budget	Proposed Budget	Forecasted Budget	Difference	% Change
<u>Utilities</u>									
Electric Utilities (SCE and SDG&E)	2,826,439	2,765,105	(61,334)	2,865,448	2,971,356	2,922,756	105,909	4%	
Gas Utility (Southern CA Gas)	7,894	17,497	9,603	8,242	9,693	8,407	1,451	18%	
Overall Telephone	153,000	146,731	(6,269)	148,000	161,400	150,960	13,400	9%	
Mobile Communication	92,200	90,508	(1,692)	111,200	111,200	113,424	-	0%	
Total Utilities Budget	3,079,533	3,019,841	(59,692)	3,132,890	3,253,650	3,195,548	120,760	4%	

Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Water Purchases

Description	FY 2020 21			FY 2021 22 Approved Budget	FY 2022 23			
	Approved Budget	Actuals	Difference		Proposed Budget	Forecasted Budget	Difference	% Change
<u>Variable Water Purchase Cost</u>								
MWD Full Service - Tier 1 Treated	16,803,591	18,658,084	1,854,492	16,845,370	17,126,691	16,779,218	281,322	2%
MWD Full Service - Tier 1 Untreated	6,858,316	6,010,489	(847,827)	6,831,778	7,355,464	7,168,128	523,686	8%
Baker Variable Cost	964,383	1,119,267	154,884	978,036	997,596	997,596	19,561	2%
Total Variable Water Cost	24,626,290	25,787,840	1,161,550	24,655,183	25,479,751	24,944,942	824,569	3%
<u>Fixed Water Purchase Cost</u>								
MWDOC Ready-to-Serve Charge	1,352,436	1,328,257	(24,178)	1,448,126	1,741,077	1,448,126	292,951	20%
MWDOC Capacity Charge	403,400	373,802	(29,598)	457,317	424,098	457,317	(33,219)	-7%
MWDOC Connection Charge	654,632	646,311	(8,321)	685,139	724,763	702,564	39,623	6%
Joint Regional Water Supply System	503,454	514,384	10,930	486,130	486,130	486,130	(0)	0%
Santiago Aqueduct Commission (SAC)	26,201	(168,840)	(195,041)	23,961	27,408	27,408	3,447	14%
East Orange County Feeder #2 (EOCF2)	120,584	213,019	92,436	178,490	178,490	178,490	(0)	0%
South County Pipeline (SCP)	103,935	105,082	1,147	101,548	116,921	116,921	15,373	15%
SC2 Takeout O&M (SMWD)	-	-	-	2,500	2,500	2,500	(0)	0%
Baker Fixed Cost	846,989	659,145	(187,843)	858,979	876,159	876,159	17,180	2%
Total Fixed Water Cost	4,011,631	3,671,161	(340,470)	4,242,190	4,577,546	4,295,615	335,356	8%
Total Water Purchase Cost	28,637,921	29,459,001	821,080	28,897,373	30,057,298	29,240,558	1,159,925	4%

**Moulton Niguel Water District
Proposed 2022-23 Budget
General Fund - Budget Detail Report
Detailed Capital Outlays**

Capital Outlays		FY 2022-23
1	M-18 Force Logic Press Toolkit	\$9,000
2	Portable Ultra-Sonic Flow Meters	\$11,000
3	Replacement of Truck Unit #4	\$52,000
4	Replacement of Truck Unit #38	\$73,500
5	Replacement of Truck Unit #60	\$42,000
6	Replacement of Truck Unit #984	\$52,000
7	Service body for Truck Unit #17	\$30,500
8	Service body for Truck Unit #30	\$40,000
9	Vault Lid Replacements	\$18,000
10	Proposed Pipe Maintenance Crew	
	3-Yard Dump Truck	\$78,000
	Backhoe w/ Trailer & Breaker Attachment	\$225,000
	Hydro-Excavator	\$570,000
	Supervisor Truck	\$49,000
Total FY 2022-23 Capital Outlays		\$1,250,000

*Replacement of Truck Unit #5 and a 10-Wheel Dump Truck at an estimated cost of \$785,000 are projected to hit the FY 23-24 Budget but Staff are intending to acquire these trucks subject to Board approval as available due to the long lead times for equipment procurement.

Appendix B: *Salary Schedules*

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 18, 2022
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 18, 2022
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 Analyst	G31
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 18, 2022
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	3,974.53	4,073.33	4,175.60	4,279.60	4,387.07	4,496.27	4,608.93	4,725.07	4,842.93	4,964.27	5,087.33
		Hourly	22.93	23.50	24.09	24.69	25.31	25.94	26.59	27.26	27.94	28.64	29.35
		Annually	47,694.40	48,880.00	50,107.20	51,355.20	52,644.80	53,955.20	55,307.20	56,700.80	58,115.20	59,571.20	61,048.00
Accounting Assistant I	G2	Monthly	4,215.47	4,321.20	4,428.67	4,539.60	4,652.27	4,770.13	4,888.00	5,011.07	5,135.87	5,264.13	5,395.87
		Hourly	24.32	24.93	25.55	26.19	26.84	27.52	28.20	28.91	29.63	30.37	31.13
		Annually	50,585.60	51,854.40	53,144.00	54,475.20	55,827.20	57,241.60	58,656.00	60,132.80	61,630.40	63,169.60	64,750.40
Customer Service Field Technician I Inventory Clerk Water Efficiency Representative I	G3	Monthly	4,218.93	4,324.67	4,432.13	4,543.07	4,657.47	4,773.60	4,893.20	5,014.53	5,141.07	5,269.33	5,401.07
		Hourly	24.34	24.95	25.57	26.21	26.87	27.54	28.23	28.93	29.66	30.40	31.16
		Annually	50,627.20	51,896.00	53,185.60	54,516.80	55,889.60	57,283.20	58,718.40	60,174.40	61,692.80	63,232.00	64,812.80
Customer Account Representative II	G4	Monthly	4,472.00	4,584.67	4,699.07	4,815.20	4,936.53	5,059.60	5,186.13	5,316.13	5,447.87	5,584.80	5,725.20
		Hourly	25.80	26.45	27.11	27.78	28.48	29.19	29.92	30.67	31.43	32.22	33.03
		Annually	53,664.00	55,016.00	56,388.80	57,782.40	59,238.40	60,715.20	62,233.60	63,793.60	65,374.40	67,017.60	68,702.40
Maintenance Worker I - Streets	G5	Monthly	4,537.87	4,650.53	4,768.40	4,886.27	5,009.33	5,134.13	5,262.40	5,394.13	5,529.33	5,668.00	5,808.40
		Hourly	26.18	26.83	27.51	28.19	28.90	29.62	30.36	31.12	31.90	32.70	33.51
		Annually	54,454.40	55,806.40	57,220.80	58,635.20	60,112.00	61,609.60	63,148.80	64,729.60	66,352.00	68,016.00	69,700.80
Maintenance Worker I - Collections	G6	Monthly	4,546.53	4,660.93	4,777.07	4,896.67	5,018.00	5,144.53	5,272.80	5,404.53	5,539.73	5,678.40	5,820.53
		Hourly	26.23	26.89	27.56	28.25	28.95	29.68	30.42	31.18	31.96	32.76	33.58
		Annually	54,558.40	55,931.20	57,324.80	58,760.00	60,216.00	61,734.40	63,273.60	64,854.40	66,476.80	68,140.80	69,846.40
Accounting Assistant II	G7	Monthly	4,744.13	4,862.00	4,985.07	5,108.13	5,236.40	5,368.13	5,501.60	5,638.53	5,780.67	5,924.53	6,073.60
		Hourly	27.37	28.05	28.76	29.47	30.21	30.97	31.74	32.53	33.35	34.18	35.04
		Annually	56,929.60	58,344.00	59,820.80	61,297.60	62,836.80	64,417.60	66,019.20	67,662.40	69,368.00	71,094.40	72,883.20
Customer Service Field Technician II Water Efficiency Representative II	G8	Monthly	4,747.60	4,865.47	4,988.53	5,113.33	5,239.87	5,371.60	5,505.07	5,643.73	5,784.13	5,929.73	6,077.07
		Hourly	27.39	28.07	28.78	29.50	30.23	30.99	31.76	32.56	33.37	34.21	35.06
		Annually	56,971.20	58,385.60	59,862.40	61,360.00	62,878.40	64,459.20	66,060.80	67,724.80	69,409.60	71,156.80	72,924.80
Administrative Assistant I	G9	Monthly	4,764.93	4,884.53	5,005.87	5,130.67	5,258.93	5,390.67	5,525.87	5,664.53	5,804.93	5,950.53	6,099.60
		Hourly	27.49	28.18	28.88	29.60	30.34	31.10	31.88	32.68	33.49	34.33	35.19
		Annually	57,179.20	58,614.40	60,070.40	61,568.00	63,107.20	64,688.00	66,310.40	67,974.40	69,659.20	71,406.40	73,195.20
Leak Detection Technician I Maintenance Worker I - Facilities	G10	Monthly	4,822.13	4,943.47	5,066.53	5,193.07	5,323.07	5,456.53	5,591.73	5,732.13	5,876.00	6,021.60	6,172.40
		Hourly	27.82	28.52	29.23	29.96	30.71	31.48	32.26	33.07	33.90	34.74	35.61
		Annually	57,865.60	59,321.60	60,798.40	62,316.80	63,876.80	65,478.40	67,100.80	68,785.60	70,512.00	72,259.20	74,068.80
Mechanic I	G11	Monthly	4,834.27	4,955.60	5,078.67	5,205.20	5,336.93	5,468.67	5,605.60	5,746.00	5,889.87	6,037.20	6,188.00
		Hourly	27.89	28.59	29.30	30.03	30.79	31.55	32.34	33.15	33.98	34.83	35.70
		Annually	58,011.20	59,467.20	60,944.00	62,462.40	64,043.20	65,624.00	67,267.20	68,952.00	70,678.40	72,446.40	74,256.00

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 18, 2022
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
Cross Connection Inspector I Inspector I Recycled Water Inspector I	G12	Monthly	4,912.27	5,035.33	5,160.13	5,290.13	5,421.87	5,557.07	5,697.47	5,839.60	5,985.20	6,134.27	6,288.53
		Hourly	28.34	29.05	29.77	30.52	31.28	32.06	32.87	33.69	34.53	35.39	36.28
		Annually	58,947.20	60,424.00	61,921.60	63,481.60	65,062.40	66,684.80	68,369.60	70,075.20	71,822.40	73,611.20	75,462.40
Water Systems Operator I	G13	Monthly	4,979.87	5,104.67	5,231.20	5,362.93	5,496.40	5,635.07	5,775.47	5,919.33	6,066.67	6,219.20	6,375.20
		Hourly	28.73	29.45	30.18	30.94	31.71	32.51	33.32	34.15	35.00	35.88	36.78
		Annually	59,758.40	61,256.00	62,774.40	64,355.20	65,956.80	67,620.80	69,305.60	71,032.00	72,800.00	74,630.40	76,502.40
Customer Account Representative III	G14	Monthly	5,031.87	5,158.40	5,286.67	5,418.40	5,553.60	5,692.27	5,836.13	5,981.73	6,130.80	6,283.33	6,441.07
		Hourly	29.03	29.76	30.50	31.26	32.04	32.84	33.67	34.51	35.37	36.25	37.16
		Annually	60,382.40	61,900.80	63,440.00	65,020.80	66,643.20	68,307.20	70,033.60	71,780.80	73,569.60	75,400.00	77,292.80
Maintenance Worker II - Streets	G15	Monthly	5,113.33	5,241.60	5,371.60	5,506.80	5,643.73	5,785.87	5,929.73	6,078.80	6,229.60	6,385.60	6,545.07
		Hourly	29.50	30.24	30.99	31.77	32.56	33.38	34.21	35.07	35.94	36.84	37.76
		Annually	61,360.00	62,899.20	64,459.20	66,081.60	67,724.80	69,430.40	71,156.80	72,945.60	74,755.20	76,627.20	78,540.80
Maintenance Worker II - Collections	G16	Monthly	5,122.00	5,250.27	5,382.00	5,515.47	5,654.13	5,794.53	5,940.13	6,089.20	6,240.00	6,396.00	6,557.20
		Hourly	29.55	30.29	31.05	31.82	32.62	33.43	34.27	35.13	36.00	36.90	37.83
		Annually	61,464.00	63,003.20	64,584.00	66,185.60	67,849.60	69,534.40	71,281.60	73,070.40	74,880.00	76,752.00	78,686.40
Accounting Assistant III	G17	Monthly	5,335.20	5,468.67	5,605.60	5,746.00	5,889.87	6,035.47	6,188.00	6,342.27	6,500.00	6,662.93	6,829.33
		Hourly	30.78	31.55	32.34	33.15	33.98	34.82	35.70	36.59	37.50	38.44	39.40
		Annually	64,022.40	65,624.00	67,267.20	68,952.00	70,678.40	72,425.60	74,256.00	76,107.20	78,000.00	79,955.20	81,952.00
Customer Service Field Technician III Water Efficiency Representative III	G18	Monthly	5,336.93	5,470.40	5,607.33	5,747.73	5,891.60	6,038.93	6,189.73	6,344.00	6,501.73	6,664.67	6,831.07
		Hourly	30.79	31.56	32.35	33.16	33.99	34.84	35.71	36.60	37.51	38.45	39.41
		Annually	64,043.20	65,644.80	67,288.00	68,972.80	70,699.20	72,467.20	74,276.80	76,128.00	78,020.80	79,976.00	81,972.80
Administrative Assistant II	G19	Monthly	5,376.80	5,512.00	5,648.93	5,791.07	5,934.93	6,084.00	6,234.80	6,390.80	6,550.27	6,714.93	6,883.07
		Hourly	31.02	31.80	32.59	33.41	34.24	35.10	35.97	36.87	37.79	38.74	39.71
		Annually	64,521.60	66,144.00	67,787.20	69,492.80	71,219.20	73,008.00	74,817.60	76,689.60	78,603.20	80,579.20	82,596.80
GIS Technician Permit Technician Records & Mapping Technician	G20	Monthly	5,411.47	5,546.67	5,685.33	5,827.47	5,973.07	6,122.13	6,276.40	6,432.40	6,593.60	6,758.27	6,926.40
		Hourly	31.22	32.00	32.80	33.62	34.46	35.32	36.21	37.11	38.04	38.99	39.96
		Annually	64,937.60	66,560.00	68,224.00	69,929.60	71,676.80	73,465.60	75,316.80	77,188.80	79,123.20	81,099.20	83,116.80
Leak Detection Technician II Maintenance Worker II - Facilities	G21	Monthly	5,420.13	5,555.33	5,694.00	5,836.13	5,983.47	6,132.53	6,285.07	6,442.80	6,604.00	6,768.67	6,938.53
		Hourly	31.27	32.05	32.85	33.67	34.52	35.38	36.26	37.17	38.10	39.05	40.03
		Annually	65,041.60	66,664.00	68,328.00	70,033.60	71,801.60	73,590.40	75,420.80	77,313.60	79,248.00	81,224.00	83,262.40
Mechanic II	G22	Monthly	5,437.47	5,572.67	5,713.07	5,855.20	6,002.53	6,151.60	6,305.87	6,463.60	6,624.80	6,791.20	6,961.07
		Hourly	31.37	32.15	32.96	33.78	34.63	35.49	36.38	37.29	38.22	39.18	40.16
		Annually	65,249.60	66,872.00	68,556.80	70,262.40	72,030.40	73,819.20	75,670.40	77,563.20	79,497.60	81,494.40	83,532.80

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 18, 2022
GENERAL UNIT**

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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
Wastewater Treatment Plant Operator in Training	G22.1	Monthly	5,466.93	5,603.87	5,744.27	5,888.13	6,033.73	6,184.53	6,340.53	6,498.27	6,661.20	6,827.60	6,997.47
		Hourly	31.54	32.33	33.14	33.97	34.81	35.68	36.58	37.49	38.43	39.39	40.37
		Annually	65,603.20	67,246.40	68,931.20	70,657.60	72,404.80	74,214.40	76,086.40	77,979.20	79,934.40	81,931.20	83,969.60
Inspector II	G23	Monthly	5,525.87	5,664.53	5,804.93	5,950.53	6,099.60	6,252.13	6,408.13	6,569.33	6,732.27	6,900.40	7,073.73
		Hourly	31.88	32.68	33.49	34.33	35.19	36.07	36.97	37.90	38.84	39.81	40.81
		Annually	66,310.40	67,974.40	69,659.20	71,406.40	73,195.20	75,025.60	76,897.60	78,832.00	80,787.20	82,804.80	84,884.80
Cross Connection Inspector II Recycled Water Inspector II	G24	Monthly	5,569.20	5,707.87	5,851.73	5,997.33	6,148.13	6,300.67	6,458.40	6,619.60	6,786.00	6,955.87	7,129.20
		Hourly	32.13	32.93	33.76	34.60	35.47	36.35	37.26	38.19	39.15	40.13	41.13
		Annually	66,830.40	68,494.40	70,220.80	71,968.00	73,777.60	75,608.00	77,500.80	79,435.20	81,432.00	83,470.40	85,550.40
Water Systems Operator II	G25	Monthly	5,602.13	5,742.53	5,886.40	6,033.73	6,184.53	6,338.80	6,496.53	6,659.47	6,825.87	6,995.73	7,170.80
		Hourly	32.32	33.13	33.96	34.81	35.68	36.57	37.48	38.42	39.38	40.36	41.37
		Annually	67,225.60	68,910.40	70,636.80	72,404.80	74,214.40	76,065.60	77,958.40	79,913.60	81,910.40	83,948.80	86,049.60
Senior Customer Account Representative	G26	Monthly	5,661.07	5,803.20	5,947.07	6,096.13	6,248.67	6,404.67	6,565.87	6,728.80	6,896.93	7,070.27	7,247.07
		Hourly	32.66	33.48	34.31	35.17	36.05	36.95	37.88	38.82	39.79	40.79	41.81
		Annually	67,932.80	69,638.40	71,364.80	73,153.60	74,984.00	76,856.00	78,790.40	80,745.60	82,763.20	84,843.20	86,964.80
Electrical/Instrumentation Technician I	G26.1	Monthly	5,699.20	5,841.33	5,986.93	6,137.73	6,290.27	6,448.00	6,609.20	6,773.87	6,943.73	7,117.07	7,295.60
		Hourly	32.88	33.70	34.54	35.41	36.29	37.20	38.13	39.08	40.06	41.06	42.09
		Annually	68,390.40	70,096.00	71,843.20	73,652.80	75,483.20	77,376.00	79,310.40	81,286.40	83,324.80	85,404.80	87,547.20
Maintenance Worker III - Streets	G27	Monthly	5,742.53	5,886.40	6,033.73	6,184.53	6,338.80	6,496.53	6,659.47	6,825.87	6,997.47	7,170.80	7,351.07
		Hourly	33.13	33.96	34.81	35.68	36.57	37.48	38.42	39.38	40.37	41.37	42.41
		Annually	68,910.40	70,636.80	72,404.80	74,214.40	76,065.60	77,958.40	79,913.60	81,910.40	83,969.60	86,049.60	88,212.80
Maintenance Worker III - Collections	G28	Monthly	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	7,188.13	7,368.40
		Hourly	33.21	34.04	34.89	35.76	36.66	37.57	38.51	39.48	40.46	41.47	42.51
		Annually	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	86,257.60	88,420.80
Buyer	G29	Monthly	5,934.93	6,084.00	6,234.80	6,390.80	6,550.27	6,714.93	6,883.07	7,054.67	7,231.47	7,411.73	7,597.20
		Hourly	34.24	35.10	35.97	36.87	37.79	38.74	39.71	40.70	41.72	42.76	43.83
		Annually	71,219.20	73,008.00	74,817.60	76,689.60	78,603.20	80,579.20	82,596.80	84,656.00	86,777.60	88,940.80	91,166.40
Accountant	G30	Monthly	6,000.80	6,151.60	6,304.13	6,461.87	6,623.07	6,789.47	6,959.33	7,132.67	7,311.20	7,494.93	7,682.13
		Hourly	34.62	35.49	36.37	37.28	38.21	39.17	40.15	41.15	42.18	43.24	44.32
		Annually	72,009.60	73,819.20	75,649.60	77,542.40	79,476.80	81,473.60	83,512.00	85,592.00	87,734.40	89,939.20	92,185.60
Records & Mapping Analyst	G31	Monthly	6,004.27	6,155.07	6,307.60	6,465.33	6,628.27	6,792.93	6,962.80	7,137.87	7,316.40	7,498.40	7,685.60
Senior Customer Service Field Technician		Hourly	34.64	35.51	36.39	37.30	38.24	39.19	40.17	41.18	42.21	43.26	44.34
Senior Water Efficiency Representative		Annually	72,051.20	73,860.80	75,691.20	77,584.00	79,539.20	81,515.20	83,553.60	85,654.40	87,796.80	89,980.80	92,227.20
Facilities Coordinator Leak Detection Technician III Maintenance Worker III - Facilities	G32	Monthly	6,099.60	6,252.13	6,408.13	6,569.33	6,732.27	6,900.40	7,073.73	7,250.53	7,432.53	7,618.00	7,808.67
		Hourly	35.19	36.07	36.97	37.90	38.84	39.81	40.81	41.83	42.88	43.95	45.05
		Annually	73,195.20	75,025.60	76,897.60	78,832.00	80,787.20	82,804.80	84,884.80	87,006.40	89,190.40	91,416.00	93,704.00

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 18, 2022
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
Mechanic III	G33	Monthly	6,116.93	6,269.47	6,427.20	6,586.67	6,751.33	6,921.20	7,094.53	7,271.33	7,453.33	7,638.80	7,829.47
		Hourly	35.29	36.17	37.08	38.00	38.95	39.93	40.93	41.95	43.00	44.07	45.17
		Annually	73,403.20	75,233.60	77,126.40	79,040.00	81,016.00	83,054.40	85,134.40	87,256.00	89,440.00	91,665.60	93,953.60
Wastewater Treatment Plant Operator I	G33.1	Monthly	6,149.87	6,304.13	6,461.87	6,623.07	6,787.73	6,957.60	7,132.67	7,309.47	7,493.20	7,680.40	7,872.80
		Hourly	35.48	36.37	37.28	38.21	39.16	40.14	41.15	42.17	43.23	44.31	45.42
		Annually	73,798.40	75,649.60	77,542.40	79,476.80	81,452.80	83,491.20	85,592.00	87,713.60	89,918.40	92,164.80	94,473.60
Cross Connection Inspector III Inspector III Recycled Water Inspector III	G34	Monthly	6,217.47	6,373.47	6,532.93	6,695.87	6,862.27	7,033.87	7,210.67	7,390.93	7,574.67	7,765.33	7,959.47
		Hourly	35.87	36.77	37.69	38.63	39.59	40.58	41.60	42.64	43.70	44.80	45.92
		Annually	74,609.60	76,481.60	78,395.20	80,350.40	82,347.20	84,406.40	86,528.00	88,691.20	90,896.00	93,184.00	95,513.60
Water Systems Operator III	G35	Monthly	6,304.13	6,461.87	6,623.07	6,789.47	6,959.33	7,132.67	7,311.20	7,493.20	7,680.40	7,872.80	8,070.40
		Hourly	36.37	37.28	38.21	39.17	40.15	41.15	42.18	43.23	44.31	45.42	46.56
		Annually	75,649.60	77,542.40	79,476.80	81,473.60	83,512.00	85,592.00	87,734.40	89,918.40	92,164.80	94,473.60	96,844.80
Electrical/Instrumentation Technician II	G36	Monthly	6,413.33	6,574.53	6,737.47	6,905.60	7,078.93	7,255.73	7,437.73	7,623.20	7,813.87	8,009.73	8,209.07
		Hourly	37.00	37.93	38.87	39.84	40.84	41.86	42.91	43.98	45.08	46.21	47.36
		Annually	76,960.00	78,894.40	80,849.60	82,867.20	84,947.20	87,068.80	89,252.80	91,478.40	93,766.40	96,116.80	98,508.80
Senior Maintenance Worker - Streets	G37	Monthly	6,463.60	6,624.80	6,791.20	6,961.07	7,134.40	7,312.93	7,494.93	7,683.87	7,874.53	8,072.13	8,273.20
		Hourly	37.29	38.22	39.18	40.16	41.16	42.19	43.24	44.33	45.43	46.57	47.73
		Annually	77,563.20	79,497.60	81,494.40	83,532.80	85,612.80	87,755.20	89,939.20	92,206.40	94,494.40	96,865.60	99,278.40
Senior Maintenance Worker - Collections	G38	Monthly	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	8,087.73	8,288.80
		Hourly	37.36	38.29	39.25	40.23	41.24	42.27	43.33	44.41	45.52	46.66	47.82
		Annually	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	97,052.80	99,465.60
GIS Analyst Water Efficiency Analyst	G39	Monthly	6,848.40	7,020.00	7,195.07	7,375.33	7,559.07	7,748.00	7,942.13	8,139.73	8,344.27	8,552.27	8,767.20
		Hourly	39.51	40.50	41.51	42.55	43.61	44.70	45.82	46.96	48.14	49.34	50.58
		Annually	82,180.80	84,240.00	86,340.80	88,504.00	90,708.80	92,976.00	95,305.60	97,676.80	100,131.20	102,627.20	105,206.40
Senior Leak Detection Technician Senior Maintenance Worker - Facilities	G40	Monthly	6,864.00	7,035.60	7,210.67	7,390.93	7,576.40	7,765.33	7,959.47	8,158.80	8,363.33	8,571.33	8,786.27
		Hourly	39.60	40.59	41.60	42.64	43.71	44.80	45.92	47.07	48.25	49.45	50.69
		Annually	82,368.00	84,427.20	86,528.00	88,691.20	90,916.80	93,184.00	95,513.60	97,905.60	100,360.00	102,856.00	105,435.20
Senior Mechanic	G41	Monthly	6,879.60	7,051.20	7,228.00	7,408.27	7,593.73	7,784.40	7,978.53	8,177.87	8,382.40	8,592.13	8,807.07
		Hourly	39.69	40.68	41.70	42.74	43.81	44.91	46.03	47.18	48.36	49.57	50.81
		Annually	82,555.20	84,614.40	86,736.00	88,899.20	91,124.80	93,412.80	95,742.40	98,134.40	100,588.80	103,105.60	105,684.80
Wastewater Treatment Plant Operator II	G41.1	Monthly	6,917.73	7,091.07	7,267.87	7,449.87	7,635.33	7,826.00	8,021.87	8,222.93	8,429.20	8,638.93	8,855.60
		Hourly	39.91	40.91	41.93	42.98	44.05	45.15	46.28	47.44	48.63	49.84	51.09
		Annually	83,012.80	85,092.80	87,214.40	89,398.40	91,624.00	93,912.00	96,262.40	98,675.20	101,150.40	103,667.20	106,267.20

**MOULTON NIGUEL WATER DISTRICT
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GENERAL UNIT**

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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
Senior Cross Connection Inspector	G42	Monthly	6,994.00	7,169.07	7,347.60	7,531.33	7,720.27	7,912.67	8,110.27	8,313.07	8,521.07	8,734.27	8,952.67
Senior Inspector		Hourly	40.35	41.36	42.39	43.45	44.54	45.65	46.79	47.96	49.16	50.39	51.65
Senior Recycled Water Inspector		Annually	83,928.00	86,028.80	88,171.20	90,376.00	92,643.20	94,952.00	97,323.20	99,756.80	102,252.80	104,811.20	107,432.00
	G43	Monthly	7,013.07	7,188.13	7,368.40	7,552.13	7,741.07	7,935.20	8,132.80	8,335.60	8,545.33	8,758.53	8,976.93
		Hourly	40.46	41.47	42.51	43.57	44.66	45.78	46.92	48.09	49.30	50.53	51.79
		Annually	84,156.80	86,257.60	88,420.80	90,625.60	92,892.80	95,222.40	97,593.60	100,027.20	102,544.00	105,102.40	107,723.20
Information Systems Analyst I	G44	Monthly	7,078.93	7,255.73	7,437.73	7,623.20	7,813.87	8,009.73	8,209.07	8,415.33	8,625.07	8,840.00	9,061.87
		Hourly	40.84	41.86	42.91	43.98	45.08	46.21	47.36	48.55	49.76	51.00	52.28
		Annually	84,947.20	87,068.80	89,252.80	91,478.40	93,766.40	96,116.80	98,508.80	100,984.00	103,500.80	106,080.00	108,742.40
Senior Water Systems Operator	G45	Monthly	7,091.07	7,267.87	7,449.87	7,637.07	7,827.73	8,023.60	8,222.93	8,429.20	8,638.93	8,855.60	9,077.47
		Hourly	40.91	41.93	42.98	44.06	45.16	46.29	47.44	48.63	49.84	51.09	52.37
		Annually	85,092.80	87,214.40	89,398.40	91,644.80	93,932.80	96,283.20	98,675.20	101,150.40	103,667.20	106,267.20	108,929.60
	G46	Monthly	7,210.67	7,390.93	7,576.40	7,765.33	7,959.47	8,158.80	8,361.60	8,571.33	8,786.27	9,004.67	9,230.00
		Hourly	41.60	42.64	43.71	44.80	45.92	47.07	48.24	49.45	50.69	51.95	53.25
		Annually	86,528.00	88,691.20	90,916.80	93,184.00	95,513.60	97,905.60	100,339.20	102,856.00	105,435.20	108,056.00	110,760.00
Electrical/Instrumentation Technician III	G46.1	Monthly	7,214.13	7,394.40	7,579.87	7,768.80	7,962.93	8,162.27	8,366.80	8,574.80	8,789.73	9,009.87	9,235.20
		Hourly	41.62	42.66	43.73	44.82	45.94	47.09	48.27	49.47	50.71	51.98	53.28
		Annually	86,569.60	88,732.80	90,958.40	93,225.60	95,555.20	97,947.20	100,401.60	102,897.60	105,476.80	108,118.40	110,822.40
Purchasing Agent	G47	Monthly	7,411.73	7,597.20	7,786.13	7,982.00	8,181.33	8,385.87	8,595.60	8,810.53	9,030.67	9,256.00	9,488.27
		Hourly	42.76	43.83	44.92	46.05	47.20	48.38	49.59	50.83	52.10	53.40	54.74
		Annually	88,940.80	91,166.40	93,433.60	95,784.00	98,176.00	100,630.40	103,147.20	105,726.40	108,368.00	111,072.00	113,859.20
Senior Wastewater Treatment Plant Operator	G47.1	Monthly	7,784.40	7,978.53	8,177.87	8,382.40	8,592.13	8,807.07	9,027.20	9,252.53	9,484.80	9,722.27	9,964.93
		Hourly	44.91	46.03	47.18	48.36	49.57	50.81	52.08	53.38	54.72	56.09	57.49
		Annually	93,412.80	95,742.40	98,134.40	100,588.80	103,105.60	105,684.80	108,326.40	111,030.40	113,817.60	116,667.20	119,579.20
Information Systems Analyst II	G48	Monthly	7,961.20	8,160.53	8,365.07	8,573.07	8,788.00	9,008.13	9,231.73	9,464.00	9,699.73	9,942.40	10,190.27
		Hourly	45.93	47.08	48.26	49.46	50.70	51.97	53.26	54.60	55.96	57.36	58.79
		Annually	95,534.40	97,926.40	100,380.80	102,876.80	105,456.00	108,097.60	110,780.80	113,568.00	116,396.80	119,308.80	122,283.20
Senior Electrical/Instrumentation Technician	G48.1	Monthly	8,115.47	8,318.27	8,526.27	8,739.47	8,957.87	9,181.47	9,412.00	9,646.00	9,888.67	10,134.80	10,387.87
		Hourly	46.82	47.99	49.19	50.42	51.68	52.97	54.30	55.65	57.05	58.47	59.93
		Annually	97,385.60	99,819.20	102,315.20	104,873.60	107,494.40	110,177.60	112,944.00	115,752.00	118,664.00	121,617.60	124,654.40
	G49	Monthly	8,956.13	9,179.73	9,410.27	9,644.27	9,885.20	10,133.07	10,386.13	10,646.13	10,911.33	11,185.20	11,464.27
		Hourly	51.67	52.96	54.29	55.64	57.03	58.46	59.92	61.42	62.95	64.53	66.14
		Annually	107,473.60	110,156.80	112,923.20	115,731.20	118,622.40	121,596.80	124,633.60	127,753.60	130,936.00	134,222.40	137,571.20

**MOULTON NIGUEL WATER DISTRICT
 JOB CLASSIFICATION SALARY SCHEDULE - JUNE 18, 2022
 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

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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
Records and Mapping Coordinator	S1	Monthly	6,089.20	6,241.73	6,397.73	6,557.20	6,721.87	6,890.00	7,061.60	7,238.40	7,418.67	7,604.13	7,794.80
		Hourly	35.13	36.01	36.91	37.83	38.78	39.75	40.74	41.76	42.80	43.87	44.97
		Annually	73,070.40	74,900.80	76,772.80	78,686.40	80,662.40	82,680.00	84,739.20	86,860.80	89,024.00	91,249.60	93,537.60
Senior Accountant	S2	Monthly	6,749.60	6,917.73	7,091.07	7,267.87	7,449.87	7,637.07	7,827.73	8,023.60	8,222.93	8,429.20	8,640.67
		Hourly	38.94	39.91	40.91	41.93	42.98	44.06	45.16	46.29	47.44	48.63	49.85
		Annually	80,995.20	83,012.80	85,092.80	87,214.40	89,398.40	91,644.80	93,932.80	96,283.20	98,675.20	101,150.40	103,688.00
Street Crew Supervisor	S3	Monthly	7,271.33	7,453.33	7,638.80	7,831.20	8,025.33	8,226.40	8,432.67	8,644.13	8,859.07	9,080.93	9,308.00
		Hourly	41.95	43.00	44.07	45.18	46.30	47.46	48.65	49.87	51.11	52.39	53.70
		Annually	87,256.00	89,440.00	91,665.60	93,974.40	96,304.00	98,716.80	101,192.00	103,729.60	106,308.80	108,971.20	111,696.00
Collection System Supervisor	S4	Monthly	7,285.20	7,467.20	7,654.40	7,845.07	8,040.93	8,242.00	8,448.27	8,659.73	8,876.40	9,098.27	9,325.33
		Hourly	42.03	43.08	44.16	45.26	46.39	47.55	48.74	49.96	51.21	52.49	53.80
		Annually	87,422.40	89,606.40	91,852.80	94,140.80	96,491.20	98,904.00	101,379.20	103,916.80	106,516.80	109,179.20	111,904.00
Customer Service Field Supervisor Water Efficiency Supervisor	S5	Monthly	7,422.13	7,607.60	7,798.27	7,992.40	8,193.47	8,398.00	8,607.73	8,822.67	9,042.80	9,269.87	9,500.40
		Hourly	42.82	43.89	44.99	46.11	47.27	48.45	49.66	50.90	52.17	53.48	54.81
		Annually	89,065.60	91,291.20	93,579.20	95,908.80	98,321.60	100,776.00	103,292.80	105,872.00	108,513.60	111,238.40	114,004.80
Accounting Supervisor	S6	Monthly	7,595.47	7,786.13	7,980.27	8,179.60	8,384.13	8,593.87	8,808.80	9,028.93	9,254.27	9,486.53	9,722.27
		Hourly	43.82	44.92	46.04	47.19	48.37	49.58	50.82	52.09	53.39	54.73	56.09
		Annually	91,145.60	93,433.60	95,763.20	98,155.20	100,609.60	103,126.40	105,705.60	108,347.20	111,051.20	113,838.40	116,667.20
Senior GIS Analyst	S7	Monthly	7,702.93	7,895.33	8,092.93	8,295.73	8,502.00	8,715.20	8,933.60	9,157.20	9,386.00	9,620.00	9,860.93
		Hourly	44.44	45.55	46.69	47.86	49.05	50.28	51.54	52.83	54.15	55.50	56.89
		Annually	92,435.20	94,744.00	97,115.20	99,548.80	102,024.00	104,582.40	107,203.20	109,886.40	112,632.00	115,440.00	118,331.20
Station Maintenance Supervisor	S8	Monthly	7,720.27	7,912.67	8,110.27	8,313.07	8,521.07	8,734.27	8,952.67	9,176.27	9,406.80	9,640.80	9,881.73
		Hourly	44.54	45.65	46.79	47.96	49.16	50.39	51.65	52.94	54.27	55.62	57.01
		Annually	92,643.20	94,952.00	97,323.20	99,756.80	102,252.80	104,811.20	107,432.00	110,115.20	112,881.60	115,689.60	118,580.80
Support Services Supervisor	S9	Monthly	7,741.07	7,935.20	8,132.80	8,335.60	8,545.33	8,758.53	8,976.93	9,202.27	9,431.07	9,666.80	9,909.47
		Hourly	44.66	45.78	46.92	48.09	49.30	50.53	51.79	53.09	54.41	55.77	57.17
		Annually	92,892.80	95,222.40	97,593.60	100,027.20	102,544.00	105,102.40	107,723.20	110,427.20	113,172.80	116,001.60	118,913.60
Cross Connection Supervisor Inspection Supervisor	S10	Monthly	7,871.07	8,068.67	8,269.73	8,476.00	8,687.47	8,905.87	9,127.73	9,356.53	9,590.53	9,829.73	10,075.87
		Hourly	45.41	46.55	47.71	48.90	50.12	51.38	52.66	53.98	55.33	56.71	58.13
		Annually	94,452.80	96,824.00	99,236.80	101,712.00	104,249.60	106,870.40	109,532.80	112,278.40	115,086.40	117,956.80	120,910.40
Water Distribution Supervisor	S11	Monthly	7,980.27	8,179.60	8,384.13	8,593.87	8,808.80	9,028.93	9,254.27	9,486.53	9,724.00	9,966.67	10,216.27
		Hourly	46.04	47.19	48.37	49.58	50.82	52.09	53.39	54.73	56.10	57.50	58.94
		Annually	95,763.20	98,155.20	100,609.60	103,126.40	105,705.60	108,347.20	111,051.20	113,838.40	116,688.00	119,600.00	122,595.20

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	S12	Monthly	8,113.73	8,316.53	8,524.53	8,737.73	8,956.13	9,179.73	9,410.27	9,644.27	9,885.20	10,133.07	10,386.13
		Hourly	46.81	47.98	49.18	50.41	51.67	52.96	54.29	55.64	57.03	58.46	59.92
		Annually	97,364.80	99,798.40	102,294.40	104,852.80	107,473.60	110,156.80	112,923.20	115,731.20	118,622.40	121,596.80	124,633.60
Customer Account Supervisor	S13	Monthly	8,148.40	8,352.93	8,560.93	8,774.13	8,994.27	9,219.60	9,450.13	9,685.87	9,928.53	10,176.40	10,431.20
		Hourly	47.01	48.19	49.39	50.62	51.89	53.19	54.52	55.88	57.28	58.71	60.18
		Annually	97,780.80	100,235.20	102,731.20	105,289.60	107,931.20	110,635.20	113,401.60	116,230.40	119,142.40	122,116.80	125,174.40
Wastewater Treatment Plant Supervisor	S14	Monthly	8,756.80	8,975.20	9,200.53	9,429.33	9,665.07	9,907.73	10,155.60	10,408.67	10,668.67	10,935.60	11,209.47
		Hourly	50.52	51.78	53.08	54.40	55.76	57.16	58.59	60.05	61.55	63.09	64.67
		Annually	105,081.60	107,702.40	110,406.40	113,152.00	115,980.80	118,892.80	121,867.20	124,904.00	128,024.00	131,227.20	134,513.60
Electrical/Instrumentation Supervisor	S15	Monthly	9,129.47	9,358.27	9,592.27	9,831.47	10,077.60	10,328.93	10,587.20	10,852.40	11,122.80	11,401.87	11,686.13
		Hourly	52.67	53.99	55.34	56.72	58.14	59.59	61.08	62.61	64.17	65.78	67.42
		Annually	109,553.60	112,299.20	115,107.20	117,977.60	120,931.20	123,947.20	127,046.40	130,228.80	133,473.60	136,822.40	140,233.60

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 18, 2022
EXEMPT EMPLOYEES**

JOB CLASSIFICATION	RANGE
Accounting Manager	E6
Administrative Analyst	E1
Assistant Director of Engineering	E15.1
Assistant Director of Operations	E15
Assistant General Manager	E18
Board Secretary/Executive Assistant	E4.1
Communications Coordinator	E4.1
Communications Manager	E11
Computerized Maintenance Management System (CMMS) Administrator	E5
Contracts Analyst	E2
Controller	E13
Customer Engagement Coordinator	E3
Data Scientist	E2
Deputy General Manager	E17
Development Services Specialist	E1
Director of Engineering	E17
Director of Financial Planning & Innovation	E16
Director of Human Resources	E16
Director of Operations	E16
Engineering Manager	E15
Financial Data Analyst	E2
Financial Planning Manager	E11
GIS Administrator	E5
Government Affairs Officer	E15.1
Human Resources Analyst	E1
Human Resources Manager	E6
Information Systems Administrator	E5
Information Systems Manager	E6
Information Systems Officer	E15
Marketing & Social Media Coordinator	E4.1
Operations Engineer	E5
Principal Engineer	E13
Regulatory Compliance Coordinator	E5
Safety & Compliance Coordinator	E4.1
Senior Administrative Analyst	E3
Senior Communications Coordinator	E5
Senior Contracts Analyst	E4
Senior Customer Engagement Coordinator	E5

**MOULTON NIGUEL WATER DISTRICT
 JOB CLASSIFICATION SALARY SCHEDULE - JUNE 18, 2022
 EXEMPT EMPLOYEES**

JOB CLASSIFICATION	RANGE
Senior Engineer	E8
Senior Financial Data Analyst	E4
Senior Human Resources Analyst	E3
Senior Water Efficiency Specialist	E3
Senior Water Resources Analyst	E4
Senior Water Resources Planner	E8
Superintendent of Engineering	E12
Superintendent of Operations	E12
Superintendent of Wastewater Operations	E12
Water Efficiency Manager	E11
Water Efficiency Specialist	E1
Water Resources Analyst	E2

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 18, 2022
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 Development Services Specialist Human Resources Analyst Water Efficiency Specialist	E1	Monthly	6,214.00	6,338.80	6,465.33	6,593.60	6,727.07	6,860.53	6,997.47	7,137.87	7,280.00	7,425.60	7,574.67	7,725.47	7,881.47	8,039.20	8,198.67	8,363.33
		Hourly	35.85	36.57	37.30	38.04	38.81	39.58	40.37	41.18	42.00	42.84	43.70	44.57	45.47	46.38	47.30	48.25
		Annually	74,568.00	76,065.60	77,584.00	79,123.20	80,724.80	82,326.40	83,969.60	85,654.40	87,360.00	89,107.20	90,896.00	92,705.60	94,577.60	96,470.40	98,384.00	100,360.00
Contracts Analyst Data Scientist Financial Data Analyst Water Resources Analyst	E2	Monthly	6,643.87	6,777.33	6,912.53	7,051.20	7,191.60	7,335.47	7,482.80	7,631.87	7,784.40	7,940.40	8,098.13	8,261.07	8,425.73	8,593.87	8,767.20	8,942.27
		Hourly	38.33	39.10	39.88	40.68	41.49	42.32	43.17	44.03	44.91	45.81	46.72	47.66	48.61	49.58	50.58	51.59
		Annually	79,726.40	81,328.00	82,950.40	84,614.40	86,299.20	88,025.60	89,793.60	91,582.40	93,412.80	95,284.80	97,177.60	99,132.80	101,108.80	103,126.40	105,206.40	107,307.20
Customer Engagement Coordinator Sr. Administrative Analyst Sr. Human Resources Analyst Sr. Water Efficiency Specialist	E3	Monthly	7,489.73	7,638.80	7,793.07	7,947.33	8,106.80	8,269.73	8,434.40	8,602.53	8,775.87	8,950.93	9,129.47	9,313.20	9,498.67	9,689.33	9,881.73	10,079.33
		Hourly	43.21	44.07	44.96	45.85	46.77	47.71	48.66	49.63	50.63	51.64	52.67	53.73	54.80	55.90	57.01	58.15
		Annually	89,876.80	91,665.60	93,516.80	95,368.00	97,281.60	99,236.80	101,212.80	103,230.40	105,310.40	107,411.20	109,553.60	111,758.40	113,984.00	116,272.00	118,580.80	120,952.00
Sr. Contracts Analyst Sr. Financial Data Analyst Sr. Water Resources Analyst	E4	Monthly	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	9,602.67	9,795.07	9,990.93	10,192.00	10,394.80
		Hourly	44.56	45.45	46.36	47.29	48.23	49.20	50.18	51.19	52.21	53.25	54.32	55.40	56.51	57.64	58.80	59.97
		Annually	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	115,232.00	117,540.80	119,891.20	122,304.00	124,737.60
Board Secretary/Executive Assistant Communications Coordinator Marketing & Social Media Coordinator Safety and Compliance Coordinator	E4.1	Monthly	8,456.93	8,626.80	8,798.40	8,975.20	9,153.73	9,337.47	9,524.67	9,713.60	9,909.47	10,107.07	10,308.13	10,514.40	10,725.87	10,940.80	11,159.20	11,381.07
		Hourly	48.79	49.77	50.76	51.78	52.81	53.87	54.95	56.04	57.17	58.31	59.47	60.66	61.88	63.12	64.38	65.66
		Annually	101,483.20	103,521.60	105,580.80	107,702.40	109,844.80	112,049.60	114,296.00	116,563.20	118,913.60	121,284.80	123,697.60	126,172.80	128,710.40	131,289.60	133,910.40	136,572.80
CMMS Administrator GIS Administrator Information Systems Administrator Operations Engineer Regulatory Compliance Coordinator Sr. Communications Coordinator Sr. Customer Engagement Coordinator	E5	Monthly	9,223.07	9,406.80	9,595.73	9,788.13	9,984.00	10,183.33	10,386.13	10,594.13	10,805.60	11,022.27	11,242.40	11,467.73	11,696.53	11,930.53	12,169.73	12,412.40
		Hourly	53.21	54.27	55.36	56.47	57.60	58.75	59.92	61.12	62.34	63.59	64.86	66.16	67.48	68.83	70.21	71.61
		Annually	110,676.80	112,881.60	115,148.80	117,457.60	119,808.00	122,200.00	124,633.60	127,129.60	129,667.20	132,267.20	134,908.80	137,612.80	140,358.40	143,166.40	146,036.80	148,948.80
Accounting Manager Human Resources Manager Information Systems Manager	E6	Monthly	9,581.87	9,774.27	9,968.40	10,167.73	10,372.27	10,578.53	10,790.00	11,006.67	11,226.80	11,450.40	11,680.93	11,913.20	12,152.40	12,395.07	12,642.93	12,896.00
		Hourly	55.28	56.39	57.51	58.66	59.84	61.03	62.25	63.50	64.77	66.06	67.39	68.73	70.11	71.51	72.94	74.40
		Annually	114,982.40	117,291.20	119,620.80	122,012.80	124,467.20	126,942.40	129,480.00	132,080.00	134,721.60	137,404.80	140,171.20	142,958.40	145,828.80	148,740.80	151,715.20	154,752.00

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 18, 2022
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
	E6.1	Monthly	9,613.07	9,805.47	10,001.33	10,200.67	10,405.20	10,613.20	10,826.40	11,043.07	11,263.20	11,488.53	11,719.07	11,953.07	12,192.27	12,434.93	12,684.53	12,937.60
		Hourly	55.46	56.57	57.70	58.85	60.03	61.23	62.46	63.71	64.98	66.28	67.61	68.96	70.34	71.74	73.18	74.64
		Annually	115,356.80	117,665.60	120,016.00	122,408.00	124,862.40	127,358.40	129,916.80	132,516.80	135,158.40	137,862.40	140,628.80	143,436.80	146,307.20	149,219.20	152,214.40	155,251.20
	E7	Monthly	9,834.93	10,030.80	10,231.87	10,436.40	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	12,977.47	13,235.73
		Hourly	56.74	57.87	59.03	60.21	61.42	62.65	63.90	65.18	66.48	67.81	69.17	70.55	71.96	73.40	74.87	76.36
		Annually	118,019.20	120,369.60	122,782.40	125,236.80	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	155,729.60	158,828.80
Senior Engineer Senior Water Resources Planner	E8	Monthly	9,923.33	10,122.67	10,323.73	10,530.00	10,741.47	10,956.40	11,174.80	11,398.40	11,627.20	11,859.47	12,096.93	12,337.87	12,585.73	12,837.07	13,093.60	13,355.33
		Hourly	57.25	58.40	59.56	60.75	61.97	63.21	64.47	65.76	67.08	68.42	69.79	71.18	72.61	74.06	75.54	77.05
		Annually	119,080.00	121,472.00	123,884.80	126,360.00	128,897.60	131,476.80	134,097.60	136,780.80	139,526.40	142,313.60	145,163.20	148,054.40	151,028.80	154,044.80	157,123.20	160,264.00
	E9	Monthly	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	13,539.07	13,811.20
		Hourly	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	78.11	79.68
		Annually	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	162,468.80	165,734.40
	E10	Monthly	10,282.13	10,488.40	10,698.13	10,911.33	11,129.73	11,351.60	11,578.67	11,810.93	12,046.67	12,287.60	12,533.73	12,785.07	13,039.87	13,301.60	13,566.80	13,838.93
		Hourly	59.32	60.51	61.72	62.95	64.21	65.49	66.80	68.14	69.50	70.89	72.31	73.76	75.23	76.74	78.27	79.84
		Annually	123,385.60	125,860.80	128,377.60	130,936.00	133,556.80	136,219.20	138,944.00	141,731.20	144,560.00	147,451.20	150,404.80	153,420.80	156,478.40	159,619.20	162,801.60	166,067.20
Communications Manager Financial Planning Manager Water Efficiency Manager	E11	Monthly	10,315.07	10,521.33	10,731.07	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	13,610.13	13,882.27
		Hourly	59.51	60.70	61.91	63.15	64.42	65.70	67.02	68.36	69.73	71.12	72.54	73.99	75.47	76.98	78.52	80.09
		Annually	123,780.80	126,256.00	128,772.80	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	163,321.60	166,587.20
Superintendent of Engineering Superintendent of Operations Superintendent of Wastewater Operations	E12	Monthly	10,531.73	10,743.20	10,956.40	11,176.53	11,400.13	11,627.20	11,861.20	12,096.93	12,339.60	12,585.73	12,838.80	13,095.33	13,357.07	13,624.00	13,896.13	14,173.47
		Hourly	60.76	61.98	63.21	64.48	65.77	67.08	68.43	69.79	71.19	72.61	74.07	75.55	77.06	78.60	80.17	81.77
		Annually	126,380.80	128,918.40	131,476.80	134,118.40	136,801.60	139,526.40	142,334.40	145,163.20	148,075.20	151,028.80	154,065.60	157,144.00	160,284.80	163,488.00	166,753.60	170,081.60

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 18, 2022
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
Controller Principal Engineer	E13	Monthly	11,048.27	11,268.40	11,495.47	11,724.27	11,958.27	12,197.47	12,441.87	12,691.47	12,944.53	13,204.53	13,468.00	13,736.67	14,012.27	14,291.33	14,577.33	14,870.27
		Hourly	63.74	65.01	66.32	67.64	68.99	70.37	71.78	73.22	74.68	76.18	77.70	79.25	80.84	82.45	84.10	85.79
		Annually	132,579.20	135,220.80	137,945.60	140,691.20	143,499.20	146,369.60	149,302.40	152,297.60	155,334.40	158,454.40	161,616.00	164,840.00	168,147.20	171,496.00	174,928.00	178,443.20
	E14	Monthly	11,238.93	11,464.27	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	14,539.20	14,830.40	15,126.80
		Hourly	64.84	66.14	67.46	68.81	70.18	71.59	73.02	74.48	75.97	77.49	79.04	80.62	82.23	83.88	85.56	87.27
		Annually	134,867.20	137,571.20	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	174,470.40	177,964.80	181,521.60
Assistant Director of Operations Engineering Manager Information Systems Officer	E15	Monthly	11,902.80	12,140.27	12,382.93	12,630.80	12,883.87	13,142.13	13,403.87	13,672.53	13,946.40	14,225.47	14,509.73	14,799.20	15,095.60	15,397.20	15,705.73	16,019.47
		Hourly	68.67	70.04	71.44	72.87	74.33	75.82	77.33	78.88	80.46	82.07	83.71	85.38	87.09	88.83	90.61	92.42
		Annually	142,833.60	145,683.20	148,595.20	151,569.60	154,606.40	157,705.60	160,846.40	164,070.40	167,356.80	170,705.60	174,116.80	177,590.40	181,147.20	184,766.40	188,468.80	192,233.60
Assistant Director of Engineering Government Affairs Officer	E15.1	Monthly	12,698.40	12,953.20	13,211.47	13,474.93	13,745.33	14,019.20	14,300.00	14,586.00	14,878.93	15,175.33	15,478.67	15,788.93	16,104.40	16,426.80	16,756.13	17,090.67
		Hourly	73.26	74.73	76.22	77.74	79.30	80.88	82.50	84.15	85.84	87.55	89.30	91.09	92.91	94.77	96.67	98.60
		Annually	152,380.80	155,438.40	158,537.60	161,699.20	164,944.00	168,230.40	171,600.00	175,032.00	178,547.20	182,104.00	185,744.00	189,467.20	193,252.80	197,121.60	201,073.60	205,088.00
Director of Financial Planning & Innovation Director of Human Resources Director of Operations	E16	Monthly	13,551.20	13,821.60	14,098.93	14,381.47	14,667.47	14,962.13	15,260.27	15,565.33	15,877.33	16,194.53	16,518.67	16,849.73	17,186.00	17,529.20	17,881.07	18,238.13
		Hourly	78.18	79.74	81.34	82.97	84.62	86.32	88.04	89.80	91.60	93.43	95.30	97.21	99.15	101.13	103.16	105.22
		Annually	162,614.40	165,859.20	169,187.20	172,577.60	176,009.60	179,545.60	183,123.20	186,784.00	190,528.00	194,334.40	198,224.00	202,196.80	206,232.00	210,350.40	214,572.80	218,857.60
Deputy General Manager Director of Engineering	E17	Monthly	14,580.80	14,872.00	15,170.13	15,473.47	15,782.00	16,099.20	16,419.87	16,749.20	17,083.73	17,425.20	17,773.60	18,128.93	18,491.20	18,862.13	19,238.27	19,623.07
		Hourly	84.12	85.80	87.52	89.27	91.05	92.88	94.73	96.63	98.56	100.53	102.54	104.59	106.68	108.82	110.99	113.21
		Annually	174,969.60	178,464.00	182,041.60	185,681.60	189,384.00	193,190.40	197,038.40	200,990.40	205,004.80	209,102.40	213,283.20	217,547.20	221,894.40	226,345.60	230,859.20	235,476.80
Assistant General Manager	E18	Monthly	16,355.73	16,683.33	17,016.13	17,357.60	17,704.27	18,057.87	18,418.40	18,787.60	19,163.73	19,546.80	19,936.80	20,335.47	20,742.80	21,157.07	21,581.73	22,013.33
		Hourly	94.36	96.25	98.17	100.14	102.14	104.18	106.26	108.39	110.56	112.77	115.02	117.32	119.67	122.06	124.51	127.00
		Annually	196,268.80	200,200.00	204,193.60	208,291.20	212,451.20	216,694.40	221,020.80	225,451.20	229,964.80	234,561.60	239,241.60	244,025.60	248,913.60	253,884.80	258,980.80	264,160.00

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 18, 2022
GENERAL MANAGER**

JOB CLASSIFICATION	FREQUENCY	RATE
General Manager	Annually	\$ 317,990

Appendix C: *Budget Resolution*

RESOLUTION NO. 22-07

**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 2022-23**

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 2022-23 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 9, 2022 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 2022-23 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, 2022, and ending June 30, 2023, 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, Deputy General Managers 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, Deputy General Managers 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 \$40,146,174 to be spent on capital projects.
 2. The maximum amount which may be transferred by the General Manager between and among Funds 7, 12, and 14 shall be \$40,146,174.
 3. The maximum amount which may be transferred by the General Manager from the Capacity Fee Fund 15 to Fund 7 shall be \$271,143 to be spent on the identified projects in Table 1.

Table 1.

Description	FY 2022-23 Budget
IRWD BAKER WATER TREATMENT PLANT CAPITAL PROJECTS	\$150,000
SCWD/JRWSS CAPITAL PROJECTS	\$1,131,109
PLANT 3A SOLIDS HANDLING FACILITIES IMPROVEMENTS	\$10,000,000
SOCWA CAPITAL PC 17	\$7,370,519
Total	\$18,651,628

4. The maximum amount which may be transferred by the General Manager from Fund 1 to Funds 12, 71, 73 and 74 shall be \$10,922,835 to be spent on debt service payments.

5. The maximum amount which may be transferred by the General Manager from Fund 1 to Fund 4 shall be \$192,309 to be spent on insurance deductibles and claims.
 6. The maximum amount which may be transferred by the General Manager from Fund 1 to Fund 52 shall be \$1,091,192 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, 2022, are hereby appropriated for such Capital Projects for the 2022-23 Fiscal Year.

SECTION 6. All appropriations and outstanding encumbrances for non-Capital Projects as of June 30, 2022, expire as of said date.

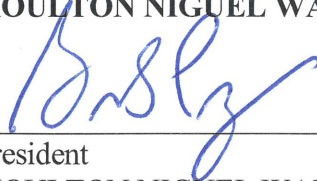
SECTION 7. The Board of Directors does hereby approve and adopt the General Manager, General Unit, Supervisory Unit and Exempt Employees' Job Classification Salary Schedules effective June 18, 2022, for Fiscal Year 2022-23.

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.

ADOPTED, SIGNED and APPROVED this 9th day of June, 2022.

MOULTON NIGUEL WATER DISTRICT



President

MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof



Secretary

MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

Appendix D: *GANN Appropriations Limit Resolution*

RESOLUTION NO. 22-06

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
APPROVING ITS APPROPRIATIONS LIMIT FOR FISCAL YEAR 2022-23 AND
FINDING COMPLIANCE WITH ARTICLE XIII B 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 2022-23; and

WHEREAS, the Board of Directors desires to establish an Appropriations Limit for Fiscal Year 2022-23 for the purpose of complying with Article XIII B 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 Appropriations Limit for said Fiscal Year 2022-23 in connection with the Board of Directors' consideration of the proposed Budget;

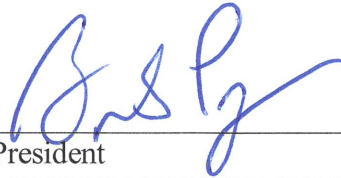
NOW, THEREFORE, the Board of Directors of MNWD does RESOLVE, DETERMINE, and ORDER as follows:

Section 1. That an Appropriations Limit of **\$10,007,934** be and the same hereby is established as the limit to which funds derived from proceeds of taxes may be appropriated for general purposes during the Fiscal Year 2022-23.

Section 3. 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.

ADOPTED, SIGNED and APPROVED this 9th day of June, 2022.

MOULTON NIGUEL WATER DISTRICT



President

MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof



Secretary

MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

Appendix E: *10-Year CIP Schedule & Project Description*

APPENDIX A
FY 2022-23 | 10-YEAR CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 to 2031-32
MULTI-SYSTEM								
2011077	14	MOULTON PEAK RADIO TOWER REPLACEMENT	CONSTRUCTION	\$732,504	\$30,000			
2021017	7	WAREHOUSE STORAGE AND FUNCTIONAL IMPROVEMENTS	CONSTRUCTION	\$250,000	\$150,000			
2011024	7	DOCUMENT MANAGEMENT SYSTEM UPGRADE	DESIGN	\$389,000	\$100,000	\$150,000	\$30,000	
2020019	7	SCADA COMMUNICATIONS NETWORK IMPROVEMENTS	DESIGN	\$485,000	\$460,000			
	1	CAPITAL OUTLAYS - FUND 1	PROGRAM	\$6,500,000	\$1,250,000	\$1,250,000	\$500,000	\$3,500,000
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - MS	PROGRAM	\$500,000		\$50,000	\$500,000	\$350,000
2019004	7	RISK AND RESILIENCY ASSESSMENT AND ENHANCEMENT		\$210,600	\$50,000	\$110,600		
2021014	7	DOCUMENT STORAGE FACILITY IMPROVEMENTS		\$150,000				\$150,000
2021019	14	VIDEO SITE SURVEILLANCE SYSTEM		\$500,000	\$150,000	\$150,000	\$150,000	\$50,000
2022000	7	2022-23 OPERATIONS-LED CAPITAL IMPROVEMENTS - MS	NEW	\$100,000	\$100,000			
	7	BILLING SYSTEM UPGRADE	NEW	\$1,000,000	\$150,000	\$400,000	\$450,000	
	7	CMMS PHASE II IMPLEMENTATION/INTEGRATION	NEW	\$300,000	\$300,000			
	7	SCADA COMMUNICATIONS POLE REPLACEMENTS	NEW	\$250,000	\$250,000			
	14	SECURITY IMPROVEMENTS AT CAMINO CAPISTRANO	NEW	\$400,000	\$400,000			
Subtotal - Multi-System Projects					\$3,390,000	\$2,110,600	\$1,630,000	\$4,050,000
POTABLE								
2018007	7	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 3	CONSTRUCTION	\$8,219,756	\$2,750,000			
2019030	7	PW STEEL RESERVOIR SEISMIC RETROFITS	CONSTRUCTION	\$5,862,381	\$3,500,000	\$700,000		
2015006	7	I.D. NO. 1 MASTER METER RELOCATION	DESIGN	\$2,100,000	\$900,000	\$1,000,000		
2017016	12	SOUTH COUNTY PIPELINE TAKEOUT FACILITY	DESIGN	\$10,200,000	\$500,000	\$1,000,000	\$2,000,000	\$6,500,000
2017019	14	1050-ZONE SECONDARY FEED PUMP STATION AND TRANSMISSION MAIN	DESIGN	\$7,900,000	\$500,000	\$4,000,000	\$2,900,000	
2019003	7	BLACKBIRD AND SOLITAIRE EASEMENT PIPELINE REHABILITATION/REPLACEMENT	DESIGN	\$500,000	\$400,000			
2019029	7	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 4	DESIGN	\$6,350,000	\$1,200,000	\$2,500,000	\$2,500,000	
2019037	7	CROWN VALLEY PARKWAY TRANSMISSION MAIN LOWER REACH REPLACEMENT	DESIGN	\$6,000,000	\$1,200,000	\$3,000,000	\$1,500,000	
2020013	7	EAST ALISO CREEK RESERVOIR INLET AND OUTLET PIPING MODIFICATIONS	DESIGN	\$660,000	\$550,000			
2020018	7	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 5	DESIGN	\$8,970,000	\$500,000	\$2,000,000	\$4,300,000	\$2,000,000
2022001	7	2022-23 VALVE REPLACEMENT - PW	DESIGN	\$4,800,000	\$3,200,000	\$1,500,000		
	7	FIRE HYDRANT REPLACEMENT PROGRAM	PROGRAM	\$1,800,000		\$200,000	\$200,000	\$1,400,000
	7	METER REPLACEMENT PROGRAM - PW	PROGRAM	\$4,500,000		\$500,000	\$500,000	\$3,500,000
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - PW	PROGRAM	\$4,500,000		\$500,000	\$500,000	\$3,500,000
	7	PIPELINE REHABILITATION AND REPLACEMENT PROGRAM - PW	PROGRAM	\$100,000,000				\$100,000,000
	7	RESERVOIR RECOATING PROGRAM - PW	PROGRAM	\$8,000,000			\$1,000,000	\$7,000,000
	7	SERVICE LINE REPLACEMENT PROGRAM - PW	PROGRAM	\$18,000,000		\$2,000,000	\$2,000,000	\$14,000,000
	7	VALVE REPLACEMENT PROGRAM - PW	PROGRAM	\$25,000,000			\$2,250,000	\$22,750,000
	7	VERTICAL ASSETS REHABILITATION AND REPLACEMENT PROGRAM - PW	PROGRAM	\$37,000,000		\$250,000	\$750,000	\$11,000,000
2018004	7	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 2 - PW		\$1,500,000		\$200,000	\$800,000	\$500,000
2018014	7	APPURTENANCE ADJUSTMENTS FOR CROWN VALLEY PARKWAY WIDENING		\$200,000		\$40,000	\$160,000	
2018017	7	MIRA VISTA AND VISTA LADERA EASEMENT PIPELINE REHABILITATION/REPLACEMENT		\$400,000		\$75,000	\$325,000	
2018021	7	SHEEP HILLS PUMP STATION IMPROVEMENTS		\$1,400,000				\$1,400,000
2018025	14	750-ZONE PW SYSTEM EXTENSION AT SALT SPRAY DRIVE		\$400,000				\$400,000
2019005	7	EAST ALISO CREEK RESERVOIR SITE PAVING REPLACEMENT		\$125,000		\$125,000		
2020017	7	REHABILITATION OF THE MARGUERITE RESERVOIR		\$995,000	\$20,000	\$700,000	\$275,000	
2020020	7	SHEEP HILLS RESERVOIR FENCE REPLACEMENT		\$50,000	\$50,000			
2021016	7	SUBSIDENCE MITIGATION AT EAST ALISO, MARGUERITE, AND EL DORADO SITES		\$250,000	\$50,000	\$200,000		
OCWD	12	OCWD BASIN EMERGENCY INTERCONNECTION		\$20,000,000	\$500,000	\$1,000,000	\$500,000	\$18,000,000
	7	450-ZONE ALISO CREEK PW PIPELINE RELOCATION		\$420,000				\$420,000
	14	750-ZONE BEACON-RANCHO IMPROVEMENTS		\$1,500,000				\$1,500,000
	7	BEAR BRAND PUMP STATION PUMP REPLACEMENT		\$600,000				\$600,000
	12	CIP TAKEOUT FACILITY AT MARGUERITE PUMP STATION		\$5,000,000				\$5,000,000
	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				\$1,020,000

APPENDIX A
FY 2022-23 | 10-YEAR CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 to 2031-32
	7	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 3 - PW		\$700,000			\$100,000	\$600,000
	7	HIDDEN HILLS AND LAGUNA SERRANO APARTMENTS PIPELINE REPLACEMENT		\$360,000			\$60,000	\$300,000
	6	LOW RESOLUTION METER REPLACEMENT		\$2,000,000	\$1,000,000	\$1,000,000		
	14	PORTABLE GENERATOR CONNECTIONS AT PRIORITY POTABLE WATER PUMP STATIONS		\$160,000				\$160,000
	14	RANCHO CAPISTRANO 450-ZONE LOOP		\$540,000				\$540,000
	14	RANCHO CAPISTRANO 450-ZONE SERVICE		\$300,000				\$300,000
	14	ROLLING HILLS PUMP STATION AUXILIARY GENERATOR		\$850,000				\$850,000
	7	SADDLEBACK RESERVOIR SITE PAVING REPLACEMENT		\$125,000				\$125,000
	7	SOUTHWESTERN TRANSMISSION MAIN REHABILITATION		\$7,000,000			\$400,000	\$6,500,000
	7	2022-23 FIRE HYDRANT REPLACEMENT	NEW	\$200,000	\$200,000			
	7	2022-23 METER REPLACEMENT - PW	NEW	\$990,000	\$990,000			
	14	2022-23 NEW SYSTEM VALVES	NEW	\$250,000	\$250,000			
2022100	7	2022-23 OPERATIONS-LED CAPITAL IMPROVEMENTS - PW	NEW	\$650,000	\$650,000			
	7	2022-23 PRESSURE REDUCING STATION REHABILITATION - PW	NEW	\$230,000	\$50,000	\$180,000		
	7	2022-23 SERVICE LINE REPLACEMENT - PW	NEW	\$2,000,000	\$2,000,000			
	7	2023-24 VALVE REPLACEMENT - PW	NEW	\$3,250,000	\$100,000	\$2,150,000	\$1,000,000	
	7	ALISO VIEJO MOV REPLACEMENT	NEW	\$675,000				\$675,000
	7	CASA DEL OSO PUMP STATION AUXILIARY GENERATOR REPLACEMENT	NEW	\$850,000		\$100,000	\$250,000	\$500,000
	7	COUNTRY VILLAGE PUMP STATION AUXILIARY GENERATOR REPLACEMENT	NEW	\$850,000		\$100,000	\$250,000	\$500,000
	7	EASTERN TRANSMISSION MAIN REHABILITATION	NEW	\$500,000	\$500,000			
	7	EASTERN TRANSMISSION MAIN REHABILITATION - SMWD REIMBURSEMENT	REIMBURSEMENT	-\$350,000	-\$350,000			
	7	HIGH-LOW VALVE REPLACEMENT	NEW	\$1,125,000				\$1,125,000
	7	LA PAZ AND CABOT PW PIPELINE REPLACEMENT	NEW	\$1,250,000				\$1,250,000
Subtotal - Potable Projects					\$21,210,000	\$25,020,000	\$24,520,000	\$223,915,000
RECYCLED								
2010013	6	RWOS - LA PAZ ROAD BRIDGE CROSSING RW PIPELINE	CONSTRUCTION	\$723,034	\$500,000			
2021009	7	2021-22 PRESSURE REDUCING STATION REHABILITATION - RW	CONSTRUCTION	\$200,000	\$160,000			
2018005	7	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 2 - RW	DESIGN	\$1,000,000	\$250,000	\$750,000		
	7	METER REPLACEMENT PROGRAM - RW	PROGRAM	\$495,000		\$55,000	\$55,000	\$385,000
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - RW	PROGRAM	\$2,250,000		\$250,000	\$250,000	\$1,750,000
	7	RESERVOIR RECOATING PROGRAM - RW	PROGRAM	\$2,640,000			\$330,000	\$2,310,000
	6	RWOS - RECYCLED WATER RETROFITS PROGRAM	PROGRAM	\$4,770,000		\$10,000	\$150,000	\$2,450,000
	7	SERVICE LINE REPLACEMENT PROGRAM - RW	PROGRAM	\$630,000		\$70,000	\$70,000	\$490,000
	7	VALVE REPLACEMENT PROGRAM - RW	PROGRAM	\$2,250,000		\$250,000	\$250,000	\$1,750,000
	7	VERTICAL ASSETS REHABILITATION AND REPLACEMENT PROGRAM - RW	PROGRAM	\$13,800,000		\$100,000	\$100,000	\$700,000
2021015	7	IMPROVEMENTS AT GALIVAN AND ALISO VIEJO RW PUMP STATIONS		\$600,000	\$75,000	\$525,000		
	7	CROWN POINT PUMP STATION PUMP REPLACEMENT AND VFD INSTALLATION		\$490,000				\$490,000
	7	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 3 - RW		\$325,000			\$50,000	\$275,000
	14	GALIVAN BYPASS IMPROVEMENTS		\$225,000	\$225,000			
	7	LAGUNA NIGUEL REGIONAL PARK RW METER VAULT RECONFIGURATION		\$150,000				\$150,000
	7	OAKGROVE DRIVE RW PIPELINE REPLACEMENT		\$785,000				\$525,000
	7	REHABILITATION OF 20-INCH RW MAIN TO LAGUNA HEIGHTS RESERVOIR		\$910,000			\$75,000	\$835,000
	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		\$11,000,000				\$11,000,000
	7	2022-23 METER REPLACEMENT - RW	NEW	\$125,000	\$125,000			
2022200	7	2022-23 OPERATIONS-LED CAPITAL IMPROVEMENTS - RW	NEW	\$200,000	\$200,000			
	7	2022-23 PRESSURE REDUCING STATION REHABILITATION - RW	NEW	\$100,000	\$50,000	\$50,000		
	6	2022-23 RECYCLED WATER RETROFITS	NEW	\$10,000	\$10,000			
	7	2022-23 SERVICE LINE REPLACEMENT - RW	NEW	\$70,000	\$70,000			
	7	2022-23 VALVE REPLACEMENT - RW	NEW	\$250,000	\$250,000			
Subtotal - Recycled Projects					\$1,915,000	\$2,060,000	\$1,330,000	\$26,410,000

APPENDIX A
FY 2022-23 | 10-YEAR CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 to 2031-32
WASTEWATER								
2012024	7	UPPER SALADA LIFT STATION AUXILIARY GENERATOR REPLACEMENT	CONSTRUCTION	\$1,266,318	\$250,000			
2018024	7	VALENCIA LIFT STATION MANHOLE DIVERSIONS	CONSTRUCTION	\$250,000	\$150,000			
2013004	7	REGIONAL LIFT STATION FORCE MAIN REPLACEMENT	DESIGN	\$19,200,000	\$1,000,000	\$4,000,000	\$8,000,000	\$4,900,000
2013005	7	LOWER SALADA LIFT STATION FORCE MAIN REPLACEMENT	DESIGN	\$9,200,000	\$1,800,000	\$5,000,000	\$2,000,000	
2019007	7	NORTH ALISO LIFT STATION RECONSTRUCTION	DESIGN	\$6,000,000	\$300,000	\$1,500,000	\$3,000,000	\$1,000,000
2020009	7	NIGUEL WEST SEWER LINING	DESIGN	\$1,500,000	\$100,000	\$800,000	\$600,000	
2021011	7	ALISO CREEK LIFT STATION REHABILITATION	DESIGN	\$3,900,000	\$300,000	\$1,500,000	\$2,000,000	
	7	MANHOLE REHABILITATION PROGRAM	PROGRAM	\$2,250,000		\$250,000	\$250,000	\$1,750,000
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - WW	PROGRAM	\$4,500,000		\$500,000	\$500,000	\$3,500,000
	7	PIPELINE REHABILITATION AND REPLACEMENT PROGRAM - WW	PROGRAM	\$8,000,000				\$8,000,000
	7	VERTICAL ASSETS REHABILITATION AND REPLACEMENT PROGRAM - WW	PROGRAM	\$31,800,000			\$800,000	\$25,000,000
2011043	14	3A OUTFALL LINE VALVES		\$450,000				\$450,000
2011043	14	3A OUTFALL LINE VALVES - SMWD REIMBURSEMENT	REIMBURSEMENT	-\$225,000				-\$225,000
2018028	7	UPPER SALADA LIFT STATION BYPASS IMPROVEMENTS		\$300,000				\$250,000
2020015	7	LIFT STATION VENTILATION SYSTEM IMPROVEMENTS		\$650,000	\$100,000	\$500,000	\$50,000	
	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 REPLACEMENT 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
	14	LOWER SALADA LIFT STATION OVERFLOW WETWELL		\$1,250,000			\$150,000	\$1,100,000
	7	MANHOLE ADJUSTMENTS ON OSO-TRABUCO INTERCEPTOR SEWER		\$260,000				\$260,000
	7	MANHOLE ADJUSTMENTS ON OSO-TRABUCO INTERCEPTOR SEWER - SMWD REIMBURSEMENT	REIMBURSEMENT	-\$155,662				-\$155,662
	7	UPPER SALADA LIFT STATION FORCE MAIN REHABILITATION AND REPLACEMENT		\$6,000,000				\$6,000,000
	7	2022-23 MANHOLE REHABILITATION	NEW	\$250,000	\$250,000			
2022400	7	2022-23 OPERATIONS-LED CAPITAL IMPROVEMENTS - WW	NEW	\$500,000	\$500,000			
	7	LOWER SALADA LIFT STATION AUXILIARY GENERATOR REPLACEMENT	NEW	\$400,000	\$50,000	\$200,000	\$150,000	
	7	TRACT NO. 4096 SEWER JOINT GROUTING	NEW	\$2,800,000	\$100,000	\$1,200,000	\$1,500,000	
	7	UPPER BOUNDARY OAK LIFT STATION AUXILIARY GENERATOR REPLACEMENT	NEW	\$850,000	\$100,000	\$500,000	\$250,000	
	14	WASTEWATER TRUNK MAIN REPLACEMENT - 3A SUBBASIN PHASE 1	NEW	\$1,200,000	\$50,000	\$300,000	\$850,000	
	14	WASTEWATER TRUNK MAIN REPLACEMENT - 3A SUBBASIN PHASE 2	NEW	\$1,400,000	\$100,000	\$300,000	\$1,000,000	
Subtotal - Wastewater Projects					\$5,150,000	\$16,550,000	\$21,100,000	\$56,266,838
PLANT 3A								
2019301	7	PLANT 3A SUBSIDENCE MITIGATION	CONSTRUCTION	\$4,800,000	\$4,000,000			
2019302	7	PLANT 3A SOLIDS HANDLING FACILITIES IMPROVEMENTS	DESIGN	\$47,800,000	\$10,000,000	\$20,000,000	\$16,250,000	
2021303	14	PLANT 3A SOLIDS LOADOUT FACILITY	DESIGN	\$9,800,000	\$2,000,000	\$4,000,000	\$3,500,000	
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - 3A	PROGRAM	\$2,250,000		\$250,000	\$250,000	\$1,750,000
2021301	7	PLANT 3A ODOR CONTROL SYSTEM EVALUATION AND REHABILITATION		\$1,250,000	\$150,000	\$1,100,000		
2021302	14	PLANT 3A SECURITY IMPROVEMENTS		\$125,000	\$75,000	\$50,000		
	7	PLANT 3A LIQUIDS HANDLING FACILITIES IMPROVEMENTS		\$24,000,000	\$250,000	\$1,250,000	\$1,500,000	\$21,000,000
	14	PLANT 3A EMERGENCY STANDBY GENERATOR		\$1,500,000				\$1,500,000
2022300	7	2022-23 OPERATIONS-LED CAPITAL IMPROVEMENTS - 3A	NEW	\$750,000	\$750,000			
	14	PLANT 3A NETWORK CABLING IMPROVEMENTS	NEW	\$150,000	\$150,000			
	7	PLANT 3A IMPROVEMENTS FUNDS 7 AND 14 - SMWD REIMBURSEMENT	REIMBURSEMENT	-\$25,994,531	-\$4,886,719	-\$7,495,313	-\$6,046,875	-\$6,820,313
Subtotal - Plant 3A Projects					\$12,488,281	\$19,154,688	\$15,453,125	\$17,429,688
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	\$7,453,323	\$2,699,476	\$884,160	\$1,014,173	\$2,855,514
SMWD	7	SMWD CAPITAL PROJECTS - JOINT FACILITIES	PROGRAM	\$2,615,375	\$375,375	\$840,000	\$0	\$1,400,000
SOCWA	7	SOCWA CAPITAL PC 2	PROGRAM	\$19,431,545	\$1,251,793	\$1,684,714	\$1,430,708	\$15,064,331
SOCWA	7	SOCWA CAPITAL PC 5	PROGRAM	\$249,275	\$37,827	\$0	\$5,280	\$206,168
SOCWA	7	SOCWA CAPITAL PC 15	PROGRAM	\$11,289,736	\$1,496,498	\$1,539,761	\$608,576	\$7,644,901
SOCWA	7	SOCWA CAPITAL PC 17	PROGRAM	\$73,338,463	\$7,370,519	\$7,057,618	\$8,751,783	\$50,158,543

APPENDIX A
FY 2022-23 | 10-YEAR CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 to 2031-32
SOCWA	7	SOCWA CAPITAL PC 21	PROGRAM	\$1,661,144	\$189,423	\$26,710	\$0	\$1,445,011
SOCWA	7	SOCWA CAPITAL PC 24	PROGRAM	\$3,113,644	\$75,447	\$78,457	\$21,924	\$2,937,816
ETWD	7	ETWD R6 RESERVOIR COVER AND LINER REPLACEMENT		\$1,218,000	\$1,122,000	\$60,000		
Subtotal - Regional Projects					\$14,768,358	\$12,321,420	\$11,982,443	\$82,762,284
TOTAL					\$58,921,639	\$77,216,707	\$76,015,568	\$410,833,810

NOTE: TOTAL 10-YEAR CIP PROJECTION (FY 2022-23 THROUGH FY 2031-32) = \$622,987,724

APPENDIX B
PROPOSED FY 2022-23 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2022-23 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
GENERAL (G) (FUND 1)					
	CAPITAL OUTLAYS - FUND 1	\$6,500,000	\$0	\$1,250,000	6/30/23
Subtotal - Fund 1 Projects				\$1,250,000	
WATER EFFICIENCY (WE) (FUND 6)					
2010013	RWOS - LA PAZ ROAD BRIDGE CROSSING RW PIPELINE	\$723,034	\$56,735	\$500,000	6/30/23
	2022-23 RECYCLED WATER RETROFITS	\$10,000	\$0	\$10,000	6/30/23
	LOW RESOLUTION METER REPLACEMENT	\$2,000,000	\$0	\$1,000,000	6/30/24
Subtotal - Fund 6 Projects				\$1,510,000	
REPLACEMENT & REFURBISHMENT (R&R) (FUND 7)					
2011024	DOCUMENT MANAGEMENT SYSTEM UPGRADE	\$389,000	\$108,322	\$100,000	12/31/24
2012024	UPPER SALADA LIFT STATION AUXILIARY GENERATOR REPLACEMENT	\$1,266,318	\$575,442	\$250,000	12/31/22
2013004	REGIONAL LIFT STATION FORCE MAIN REPLACEMENT	\$19,200,000	\$1,187,278	\$1,000,000	12/31/25
2013005	LOWER SALADA LIFT STATION FORCE MAIN REPLACEMENT	\$9,200,000	\$294,967	\$1,800,000	12/31/24
2015006	I.D. NO. 1 MASTER METER RELOCATION	\$2,100,000	\$182,756	\$900,000	12/31/24
2018005	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 2 - RW	\$1,000,000	\$131	\$250,000	6/30/24
2018007	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 3	\$8,219,756	\$4,200,898	\$2,750,000	12/31/22
2018024	VALENCIA LIFT STATION MANHOLE DIVERSIONS	\$250,000	\$4,013	\$150,000	6/30/23
2019003	BLACKBIRD AND SOLITAIRE EASEMENT PIPELINE REHABILITATION/REPLACEMENT	\$500,000	\$66,191	\$400,000	6/30/23
2019004	RISK AND RESILIENCY ASSESSMENT AND ENHANCEMENT	\$210,600	\$0	\$50,000	6/30/24
2019007	NORTH ALISO LIFT STATION RECONSTRUCTION	\$6,000,000	\$53,858	\$300,000	12/31/25
2019029	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 4	\$6,350,000	\$45,909	\$1,200,000	12/31/24
2019030	PW STEEL RESERVOIR SEISMIC RETROFITS	\$5,862,381	\$403,210	\$3,500,000	12/31/23
2019037	CROWN VALLEY PARKWAY TRANSMISSION MAIN LOWER REACH REPLACEMENT	\$6,000,000	\$240,317	\$1,200,000	12/31/24
2020009	NIGUEL WEST SEWER LINING	\$1,500,000	\$4,188	\$100,000	12/31/24
2020013	EAST ALISO CREEK RESERVOIR INLET AND OUTLET PIPING MODIFICATIONS	\$660,000	\$83,018	\$550,000	6/30/23
2020015	LIFT STATION VENTILATION SYSTEM IMPROVEMENTS	\$650,000	\$210	\$100,000	12/31/24
2020017	REHABILITATION OF THE MARGUERITE RESERVOIR	\$995,000	\$0	\$20,000	12/31/24
2020018	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 5	\$8,970,000	\$33,638	\$500,000	12/31/25
2020019	SCADA COMMUNICATIONS NETWORK IMPROVEMENTS	\$485,000	\$6,410	\$460,000	6/30/23
2020020	SHEEP HILLS RESERVOIR FENCE REPLACEMENT	\$50,000	\$0	\$50,000	6/30/23
2021009	2021-22 PRESSURE REDUCING STATION REHABILITATION - RW	\$200,000	\$23,162	\$160,000	12/31/22
2021011	ALISO CREEK LIFT STATION REHABILITATION	\$3,900,000	\$2,219	\$300,000	6/30/25
2021015	IMPROVEMENTS AT GALIVAN AND ALISO VIEJO RW PUMP STATIONS	\$600,000	\$0	\$75,000	6/30/24
2021016	SUBSIDENCE MITIGATION AT EAST ALISO, MARGUERITE, AND EL DORADO SITES	\$250,000	\$164	\$50,000	6/30/24
2021017	WAREHOUSE STORAGE AND FUNCTIONAL IMPROVEMENTS	\$250,000	\$66,890	\$150,000	12/31/22
2022000	2022-23 OPERATIONS-LED CAPITAL IMPROVEMENTS - MS	\$100,000	\$0	\$100,000	6/30/23
2022001	2022-23 VALVE REPLACEMENT - PW	\$4,800,000	\$40,966	\$3,200,000	12/31/23
2022100	2022-23 OPERATIONS-LED CAPITAL IMPROVEMENTS - PW	\$650,000	\$0	\$650,000	6/30/23
2022200	2022-23 OPERATIONS-LED CAPITAL IMPROVEMENTS - RW	\$200,000	\$0	\$200,000	6/30/23
2022400	2022-23 OPERATIONS-LED CAPITAL IMPROVEMENTS - WW	\$500,000	\$0	\$500,000	6/30/23
	2022-23 FIRE HYDRANT REPLACEMENT	\$200,000	\$0	\$200,000	6/30/23
	2022-23 MANHOLE REHABILITATION	\$250,000	\$0	\$250,000	6/30/23
	2022-23 METER REPLACEMENT - PW	\$990,000	\$0	\$990,000	6/30/23
	2022-23 METER REPLACEMENT - RW	\$125,000	\$0	\$125,000	6/30/23
	2022-23 PRESSURE REDUCING STATION REHABILITATION - PW	\$230,000	\$0	\$50,000	12/31/23
	2022-23 PRESSURE REDUCING STATION REHABILITATION - RW	\$100,000	\$0	\$50,000	12/31/23
	2022-23 SERVICE LINE REPLACEMENT - PW	\$2,000,000	\$0	\$2,000,000	6/30/23

Project expenditures based on March 31, 2022 accounting data

APPENDIX B
PROPOSED FY 2022-23 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2022-23 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
	2022-23 SERVICE LINE REPLACEMENT - RW	\$70,000	\$0	\$70,000	6/30/23
	2022-23 VALVE REPLACEMENT - RW	\$250,000	\$0	\$250,000	6/30/23
	2023-24 VALVE REPLACEMENT - PW	\$3,250,000	\$0	\$100,000	12/31/24
	BILLING SYSTEM UPGRADE	\$1,000,000	\$0	\$150,000	6/30/25
	CMMS PHASE II IMPLEMENTATION/INTEGRATION	\$300,000	\$0	\$300,000	6/30/23
	EASTERN TRANSMISSION MAIN REHABILITATION	\$500,000	\$0	\$500,000	6/30/23
	EASTERN TRANSMISSION MAIN REHABILITATION - SMWD REIMBURSEMENT	-\$350,000	\$0	-\$350,000	Reimbursement
	LOWER SALADA LIFT STATION AUXILIARY GENERATOR REPLACEMENT	\$400,000	\$0	\$50,000	12/31/24
	SCADA COMMUNICATIONS POLE REPLACEMENTS	\$250,000	\$0	\$250,000	6/30/23
	TRACT NO. 4096 SEWER JOINT GROUTING	\$2,800,000	\$0	\$100,000	6/30/25
	UPPER BOUNDARY OAK LIFT STATION AUXILIARY GENERATOR REPLACEMENT	\$850,000	\$0	\$100,000	12/31/24
2019301	PLANT 3A SUBSIDENCE MITIGATION	\$4,800,000	\$696,250	\$4,000,000	6/30/23
2019302	PLANT 3A SOLIDS HANDLING FACILITIES IMPROVEMENTS	\$47,800,000	\$2,146,933	\$10,000,000	6/30/25
2021301	PLANT 3A ODOR CONTROL SYSTEM EVALUATION AND REHABILITATION	\$1,250,000	\$388	\$150,000	6/30/24
2022300	2022-23 OPERATIONS-LED CAPITAL IMPROVEMENTS - 3A	\$750,000	\$0	\$750,000	6/30/23
	PLANT 3A LIQUIDS HANDLING FACILITIES IMPROVEMENTS	\$24,000,000	\$0	\$250,000	12/31/27
	PLANT 3A IMPROVEMENTS FUND 7 - SMWD REIMBURSEMENT	-\$22,106,250	\$0	-\$4,260,938	Reimbursement
ETWD	ETWD R6 RESERVOIR COVER AND LINER REPLACEMENT	\$1,218,000	\$0	\$1,122,000	12/31/23
IRWD	IRWD BAKER WATER TREATMENT PLANT CAPITAL PROJECTS	\$1,500,000	\$0	\$150,000	6/30/23
JRWSS	SCWD/JRWSS CAPITAL PROJECTS	\$7,453,323	\$0	\$2,699,476	6/30/23
SMWD	SMWD CAPITAL PROJECTS - JOINT FACILITIES	\$2,615,375	\$0	\$375,375	6/30/23
SOCWA	SOCWA CAPITAL PC 2	\$19,431,545	\$0	\$1,251,793	6/30/23
SOCWA	SOCWA CAPITAL PC 5	\$249,275	\$0	\$37,827	6/30/23
SOCWA	SOCWA CAPITAL PC 15	\$11,289,736	\$0	\$1,496,498	6/30/23
SOCWA	SOCWA CAPITAL PC 17	\$73,338,463	\$0	\$7,370,519	6/30/23
SOCWA	SOCWA CAPITAL PC 21	\$1,661,144	\$0	\$189,423	6/30/23
SOCWA	SOCWA CAPITAL PC 24	\$3,113,644	\$0	\$75,447	6/30/23
Subtotal - Fund 7 Projects				\$51,857,420	
WATER SUPPLY RELIABILITY (WSR) (FUND 12)					
2017016	SOUTH COUNTY PIPELINE TAKEOUT FACILITY	\$10,200,000	\$32,895	\$500,000	12/31/26
OCWD	OCWD BASIN EMERGENCY INTERCONNECTION	\$20,000,000	\$644	\$500,000	TBD
Subtotal - Fund 12 Projects				\$1,000,000	
PLANNING & CONSTRUCTION (P&C) (FUND 14)					
2011077	MOULTON PEAK RADIO TOWER REPLACEMENT	\$732,504	\$768,595	\$30,000	12/31/22
2017019	1050-ZONE SECONDARY FEED PUMP STATION AND TRANSMISSION MAIN	\$7,900,000	\$288,391	\$500,000	12/31/24
2021019	VIDEO SITE SURVEILLANCE SYSTEM	\$500,000	\$0	\$150,000	12/31/25
	2022-23 NEW SYSTEM VALVES	\$250,000	\$0	\$250,000	6/30/23
	GALIVAN BYPASS IMPROVEMENTS	\$225,000	\$0	\$225,000	6/30/23
	SECURITY IMPROVEMENTS AT CAMINO CAPISTRANO	\$400,000	\$0	\$400,000	6/30/23
	WASTEWATER TRUNK MAIN REPLACEMENT - 3A SUBBASIN PHASE 1	\$1,200,000	\$0	\$50,000	12/31/24
	WASTEWATER TRUNK MAIN REPLACEMENT - 3A SUBBASIN PHASE 2	\$1,400,000	\$0	\$100,000	6/30/25
2021302	PLANT 3A SECURITY IMPROVEMENTS	\$125,000	\$285	\$75,000	12/31/23
2021303	PLANT 3A SOLIDS LOADOUT FACILITY	\$9,800,000	\$427	\$2,000,000	6/30/25
	PLANT 3A NETWORK CABLING IMPROVEMENTS	\$150,000	\$0	\$150,000	6/30/23
	PLANT 3A IMPROVEMENTS FUND 14 - SMWD REIMBURSEMENT	-\$2,833,594	\$0	-\$625,781	Reimbursement
Subtotal - Fund 14 Projects				\$3,304,219	
TOTAL				\$58,921,639	

Project expenditures based on March 31, 2022 accounting data

Moulton Peak Radio Tower Replacement

Project No: 2011.077

System: Multi-System

Fund: 14

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 Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$90,000
CEQA Compliance	Exempt
Construction Contract	\$632,504
Inspection/Other	\$10,000
Total Project Budget	\$732,504



Warehouse Storage and Functional Improvements

Project No: 2021.017

System: Multi-System

Fund: 7

Project Location: 2A

Project Description: Replace existing boltless shelving and pallet racking. Make functional improvements to existing ancillary spaces.

Project Need: The existing shelving and pallet racking are not properly anchored and in need of replacement. The new shelving and pallet racking will increase pallet rack storage by one-third and double shelving capacity. Additionally, the equipment will be more durable and designed to comply with seismic standards. Existing ancillary spaces require functional improvements to make most efficient use of these areas.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
CEQA IS/MND	Exempt
Construction Contract	\$250,000
Total Project Budget	\$250,000



Document Management System Upgrade

Project No: 2011.024
System: Multi-System
Fund: 7

Project Location: N/A

Project Description:

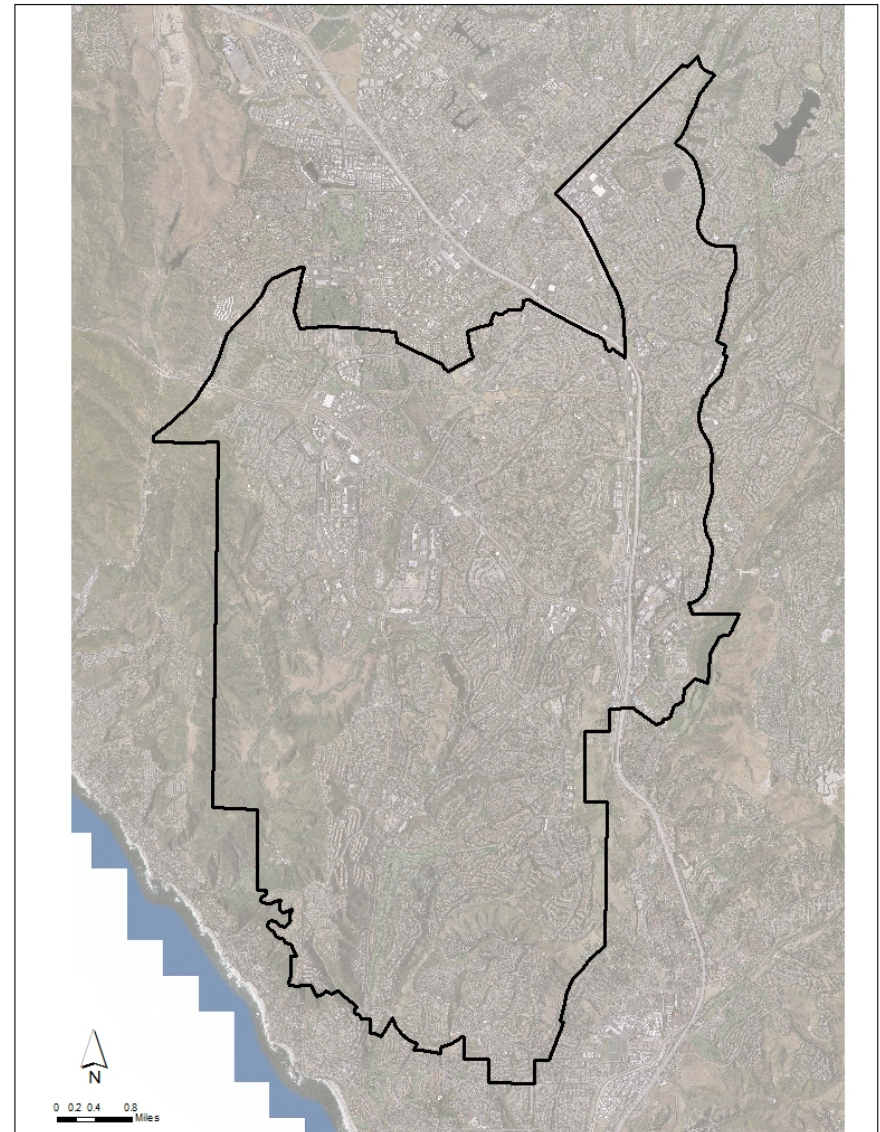
- Select and procure document management solution for storage of District’s records and documents.
- Migrate all historical digital records from legacy system to new document management solution.
- Identify and streamline workflows related to capturing digital records including drawings, agreements, plans, contracts, and more.
- Develop and train on methods of browsing, searching, and reporting on records stored in the document management.
- Develop methods for automated purging of records according to Records Retention schedule and providing records as necessary to support Public Records Act requests.

Project Need: To improve security, access, and processing of important documents and records of the District.

Project Status: In Design

Estimated Project Amount:

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



SCADA Communications Network Improvements

Project No: 2020.019

System: Multi-System

Fund: 7

Project Location: Various

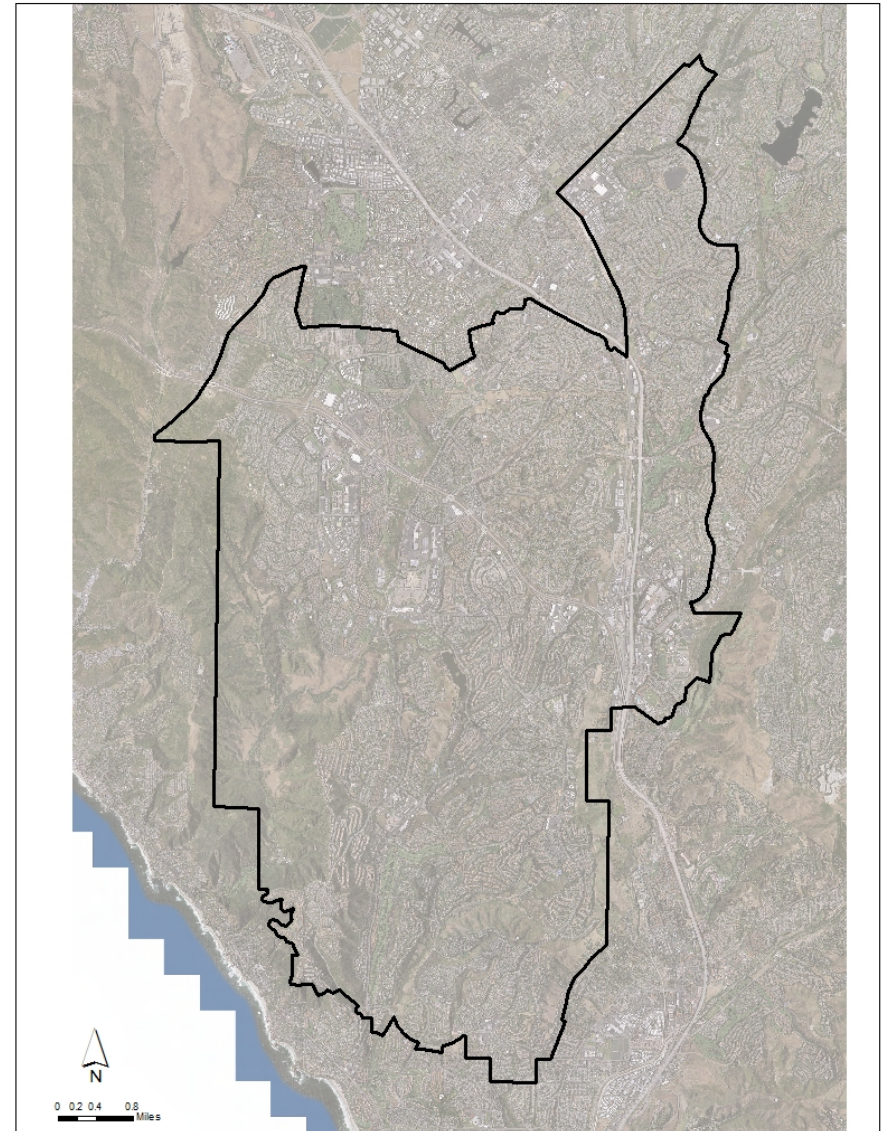
Project Description: This project will consist of updating our backbone SCADA communication radio antennas, establishing a secondary network connection to Plant 2A, and other minor enhancements. These improvements will result in a more resilient, more secure, and higher bandwidth enabled SCADA communication 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 its 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: In Design

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



Operations-Led Capital Improvements – Multi-System

Project No: Annual Program

System: Multi-System

Fund: 7

Project Location: Various

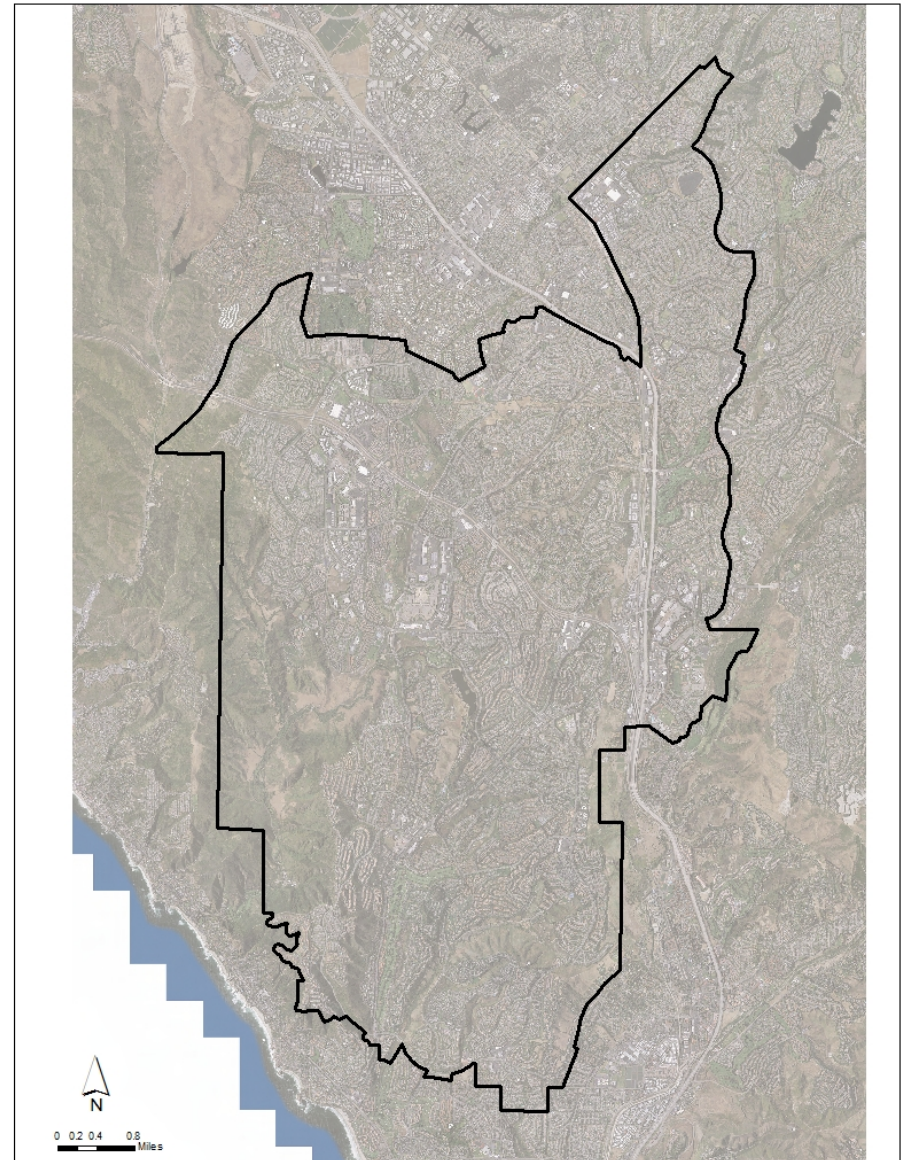
Project Description: This program covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, 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	\$500,000
Total Project Budget	\$500,000



Risk and Resiliency Assessment and Enhancement

Project No: 2019.004

System: Multi-System

Fund: 7

Project Location: All offices and remote locations.

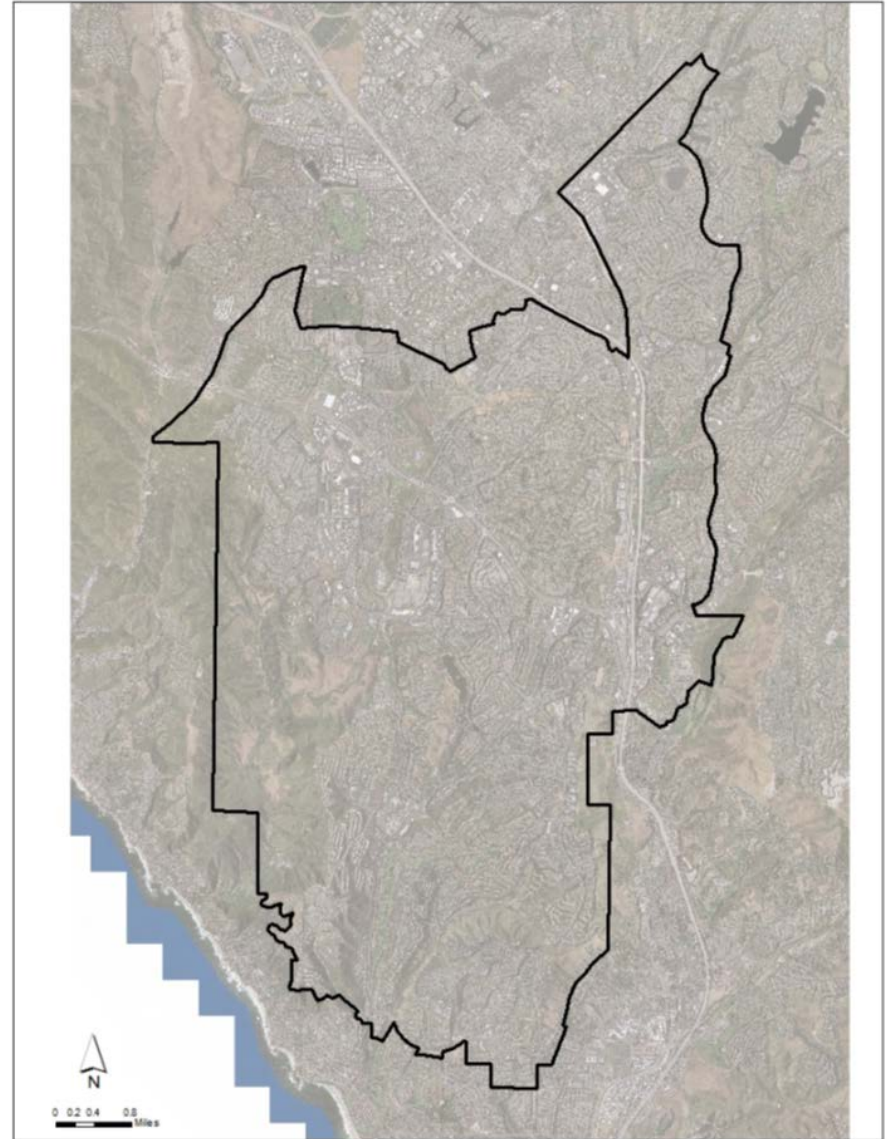
Project Description: Conduct a comprehensive cyber risk assessment and penetration test to identify the effectiveness and resiliency of the District including evaluating current cyber defense tactics. The project also includes identifying opportunities and initiatives for enhancing the District's cybersecurity strategies, and initial funds to pursue those that are determined to be immediately necessary.

Project Need: The District completed a Risk and Resiliency Assessment (RRA) and corresponding Emergency Response Plan (ERP) as part of the American Water Infrastructure Act (AWIA) requirements. The findings indicate that cyberattacks and breaches are a top threat for the District which is holds true for many other public agencies. Cyberattacks continue to increase in number and complexity. To stay current with changing threats, it is recommended to perform continuous assessments and make continual improvements to cyber defense strategies.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Phase 1 – Assessment and Analysis	\$50,000
Phase 2 – Enhancements	\$160,600
Total Project Budget	\$210,600



Document Storage Facility Improvements

Project No: 2021.014

System: Multi-System

Fund: 7

Project Location: Plant 2A, Building 5, 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	\$140,000
CM and Specialty Inspection	\$5,000
Legal/Permit/Other	\$5,000
Total Project Budget	\$150,000



Video Site Surveillance System

Project No: 2021.019

System: Multi-System

Fund: 14

Project Location: Various

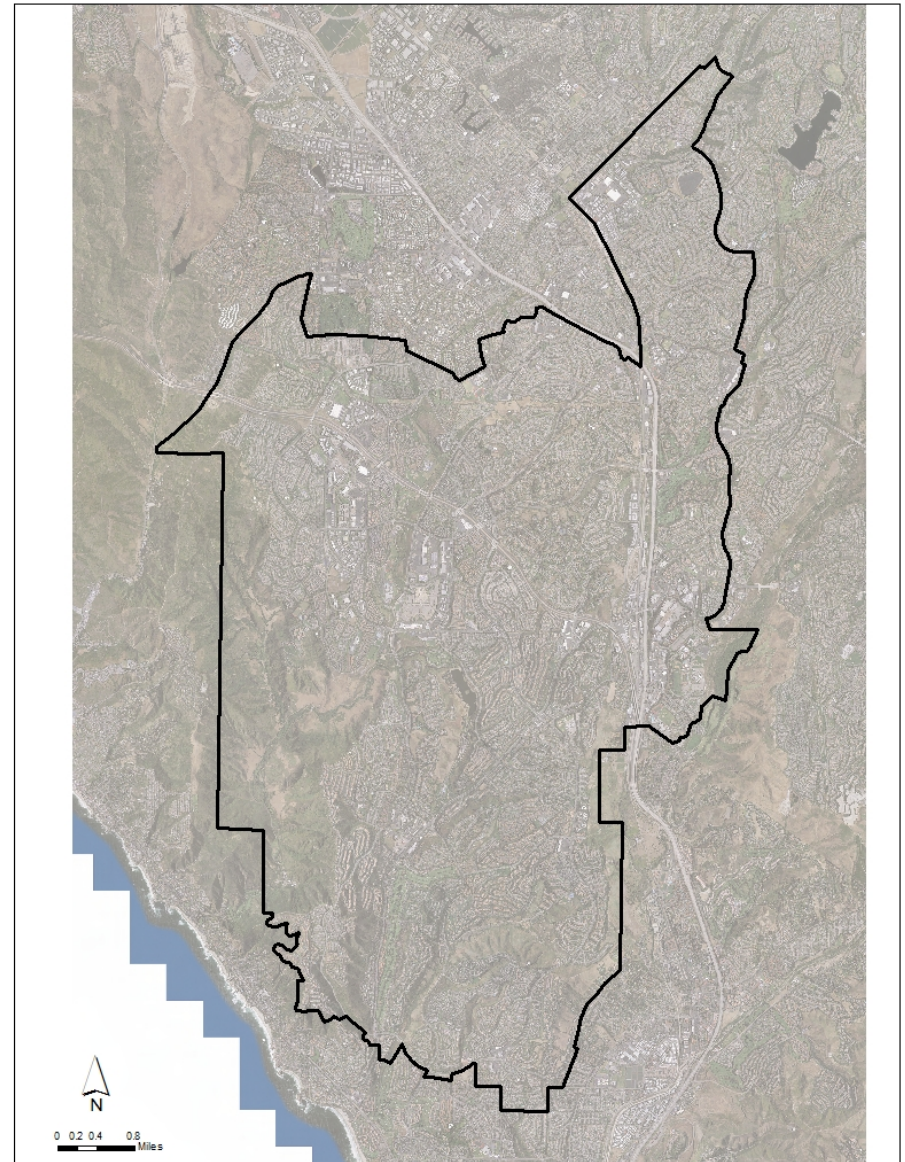
Project Description: The installation of video surveillance at various district facilities and the installation of additional data storage capacity at Plant 2A.

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



2022-23 Operations-Led Capital Improvements - Multi-System

Project No: 2022.000

System: Multi-System

Fund: 7

Project Location: Various

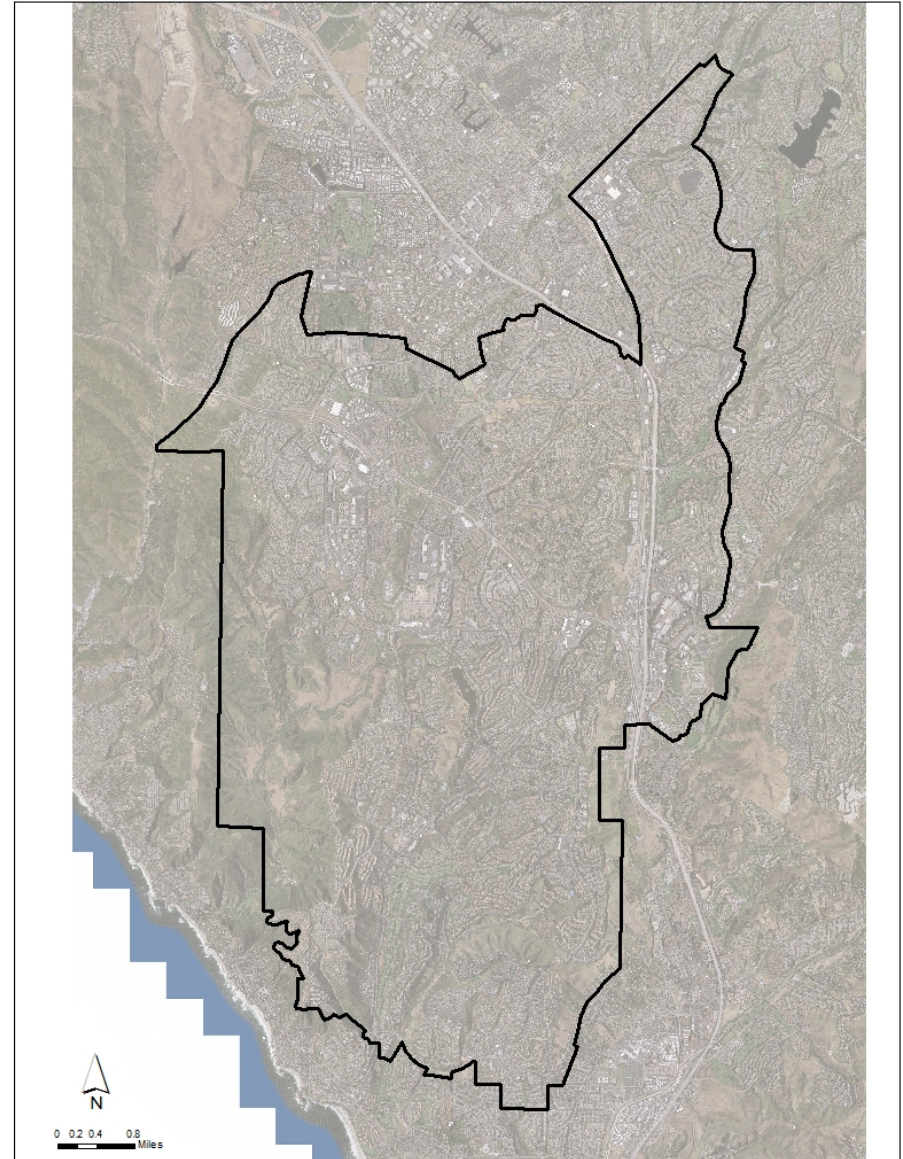
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, 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	\$100,000
Total Project Budget	\$100,000



Billing System Upgrade

Project No: TBD

System: Multi-System

Fund: 7

Project Location: N/A

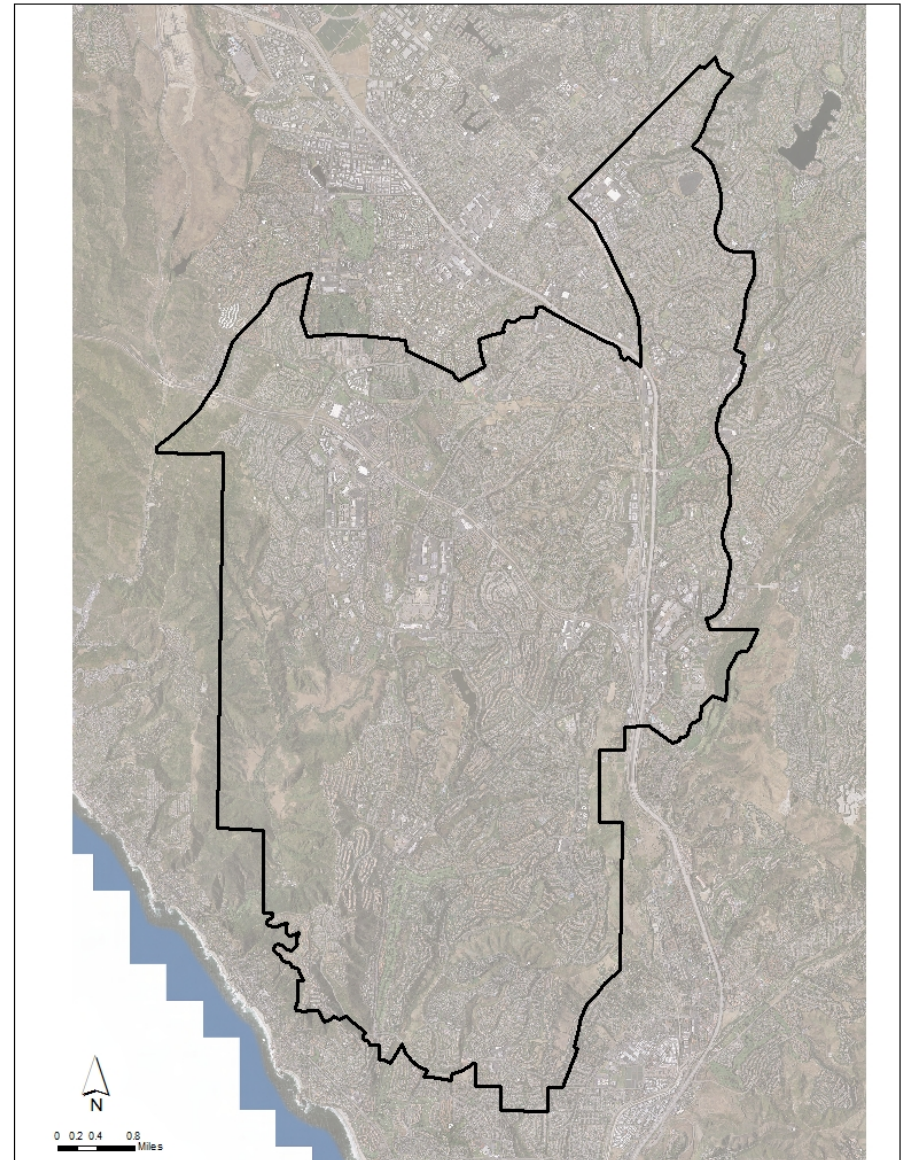
Project Description: Conduct a comprehensive analysis of the current billing system, review the District's billing needs and workflows related to billing, and propose a new solution that will meet the long-term needs of the District. The project includes an implementation phase for selecting, procuring and transition the District to the new billing system.

Project Need: The District has been using Utiligy 360 from Denovo as it's current billing solution. While the software has been functional, the long-term support of the software is in question as there are no other companies using the same software. There are limited if any number of personnel at Denovo that support it. This amounts to a high risk that the software will be unsupported in the near future. This project seeks to begin the process of selecting and implementing a more long-term viable solution.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Evaluation and Needs Analysis	\$150,000
Implementation	\$850,000
Total Project Budget	\$1,000,000



CMMS Phase II Implementation/Integration

Project No: TBD

System: Multi-System

Fund: 7

Project Location: N/A

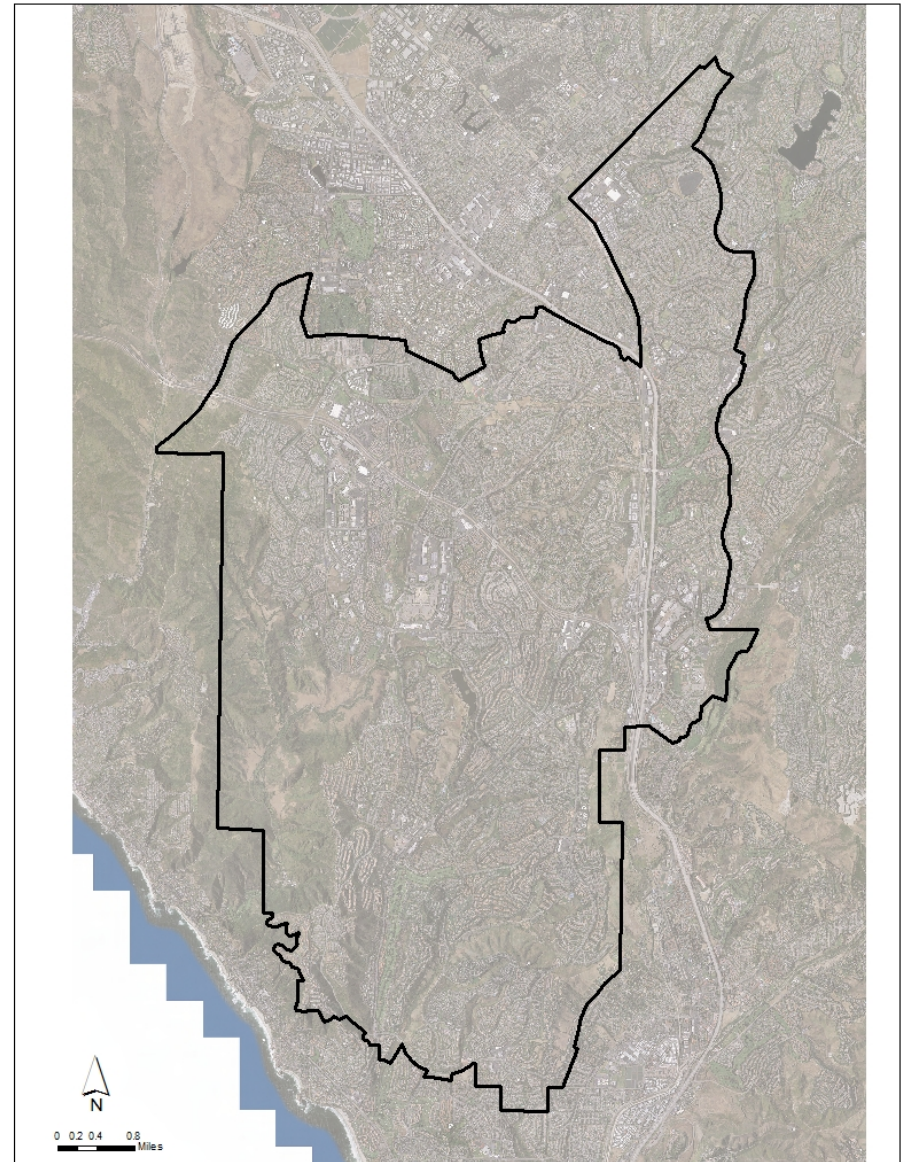
Project Description: Phase II of the Computerized Maintenance Management System (CMMS) Implementation with District workgroups, transitioning final workgroups to the new CMMS that will benefit from workorder management, and enable integrations with JDE to support these workflows.

Project Need: Tracking the District's infrastructure assets is critical to meeting the primary mission of the District. Implementation of a robust CMMS to capture operational costs and asset lifecycle costs is essential to this effort. Upon implementing with 10 individual District workgroups, District staff identified 4 additional workgroups and 5 additional workflow processes that would benefit from CMMS Implementation. This work will enable prioritization of future capital costs as part of the Replacement and Refurbishment Fund (7), as well as tracking and managing related operating costs.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CMMS Planning	\$25,000
CMMS Software Implementation	\$275,000
Total Project Budget	\$300,000



SCADA Communications Pole Replacements

Project No: TBD

System: Multi-System

Fund: 7

Project Location: Various

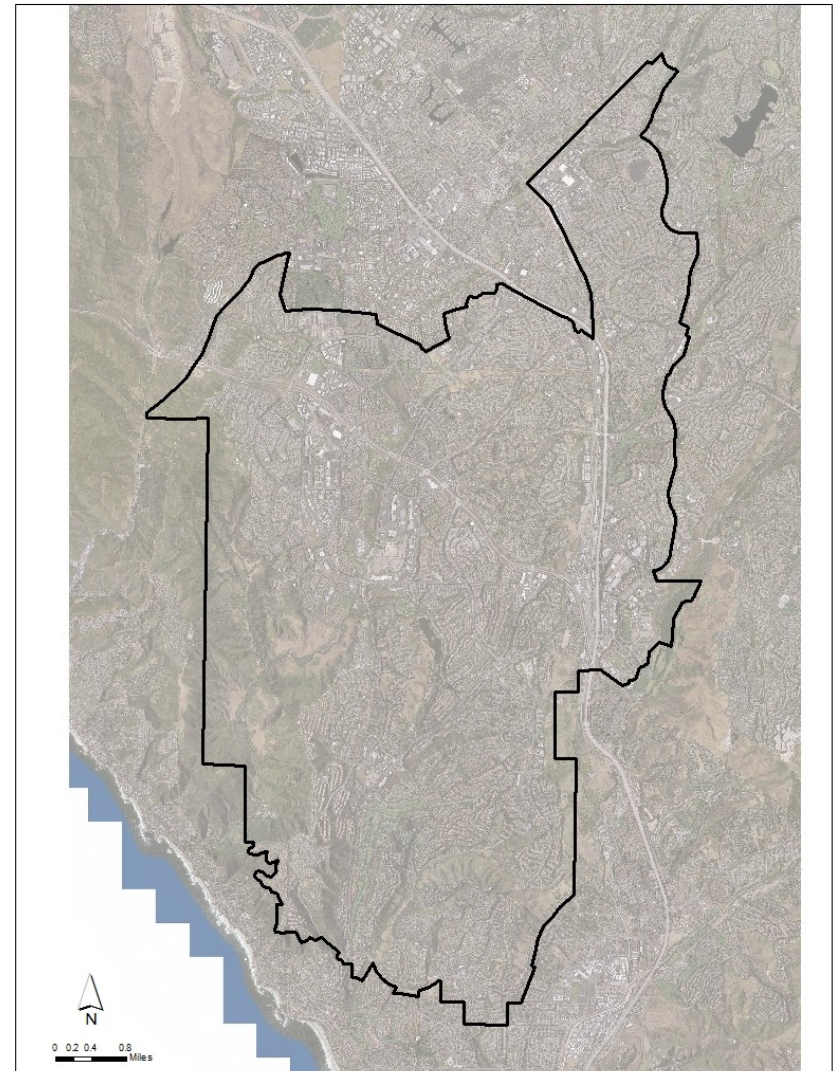
Project Description: Perform radio survey and install new monopoles at or near Big Niguel Pump Station, Del Avion Lift Station, Saddleback Recycled Pump Station, and Rancho Underground Pump Station. Relocate existing Rajant antennas to new monopoles.

Project Need: A consistent and reliable communications system is needed for remote monitoring, control, and visibility to the SCADA system.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA IS/MND	Exempt
Construction Contract	\$250,000
Total Project Budget	\$250,000



Security Improvements at Camino Capistrano

Project No: TBD

System: Multi-System

Fund: 14

Project Location: Camino Capistrano, Mission Viejo

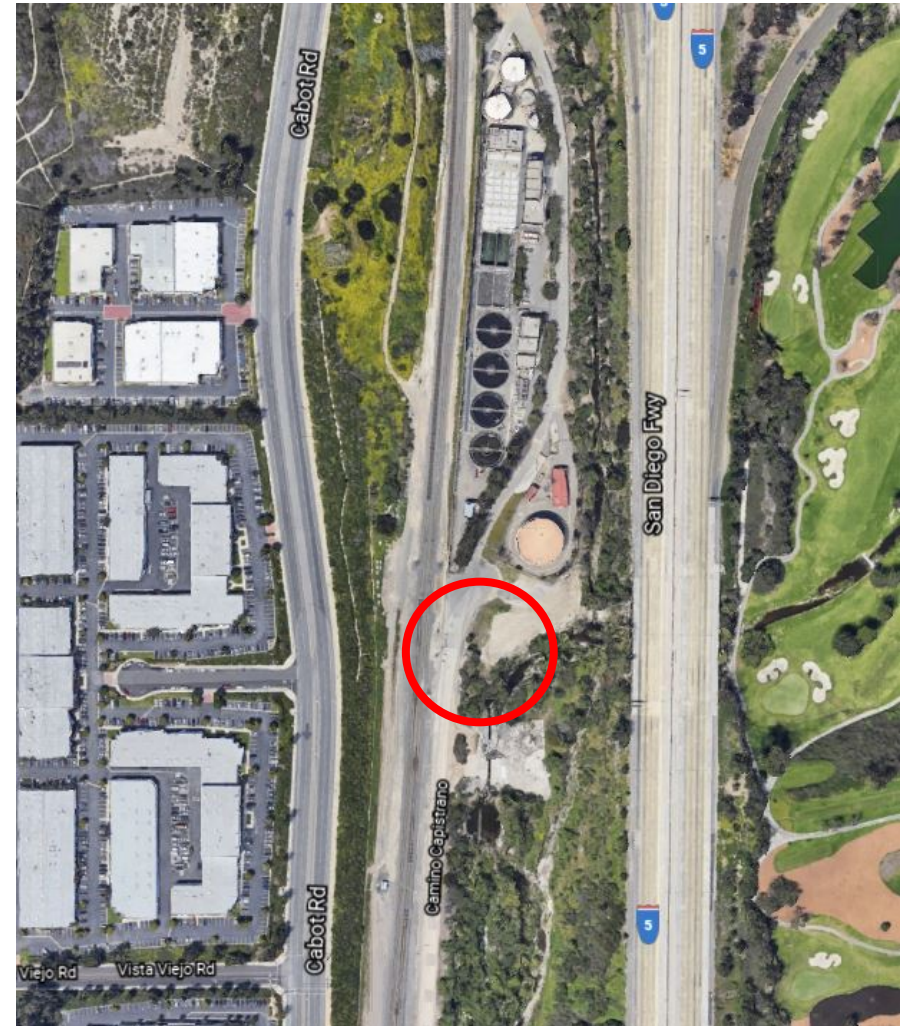
Project Description: Install new automatic gate, access control, lighting, and security camera at Camino Capistrano access to Plant 3A, Galivan Reservoir, and Operations Yard.

Project Need: Increased security and control are needed near the entrance to Plant 3A to enhance protection of District staff and facilities, as well as to limit illegal access and dumping onto District property.

Project Status: Proposed Project

Estimated Project Amount:

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



Reservoir Management System Replacement Phase 3

Project No: 2018.007

System: Potable

Fund: 7

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

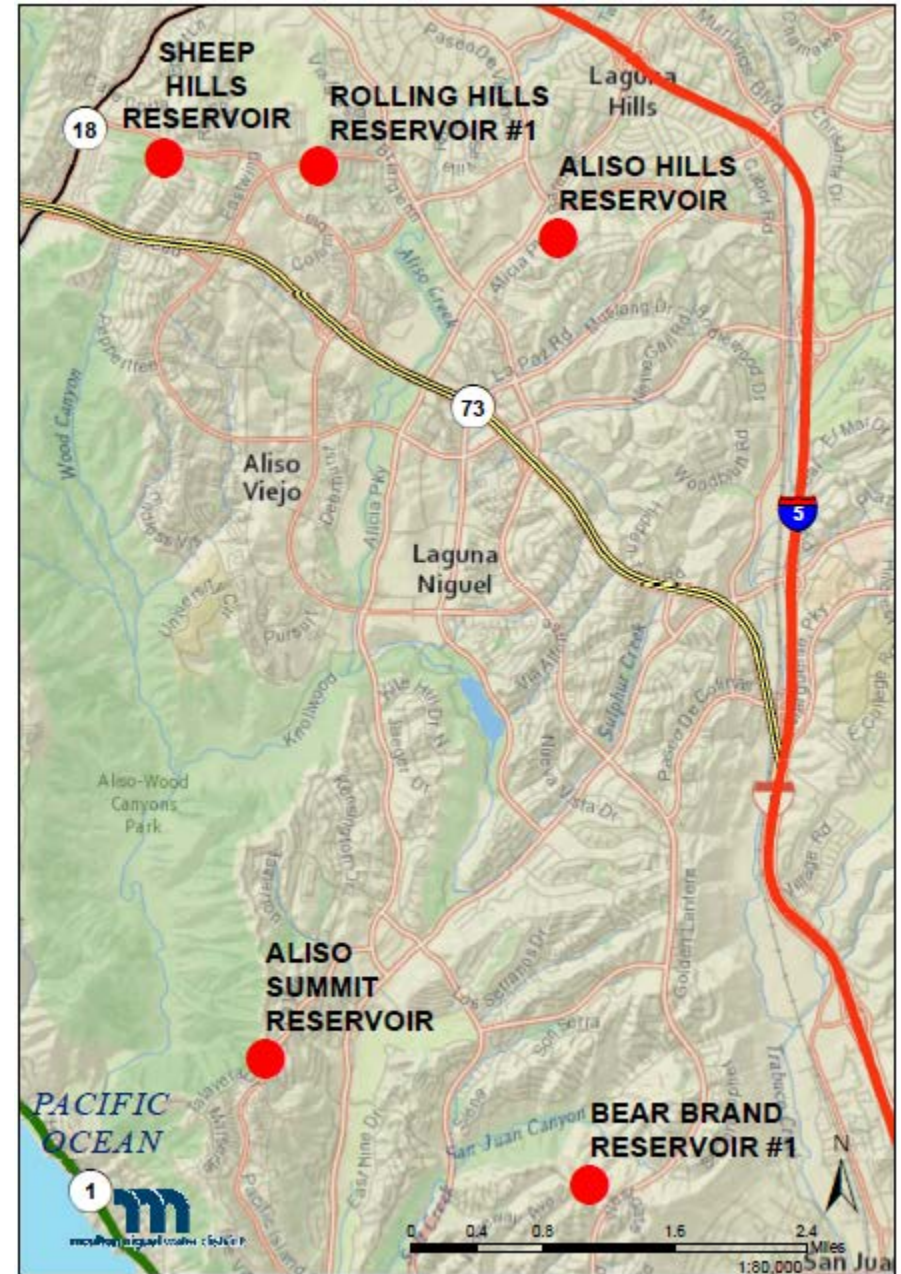
Project Description: Remove existing on-site generation water quality reservoir management systems and protective structures and replace with new water quality reservoir management systems and permanent style buildings. The work will include the installation of liquid sodium hypochlorite and ammonia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

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

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$524,071
CEQA Compliance	Exempt
Construction Contract	\$6,958,658
Legal/Permits/Other	\$30,000
Special Inspection	\$707,027
Total Project Budget	\$8,219,756



Potable Water Steel Reservoir Seismic Retrofits

Project No: 2019.030

System: Potable

Fund: 7

Project Location: Various

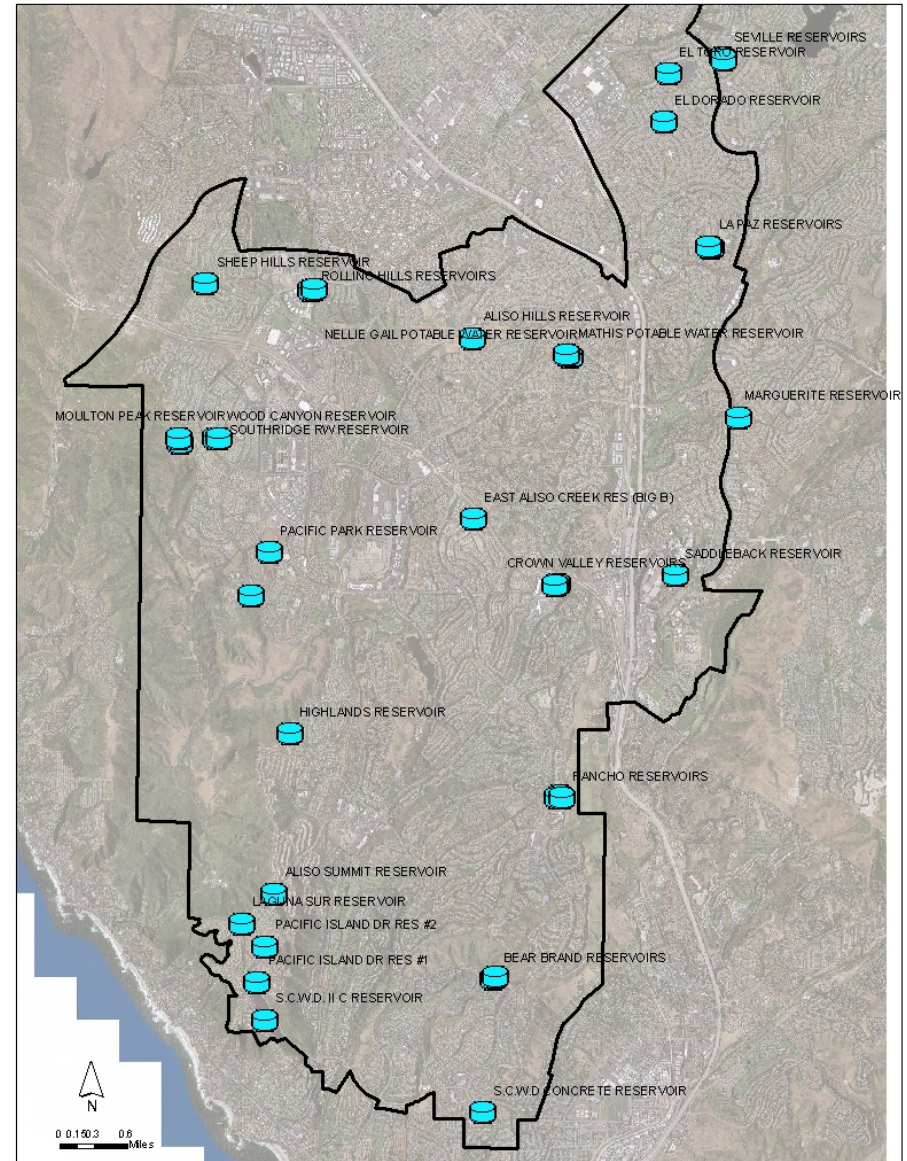
Project Description: Construct the recommendations from Project No. 2011.014 - Seismic and Structural Assessment of Steel Reservoirs to bring all steel tanks to current seismic standards.

Project Need: Project No. 2011.014 evaluated all the District's steel tanks for seismic, structural, and safety conditions. The evaluation recommended 17 potable steel reservoirs that required either one or a combination of three different seismic retrofits.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$401,702
CEQA Compliance	Exempt
Construction Contract	\$4,943,401
Special Inspection	\$487,278
Legal/Permits/Other	\$30,000
Total Project Budget	\$5,862,381



I.D. No. 1 Master Meter Relocation

Project No: 2015.006

System: Potable

Fund: 7

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

Project Description: Construct a meter vault and needed piping.

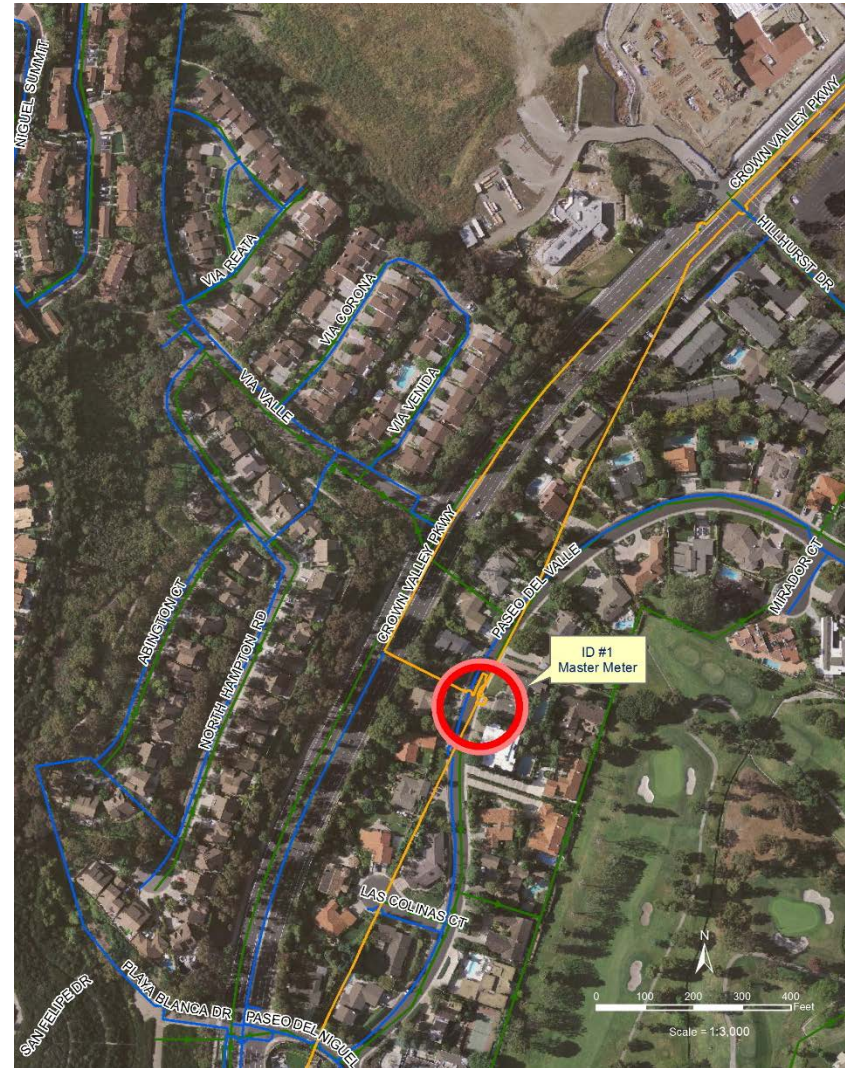
Project Need: JRWSS will be relocating the JTM out of the housing track along Paseo Del Valle and into Crown Valley Parkway. The I.D. No. 1 Master Meter will need to be relocated and connected to the new part of the JTM or at a different location, depending on site availability. SCWD/JRWSS plans to perform the relocation work in FY 2021-22.

Add communication pole and system to relocated meter.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$400,000
CEQA Compliance	Included
Construction Contract	\$1,600,000
Inspection/Other	\$100,000
Total Project Budget	\$2,100,000



South County Pipeline Takeout Facility

Project No: 2017.016

System: Potable

Fund: 12

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: In Design

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



1050-Zone Secondary Feed Pump Station and Transmission Main

Project No: 2017.019

System: Potable

Fund: 14

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

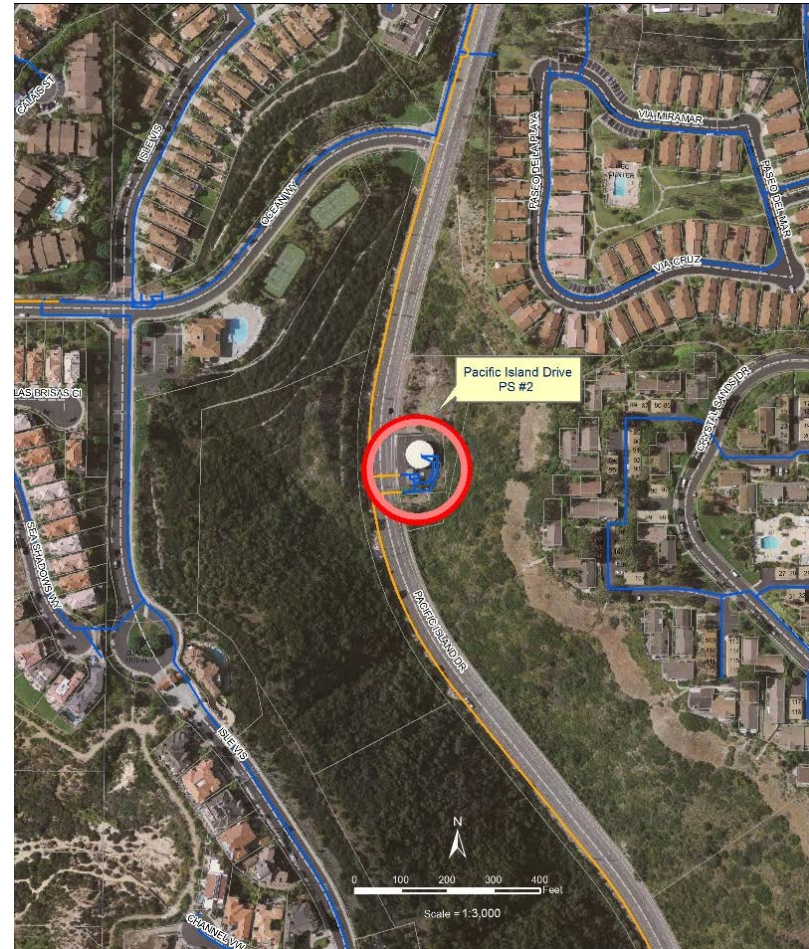
Project Description: Install approximately 2,000 feet of 12-inch diameter pipe. Construct a standalone, back-up pump station at PID Pump Station No. 2 site.

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 reliability to the 1050 zone.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Alternatives Analysis	\$85,000
Design	\$540,000
CEQA Compliance	\$50,000
Construction Contract	\$6,700,000
Specialty Inspection	\$475,000
District Labor, Other	\$50,000
Total Project Budget	\$7,900,000



Blackbird and Solitaire Easement Pipeline Rehabilitation/Replacement

Project No: 2019.003

System: Potable

Fund: 7

Project Location: Blackbird Lane and Solitaire Lane, 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 trenching, 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: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$120,000
CEQA Compliance	Exempt
Construction Contract	\$350,000
Easement/Legal/Other	\$30,000
Total Project Budget	\$500,000



Reservoir Management System Replacement Phase 4

Project No: 2019.029

System: Potable

Fund: 7

Project Location: Rancho, La Paz, and Wood Canyon Reservoir Sites

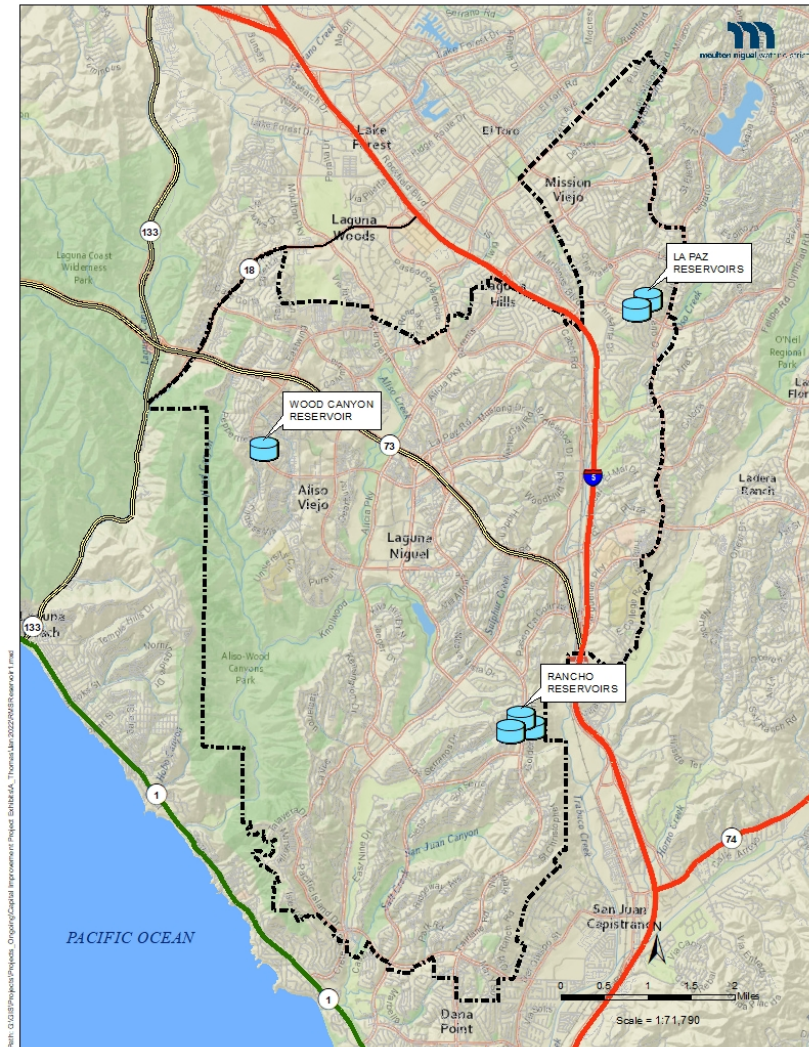
Project Description: Remove existing on-site generation water quality reservoir management systems and protective structures and replace with new water quality reservoir management systems and permanent style buildings. The work will include the installation of liquid sodium hypochlorite and ammonia 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	\$410,000
CEQA Compliance	Exempt
Construction Contract	\$5,400,000
Legal/Permits/Other	\$40,000
Special Inspection	\$500,000
Total Project Budget	\$6,350,000



Crown Valley Parkway Transmission Main Lower Reach Replacement

Project No: 2019.037

System: Potable

Fund: 7

Project Location: Crown Valley Parkway, Laguna Niguel

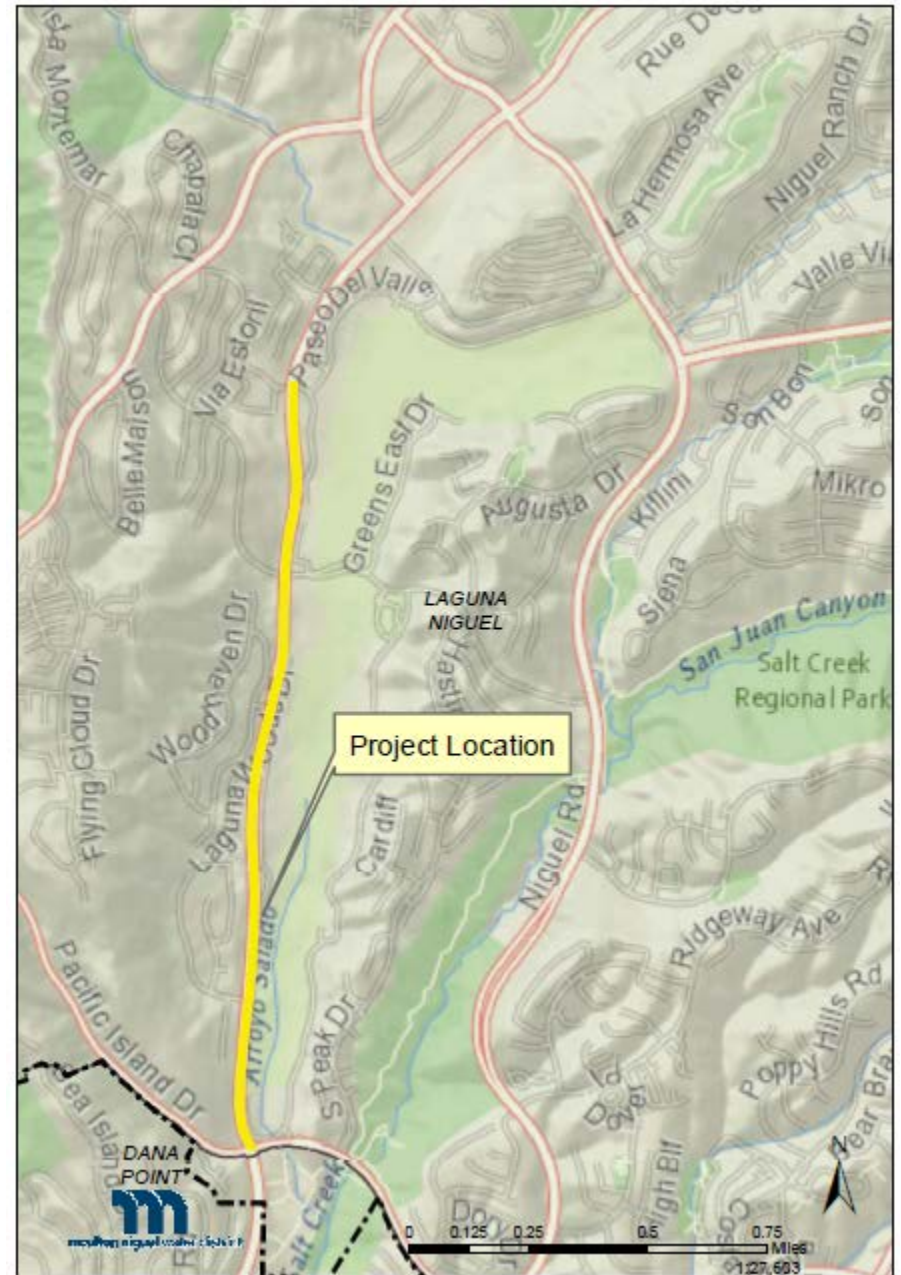
Project Description: Replace the existing 12-inch diameter concrete cylinder transmission main from Camino del Avion/Pacific Island Drive at the south end to approximately Paseo de Niguel at the north end.

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: In Design

Estimated Project Amount:

Item	Estimated Cost
Preliminary Design	\$50,000
Design	\$400,000
CEQA Compliance	\$50,000
Construction Contract	\$4,900,000
Inspection/Other	\$600,000
Total Project Budget	\$6,000,000



East Aliso Creek Reservoir Inlet and Outlet Piping Modifications

Project No: 2020.013

System: Potable

Fund: 7

Project Location: East Aliso Creek Reservoir, Laguna Niguel

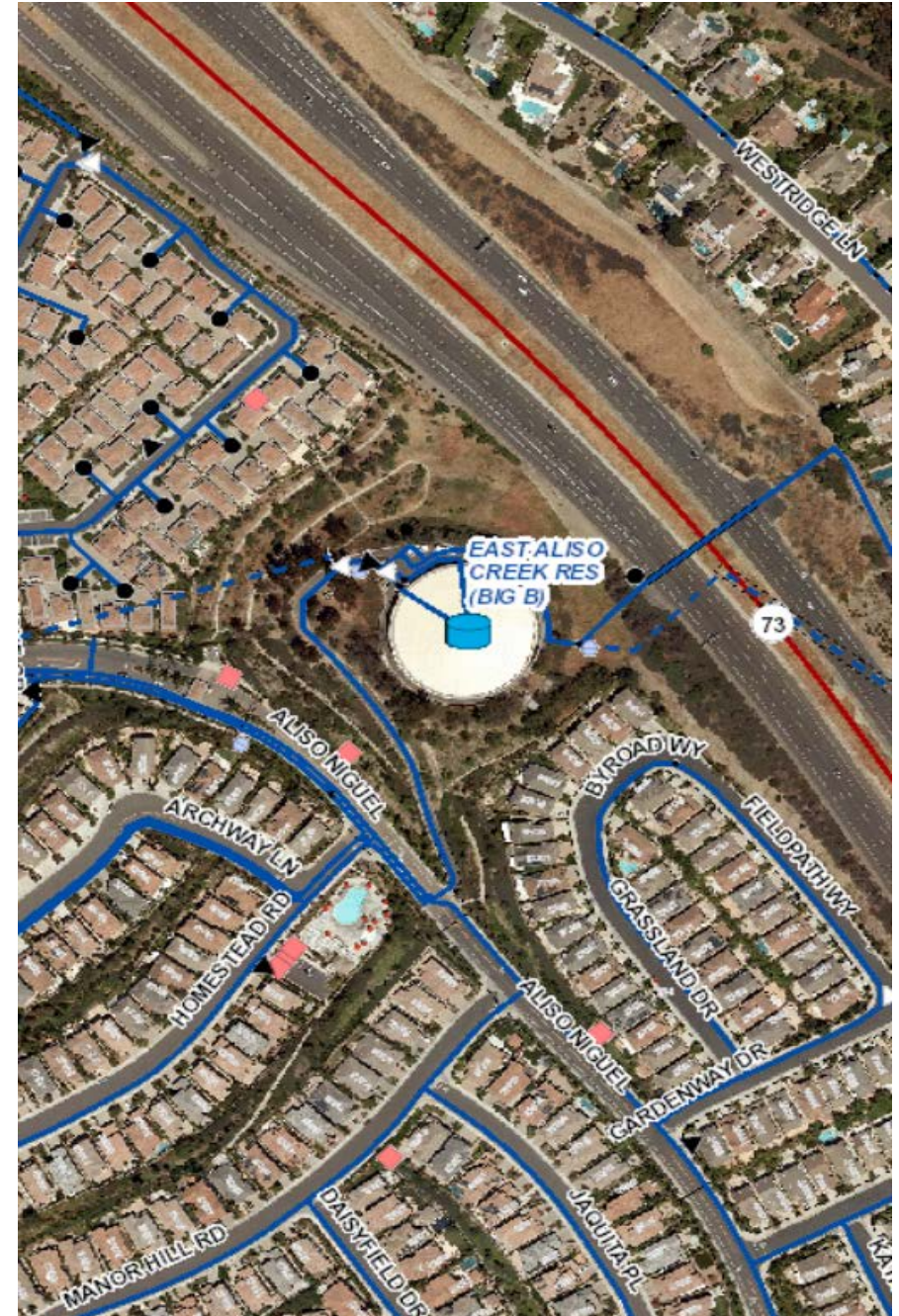
Project Description: Re-configure the inlet and outlet piping for East Aliso Creek Reservoir to include new flexible couplings, new tank isolation valves, shorter pipe runs leading up to the reservoir valve vault, new tank penetrations, and replacement of piping, valves, and appurtenances in the altitude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

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

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$125,000
CEQA Compliance	Exempt
Construction Contract	\$525,000
Legal/Permits/Other	\$10,000
Total Project Budget	\$660,000



Reservoir Management System Replacement Phase 5

Project No: 2020.018

System: Potable

Fund: 7

Project Location: El Dorado, PID1, PID2, Laguna Sur, and Saddleback

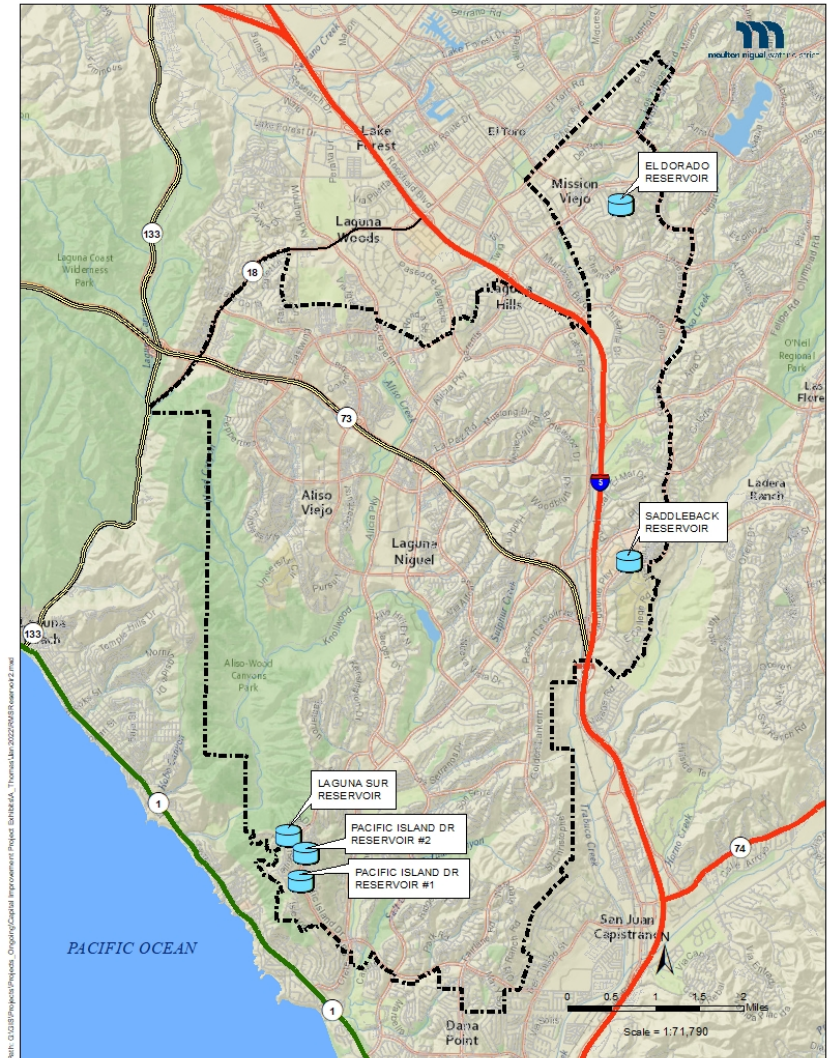
Project Description: Remove existing on-site generation water quality reservoir management systems and protective structures and replace with new water quality reservoir management systems and permanent style buildings. The work will include the installation of liquid sodium hypochlorite and ammonia 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	\$690,000
CEQA Compliance	Exempt
Construction Contract	\$7,500,000
Legal/Permits/Other	\$50,000
Special Inspection	\$730,000
Total Project Budget	\$8,970,000



2022-23 Valve Replacement – PW

Project No: 2022.001

System: Potable

Fund: 7

Project Location: Various

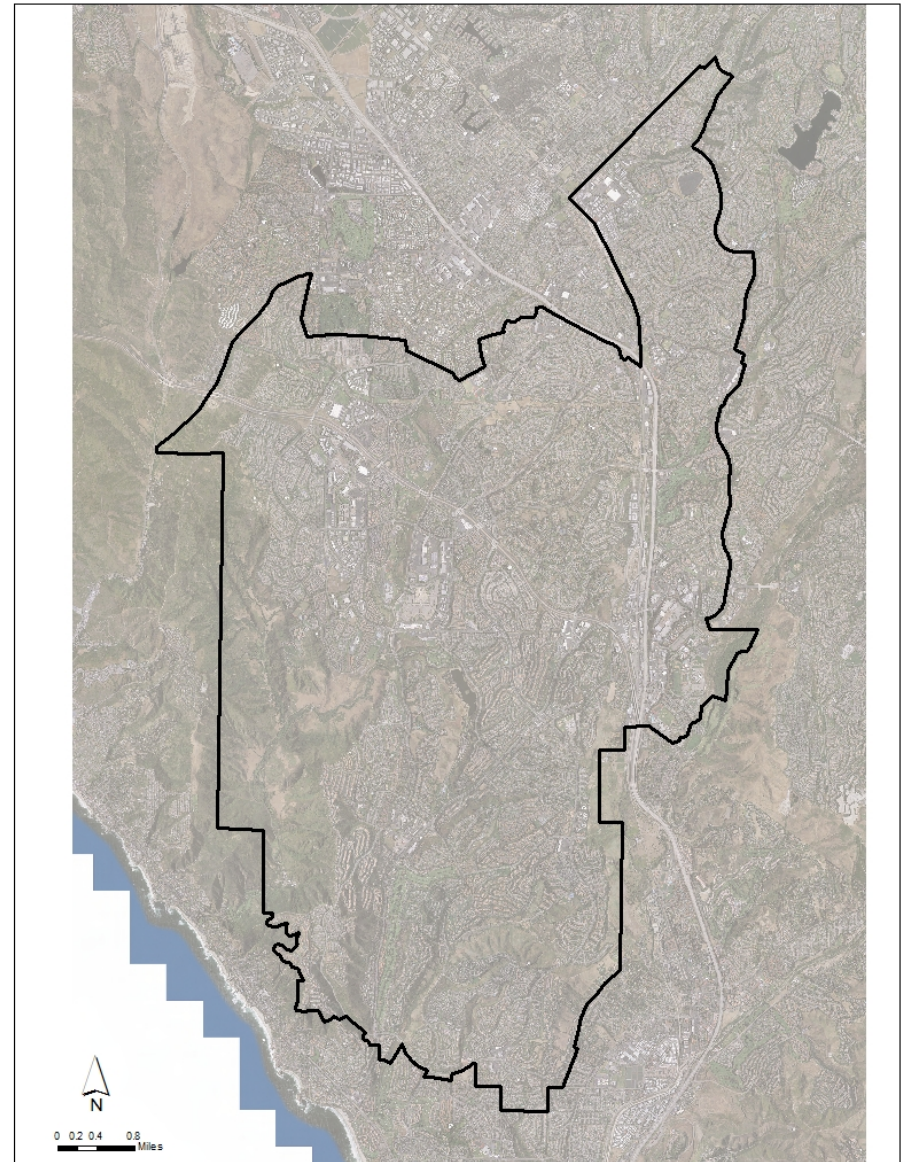
Project Description: Replace existing in-line valves.

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: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$150,000
CEQA Compliance	Exempt
Construction Contract	\$3,400,000
Inspection/Other	\$50,000
Construction by District	\$1,200,000
Total Project Budget	\$4,800,000



Fire Hydrant Replacement Program

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

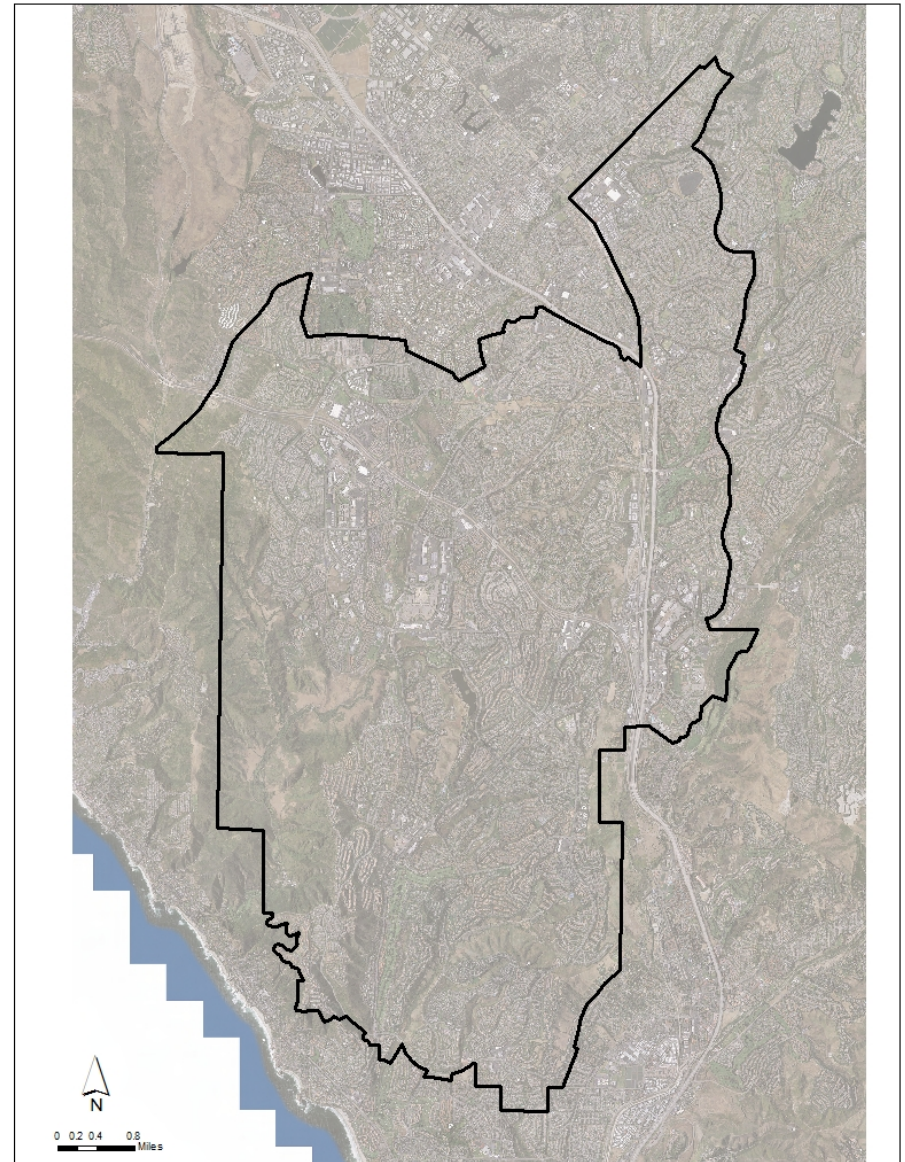
Project Description: Replace existing fire hydrants.

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	\$1,800,000
Total Project Budget	\$1,800,000



Meter Replacement Program – PW

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

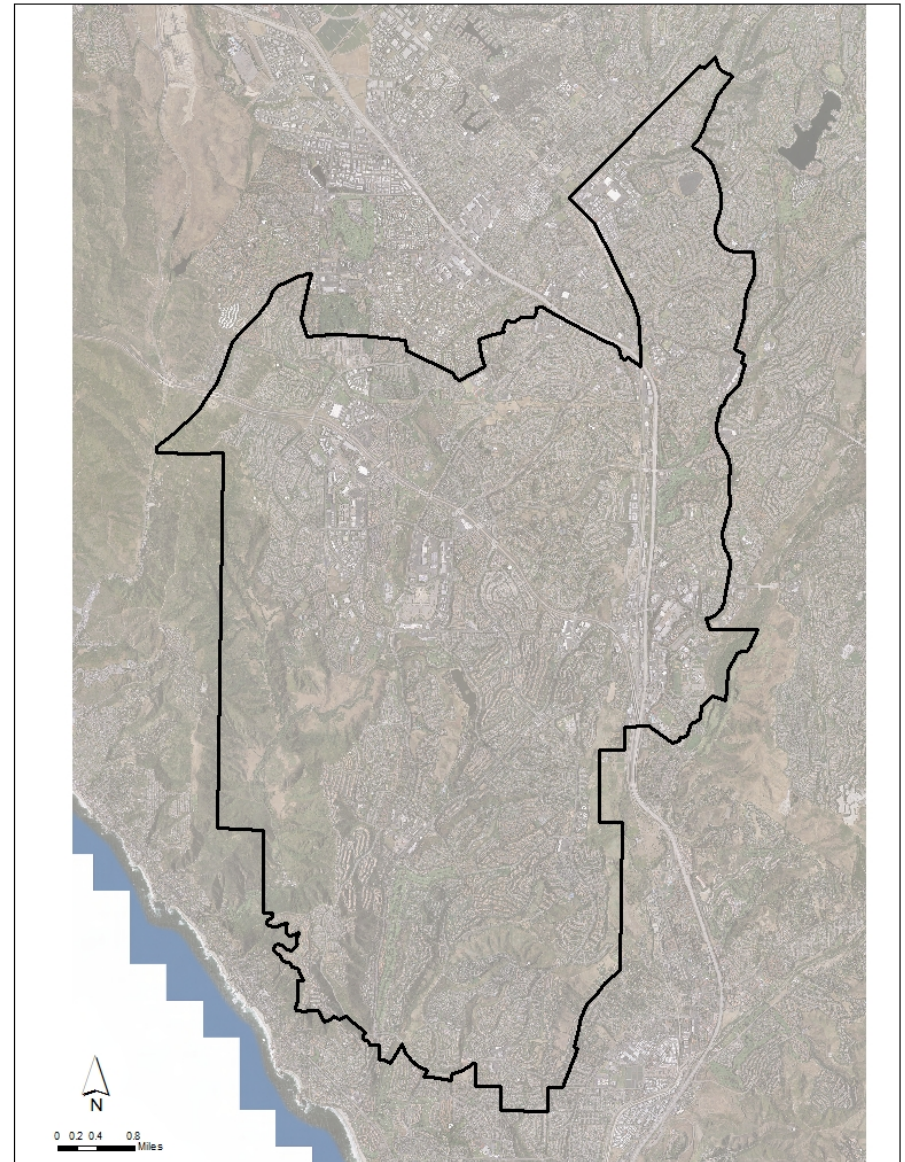
Project Description: Replace existing meters.

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	\$4,500,000
Total Project Budget	\$4,500,000



Operations-Led Capital Improvements – PW

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

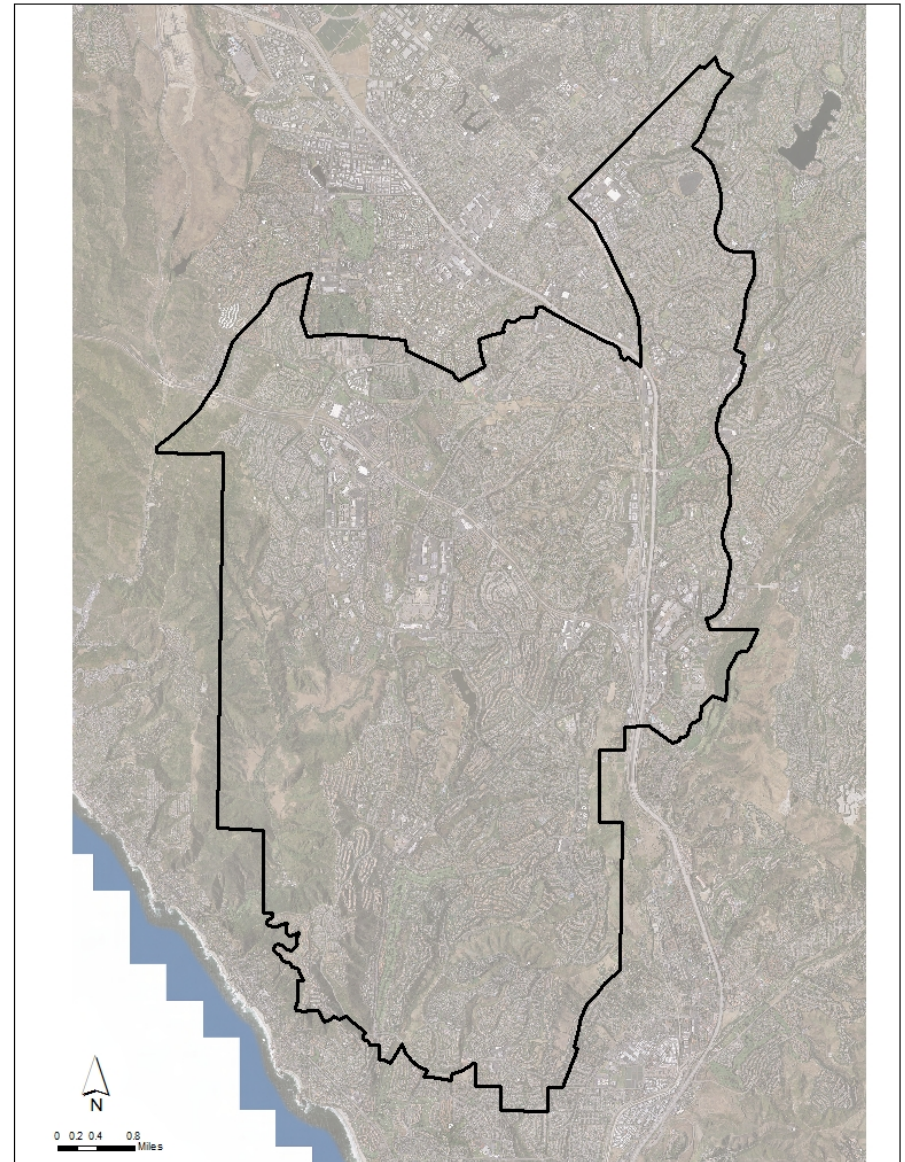
Project Description: This program covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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



Pipeline Rehabilitation and Replacement Program – PW

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

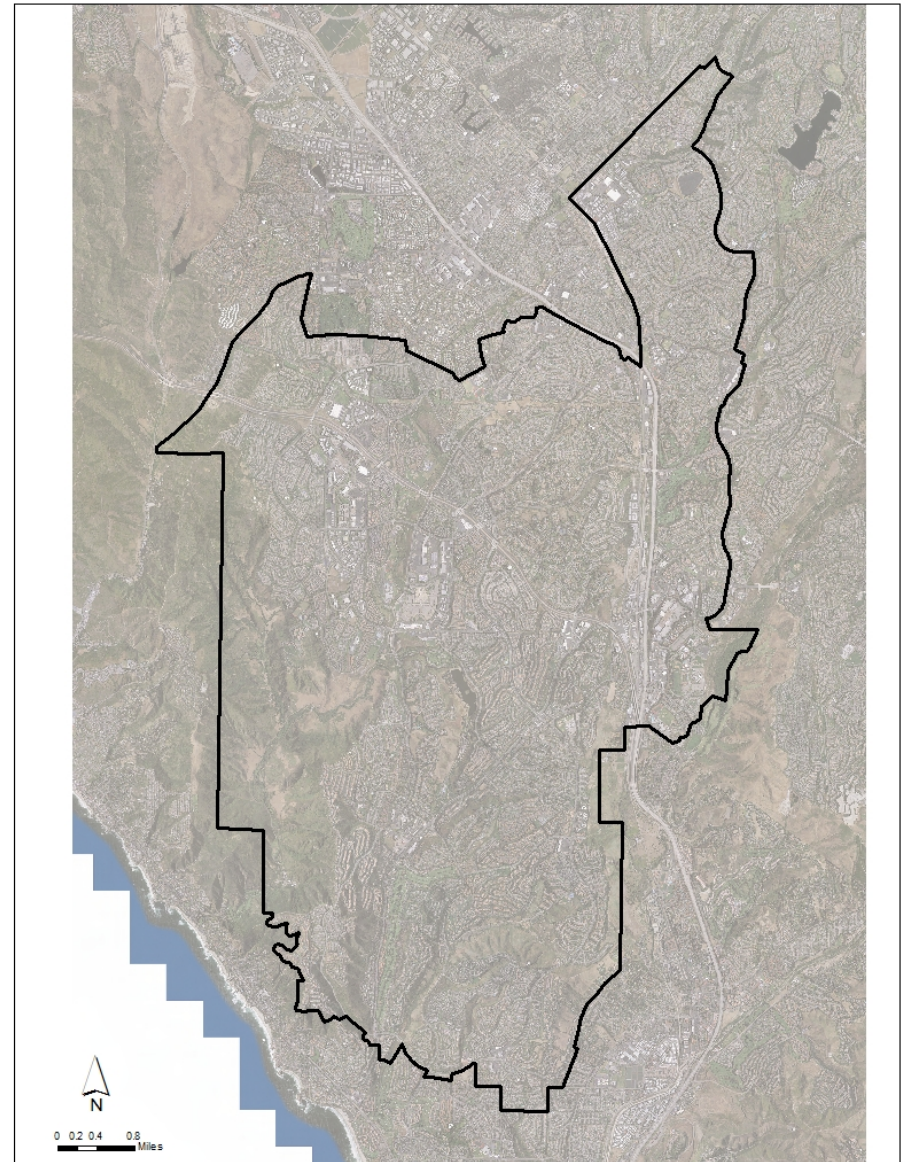
Project Description: Rehabilitate or replace pipelines that have reached the end of their useful lives. An analysis was performed using information contained in the District’s Geographic Information System (GIS) to prioritize potable water pipelines for rehabilitation and replacement.

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	\$12,000,000
CEQA Compliance	\$2,000,000
Construction Contract	\$85,000,000
Inspection/Other	\$1,000,000
Total Project Budget	\$100,000,000



Reservoir Recoating Program – PW

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

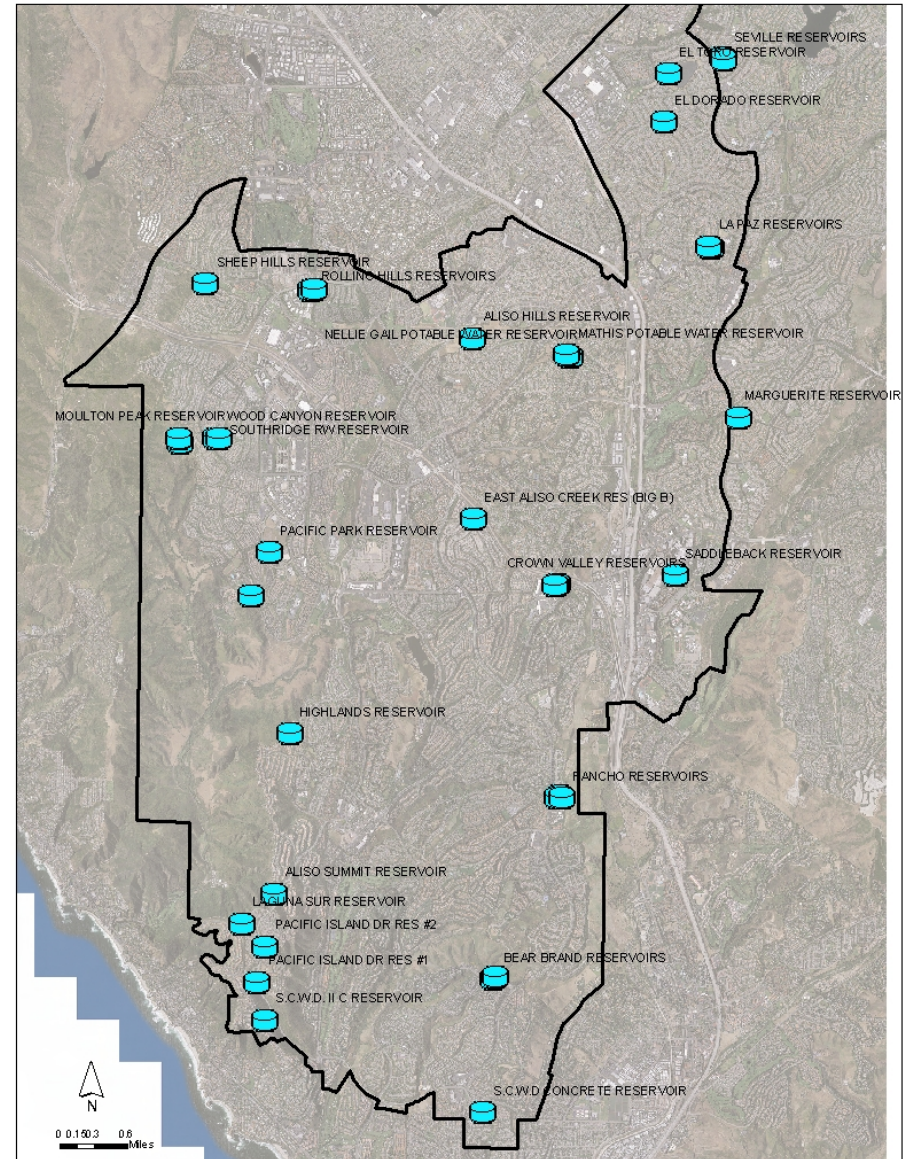
Project Description: Recoat the interior and exterior of steel reservoirs in the potable system.

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	\$350,000
CEQA Compliance	Exempt
Construction Contract	\$6,850,000
Inspection	\$800,000
Total Project Budget	\$8,000,000



Service Line Replacement Program – PW

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

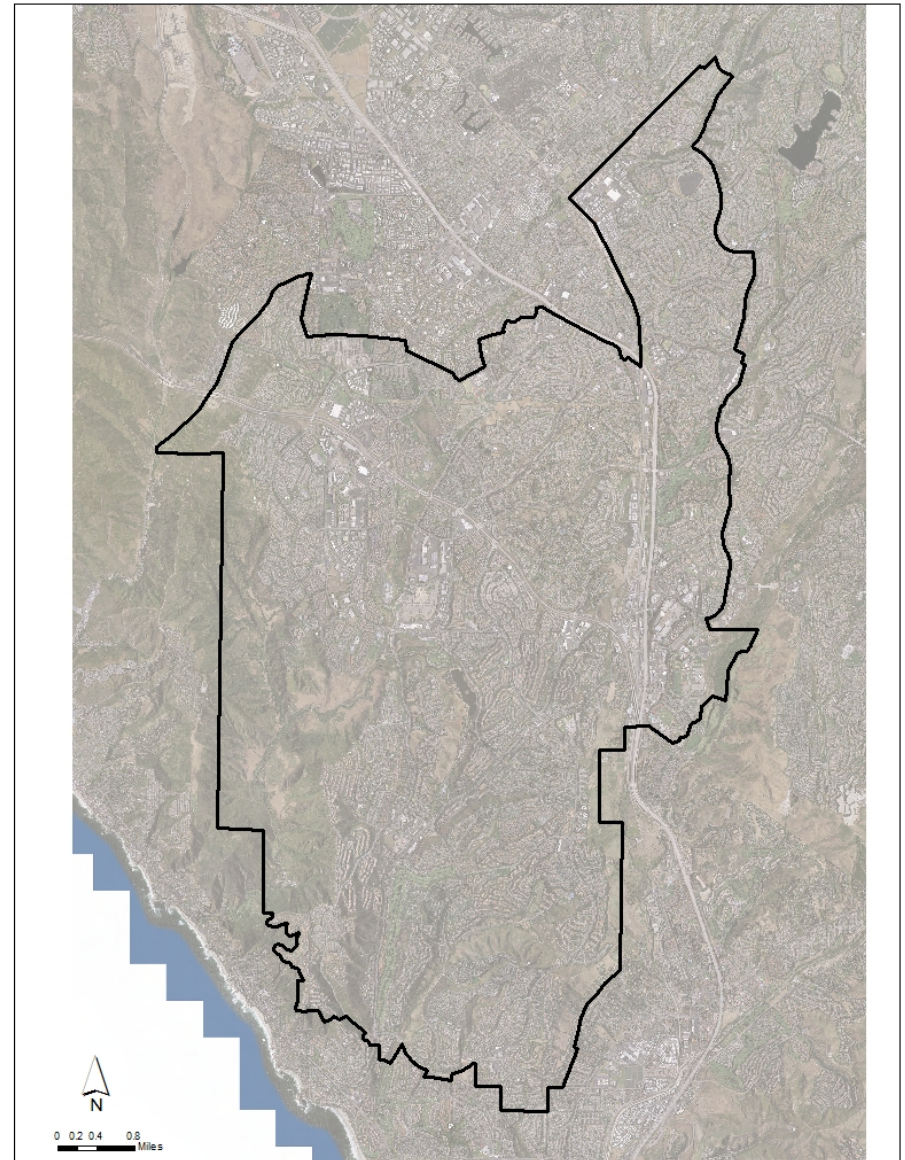
Project Description: Replace existing service lines.

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 Contract	\$7,200,000
Construction by District	\$10,800,000
Total Project Budget	\$18,000,000



Valve Replacement Program – PW

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

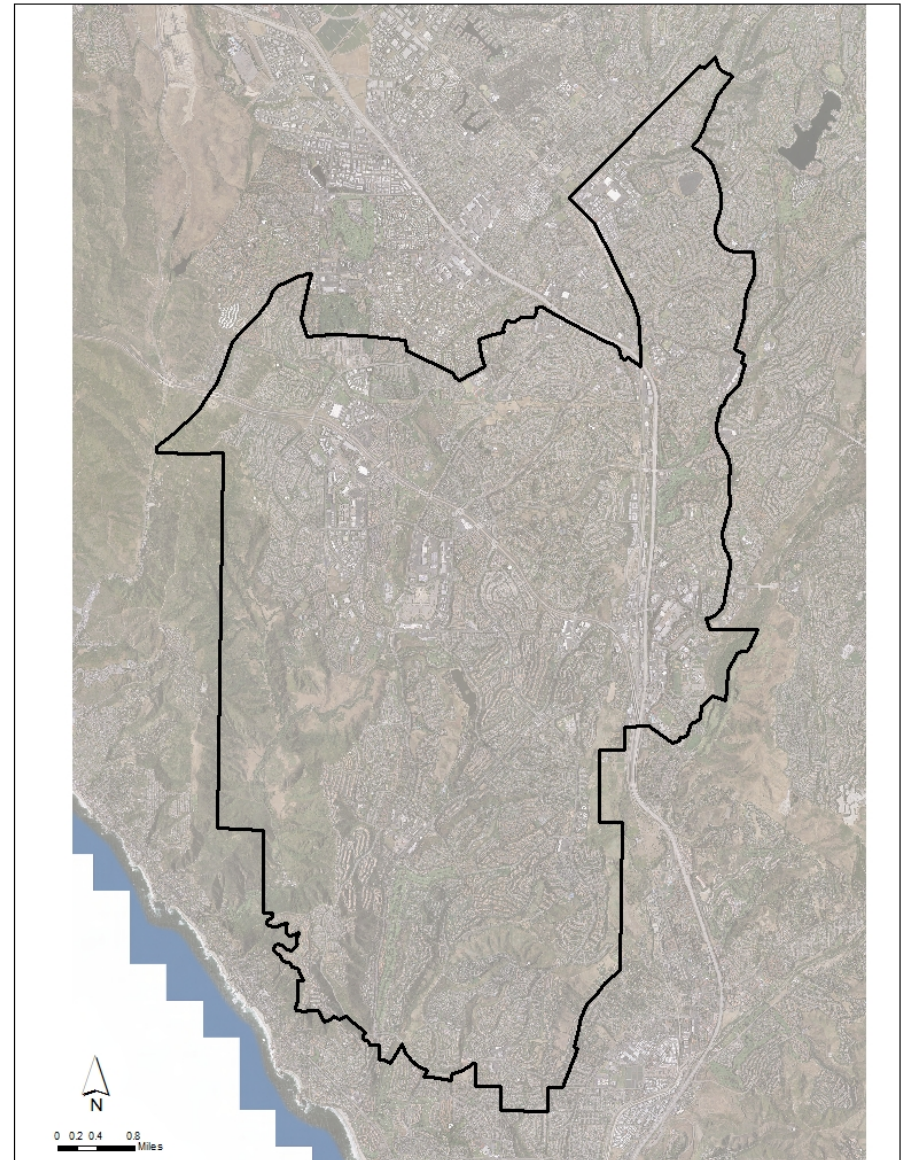
Project Description: Replace pipeline valves.

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	\$700,000
CEQA Compliance	Exempt
Construction Contract	\$14,500,000
Inspection/Other	\$200,000
Construction by District	\$9,600,000
Total Project Budget	\$25,000,000



Vertical Assets Rehabilitation and Replacement Program – PW

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

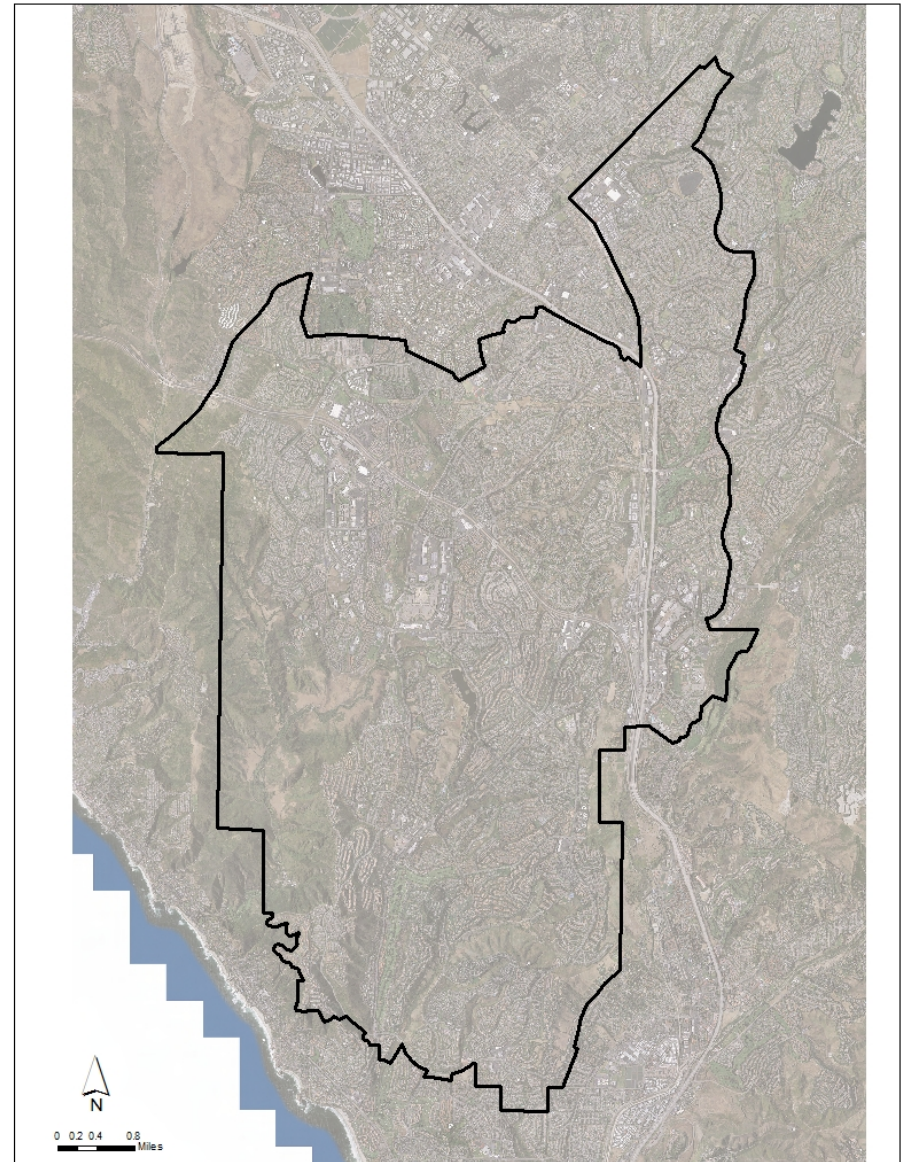
Project Description: Rehabilitate or replace structures and equipment at pump station, flow control and pressure reducing stations that have reached the end of their useful lives. An analysis was performed by staff to prioritize the methodical rehabilitation or replacement of vertical assets within the 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	\$28,500,000
Inspection/Other	\$4,250,000
Total Project Budget	\$37,000,000



Electrical System Improvements Phase 2 – PW

Project No: 2018.004

System: Potable

Fund: 7

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

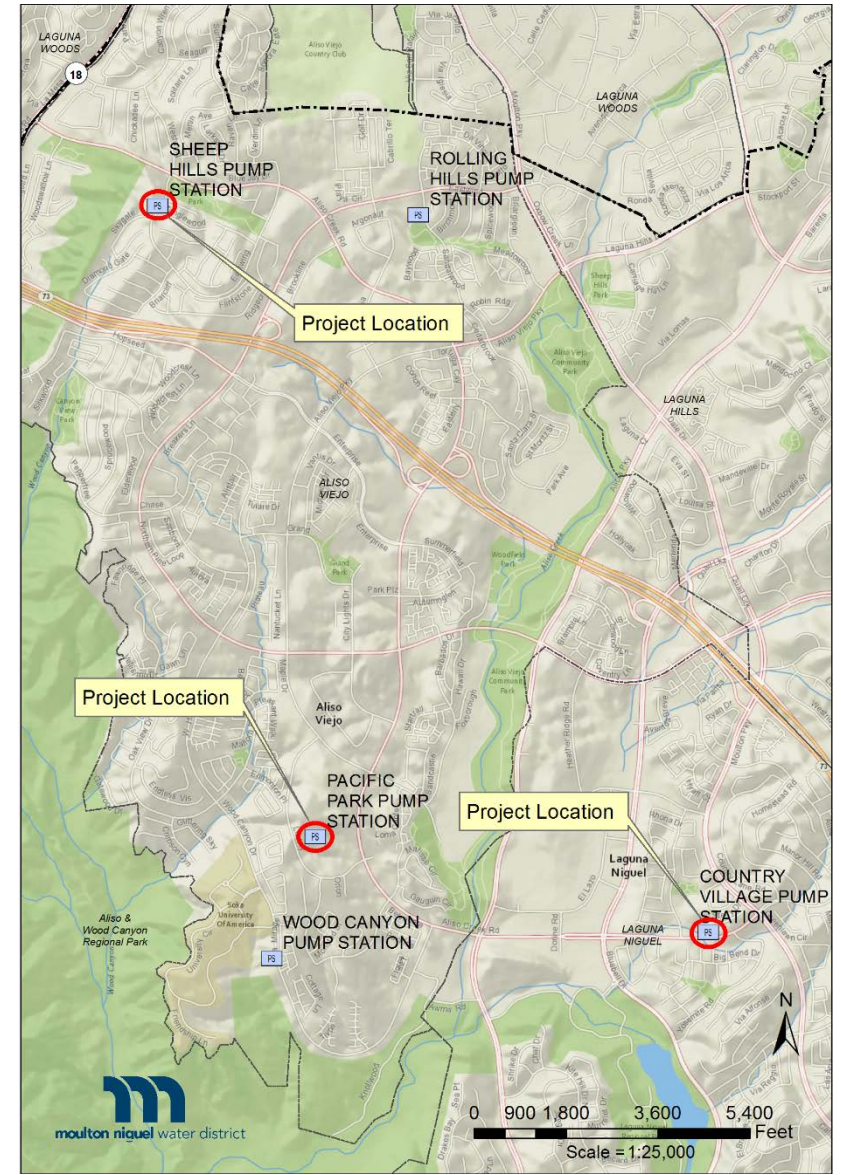
Project Description: Replace 1600A MCC, 600A E-MCC, and Load Bank Circuit Breaker at Country Village PS. Temporary switchgear will be required to maintain operation during construction. Replace Meter/Main Section; remove the fire pump and natural gas engine; and install a new portable generator connection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

Project Need: The noted electrical equipment at each facility is 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	\$1,100,000
Inspection/Utility Fees/Other	\$150,000
Total Project Budget	\$1,500,000



Appurtenance Adjustments For Crown Valley Parkway Widening

Project No: 2018.014

System: Potable

Fund: 7

Project Location: Crown Valley Parkway, Laguna Niguel

Project Description: Relocate numerous appurtenances in Forbes Road to stay behind new street curb face alignment, as part of the City of Laguna Niguel's Crown Valley Parkway widening project.

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. Street improvements include changed curb alignment along Forbes Road to the north and south, which will require relocation of a few hydrants, meters, and backflows. The District's existing PW pipeline in Camino Capistrano will also need to be protected.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$60,000
CEQA Compliance/Legal	Exempt
Construction Contract	\$130,000
Inspection/Permits/Other	\$10,000
Total Project Budget	\$200,000



Mira Vista and Vista Ladera Easement Pipeline Rehabilitation/Replacement

Project No: 2018.017

System: Potable

Fund: 7

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 trenching, 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	\$100,000
CEQA Compliance	Exempt
Construction Contract	\$275,000
Permits/Legal/Other	\$25,000
Total Project Budget	\$400,000



Sheep Hills Pump Station Improvements

Project No: 2018.021

System: Potable

Fund: 7

Project Location: Sheep Hills Pump Station, Aliso Viejo

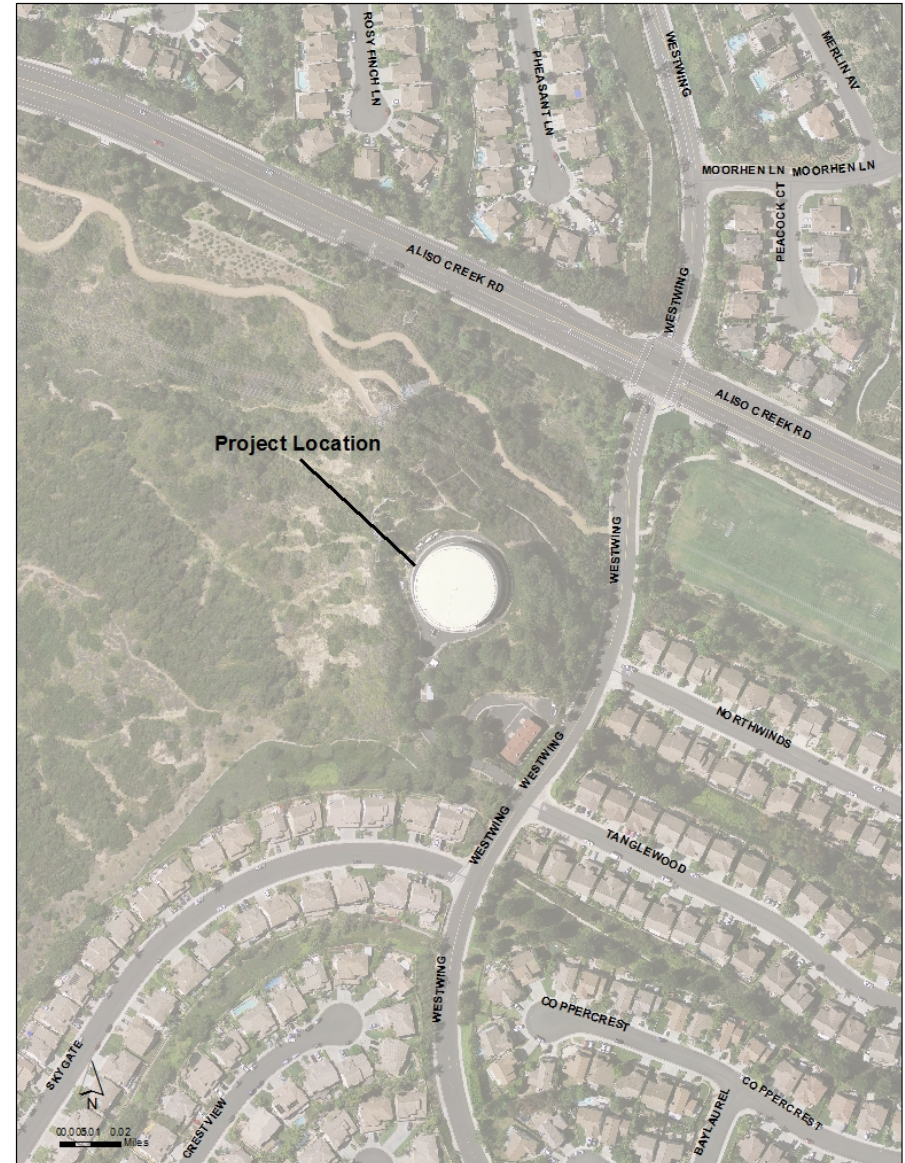
Project Description: Evaluate options to remove and replace the fire pump and natural gas engine with a new diesel generator, including up to three new duty pumps, valves, and associated piping. Ultimate pump station improvements will be based upon recommendations from a hydraulic modeling analysis.

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



750-Zone PW System Extension at Salt Spray Drive

Project No: 2018.025

System: Potable

Fund: 14

Project Location: Salt Spray Drive, Laguna Niguel

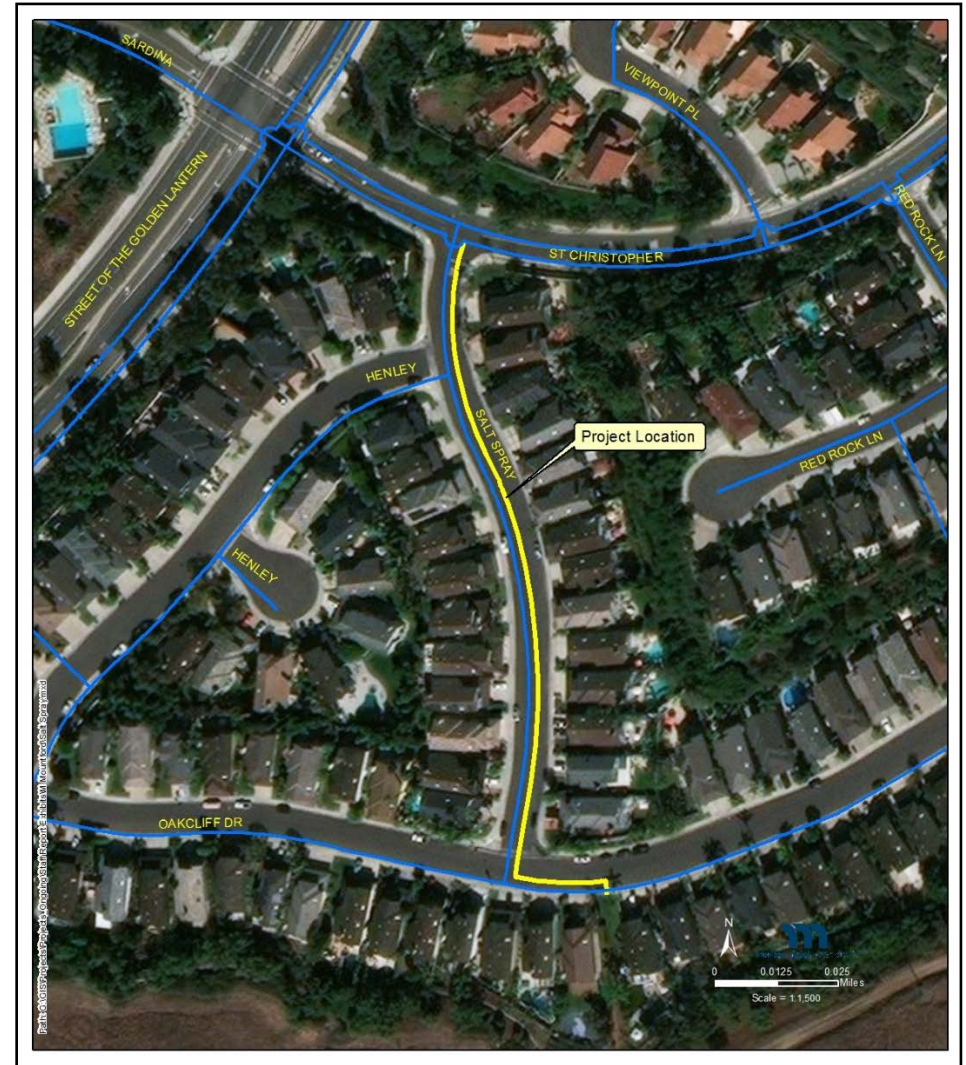
Project Description: Install approximately 800 feet of new 12-inch diameter potable water main pipeline at Salt Spray Drive.

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



East Aliso Creek Reservoir Site Paving Replacement

Project No: 2019.005

System: Potable

Fund: 7

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	\$115,000
Inspection/Other	\$10,000
Total Project Budget	\$125,000



Rehabilitation of the Marguerite Reservoir

Project No: 2020.017

System: Potable

Fund: 7

Project Location: Marguerite Reservoir, Mission Viejo

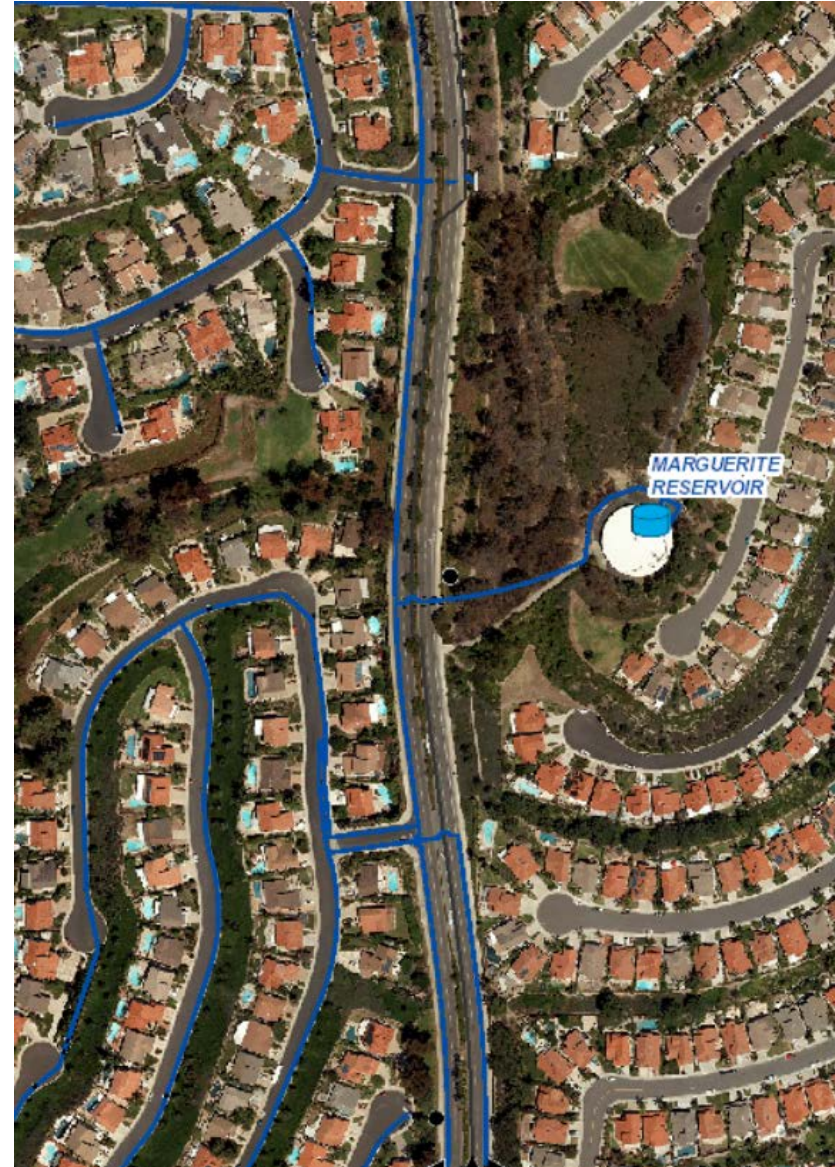
Project Description: Re-coat the interior and exterior of the Marguerite Reservoir. The Marguerite Reservoir has a maximum capacity of 2.5 million gallons and serves the 650 pressure zone. The work will also include structural and corrosion rehabilitation, tank operation and safety improvements, and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



Sheep Hills Reservoir Fence Replacement

Project No: 2020.020

System: Potable

Fund: 7

Project Location: Sheep Hills Reservoir, Aliso Viejo

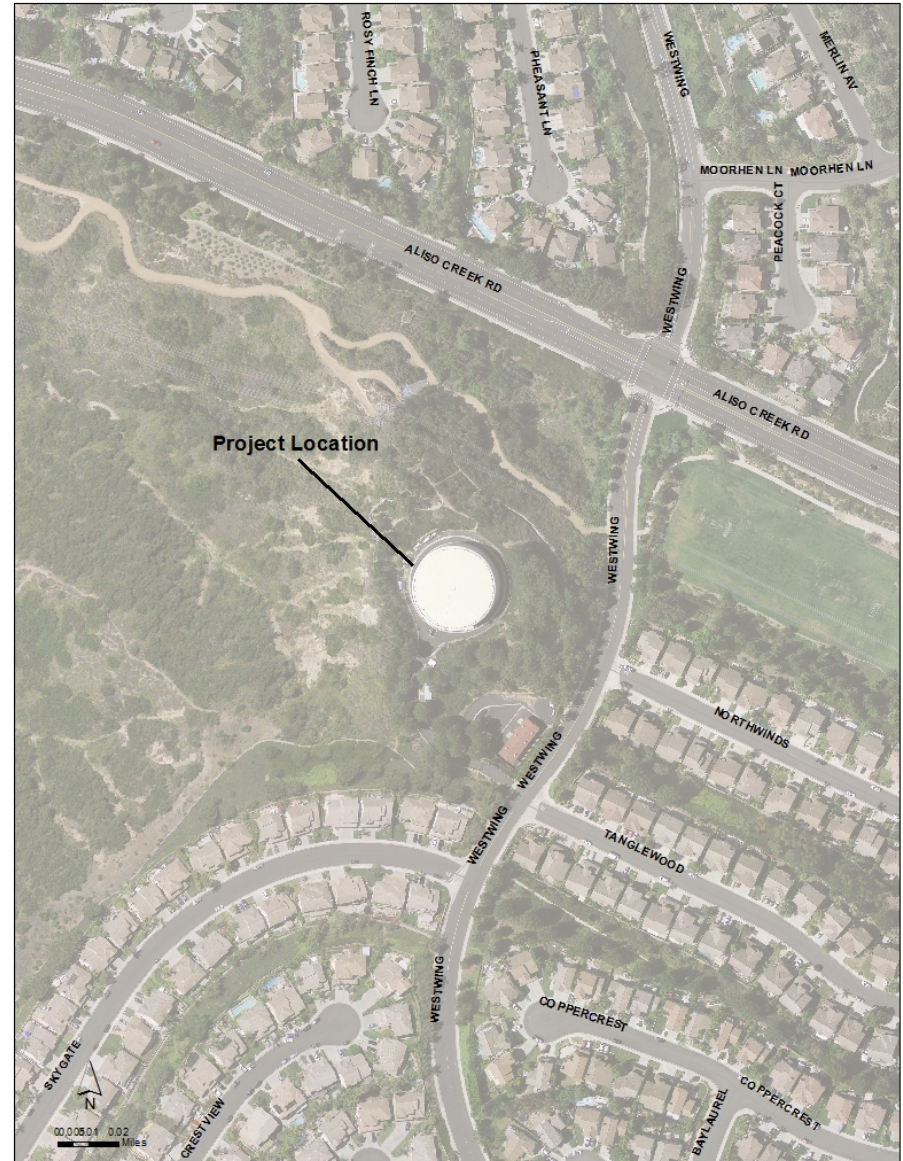
Project Description: The project will replace the existing site perimeter fence at the reservoir site with a taller chain-link fence and 6-strand V-style barbed wire.

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



Subsidence Mitigation at East Aliso, Marguerite, and El Dorado Sites

Project No: 2021.016

System: Potable

Fund: 7

Project Location: East Aliso (Laguna Niguel), Marguerite (Mission Viejo), and El Dorado Sites (Mission Viejo)

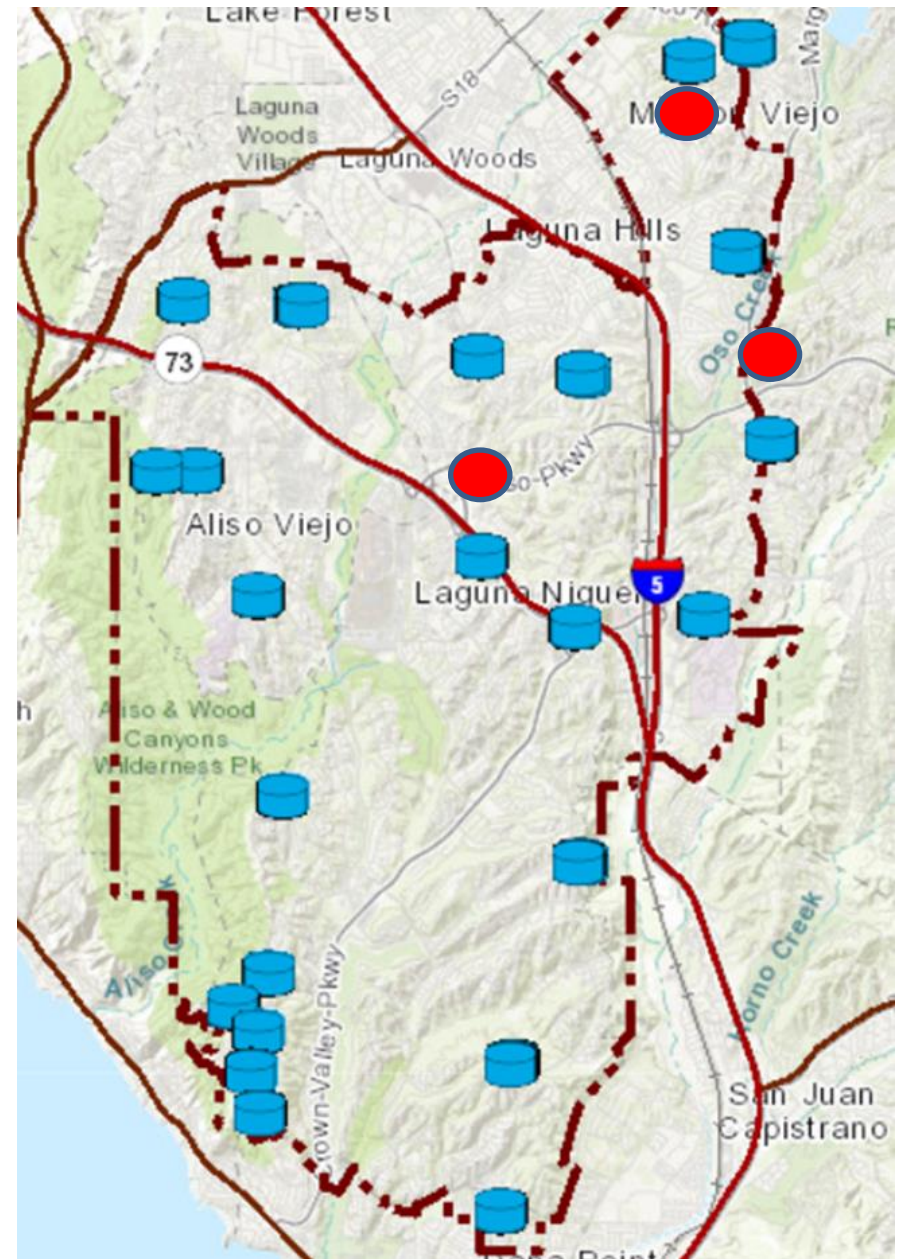
Project Description: Improve soils to prevent further subsidence at the sites.

Project Need: Sites have experienced subsidence. Excessive subsidence can cause damage to existing facilities.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$75,000
CEQA IS/MND	Exempt
Construction Contract	\$175,000
Total Project Budget	\$250,000



OCWD Basin Emergency Interconnection

Project No: OCWD

System: Potable

Fund: 12

Project Location: Various

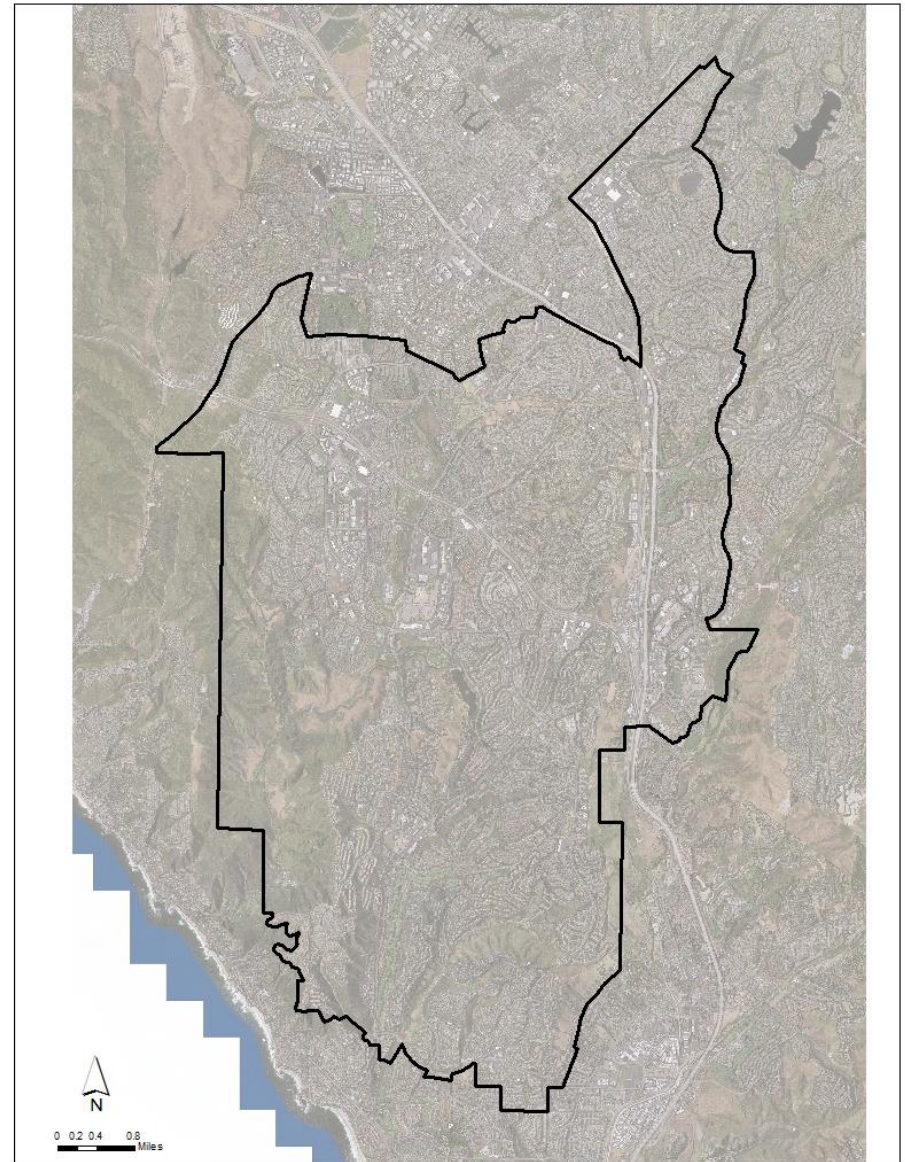
Project Description: Infrastructure improvements to provide an emergency interconnection to the OCWD groundwater basin.

Project Need: Water supply reliability.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$1,500,000
CEQA Compliance	\$500,000
Construction Contract	\$17,000,000
Inspection/Other	\$1,000,000
Total Project Budget	\$20,000,000



750-Zone Beacon-Rancho Improvements

Project No: TBD

System: Potable

Fund: 14

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

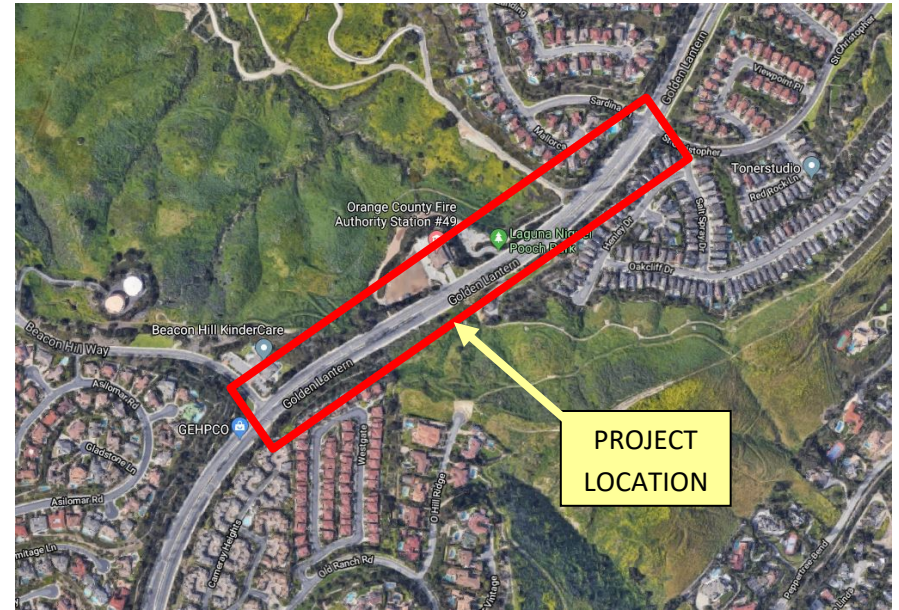
Project Description: Install approximately 2,600 feet of new 12-inch diameter pipeline within Golden Lantern from Sardina/St. Christopher to Beacon Hill Way. Alternatively, upsize the existing 12-inch diameter pipeline. Project alternatives and pipeline size selections to be determined by modeling during 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	\$225,000
CEQA Compliance	Exempt
Construction Contract	\$1,200,000
CM and Specialty Inspection	\$50,000
Legal/Permit/Other	\$25,000
Total Project Budget	\$1,500,000



Bear Brand Pump Station Pump Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Bear Brand Pump Station, Dana Point

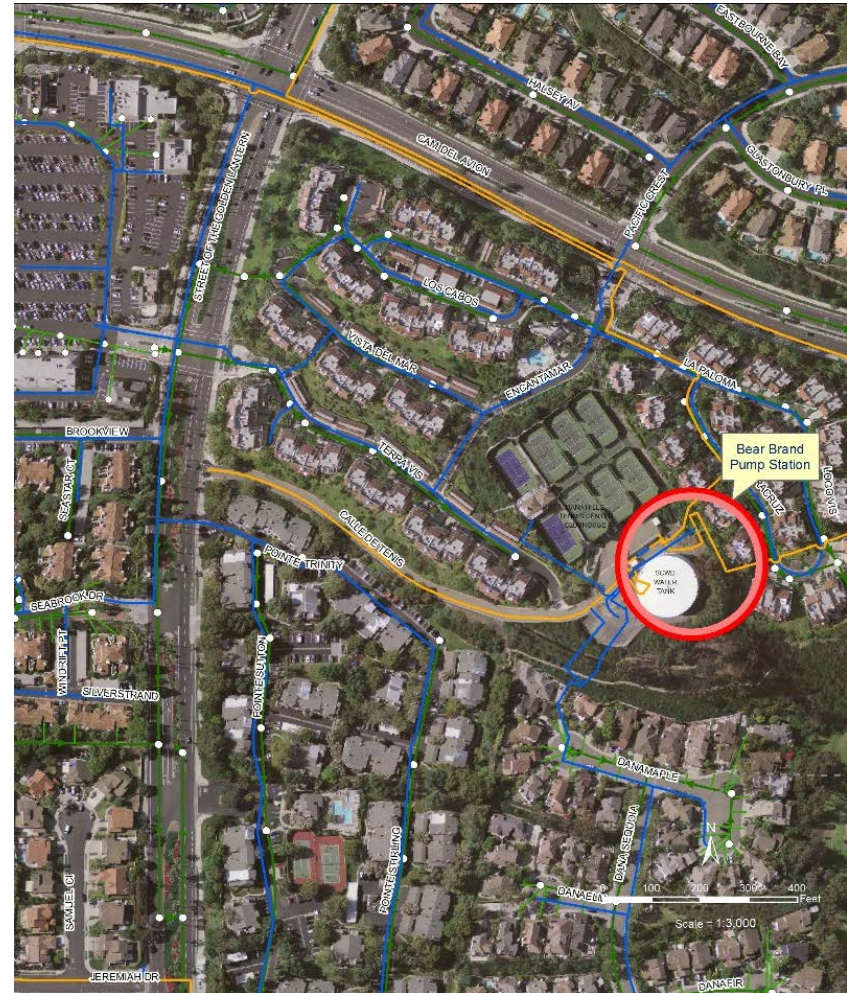
Project Description: Replace two existing pumps and motors, select piping and valves. A hydraulic analysis using District's water model may be required to verify final design.

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	\$515,000
Inspection/Other	\$10,000
Total Project Budget	\$600,000



CIP Takeout Facility at Marguerite Pump Station

Project No: TBD

System: Potable

Fund: 12

Project Location: Marguerite Pump Station, Mission Viejo

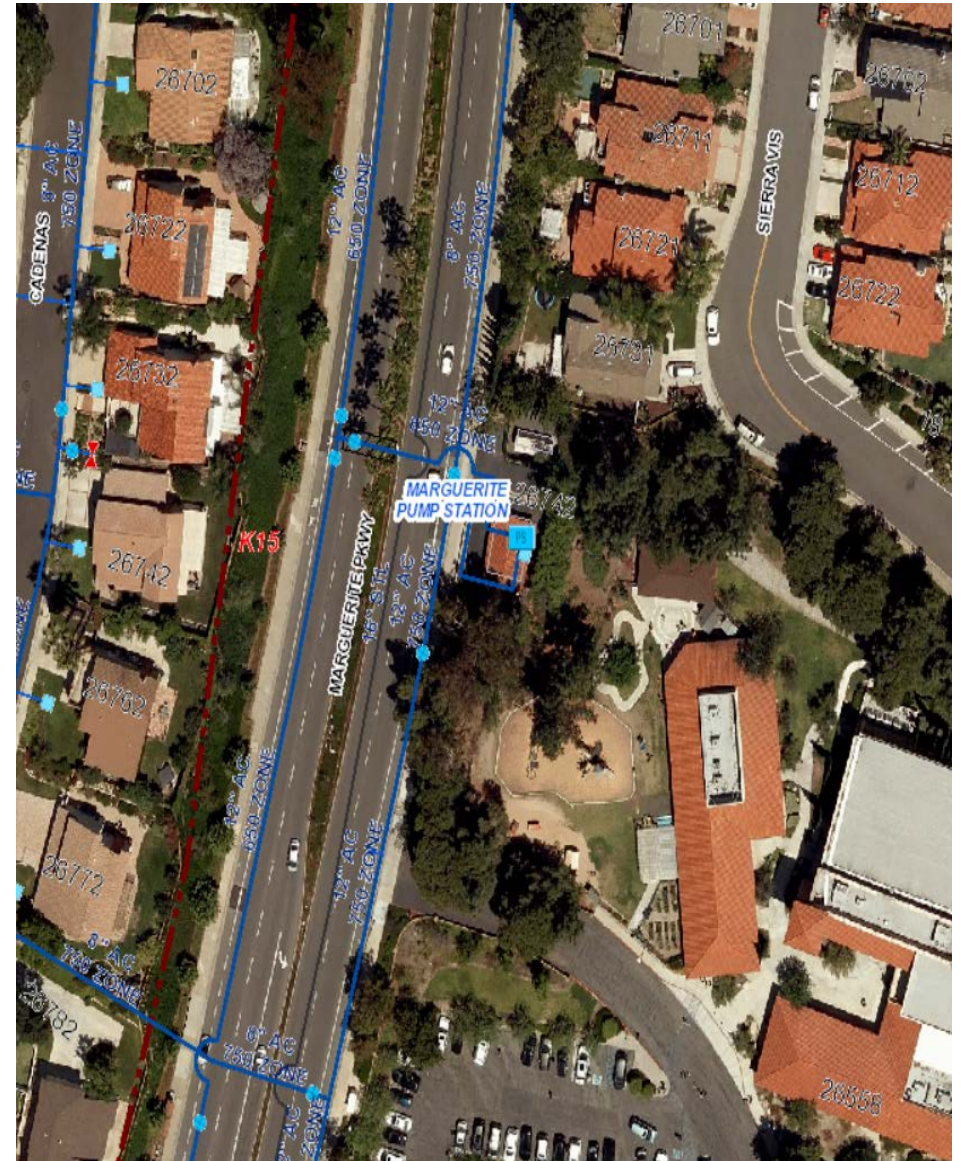
Project Description: Design and construct a flow control facility from the Central Intertie Pipeline (CIP) to the 650 & 750 pressure zones via Marguerite Pump Station. Project scope will include construction of approximately 3,700 linear feet of 16-inch steel pipe, a 15 foot building extension, three 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	\$500,000
CEQA Compliance	\$100,000
Construction Contract	\$4,000,000
Inspection/Other	\$400,000
Total Project Budget	\$5,000,000



Crown Valley Parkway Transmission Main Upper Reach Rehabilitation

Project No: TBD

System: Potable

Fund: 7

Project Location: Crown Valley Parkway, Laguna Niguel

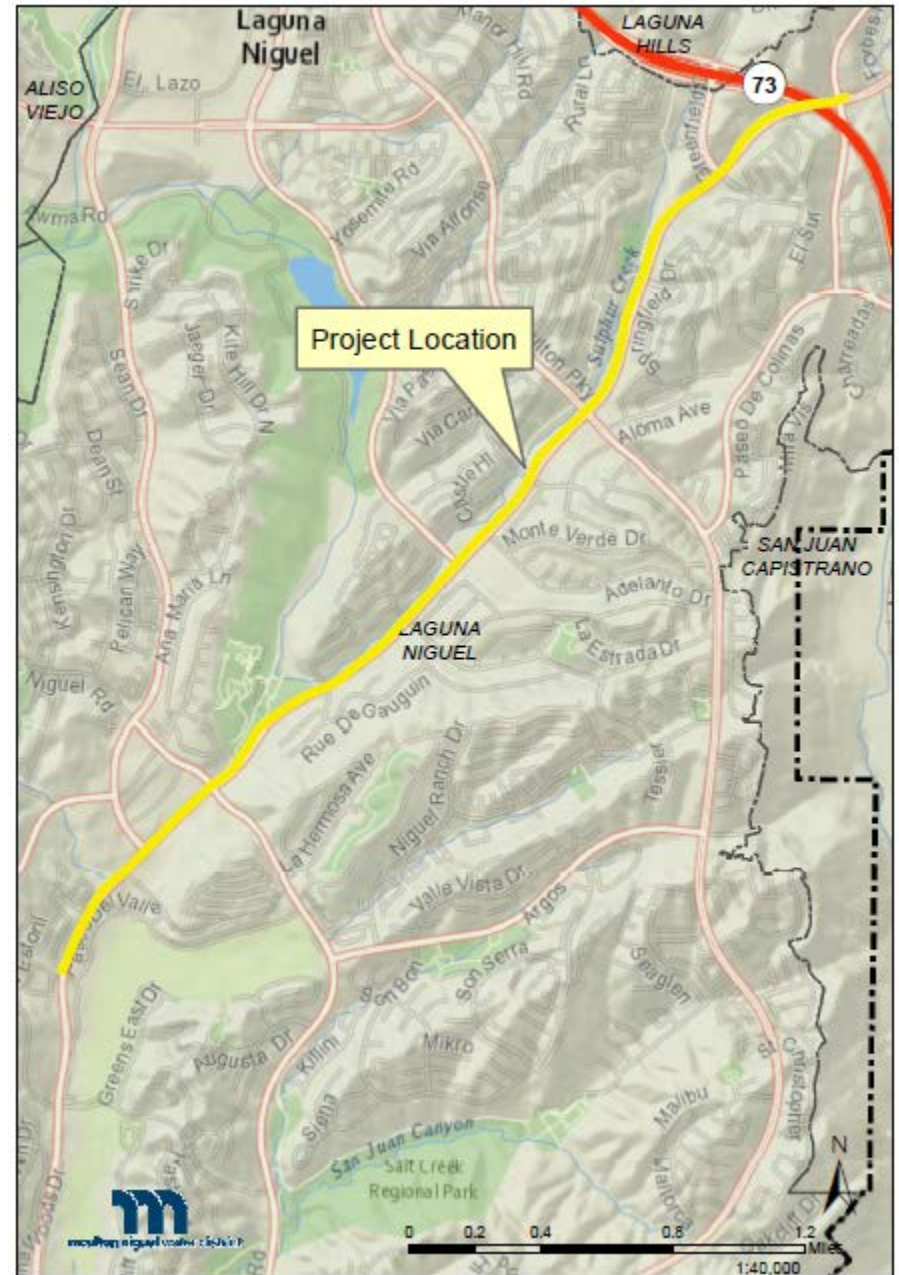
Project Description: Rehabilitate the existing 16-inch diameter CML&C steel transmission main from near Paseo de Niguel at the south end to approximately Cabot Road at the north end. The majority of this 3.5 mile segment of pipeline is currently located beneath the landscaped center median along Crown 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
Preliminary Design	\$70,000
Design	\$730,000
CEQA MND	\$100,000
Construction Contract	\$8,300,000
Inspection/Other	\$800,000
Total Project Budget	\$10,000,000



Crown Valley Reservoir No. 3 Roof Plate Replacement and Interior Recoating

Project No: TBD

System: Potable

Fund: 7

Project Location: Crown Valley Reservoir, Laguna Niguel

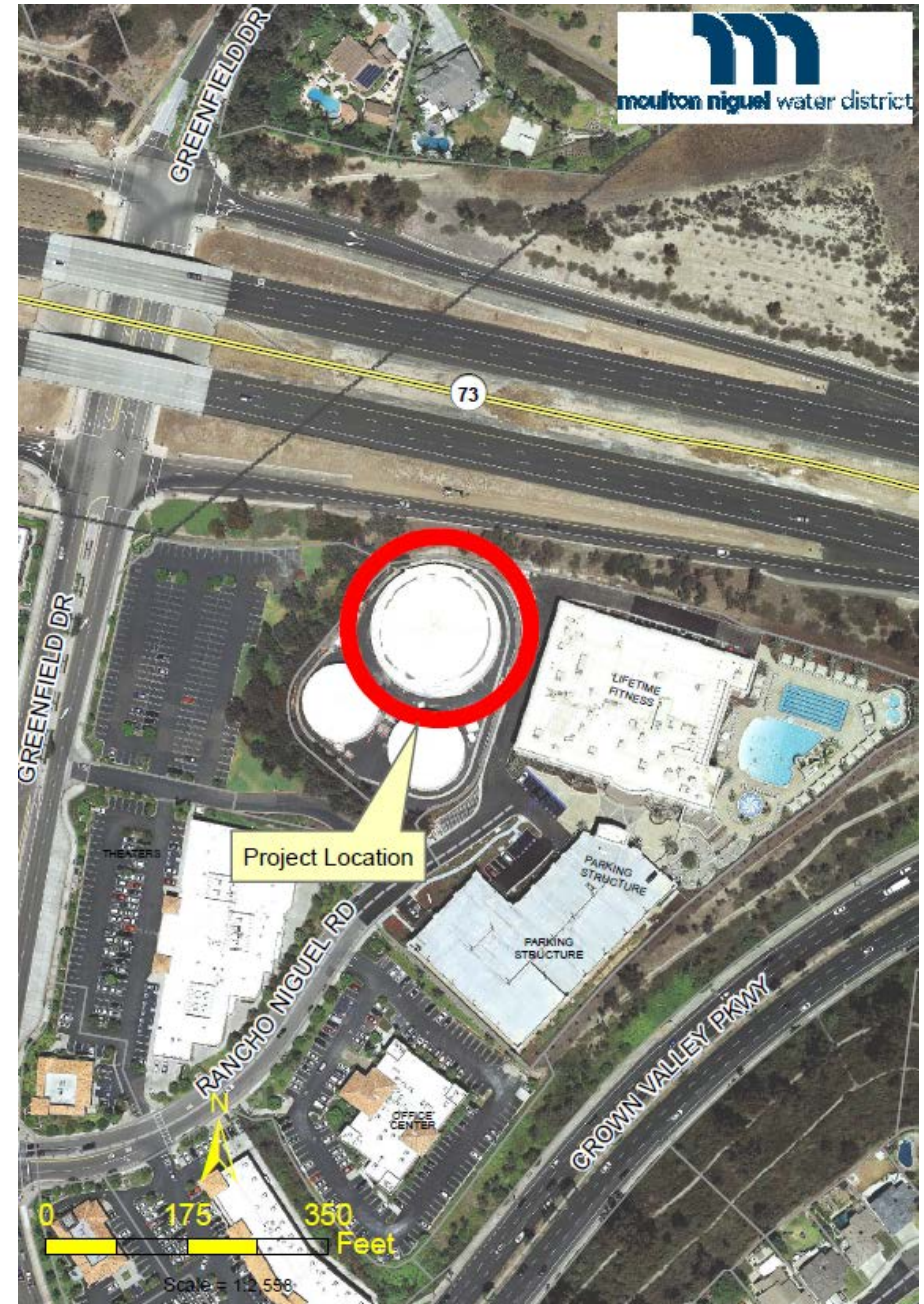
Project Description: The Crown Valley Reservoir No. 3 requires roof plate replacements, interior recoating and exterior roof paint.

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



Electrical System Improvements Phase 3 – PW

Project No: TBD

System: Potable

Fund: 7

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, increase the corresponding cable sizes, and relocate breakers to new sections within the MCC; remove and replace the breakers 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 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



Hidden Hills and Laguna Serrano Apartments Pipeline Replacement

Project No: TBD

System: Potable

Fund: 7

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	\$75,000
CEQA Compliance	Exempt
Construction Contract	\$275,000
Inspection/Other	\$10,000
Total Project Budget	\$360,000



Low Resolution Meter Replacement

Project No: TBD

System: Potable

Fund: 6

Project Location: Districtwide

Project Description: This project will replace all non-programmable, low-resolution water meters with high-resolution water meters. This includes approximately 6,500 meters of sizes ranging from 5/8-inch to 1-inch.

Project Need: The non-programmable water meters have become obsolete as they are not capable of providing high-resolution hourly AMI data. Upgrading the obsolete meters to high-resolution ultrasonic meters will allow the District to maximize utility of its recent investment in AMI radios. In particular, high-resolution meters will:

- Allow residents to receive critical leak alerts, helping them to avoid higher bills and prevent property damage;
- Enable the District to message the benefits of smart metering technology and the customer portable more consistently to all its residents; and
- Produce more accurate mass balance between pumped and consumed water to support the District's proactive leak detection program and zonal water loss dashboard.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA IS/MND	Exempt
Construction Contract	\$1,950,000
Legal/Permit/Other	\$50,000
Total Project Budget	\$2,000,000



Portable Generator Connections at Priority Potable Water Pump Stations

Project No: TBD

System: Potable

Fund: 14

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

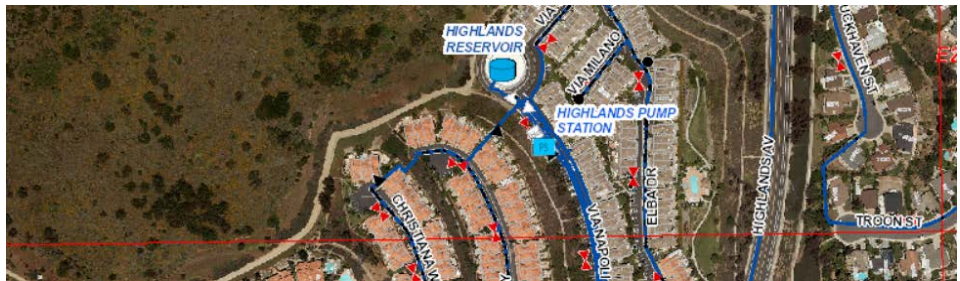
Project Description: Install portable generator connections and manual transfer switches at Casa Del Oso, Highlands, Marguerite, and Rancho Pump Stations.

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



Rancho Capistrano 450-Zone Loop

Project No: TBD

System: Potable

Fund: 14

Project Location: Rancho Capistrano (Saddleback Church), 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



Rancho Capistrano 450-Zone Service

Project No: TBD

System: Potable

Fund: 14

Project Location: Rancho Capistrano (Saddleback Church), San Juan Capistrano

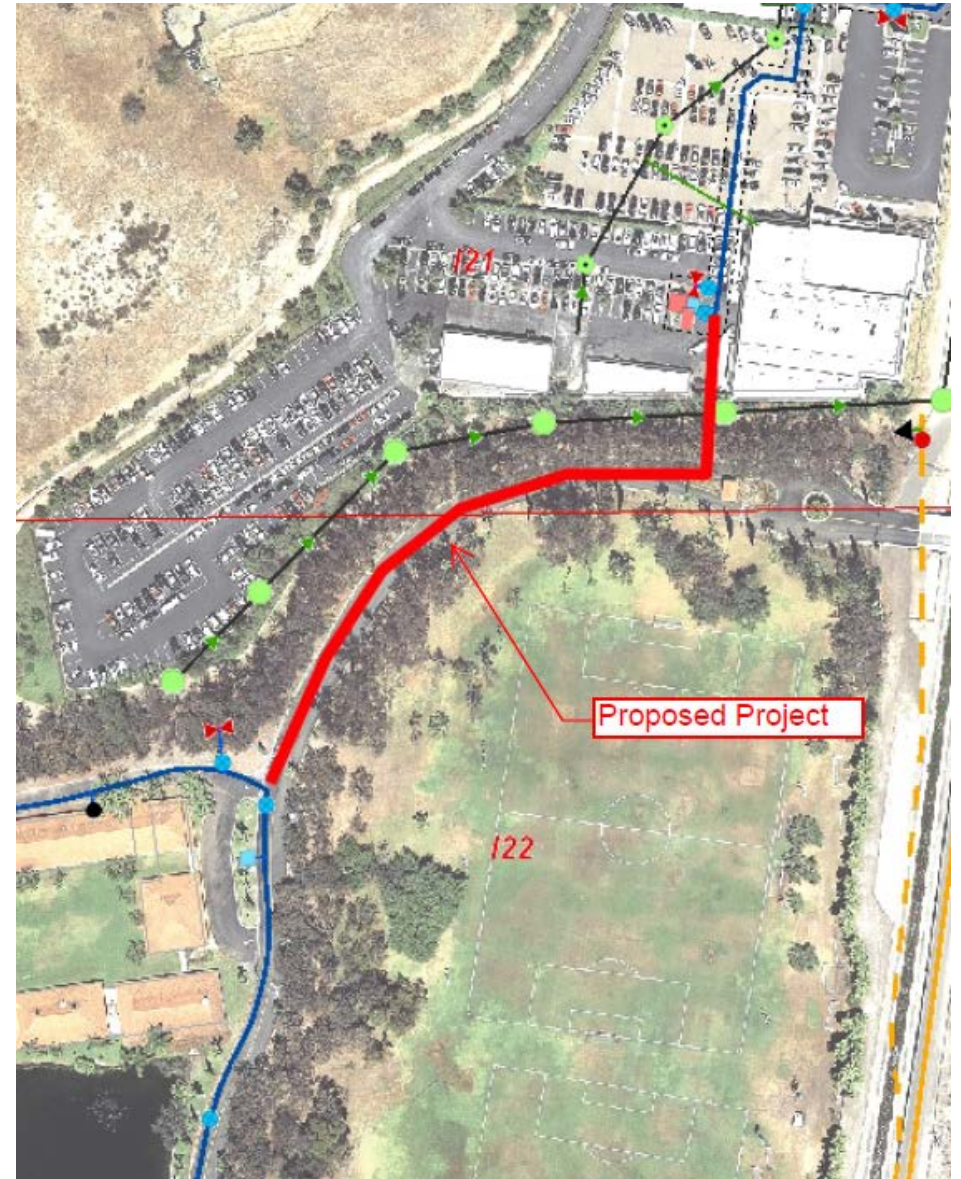
Project Description: Install approximately 650 feet of 8-inch diameter pipeline from the Mercedes dealership to Rancho Capistrano. Install a high-low double valve and blow-off at the connection to the existing loop at Rancho Capistrano. Hydraulic modeling will be required to verify fire flows from the 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 & Modeling	\$60,000
CEQA Compliance	Exempt
Construction Contract	\$220,000
Easement Acquisition Support	\$10,000
Inspection/Permits/Other	\$10,000
Total Project Budget	\$300,000



Rolling Hills Pump Station Auxiliary Generator

Project No: TBD

System: Potable

Fund: 14

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	\$110,000
CEQA Compliance	Exempt
Construction Contract	\$690,000
Inspection/Other	\$50,000
Total Project Budget	\$850,000



Saddleback Reservoir Site Paving Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Saddleback Reservoir, Mission Viejo

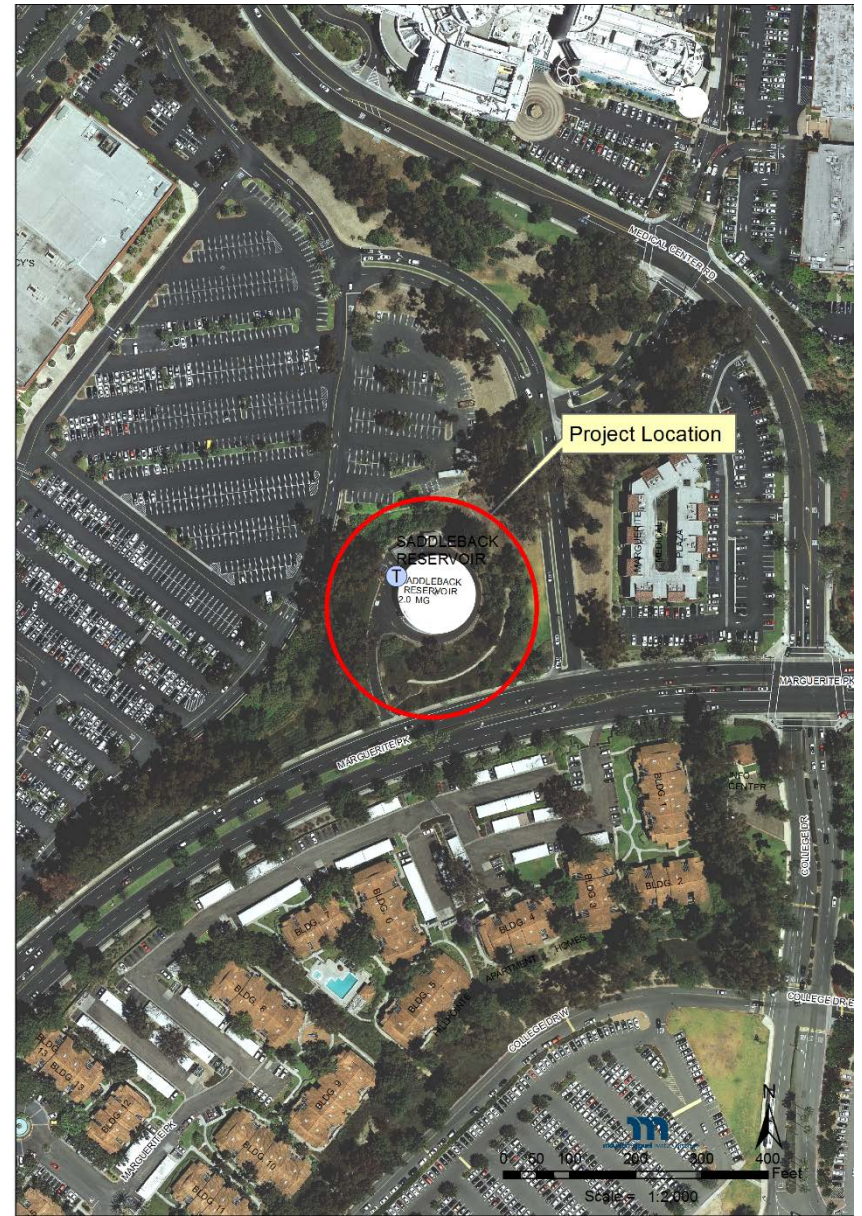
Project Description: Remove approximately 12,000 square feet of existing asphalt paving and replace with new 4-inch asphalt paving over existing base. Remove and replace approximately 400 feet of asphalt curb.

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



Southwestern Transmission Main Rehabilitation

Project No: TBD

System: Potable

Fund: 7

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
Preliminary Design	\$100,000
Design	\$400,000
CEQA Compliance	Exempt
Construction Contract	\$6,000,000
Inspection/Other	\$500,000
Total Project Budget	\$7,000,000



2022-23 Fire Hydrant Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

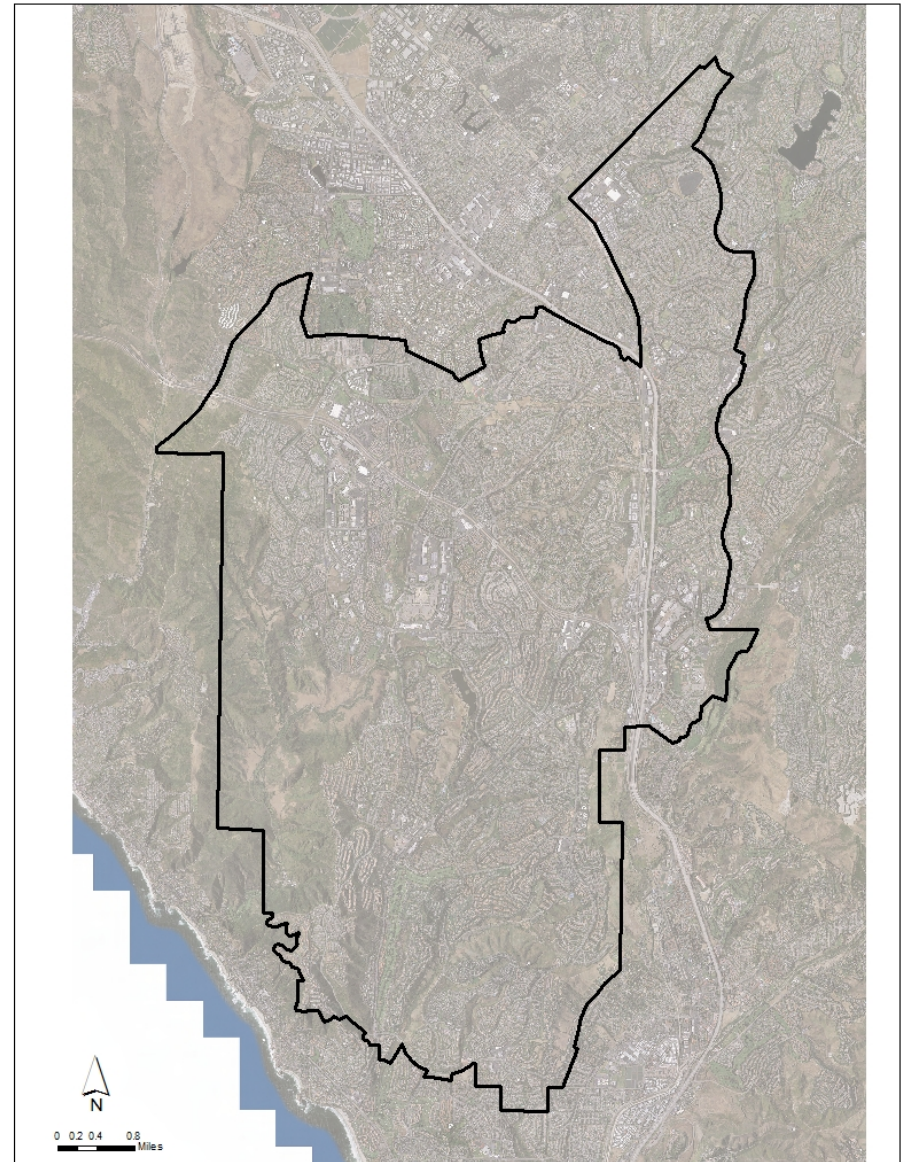
Project Description: Replace existing fire hydrants.

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	\$200,000
Total Project Budget	\$200,000



2022-23 Meter Replacement – PW

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

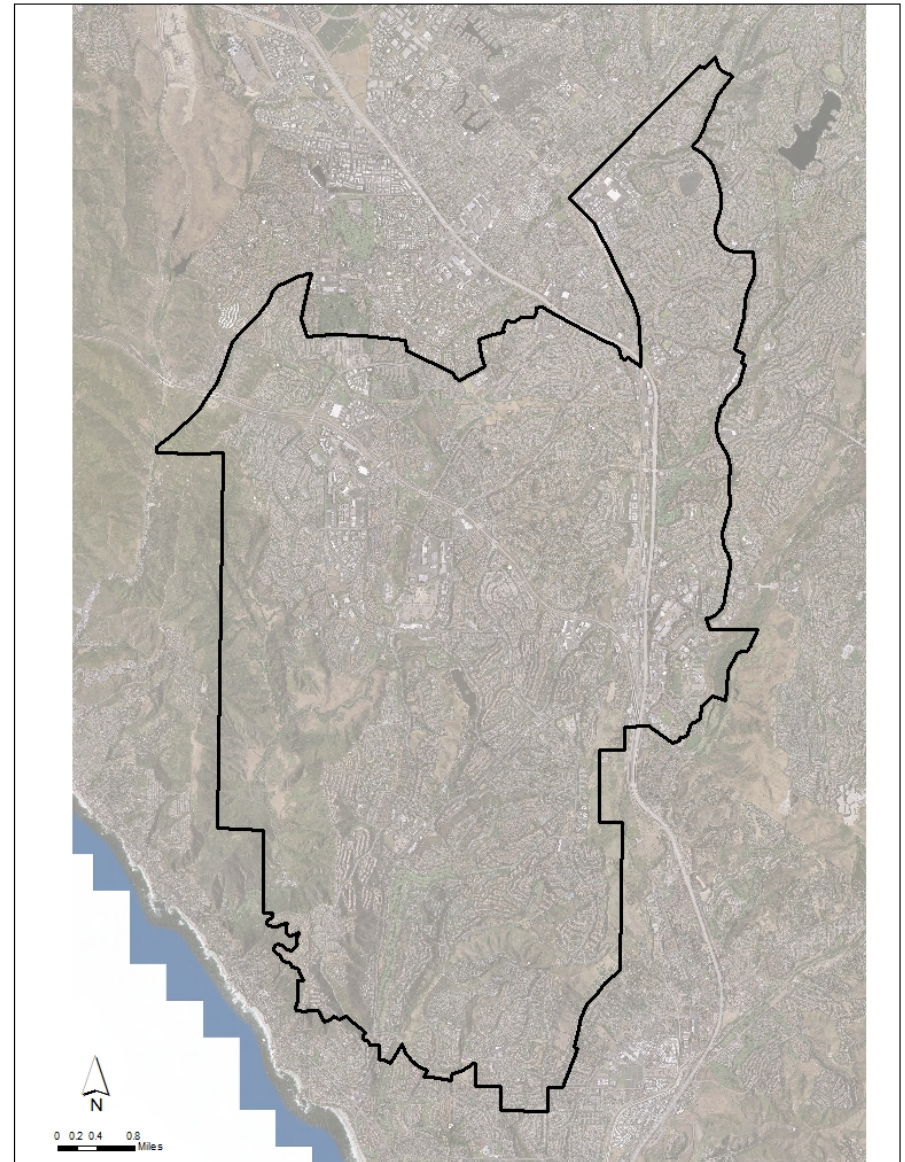
Project Description: Replace existing meters.

Project Need: This annual project will replace commercial and residential 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 by District	\$990,000
Total Project Budget	\$990,000



2022-23 New System Valves

Project No: TBD

System: Potable

Fund: 14

Project Location: Crown Valley Parkway and La Plata, Other Locations TBD based on Network Trace Analysis

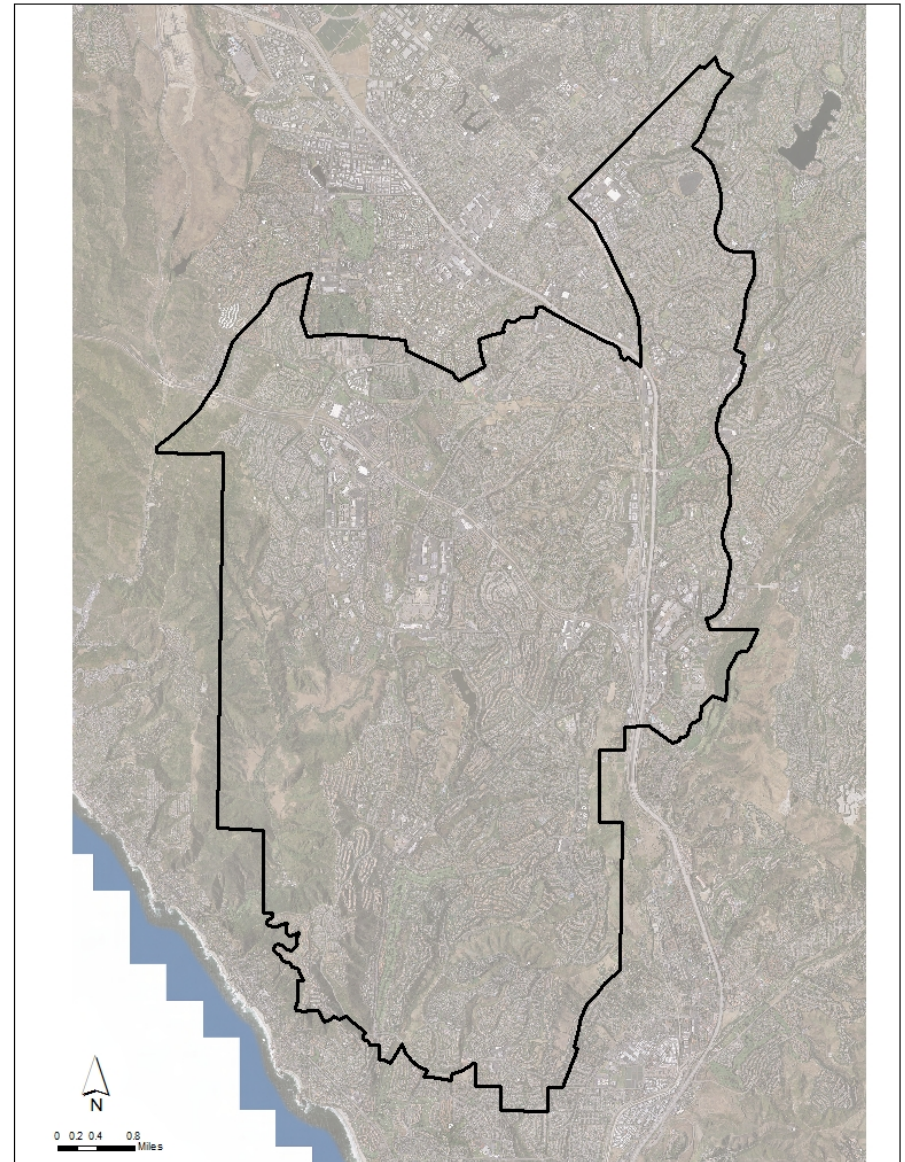
Project Description: Install new system valves where required.

Project Need: The District identifies locations where new valves would help to limit potential service outages and provide enhanced operational flexibility. These valves are identified using a network trace analysis in the GIS, as part of planned valve replacement, other planned construction projects, and during emergencies.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	\$240,000
Inspection/Other	\$10,000
Total Project Budget	\$250,000



2022-23 Operations-Led Capital Improvements – PW

Project No: 2022.100

System: Potable

Fund: 7

Project Location: Various

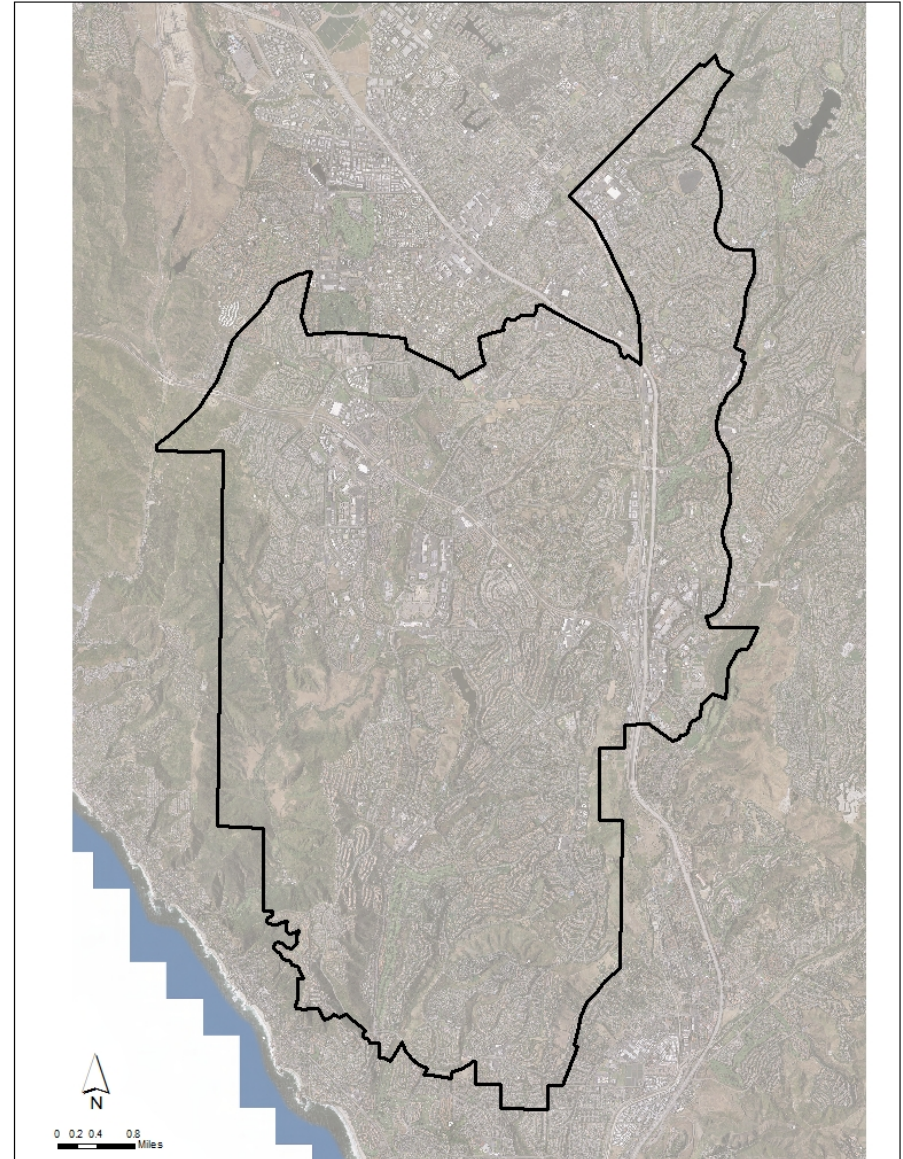
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, 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	\$650,000
Total Project Budget	\$650,000



2022-23 Pressure Reducing Station Rehabilitation – PW

Project No: TBD

System: Potable

Fund: 7

Project Location: Via Napoli, Laguna Niguel

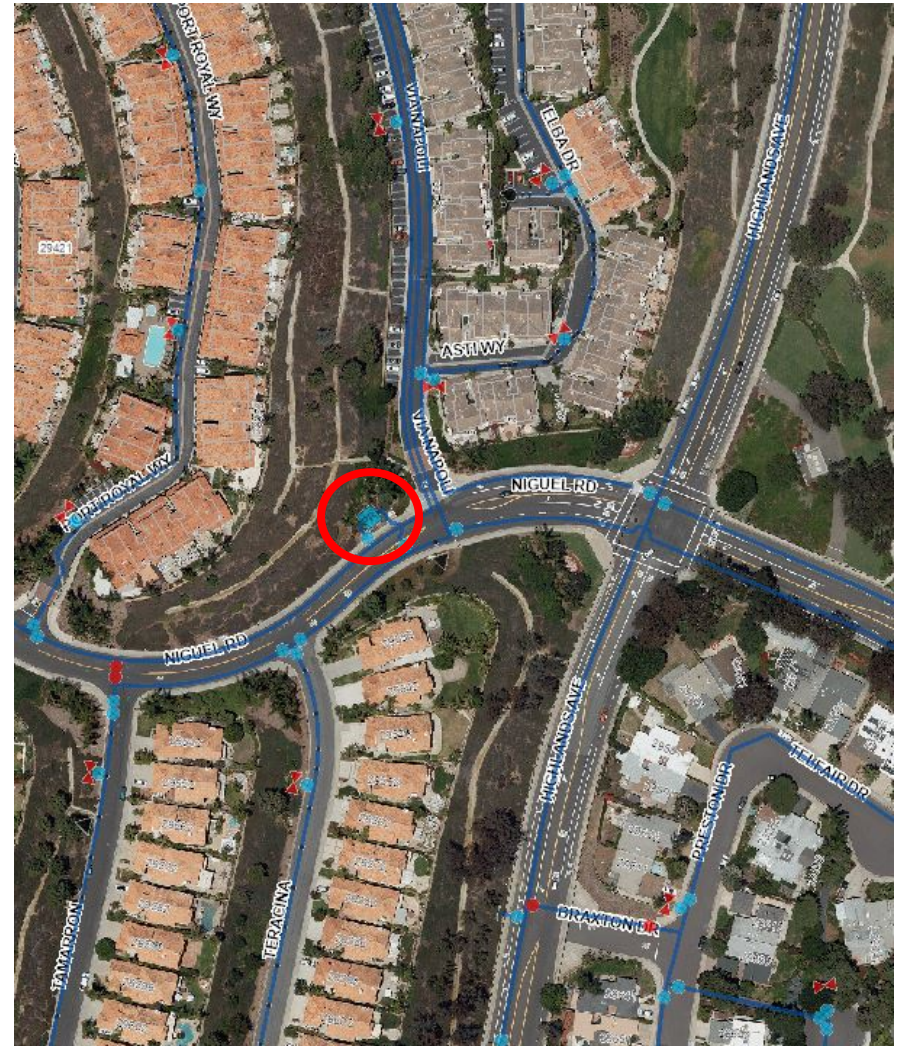
Project Description: Rehabilitate the structure as required and replace the pressure reducing station valves, mechanical equipment and appurtenances that have reached the end of their useful lives. Project will also include the abandonment of three (3) inactive pressure reducing stations (Catamaran, La Paz, and Via Lomas).

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	\$25,000
CEQA Compliance	Exempt
Construction Contract	\$200,000
Legal/Permits/Other	\$5,000
Total Project Budget	\$230,000



2022-23 Service Line Replacement – PW

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

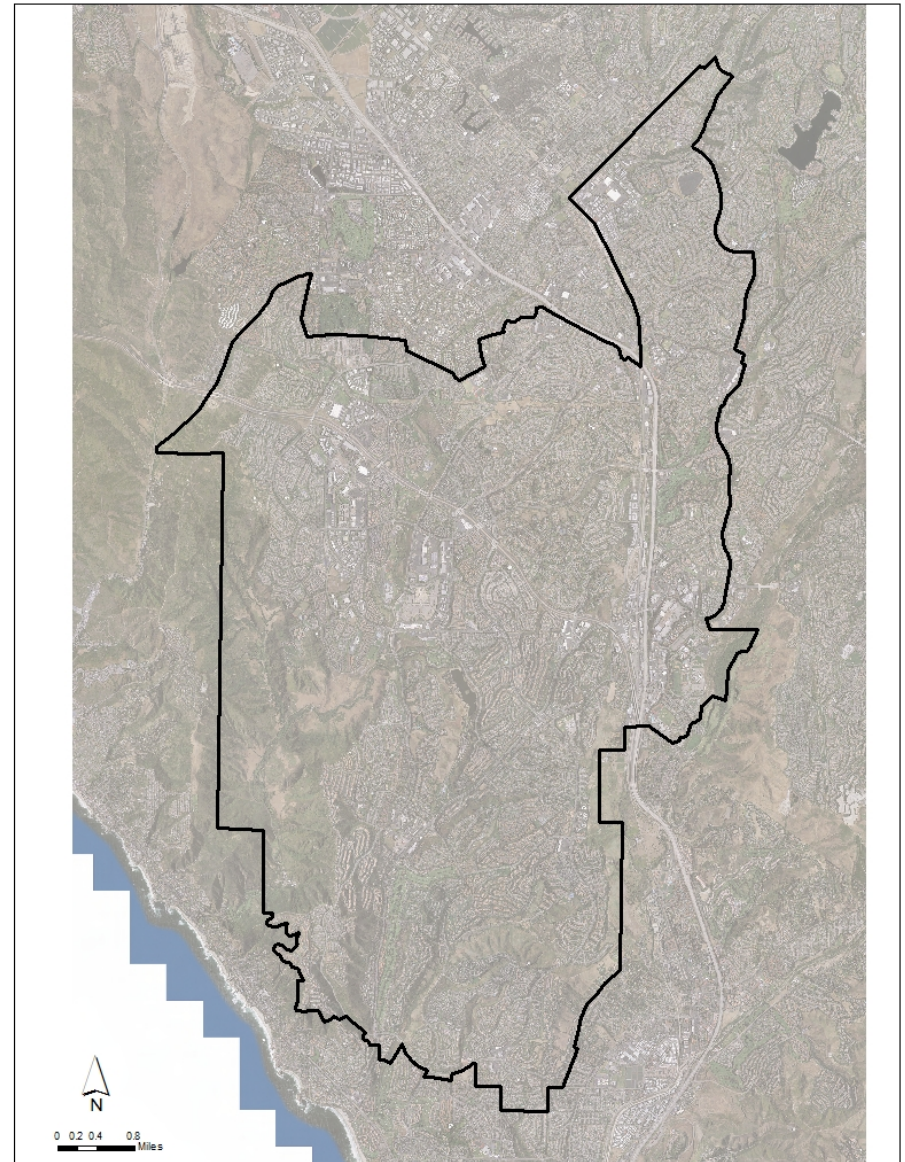
Project Description: Replace existing service lines.

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 Contract	\$800,000
Construction by District	\$1,200,000
Total Project Budget	\$2,000,000



2023-24 Valve Replacement – PW

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

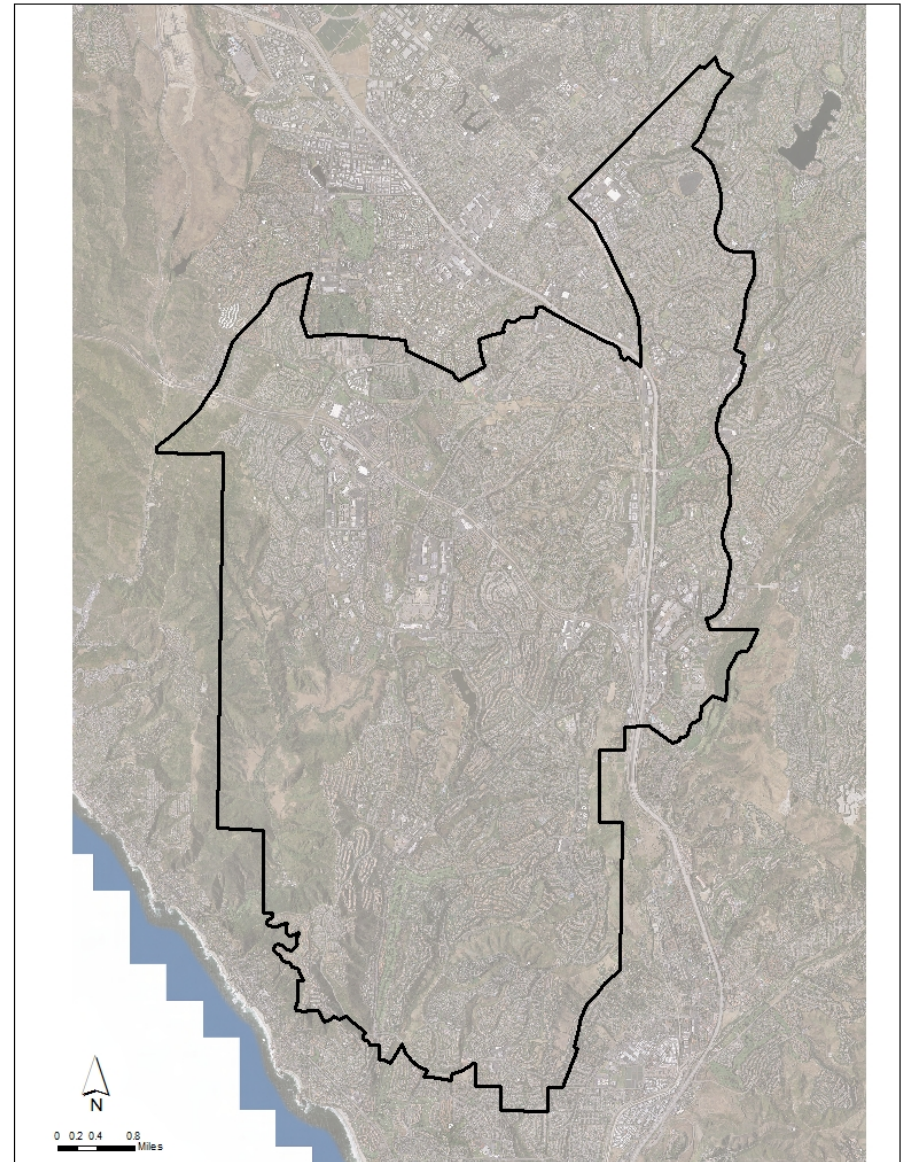
Project Description: Replace existing in-line valves.

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	\$100,000
CEQA Compliance	Exempt
Construction Contract	\$2,000,000
Inspection/Other	\$50,000
Construction by District	\$1,100,000
Total Project Budget	\$3,250,000



Aliso Viejo MOV Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Aliso Viejo

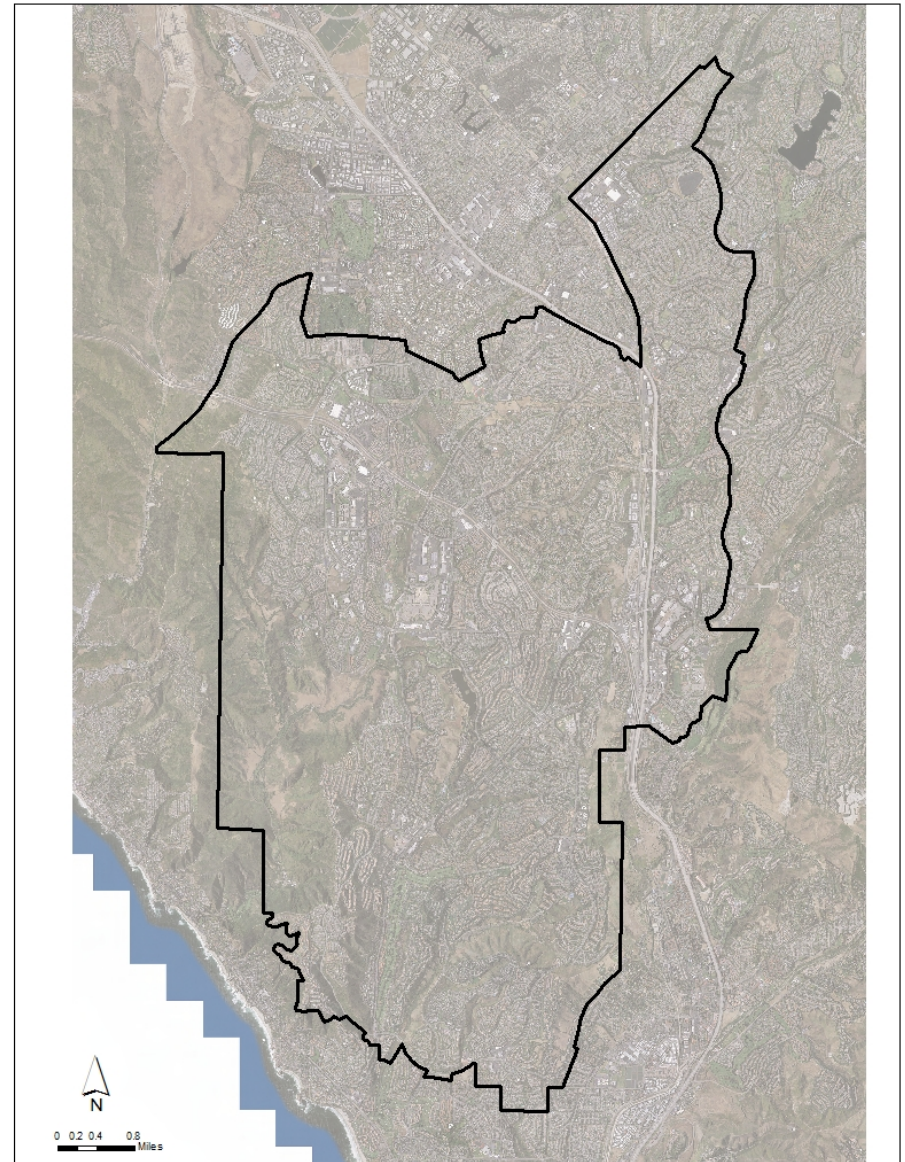
Project Description: Replace nine (9) motor operated valves (MOV) with manual valves, remove electrical services, and abandon existing vaults.

Project Need: The motor operators associated with these valves are no longer used and are maintenance intensive.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$50,000
CEQA Compliance	Exempt
Construction Contract	\$600,000
Inspection/Other	\$25,000
Total Project Budget	\$675,000



Casa Del Oso Pump Station Auxiliary Generator Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Casa Del Oso Pump Station, Laguna Hills

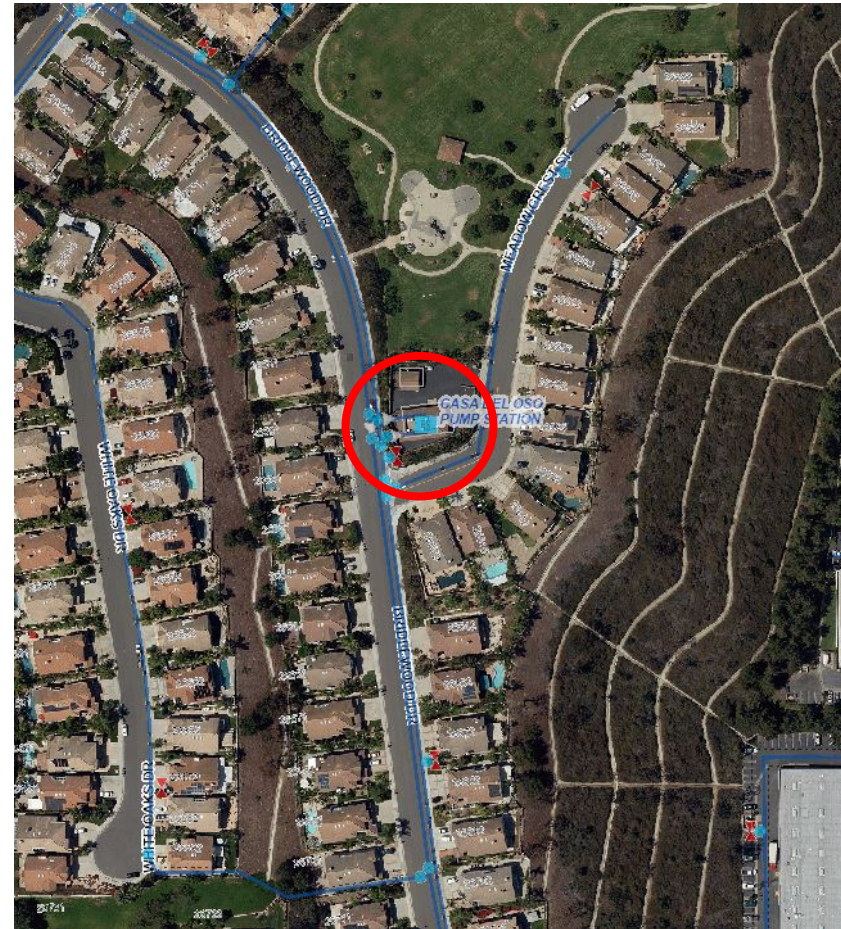
Project Description: Remove and replace the existing backup generator with a new auxiliary diesel generator.

Project Need: Replacement of the existing generator is based on age and difficulty finding off the shelf replacement parts.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$100,000
CEQA Compliance	Exempt
Construction Contract	\$700,000
Specialty Inspection	\$25,000
Legal/Permits/Other	\$25,000
Total Project Budget	\$850,000



Country Village Pump Station Auxiliary Generator Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Country Village Pump Station, Laguna Niguel

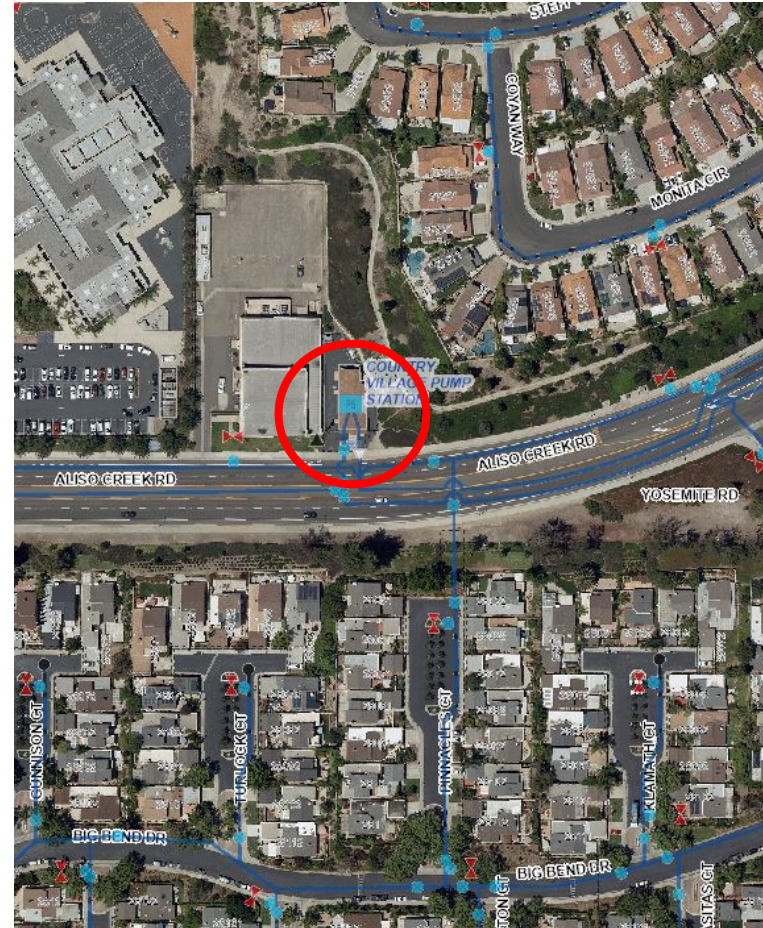
Project Description: Remove and replace the existing backup generator with a new auxiliary diesel generator.

Project Need: Replacement of the existing generator is based on age and difficulty finding off the shelf replacement parts.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$100,000
CEQA Compliance	Exempt
Construction Contract	\$700,000
Specialty Inspection	\$25,000
Legal/Permits/Other	\$25,000
Total Project Budget	\$850,000



Eastern Transmission Main Rehabilitation

Project No: TBD

System: Potable

Fund: 7

Project Location: Eastern Transmission Main

Project Description: Rehabilitate the existing 30-inch and 33-inch CML&C steel pipe.

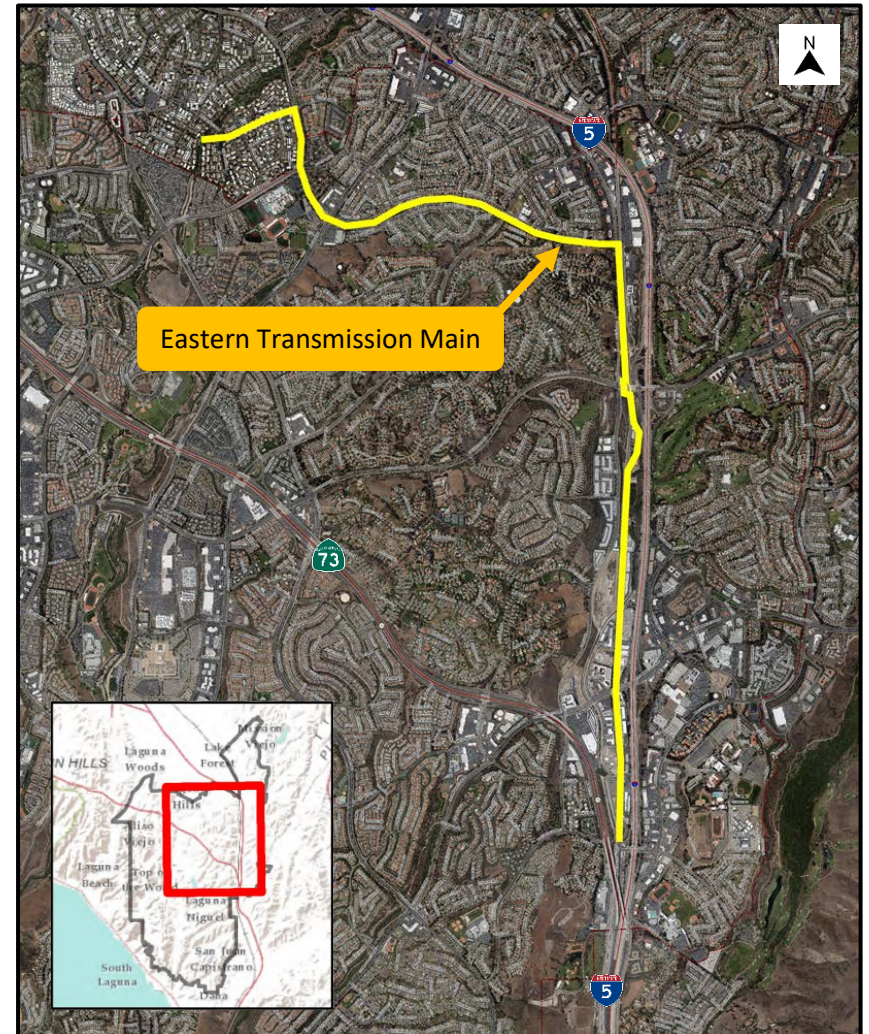
Project Need: A condition assessment was completed in March 2022. Results of the condition assessment identified specific pipe sections in need of rehabilitation.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA IS/MND	Exempt
Construction Contract	\$480,000
Legal/Permit/Other	\$20,000
Total Project Budget	\$500,000

*Santa Margarita Water District owns 70% of the capacity of the Eastern Transmission Main. Cost reimbursement for this project will occur accordingly.



High-Low Valve Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

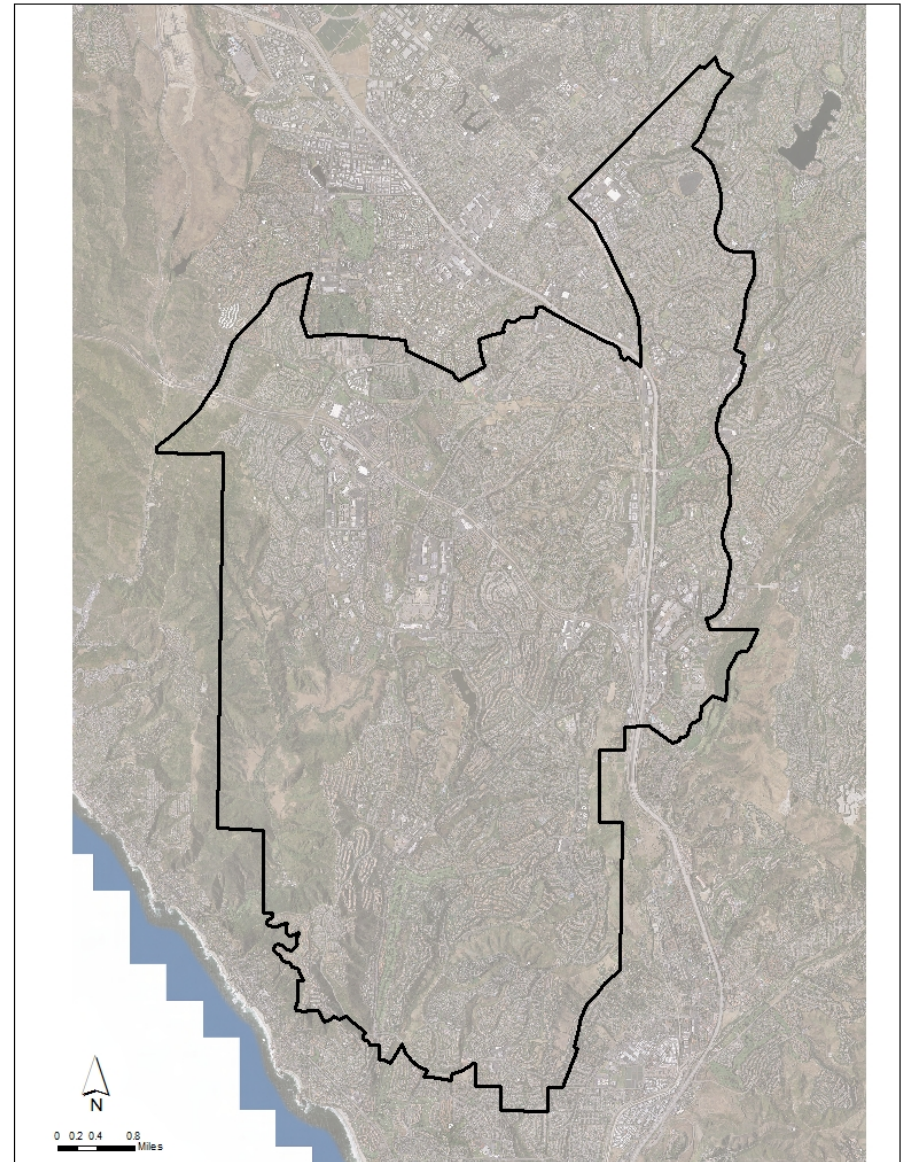
Project Description: Replace single high-low valves at sixteen (16) pressure zone interconnections with double valves.

Project Need: The District maintains multiple pressure zones throughout the potable water distribution system. At the interconnection of these pressure zones are two normally closed isolation valves, referred to as high-low valves. The valves serve as a means of keeping the pressure zones separate. Several of these interconnections between pressure zones are scheduled for an upgrade from a single valve to a double valve.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$100,000
CEQA Compliance	Exempt
Construction Contract	\$1,000,000
Inspection/Other	\$25,000
Total Project Budget	\$1,125,000



La Paz and Cabot PW Pipeline Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: La Paz Road and Cabot Road, Laguna Hills

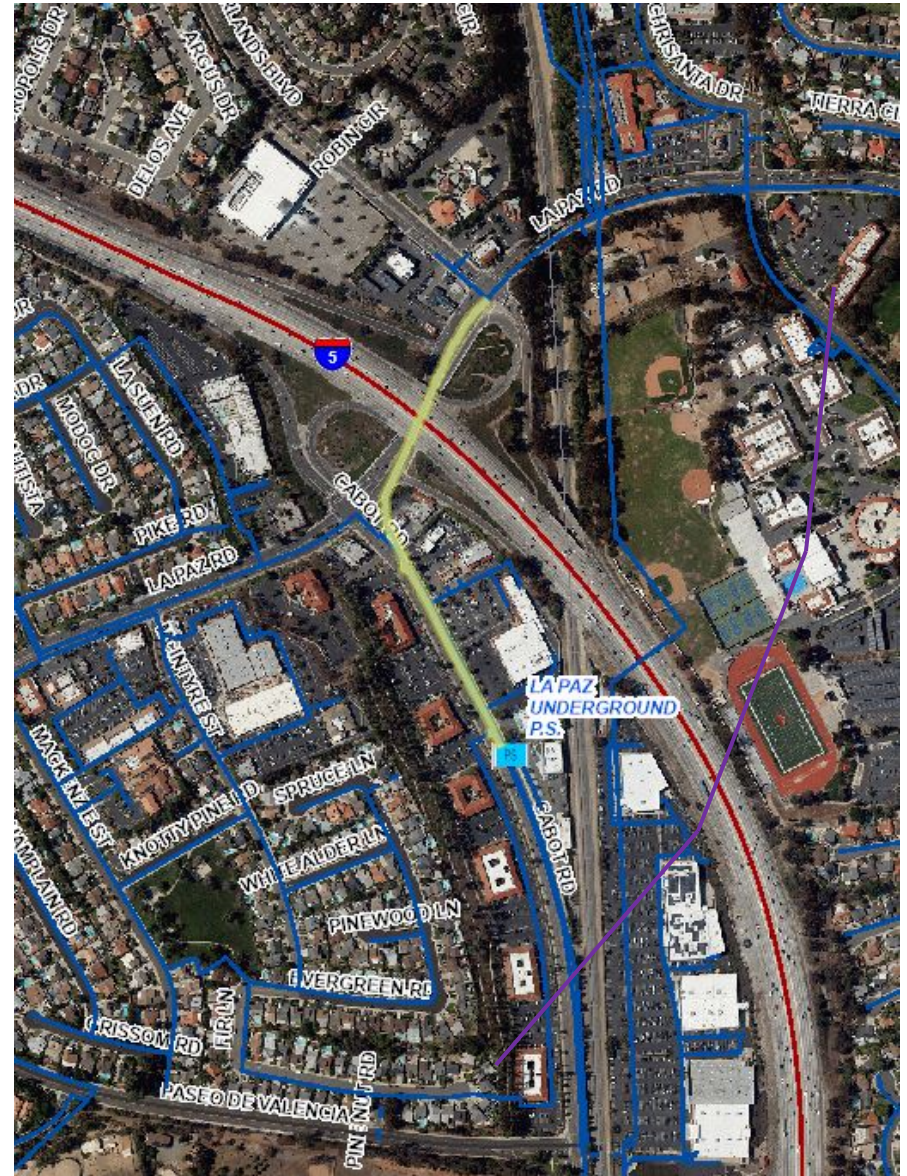
Project Description: The project will remove and replace approximately 2,100 feet of 21-inch diameter steel pipeline. An electrical main is near the current alignment, which will likely require the pipeline to be replaced in a new alignment. The project will also replace all valves along the pipeline.

Project Need: The pipeline was constructed in the 1960s and has experienced multiple interruptions from corrosion and age.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$150,000
CEQA Compliance	Exempt
Construction Contract	\$1,000,000
Permits/Inspection/Other	\$100,000
Total Project Budget	\$1,250,000



Recycled Water Optimization Study (RWOS) - La Paz Road Bridge Crossing Recycled Water Pipeline

Project No: 2010.013

System: Recycled

Fund: 6

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

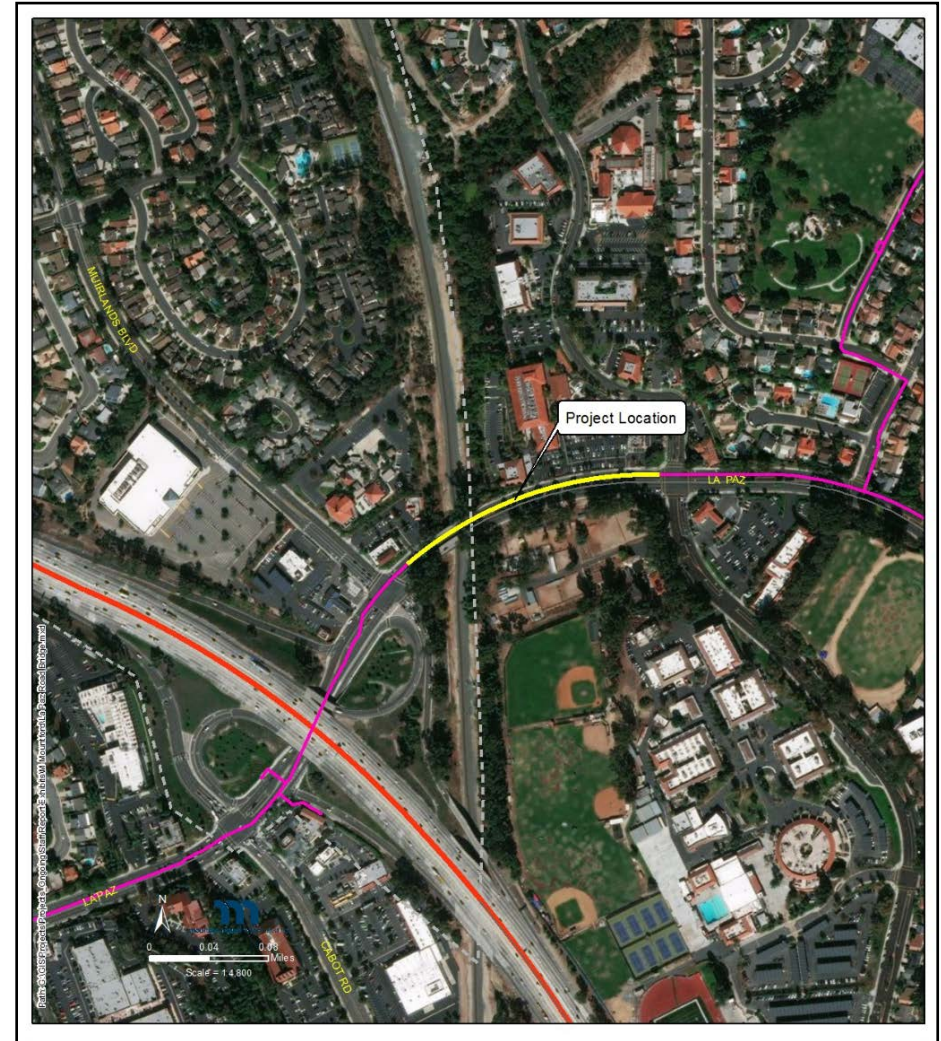
Project Description: Construct approximately 1,200 feet of 12-inch diameter recycled water main in La Paz Road while the City of Mission Viejo is constructing its widening of the La Paz Road Bridge.

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 Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$55,000
CEQA Compliance	City Project
Construction Contract	\$648,034
Inspection/Permits/Other	\$20,000
Total Project Budget	\$723,034



2021-22 Pressure Reducing Station Rehabilitation – RW

Project No: 2021.009

System: Recycled

Fund: 7

Project Location: Cabot PRS, Laguna Niguel & Calle Corta PRS, Aliso Viejo

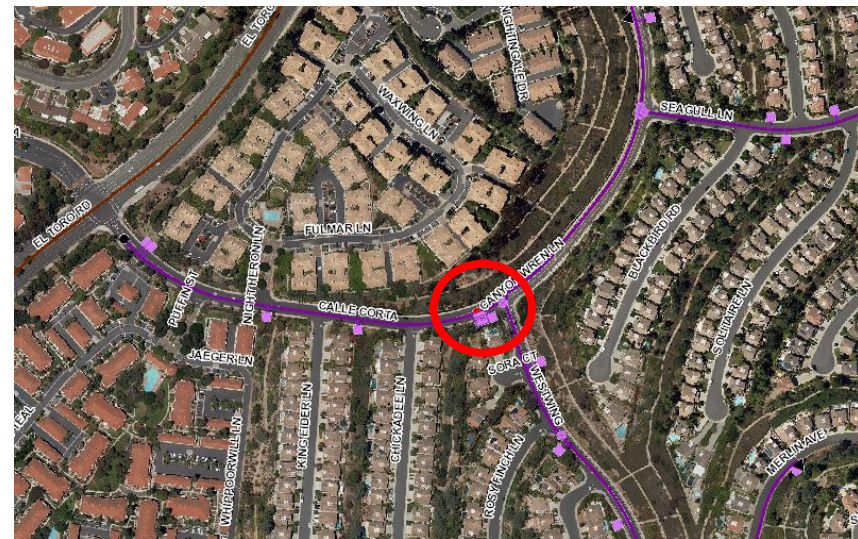
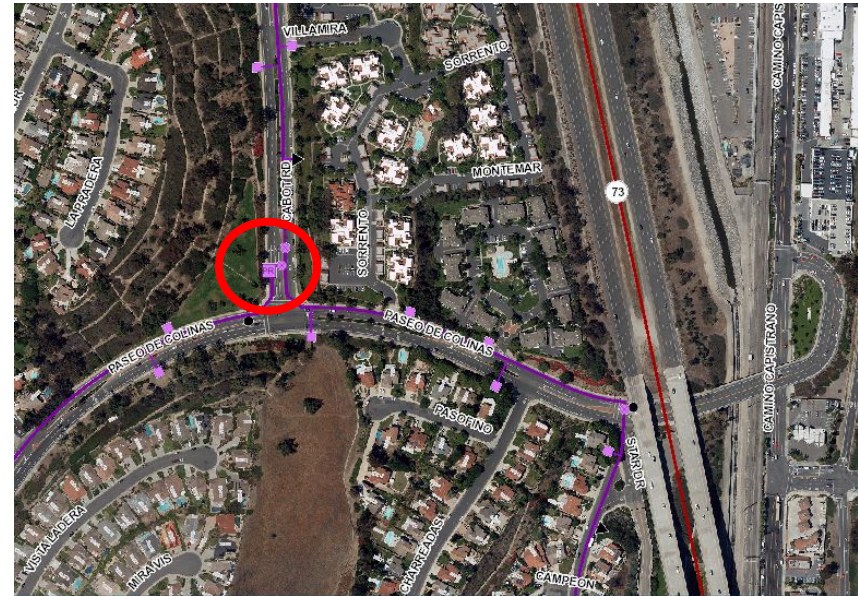
Project Description: Rehabilitate the structure as required and replace the pressure reducing station valves, mechanical equipment and appurtenances that have reached the end of their useful lives.

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: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$50,000
CEQA Compliance	Exempt
Construction Contract	\$140,000
Legal/Permits/Other	\$10,000
Total Project Budget	\$200,000



Electrical System Improvements Phase 2 – RW

Project No: 2018.005

System: Recycled

Fund: 7

Project Location: Alicia Recycled Water Pump Station, Laguna Niguel

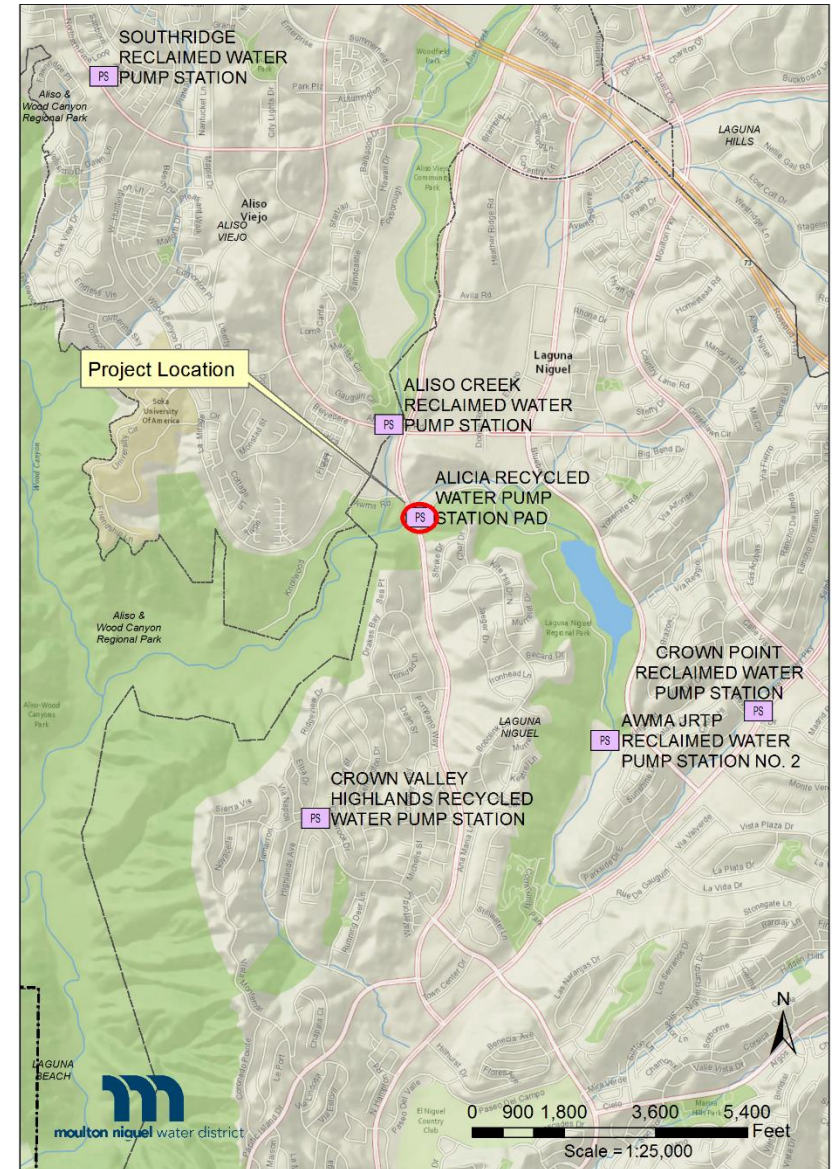
Project Description: Replace meter/main section, MCC and VFDs. Temporary switchgear will be required to maintain operation during construction.

Project Need: The noted electrical equipment at this facility is 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: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$150,000
CEQA Compliance	Exempt
Construction Contract	\$750,000
Inspection/Utility Fees/Other	\$100,000
Total Project Budget	\$1,000,000



Meter Replacement Program – RW

Project No: Annual Program

System: Recycled

Fund: 7

Project Location: Various

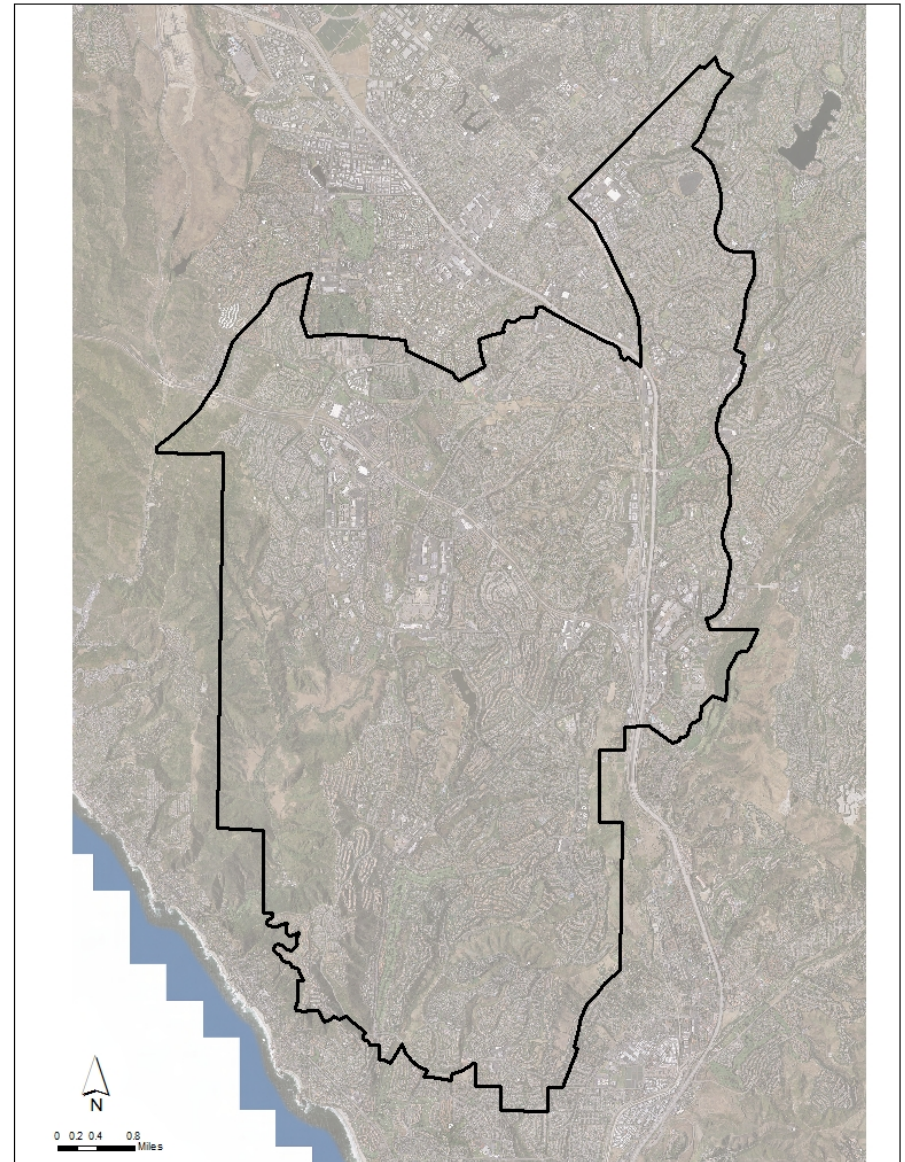
Project Description: Replace existing meters.

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 by District	\$495,000
Total Project Budget	\$495,000



Operations-Led Capital Improvements – RW

Project No: Annual Program

System: Recycled

Fund: 7

Project Location: Various

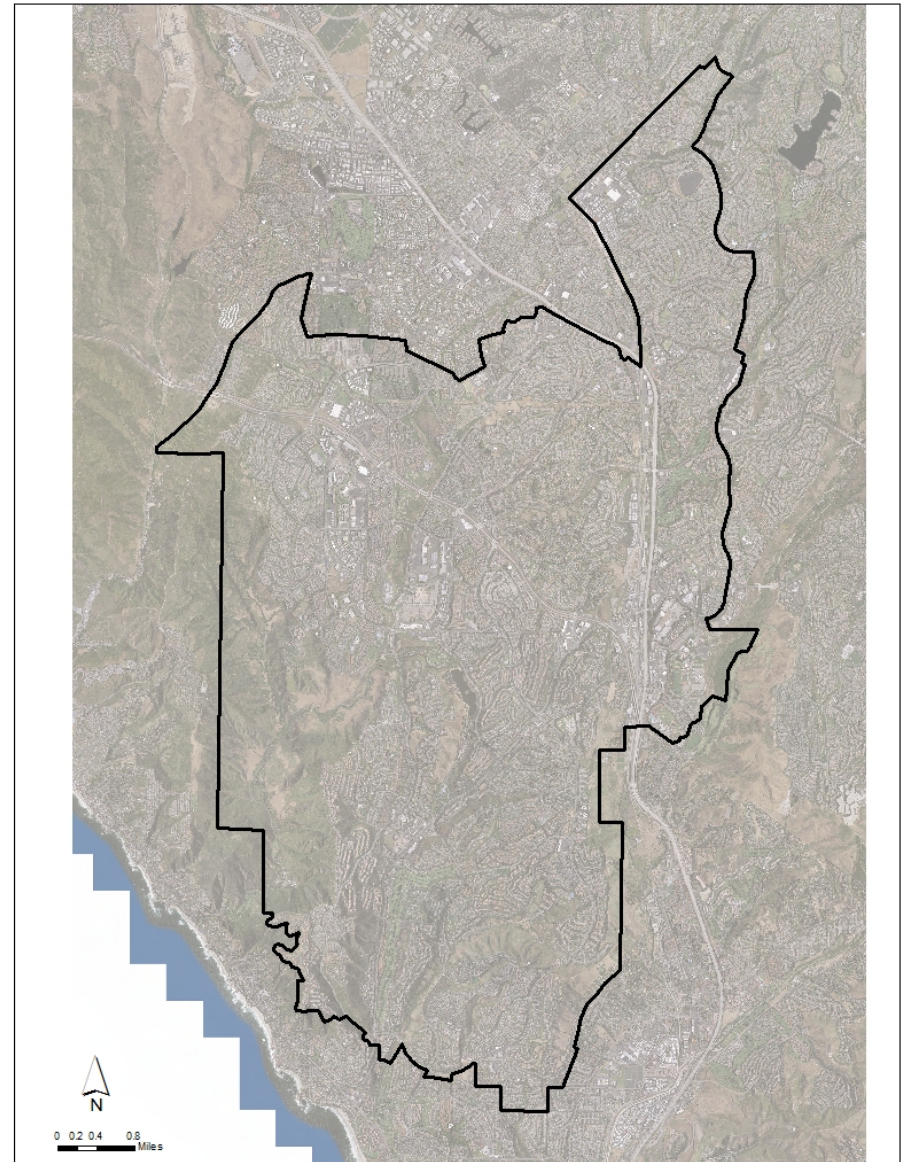
Project Description: This program covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, 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	\$2,250,000
Total Project Budget	\$2,250,000



Reservoir Recoating Program – RW

Project No: Annual Program

System: Recycled

Fund: 7

Project Location: Various

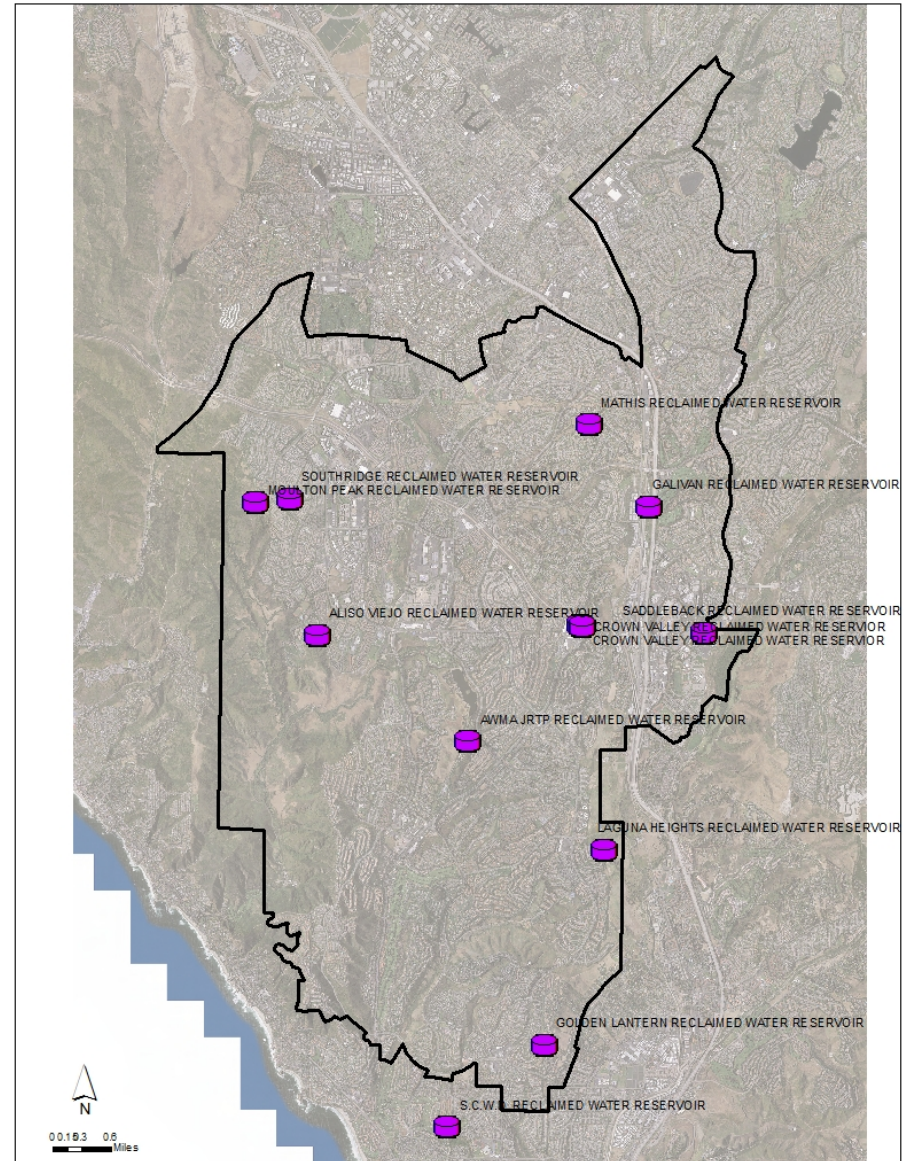
Project Description: Recoat the interior and exterior of steel reservoirs in the recycled system.

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	\$100,000
CEQA Compliance	Exempt
Construction Contract	\$2,240,000
Inspection	\$300,000
Total Project Budget	\$2,640,000



Recycled Water Optimization Study (RWOS) – Recycled Water Retrofits Program

Project No: Annual Program

System: Recycled

Fund: 6

Project Location: Various

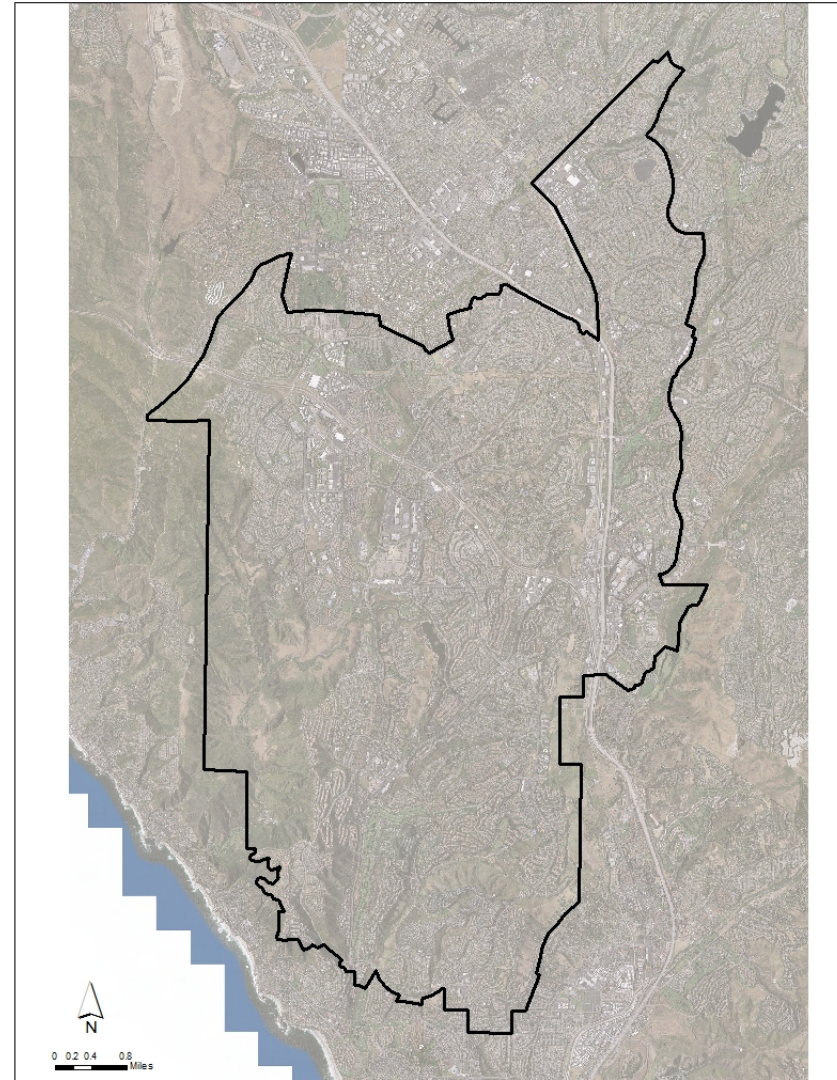
Project Description: Install recycled water service connection and irrigation pumps.

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	\$3,670,000
Inspection	\$750,000
Total Project Budget	\$4,770,000



Service Line Replacement Program – RW

Project No: Annual Program

System: Recycled

Fund: 7

Project Location: Various

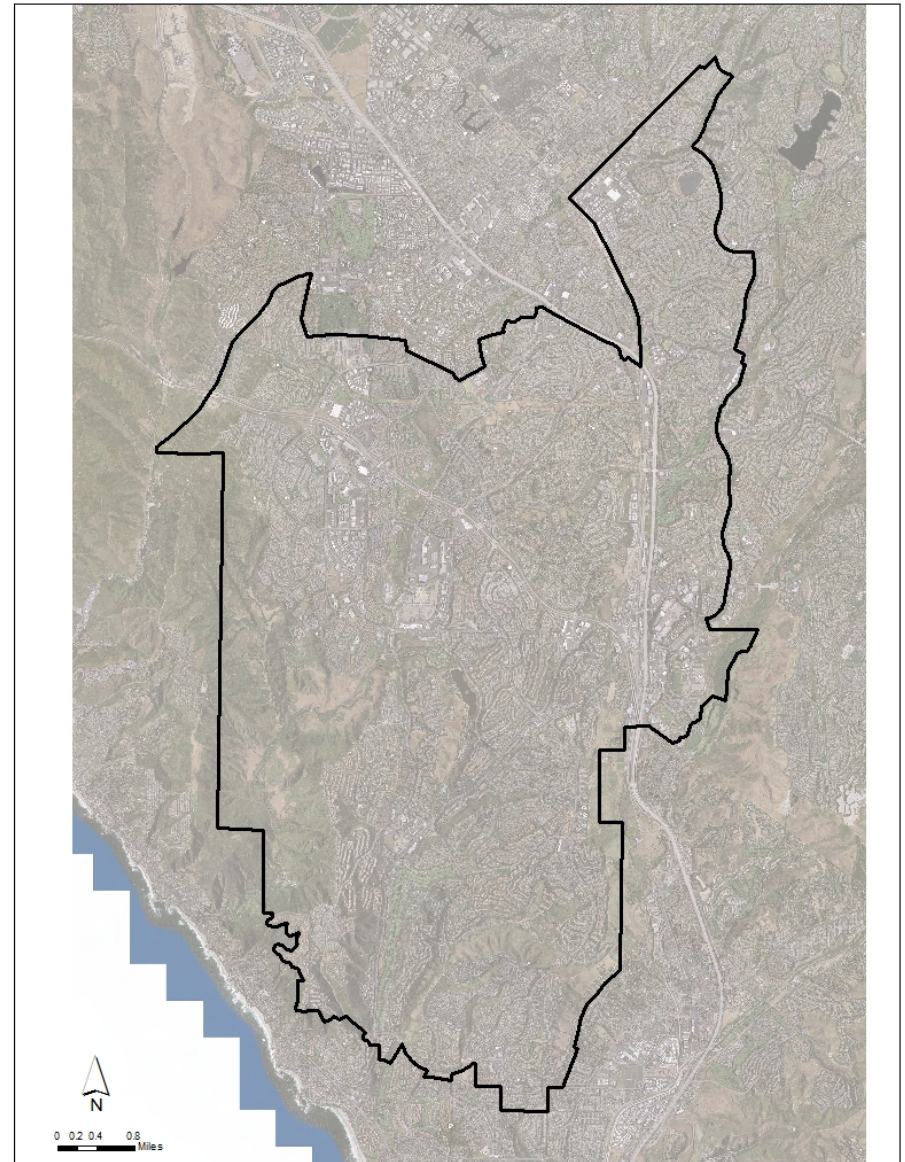
Project Description: Replace existing service lines.

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 Contract	\$360,000
Construction by District	\$270,000
Total Project Budget	\$630,000



Valve Replacement Program – RW

Project No: Annual Program

System: Recycled

Fund: 7

Project Location: Various

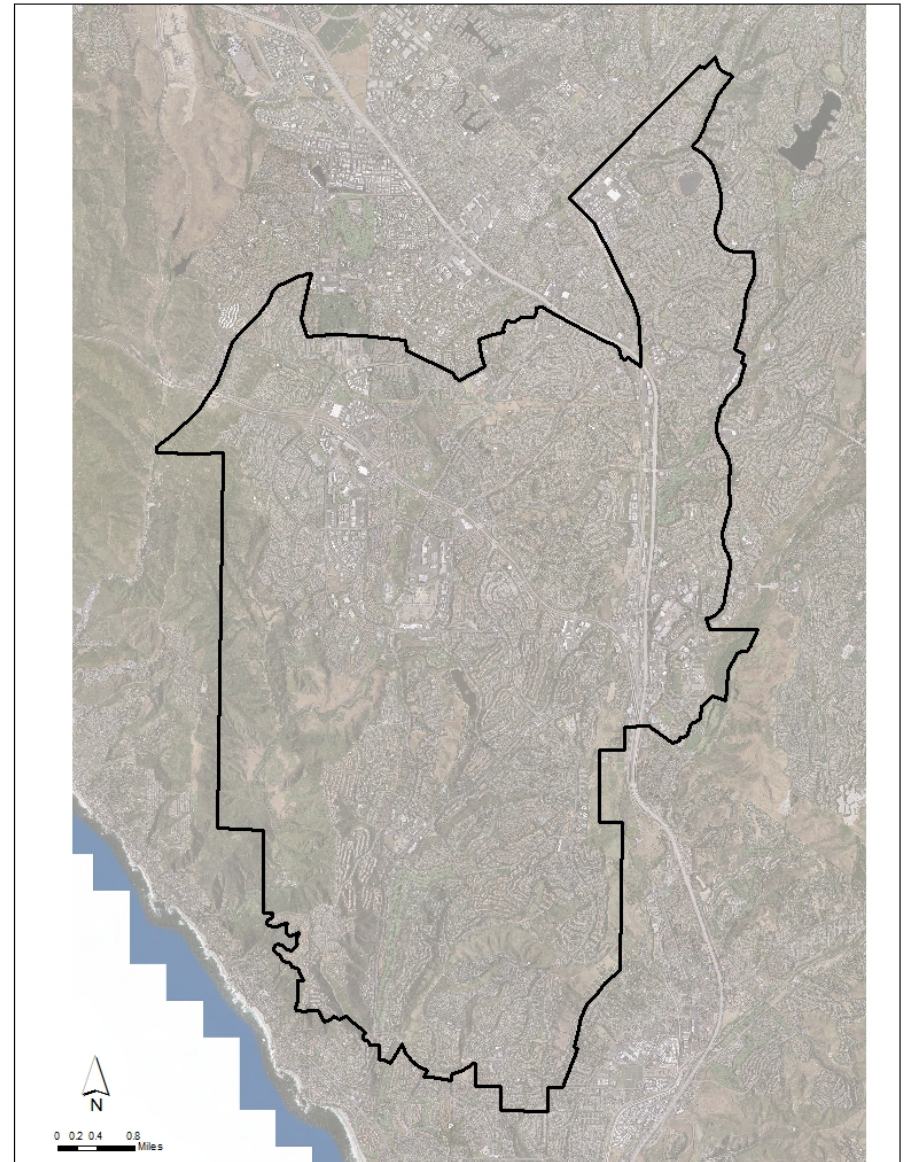
Project Description: Replace pipeline valves.

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
CEQA Compliance	Exempt
Construction Contract	\$1,125,000
Construction by District	\$1,125,000
Total Project Budget	\$2,250,000



Vertical Assets Rehabilitation and Replacement Program – RW

Project No: Annual Program

System: Recycled

Fund: 7

Project Location: Various

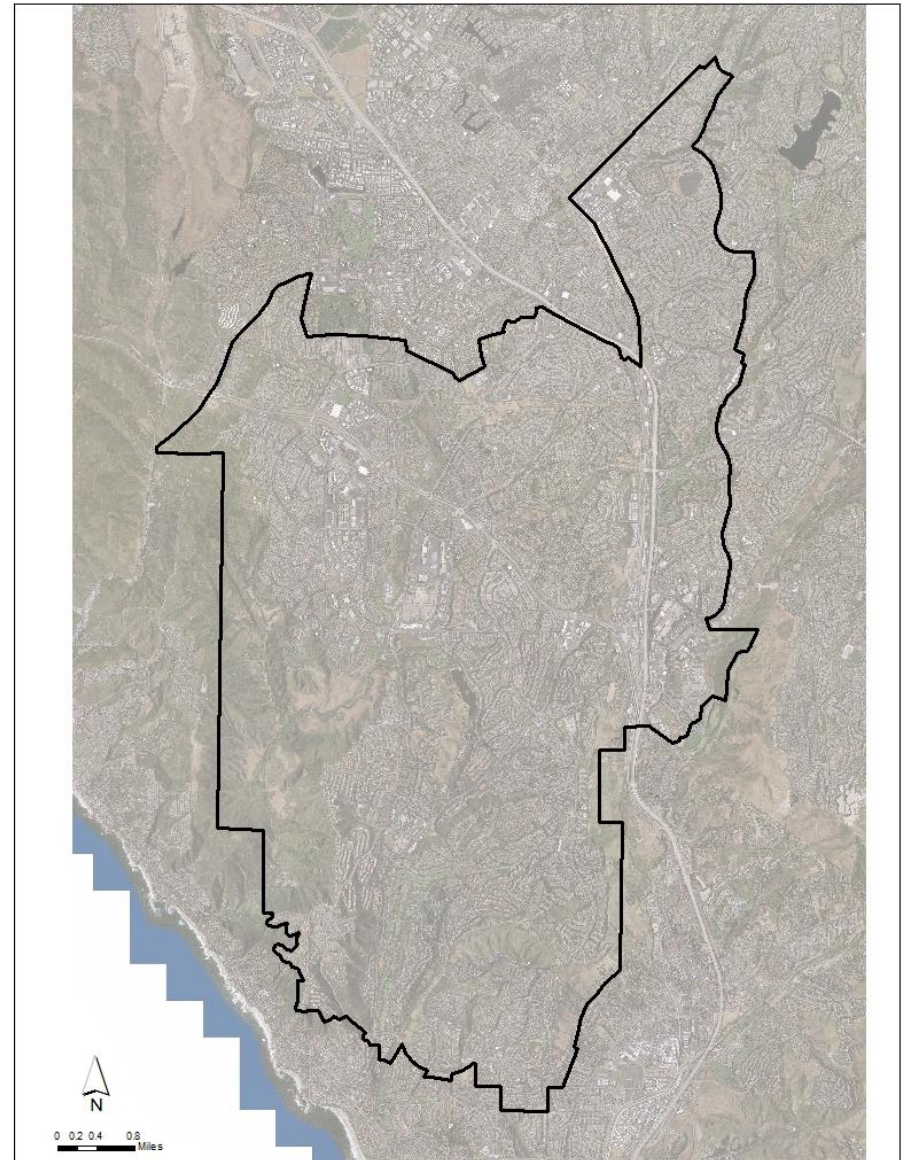
Project Description: Rehabilitate or replace structures and equipment at pump station and pressure reducing stations that have reached the end of their useful lives. An analysis was performed by staff to prioritize the methodical rehabilitation or replacement of vertical assets within the recycled water 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	\$1,400,000
CEQA Compliance	Exempt
Construction Contract	\$11,000,000
Inspection/Other	\$1,400,000
Total Project Budget	\$13,800,000



Improvements at Galivan and Aliso Viejo RW Pump Stations

Project No: 2021.015

System: Recycled

Fund: 7

Project Location: Galivan RW Pump Station, Mission Viejo; and Aliso Viejo RW Pump Station, Aliso Viejo

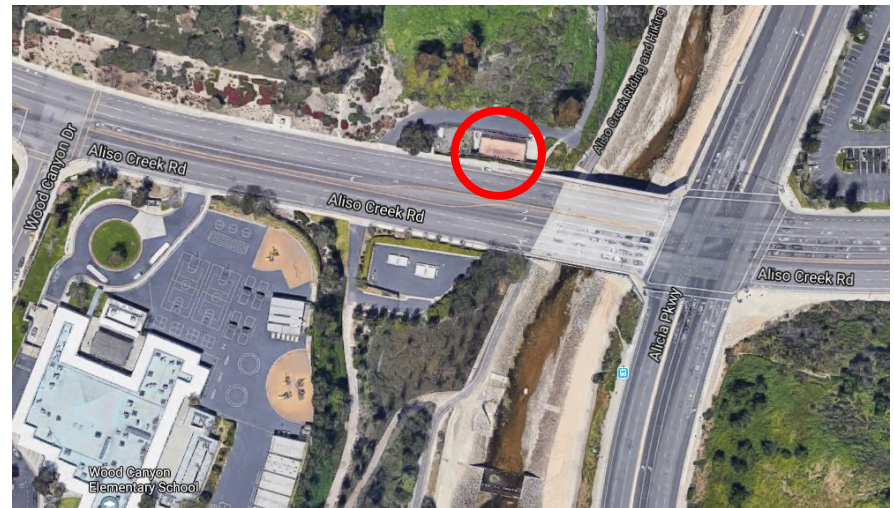
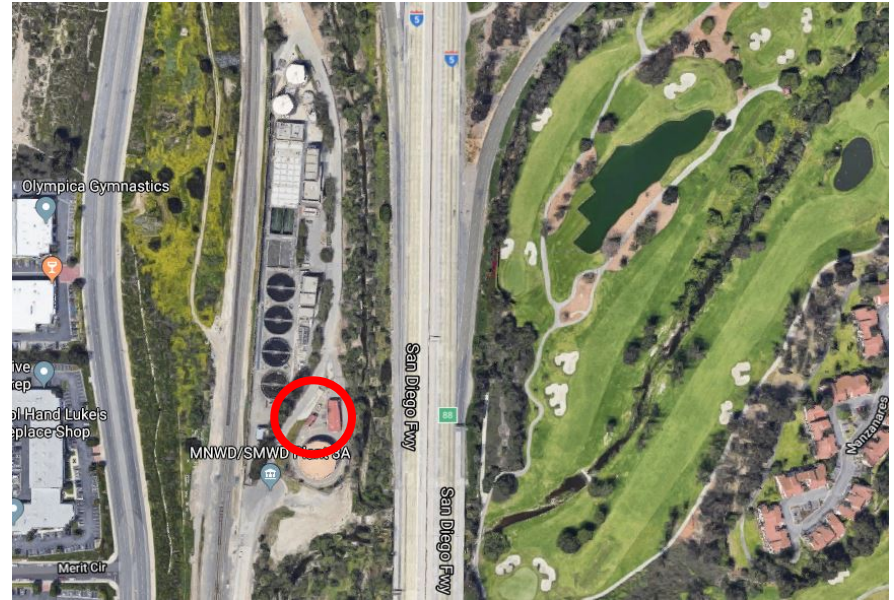
Project Description: Replace meter/main sections at both Galivan and Aliso Viejo Recycled Water Pump Stations.

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	\$100,000
CEQA Compliance	Exempt
Construction Contract	\$450,000
Inspection/Utility Fees/Other	\$50,000
Total Project Budget	\$600,000



Crown Point Pump Station Pump Replacement and VFD Installation

Project No: TBD

System: Recycled

Fund: 7

Project Location: Crown Point Pump Station, Laguna Niguel

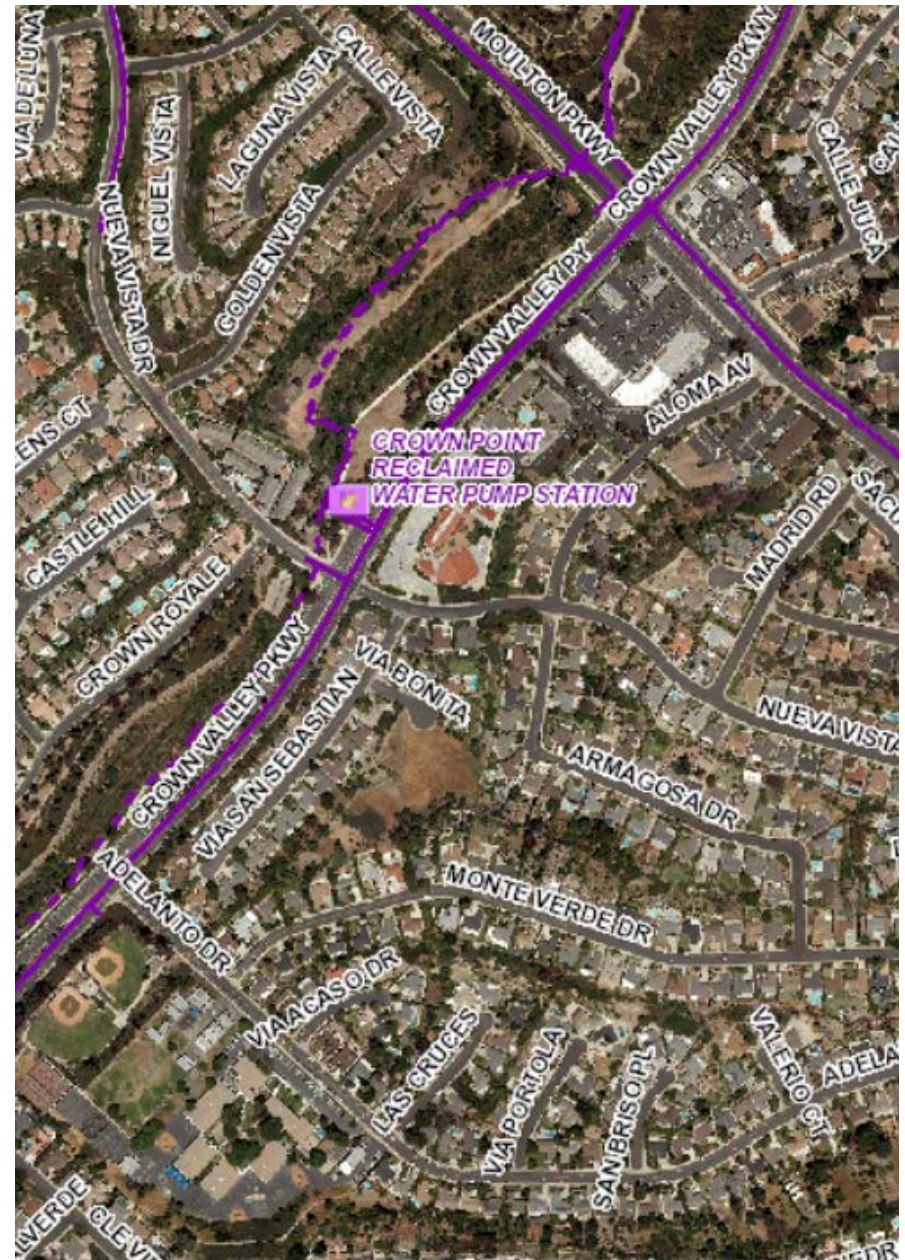
Project Description: Replace two existing pumps and associated 100 HP motors, select piping, and valves. Additionally, the motors will be equipped with variable frequency drives (VFDs). A hydraulic analysis using District's recycled water model may be required to verify final design.

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



Electrical System Improvements Phase 3 – RW

Project No: TBD

System: Recycled

Fund: 7

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 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



Galivan Bypass Improvements

Project No: TBD

System: Recycled

Fund: 14

Project Location: Galivan RW Pump Station, Mission Viejo

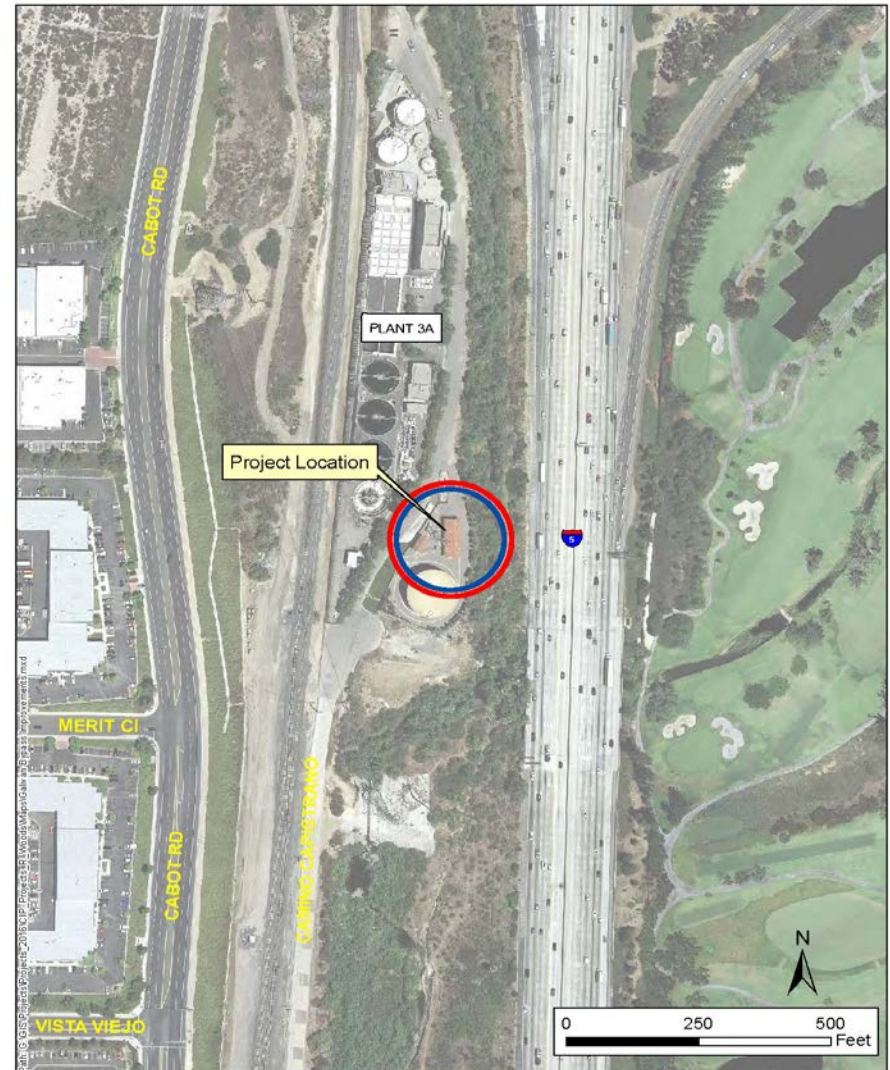
Project Description: This project will upsize the existing 3-inch diameter bypass line and existing hydraulically controlled pressure reducing valve inside the station; also, installation of isolation valves near the property line.

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
CEQA Compliance	Exempt
Construction Contract	\$200,000
Inspection/Other	\$25,000
Total Project Budget	\$225,000



Laguna Niguel Regional Park RW Meter Vault Reconfiguration

Project No: TBD

System: Recycled

Fund: 7

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



Oakgrove Drive RW Pipeline Replacement

Project No: TBD

System: Recycled

Fund: 7

Project Location: Oakgrove Drive, Aliso Viejo

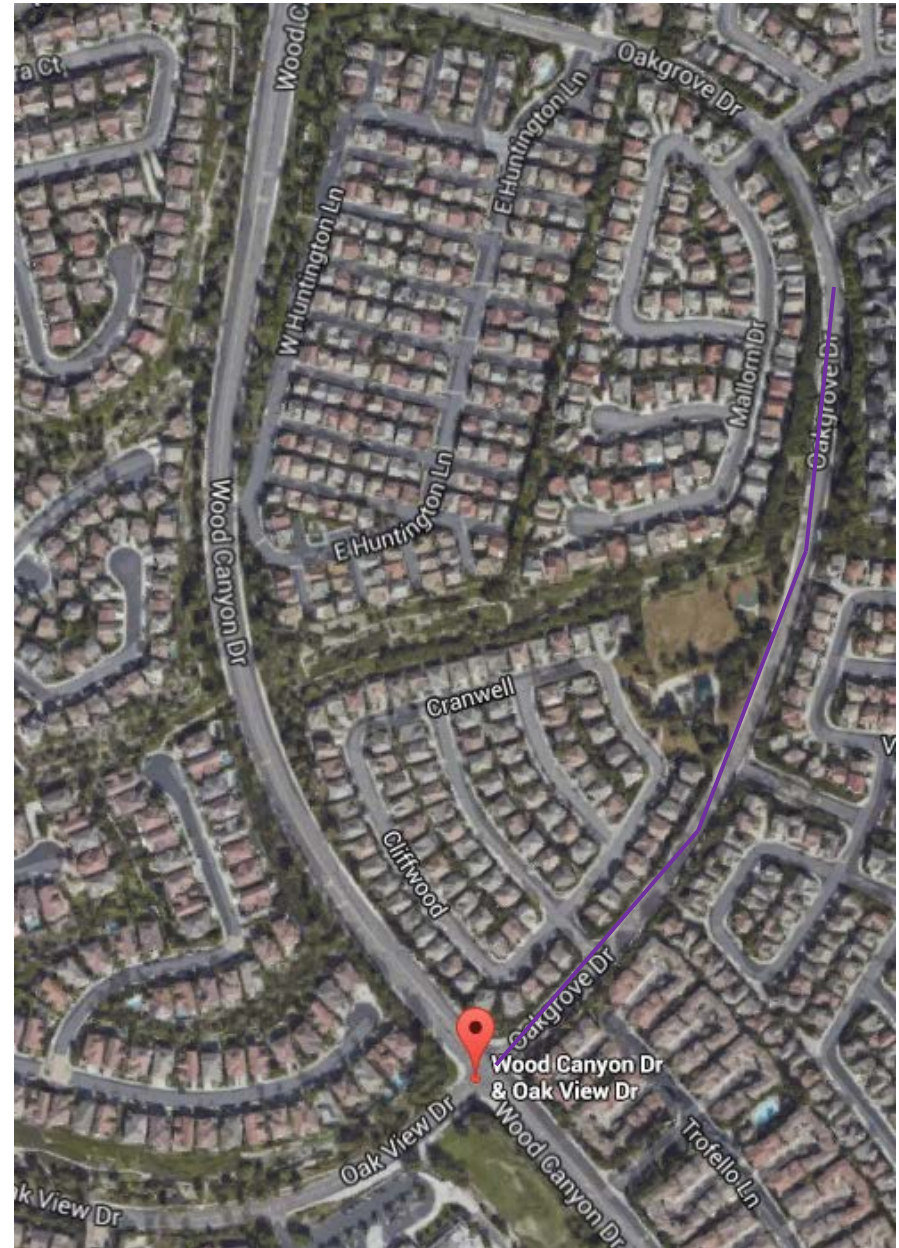
Project Description: The project will remove and replace approximately 1,500 feet of 8-inch diameter ductile iron recycled water main pipeline. An electrical main is near the current alignment, which will likely require the pipeline to be replaced in a new alignment. The project will also replace all valves along the pipeline.

Project Need: The pipeline has a history of repairs.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$100,000
CEQA Compliance	Exempt
Construction Contract	\$660,000
Inspection/Other	\$25,000
Total Project Budget	\$785,000



Rehabilitation of 20-Inch Recycled Water Main to Laguna Heights Reservoir

Project No: TBD

System: Recycled

Fund: 7

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



RW Reservoir Drainage Improvements at 3 Sites

Project No: TBD

System: Recycled

Fund: 7

Project Location: Golden Lantern RW Reservoir; Laguna Heights RW Reservoir; Saddleback RW Reservoir

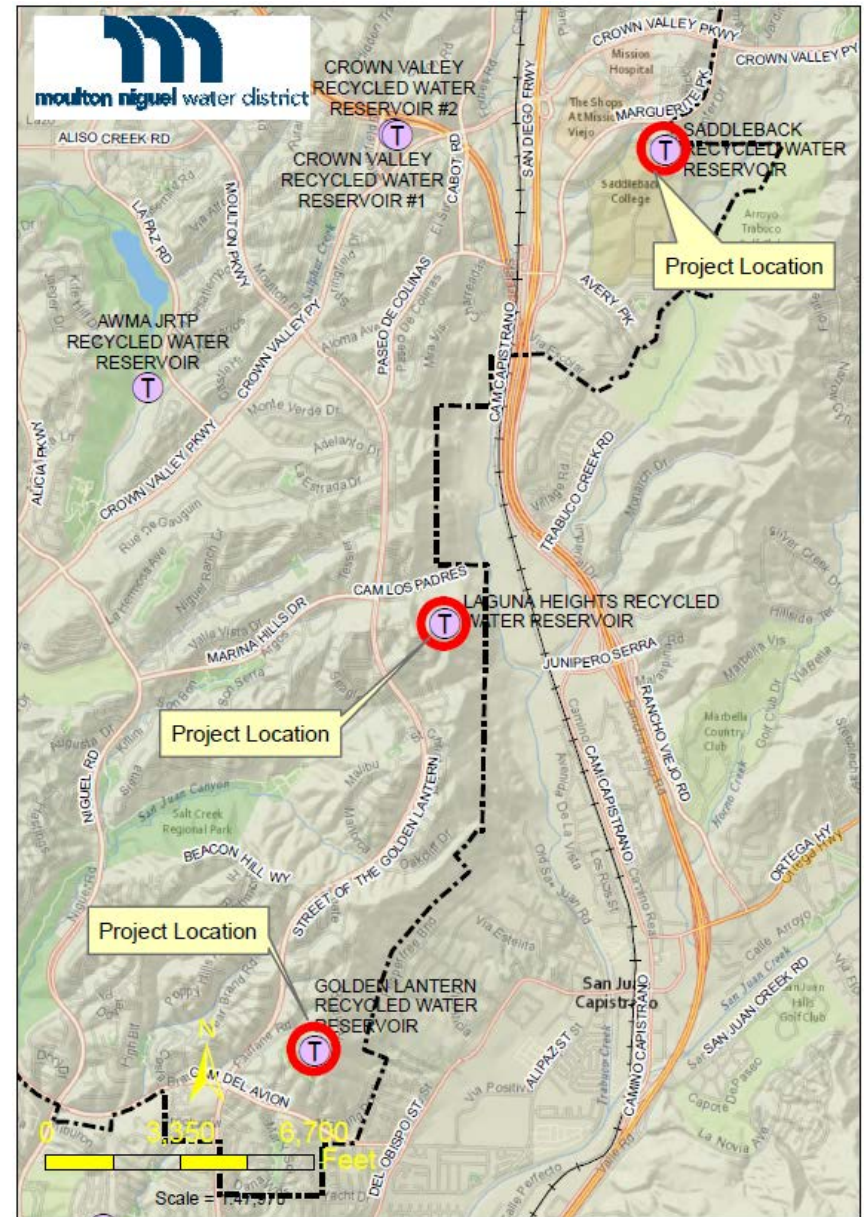
Project Description: Golden Lantern: Construct approximately 500 feet of 8-inch diameter drain pipe to an 8-inch sanitary sewer main on Point Catalina. Laguna Heights: Construct approximately 200 feet of 12-inch diameter drain pipe to a sanitary sewer manhole on Knob Hill Rd. Saddleback: Acquire new 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



Recycled Water Optimization Study (RWOS) – RW Main Replacement from Cabot Road to Galivan PS

Project No: TBD

System: Recycled

Fund: 6

Project Location: Mission Viejo

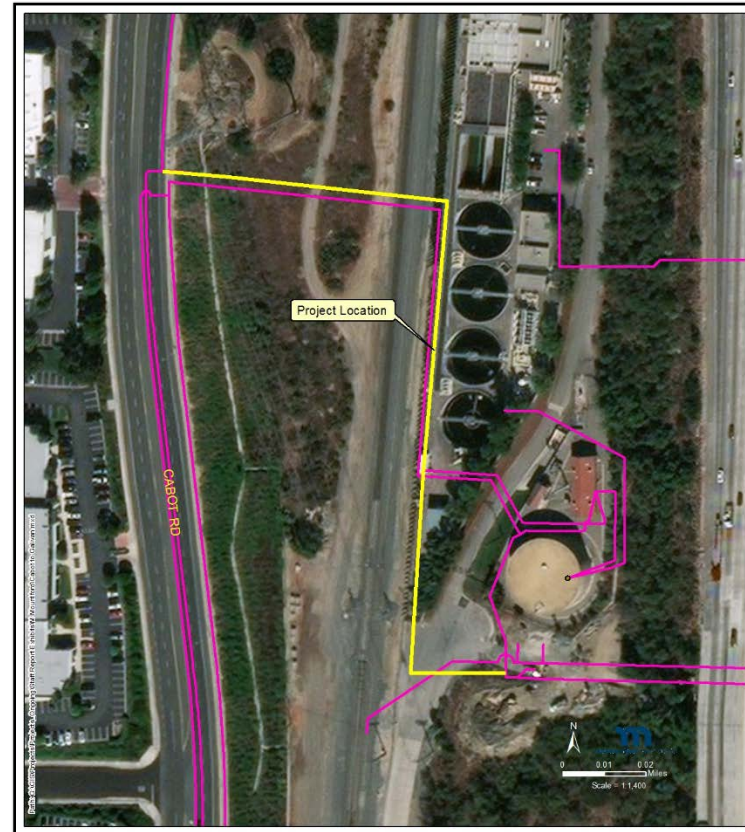
Project Description: Rehabilitate existing abandoned 20-inch diameter force main from Cabot Road to 3A treatment plant. Install approximately 800 feet of new 20-inch diameter RW pipeline.

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



Recycled Water Optimization Study (RWOS) – RW Main Replacement from Crown Valley Reservoir to Cabot Road

Project No: TBD

System: Recycled

Fund: 6

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



Recycled Water Optimization Study (RWOS) – RW Main Replacement from Galivan PS to La Paz PS

Project No: TBD

System: Recycled

Fund: 7

Project Location: Mission Viejo

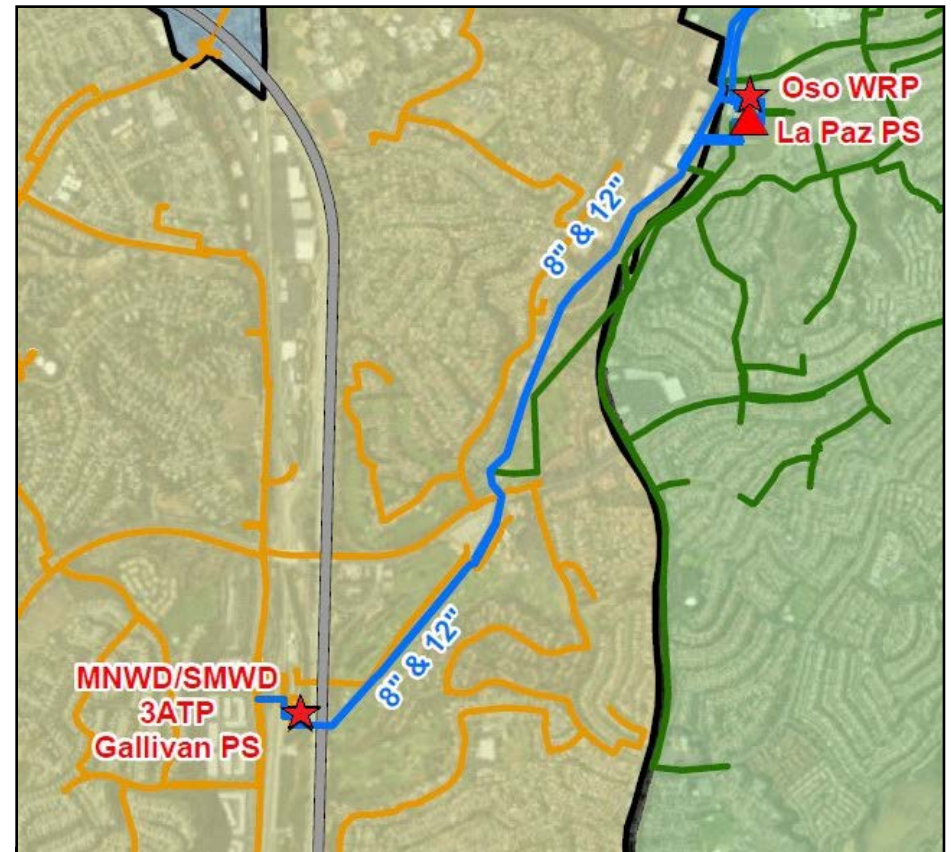
Project Description: The project will replace approximately 11,000 feet of existing 8-inch and 12-inch diameter RW pipelines with a new 24-inch pipeline. This includes pipelines within Santa Margarita Water District's Zone B La Paz Pump Station. Due to the alignment of the pipelines, significant habitat protection and landscape restoration will be required.

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	\$1,500,000
CEQA Compliance	\$500,000
Construction Contract	\$7,500,000
CM/Inspection/Permits/Other	\$1,500,000
Total Project Budget	\$11,000,000



2022-23 Meter Replacement – RW

Project No: TBD

System: Recycled

Fund: 7

Project Location: Various

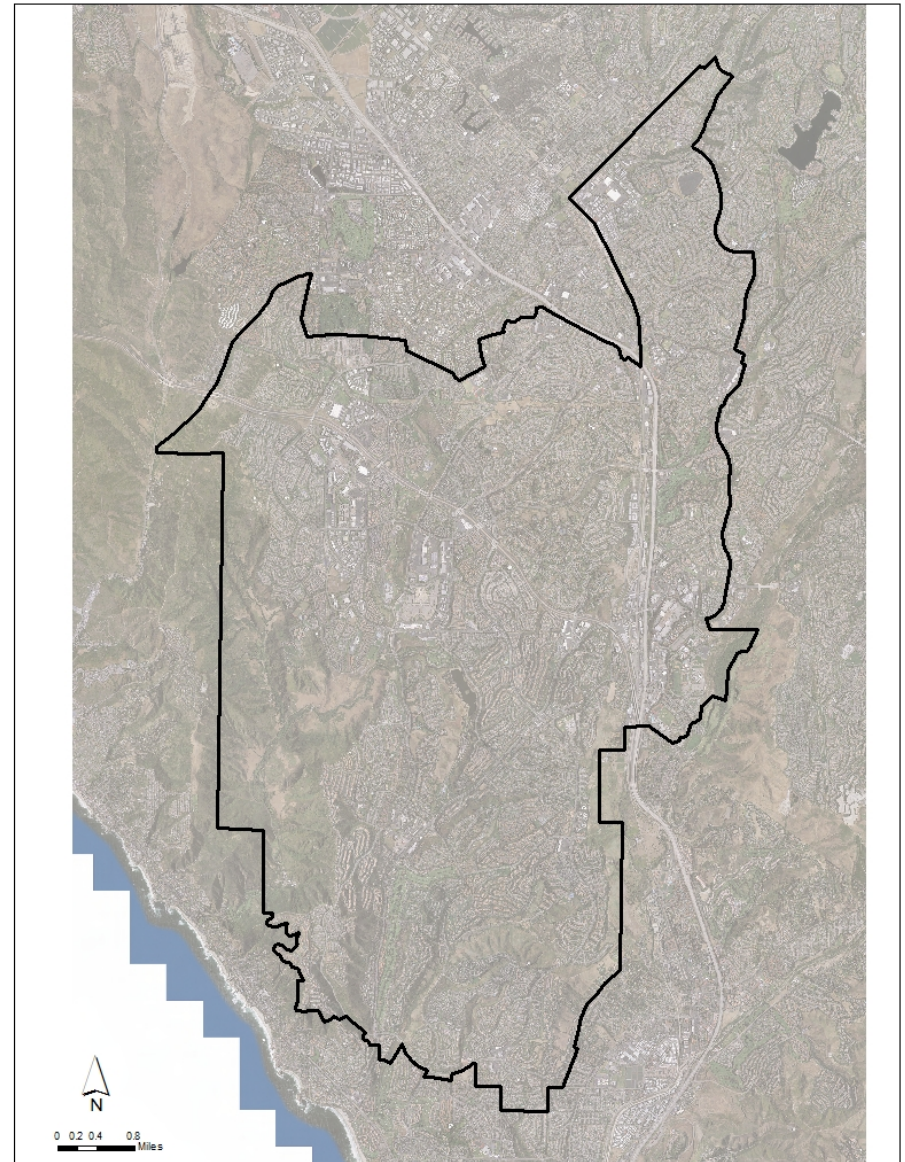
Project Description: Replace existing recycled water meters.

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 by District	\$125,000
Total Project Budget	\$125,000



2022-23 Operations-Led Capital Improvements – RW

Project No: 2022.200

System: Recycled

Fund: 7

Project Location: Various

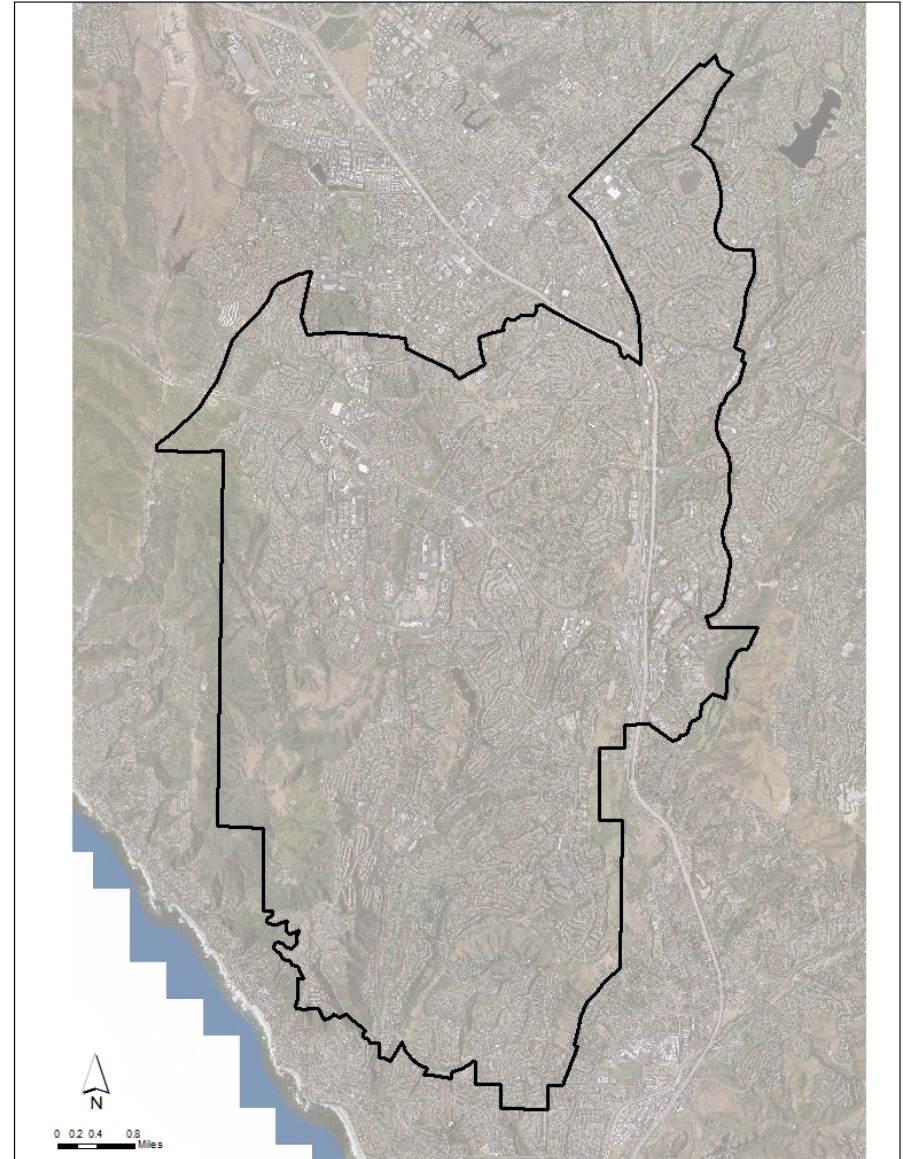
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, 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	\$200,000
Total Project Budget	\$200,000



2022-23 Pressure Reducing Station Rehabilitation – RW

Project No: TBD
System: Recycled
Fund: 7

Project Location: Los Alisos PRS, Mission Viejo

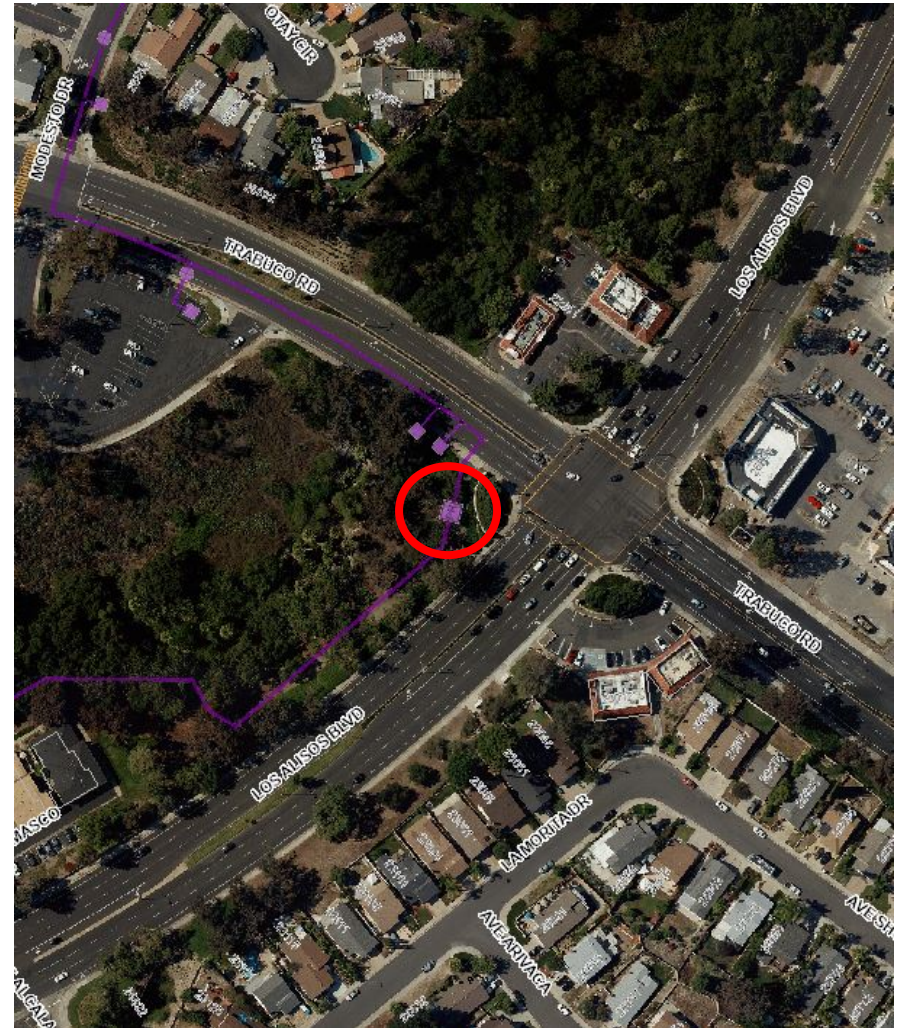
Project Description: Rehabilitate the structure as required and replace the pressure reducing station valves, mechanical equipment and appurtenances that have reached the end of their useful lives.

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	\$25,000
CEQA Compliance	Exempt
Construction Contract	\$70,000
Legal/Permits/Other	\$5,000
Total Project Budget	\$100,000



2022-23 Recycled Water Retrofits

Project No: TBD

System: Recycled

Fund: 6

Project Location: Various

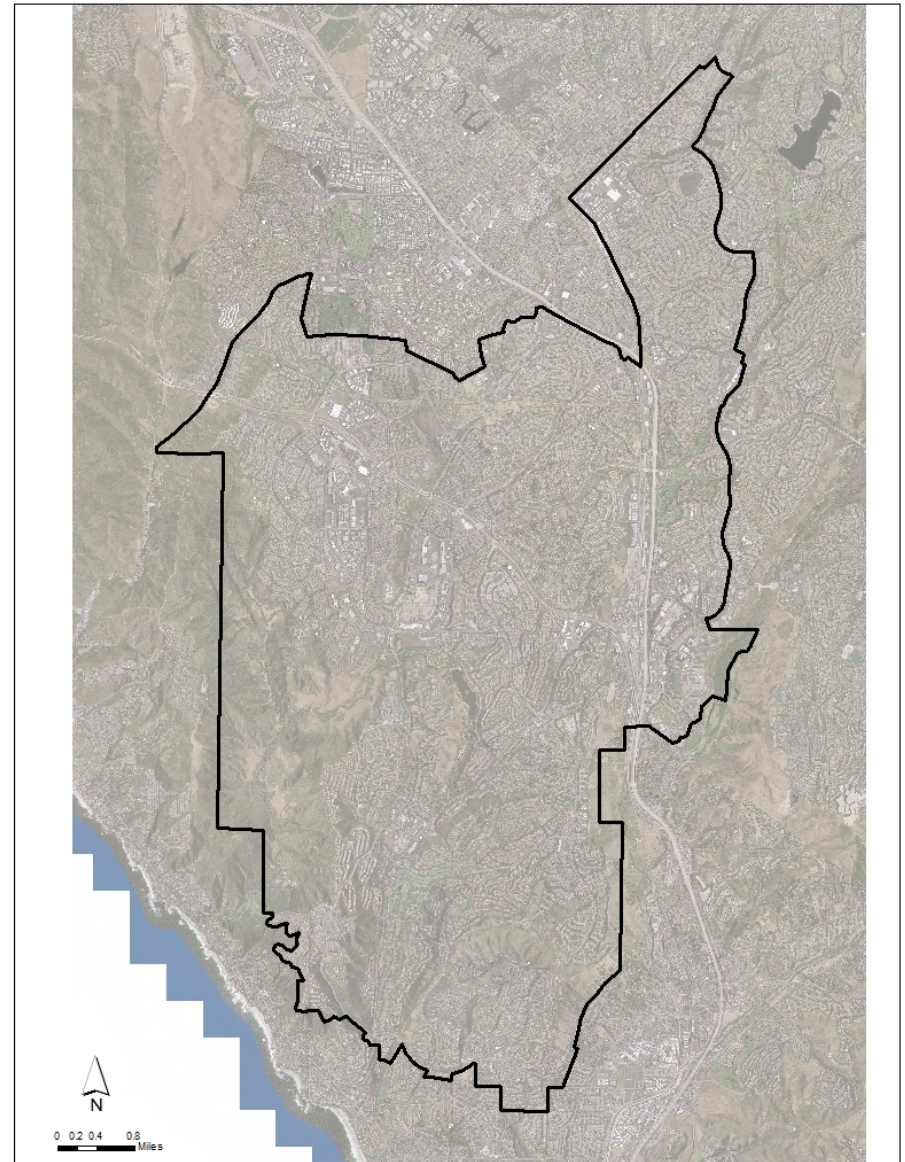
Project Description: Install recycled water service connections and irrigation pumps.

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



2022-23 Service Line Replacement – RW

Project No: TBD
System: Recycled
Fund: 7

Project Location: Various

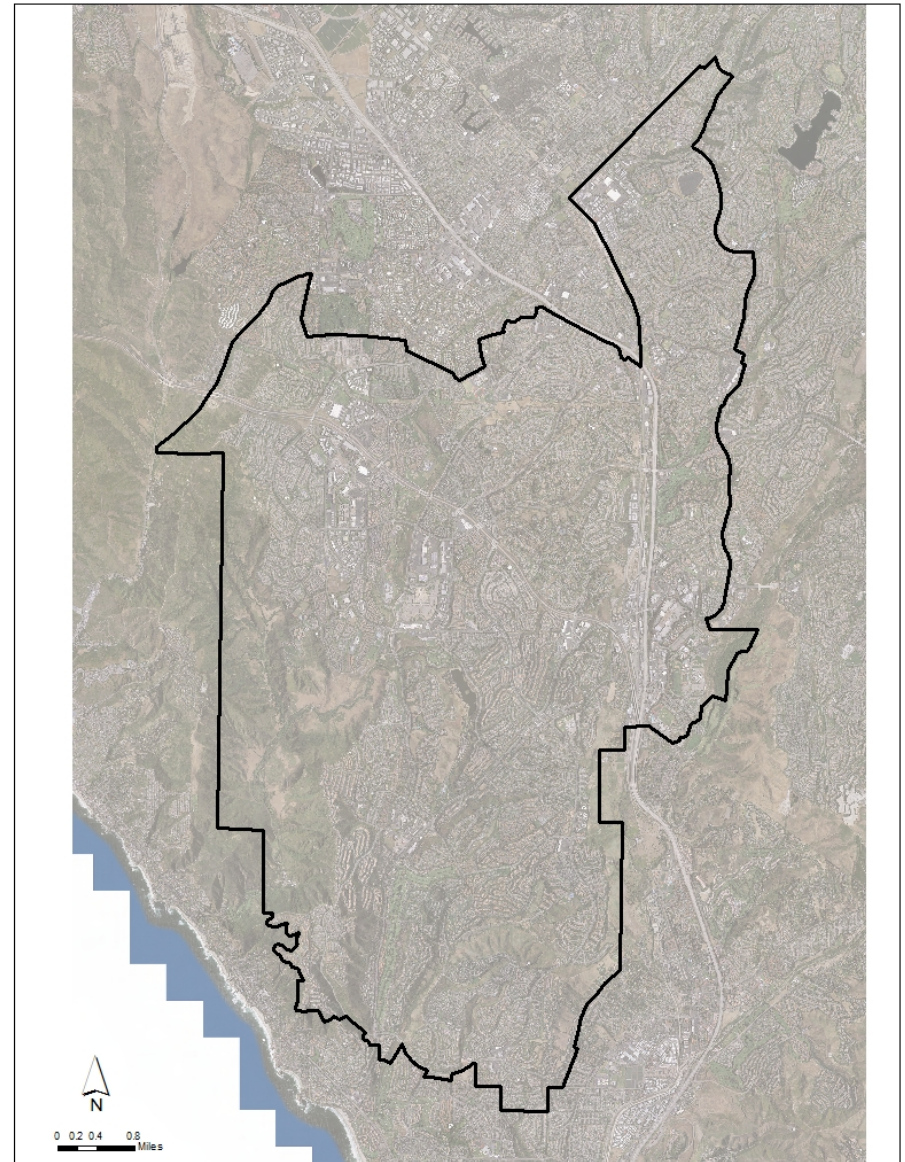
Project Description: Replace existing service lines.

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 Contract	\$40,000
Construction by District	\$30,000
Total Project Budget	\$70,000



2022-23 Valve Replacement – RW

Project No: TBD
System: Recycled
Fund: 7

Project Location: Various

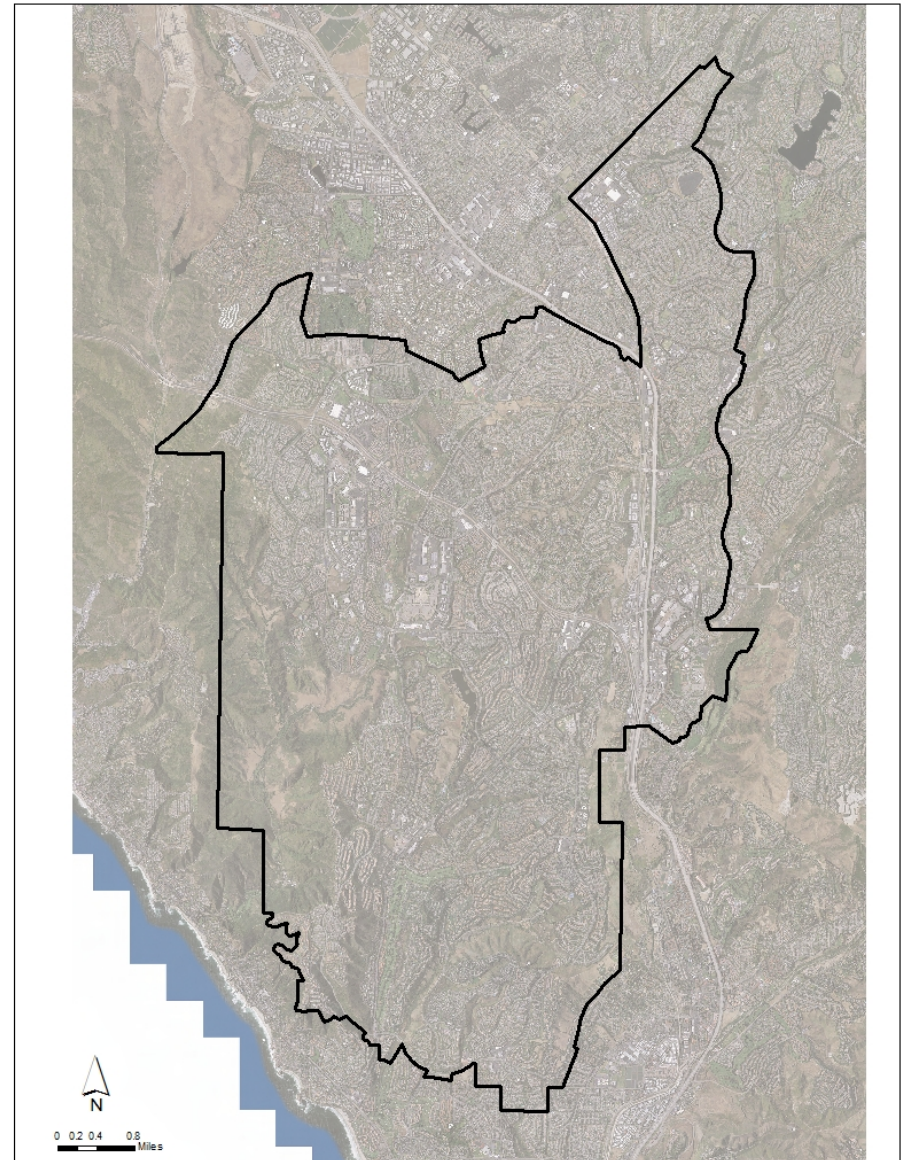
Project Description: Replace existing pipeline valves.

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 will replace critical valves that are prioritized to reduce the quantity of customers required to be taken out of service during future pipeline repair and connections.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	\$125,000
Construction by District	\$125,000
Total Project Budget	\$250,000



Upper Salada Lift Station Auxiliary Generator Replacement

Project No: 2012.024

System: Wastewater

Fund: 7

Project Location: Upper Salada Lift Station, Laguna Niguel

Project Description: Replace the existing natural gas generator with an AQMD compliant auxiliary standby diesel generator, including site improvements 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 auxiliary 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	\$225,000
CEQA Compliance	Exempt
Geotechnical	\$10,000
Construction Contract	\$956,318
Specialty Inspection	\$50,000
Inspection/Other	\$25,000
Total Project Budget	\$1,266,318



Valencia Lift Station Manhole Diversions

Project No: 2018.024

System: Wastewater

Fund: 7

Project Location: Valencia Lift Station, Laguna Hills

Project Description: Rehabilitate 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: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$25,000
CEQA Compliance	Exempt
Construction Contract	\$200,000
Inspection/Permits/Other	\$25,000
Total Project Budget	\$250,000



Regional Lift Station Force Main Replacement

Project No: 2013.004

System: Wastewater

Fund: 7

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 dual 24-inch diameter PVC force mains using a combination of open cut and trenchless methods. 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 main as a supplemental effluent transmission main for the Regional Treatment Plant, including connection to the existing Effluent Transmission Main at Alicia Parkway. Extensive environmental permitting will be required.

Project Need: The existing force mains are constructed of a material that is due for replacement.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$1,250,000
Construction Contract	\$15,250,000
CM, Inspection, & CEQA Compliance	\$2,500,000
Legal/Permits/Other	\$200,000
Total Project Budget	\$19,200,000



Lower Salada Lift Station Force Main Replacement

Project No: 2013.005

System: Wastewater

Fund: 7

Project Location: Crown Valley Parkway, Laguna Niguel

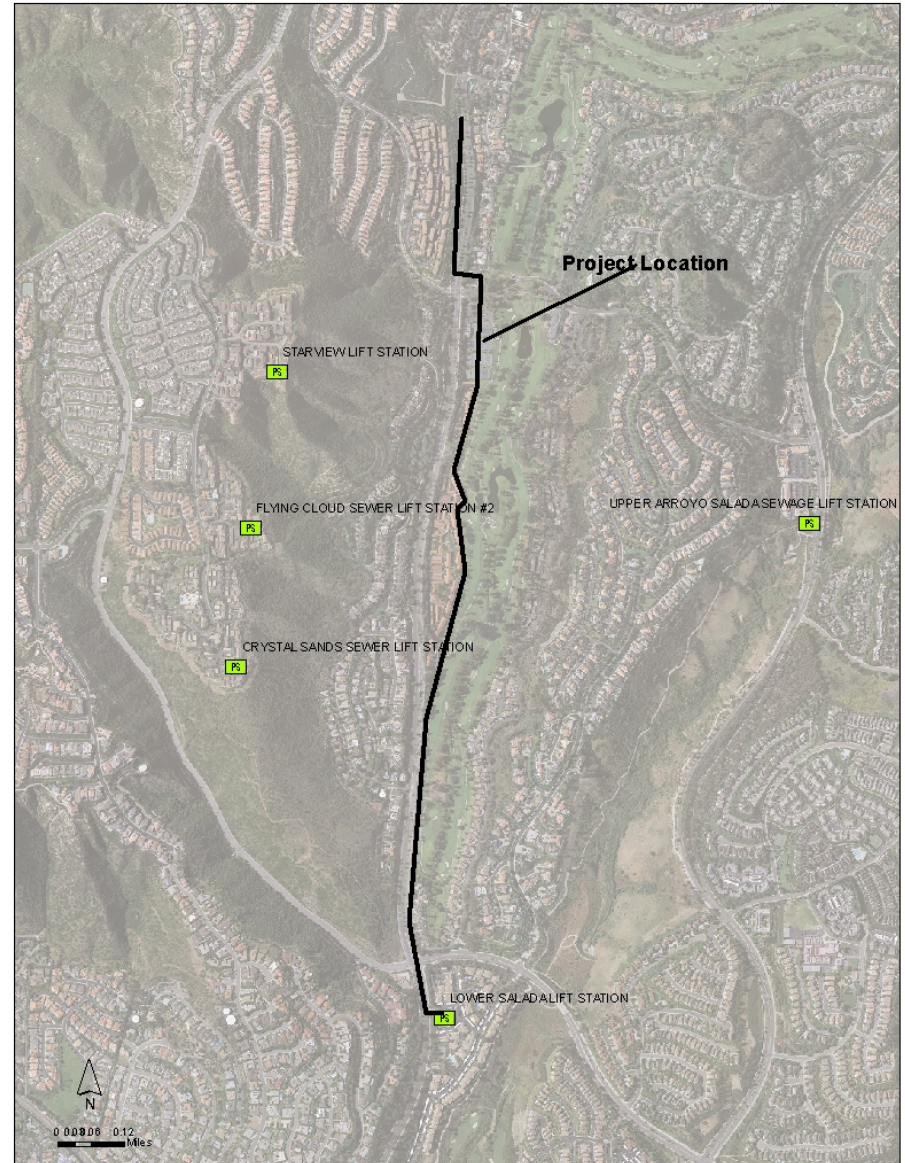
Project Description: Abandon the existing 12-inch diameter asbestos cement force main and construct a new force main in Crown Valley Parkway. Approximate length of new force main is 9,300 feet.

Project Need: The existing force main is beyond its useful life and needs to be reconstructed.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Preliminary Design	\$50,000
Design	\$350,000
CEQA Compliance	\$50,000
Construction Contract	\$8,000,000
Inspection/Other	\$750,000
Total Project Budget	\$9,200,000



North Aliso Lift Station Reconstruction

Project No: 2019.007

System: Wastewater

Fund: 7

Project Location: North Aliso Lift Station, Mission Viejo

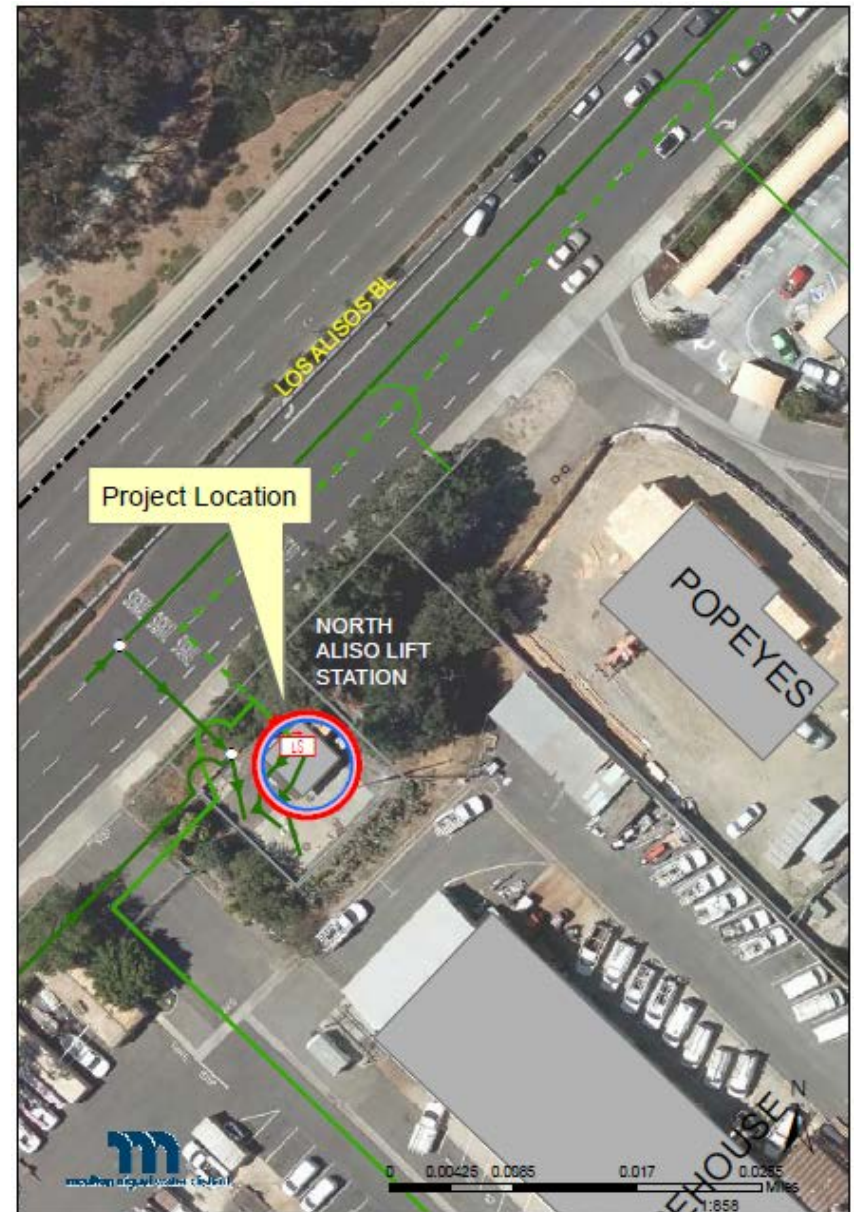
Project Description: Demolish and reconstruct the entire North Aliso Lift Station with a new adequately sized wet well with three (3) submersible pumps. The existing wet well will be repurposed as an overflow basin. The project will also include gravity sewer improvements, a new valve vault with flow meter, super oxygenation system, and an enclosed electrical room. The project will require an extensive bypass pumping system and a 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	\$5,000,000
CM and Specialty Inspection	\$450,000
Inspection/Other	\$50,000
Total Project Budget	\$6,000,000



Niguel West Sewer Lining

Project No: 2020.009

System: Wastewater

Fund: 7

Project Location: Niguel West, Laguna Niguel

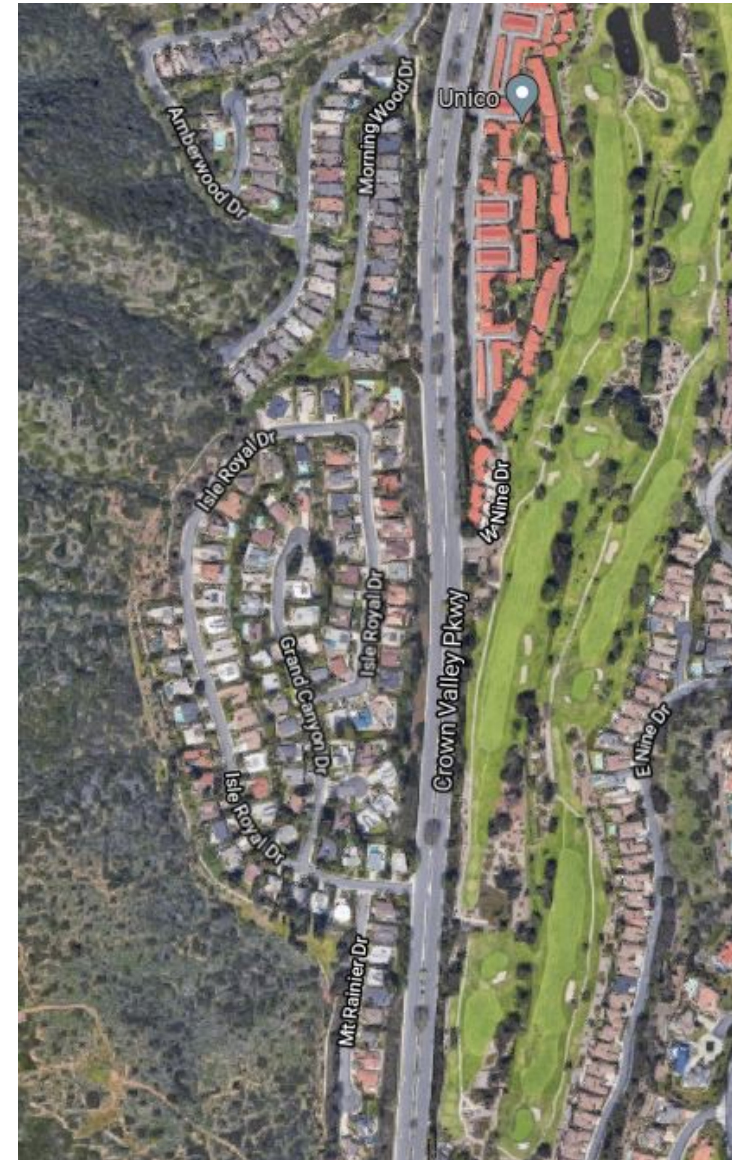
Project Description: Perform root and calcium encrustation removal, clean and install approximately 6,700 feet of cured-in-place pipe (CIPP) liner.

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: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$150,000
CEQA Compliance	Exempt
Construction Contract	\$1,200,000
Inspection/Other	\$150,000
Total Project Budget	\$1,500,000



Aliso Creek Lift Station Rehabilitation

Project No: 2021.011

System: Wastewater

Fund: 7

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: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$450,000
CEQA Compliance	Exempt
Construction Contract	\$3,000,000
CM and Specialty Inspection	\$400,000
Legal/Permit/Other	\$50,000
Total Project Budget	\$3,900,000



Manhole Rehabilitation Program

Project No: Annual Program

System: Wastewater

Fund: 7

Project Location: Various

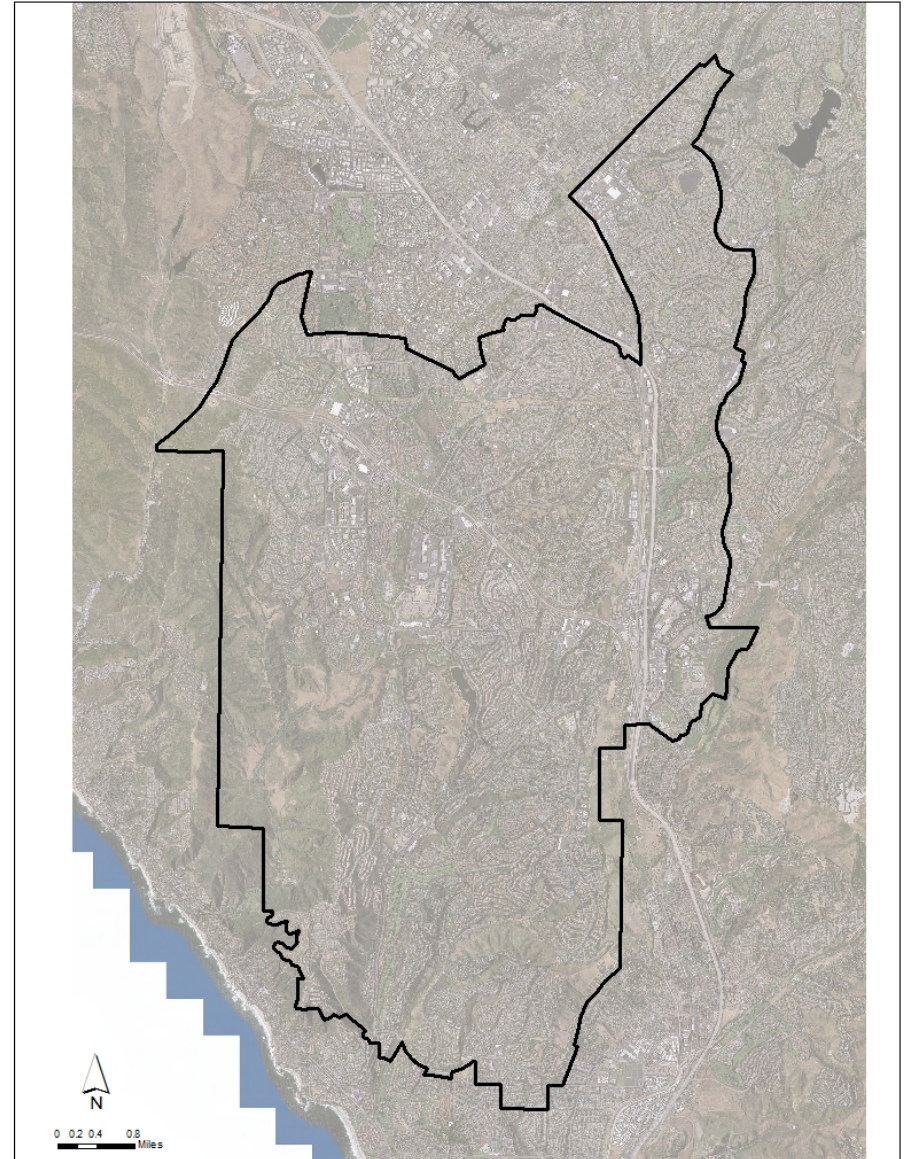
Project Description: Rehabilitate existing sewer manholes.

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	\$2,250,000
Total Project Budget	\$2,250,000



Operations-Led Capital Improvements – WW

Project No: Annual Program

System: Wastewater

Fund: 7

Project Location: Various

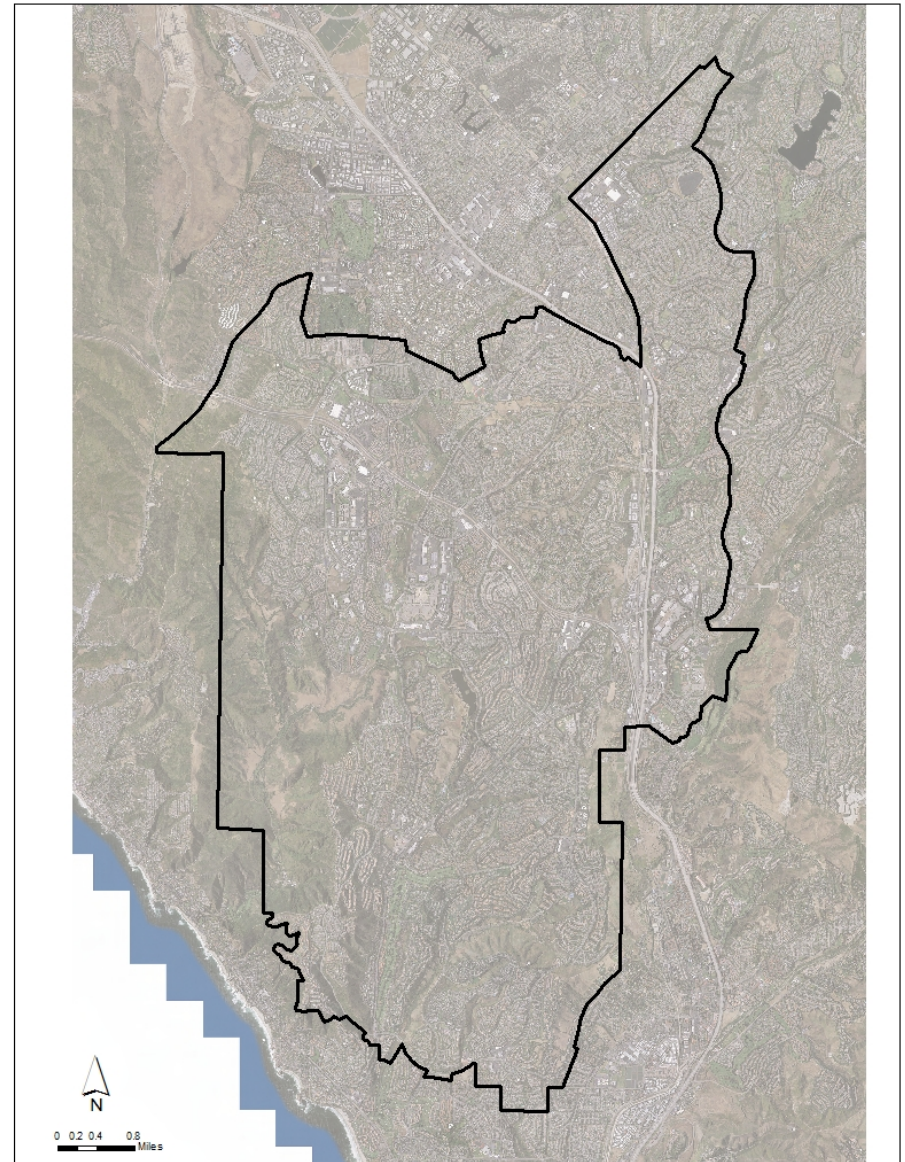
Project Description: This program covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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



Pipeline Rehabilitation and Replacement Program – WW

Project No: Annual Program

System: Wastewater

Fund: 7

Project Location: Various

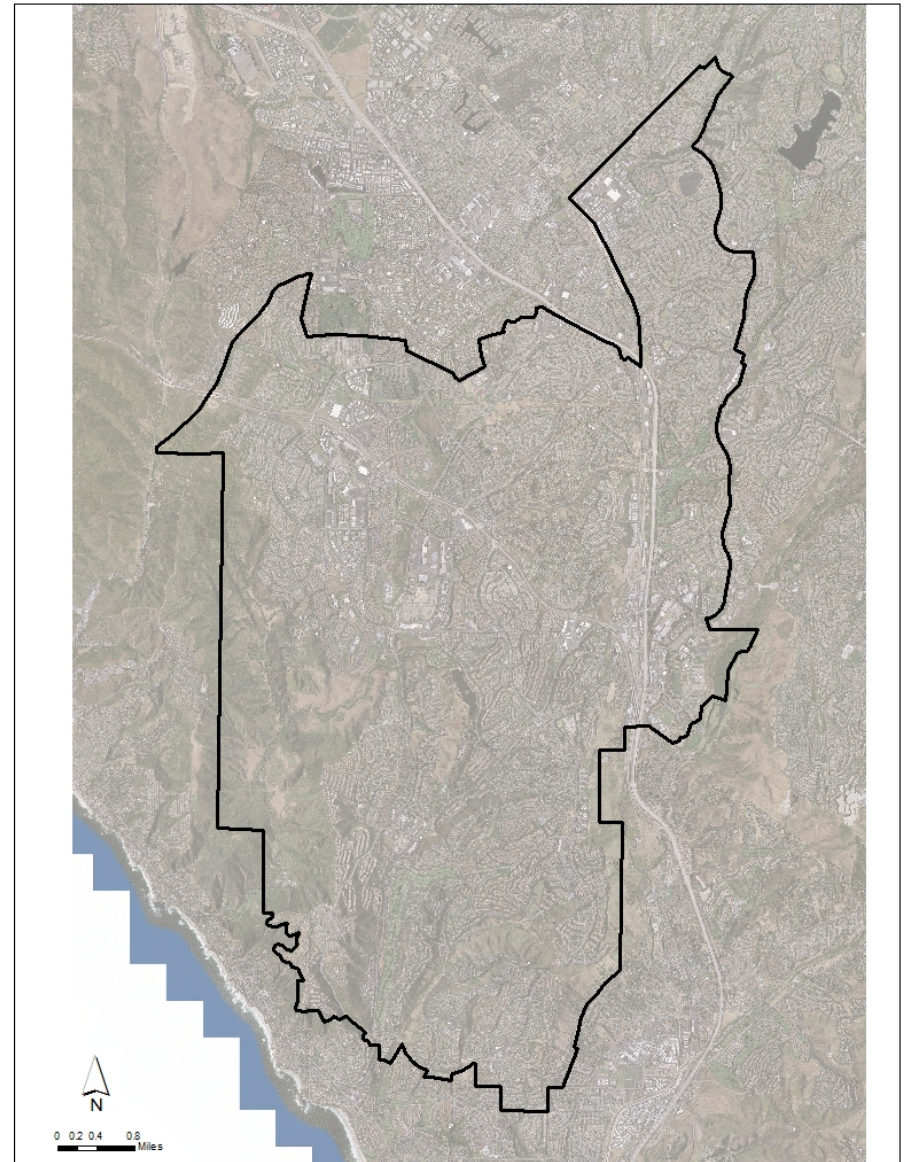
Project Description: Rehabilitate or replace pipelines that have reached the end of their useful lives. An analysis was performed using information contained in the District’s Geographic Information System (GIS) to prioritize wastewater pipelines for rehabilitation and replacement.

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	\$800,000
CEQA Compliance	Exempt
Construction Contract	\$6,700,000
Inspection/Other	\$500,000
Total Project Budget	\$8,000,000



Vertical Assets Rehabilitation and Replacement Program – WW

Project No: Annual Program

System: Wastewater

Fund: 7

Project Location: Various

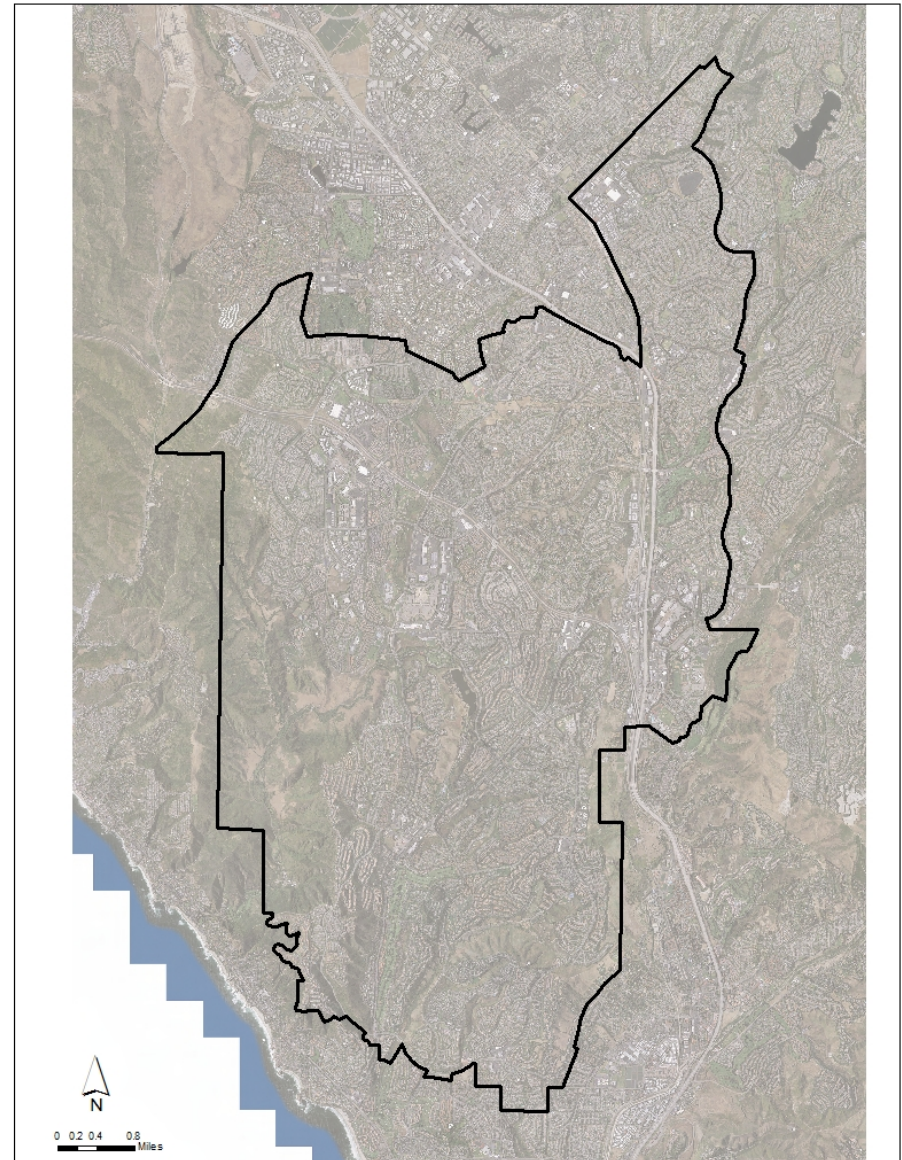
Project Description: Rehabilitate or replace structures and equipment at lift stations that have reached the end of their useful lives. An analysis was performed by staff to prioritize the methodical rehabilitation or replacement of vertical assets within the wastewater system.

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	\$5,600,000
CEQA Compliance	Exempt
Construction Contract	\$22,600,000
Inspection/Other	\$3,600,000
Total Project Budget	\$31,800,000



3A Outfall Line Valves

Project No: 2011.043

System: Wastewater

Fund: 14

Project Location: Along Camino Capistrano and outlining areas by Oso Creek, San Juan Capistrano

Project Description: Install isolation valves on the 3A outfall line.

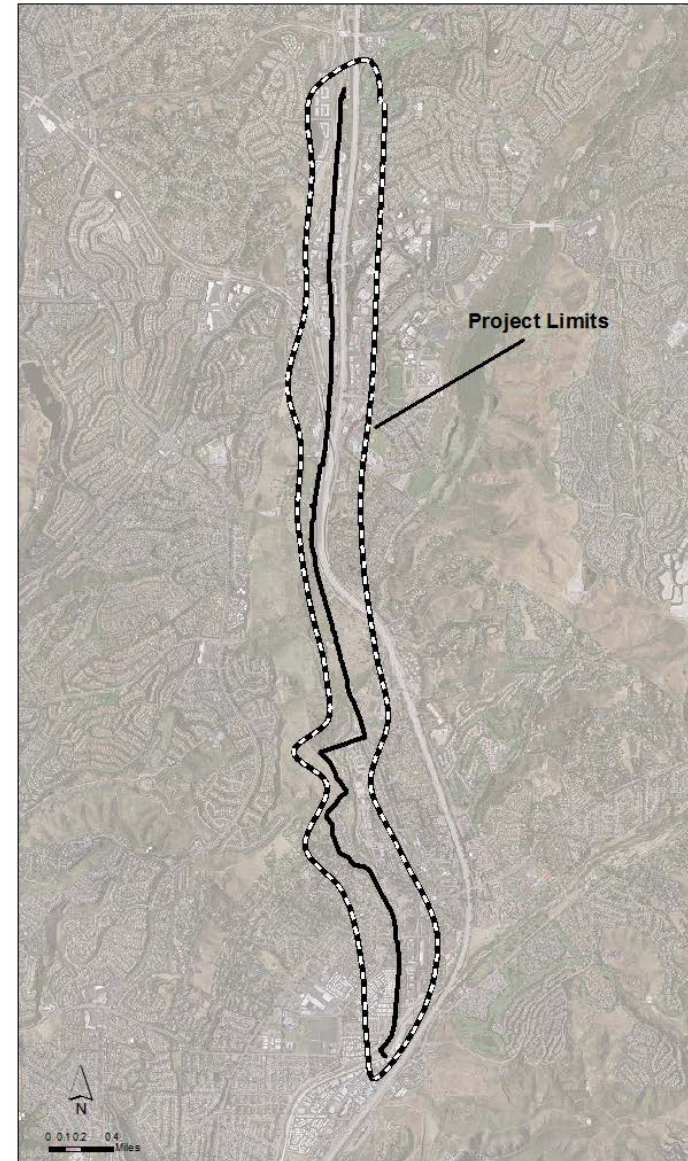
Project Need: The 3A outfall line was constructed as a feed line from San Juan Capistrano to Mission Viejo Lake. The District purchased the facility and changed its use from the intended design. Additional valves are proposed along this five mile reach to increase the number of isolation points and improve 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.



Upper Salada Lift Station Bypass Improvements

Project No: 2018.028

System: Wastewater

Fund: 7

Project Location: Upper Salada Lift Station, Laguna Niguel

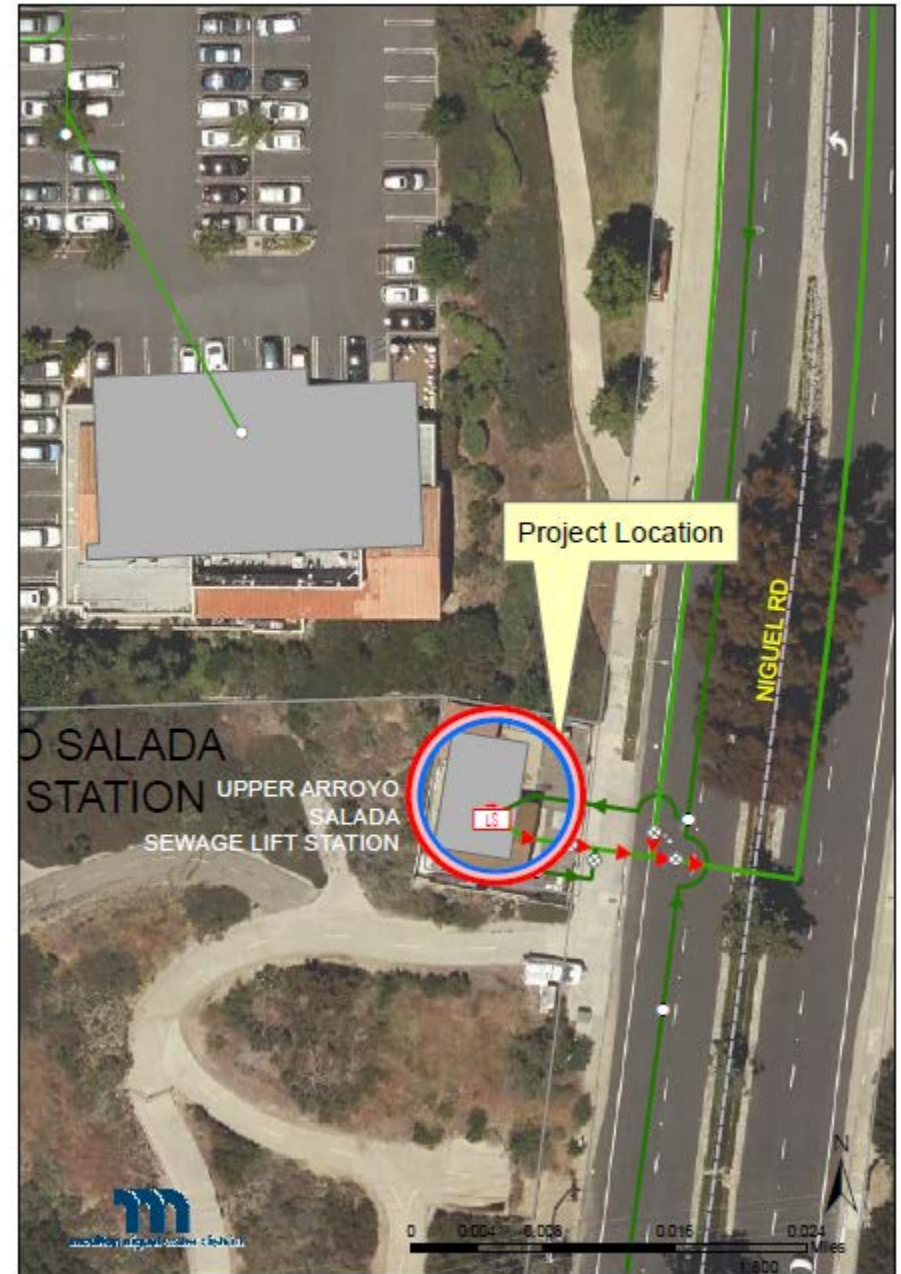
Project Description: Replace and reconfigure the existing flow meter and bypass connections for the sewer force main at the Upper Salada Lift Station, including a new flow meter, valves, and an independent connection to each of the two force main pipes within Niguel Road.

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 Design

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



Lift Station Ventilation Improvements

Project No: 2020.015

System: Wastewater

Fund: 7

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)

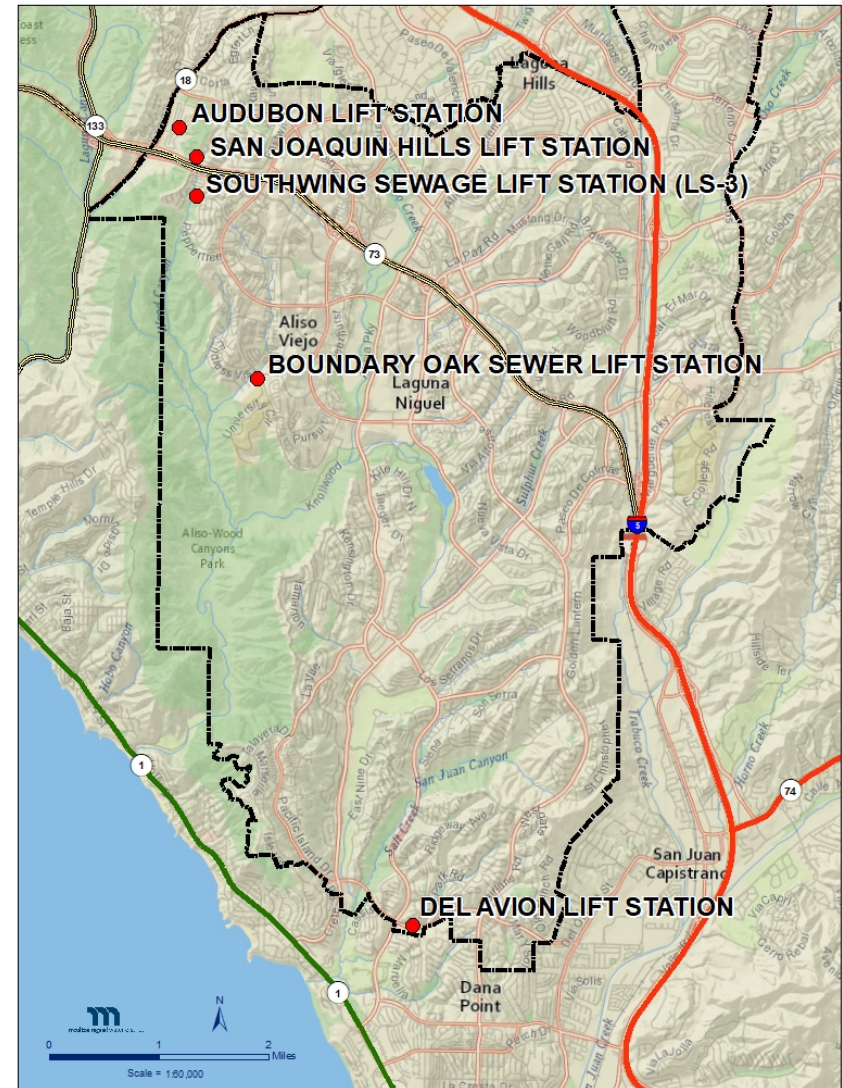
Project Description: Reconfigure and reconstruct the ventilation systems at five sewer lift stations to provide clean air and maintain safe atmospheric conditions within the equipment rooms of the sewage lift stations. New ductwork and ventilation fans are to be installed and configured with air intakes 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



3A Effluent Transmission Main (ETM) Creek Bank Stabilization

Project No: TBD

System: Wastewater

Fund: 7

Project Location: San Juan Capistrano

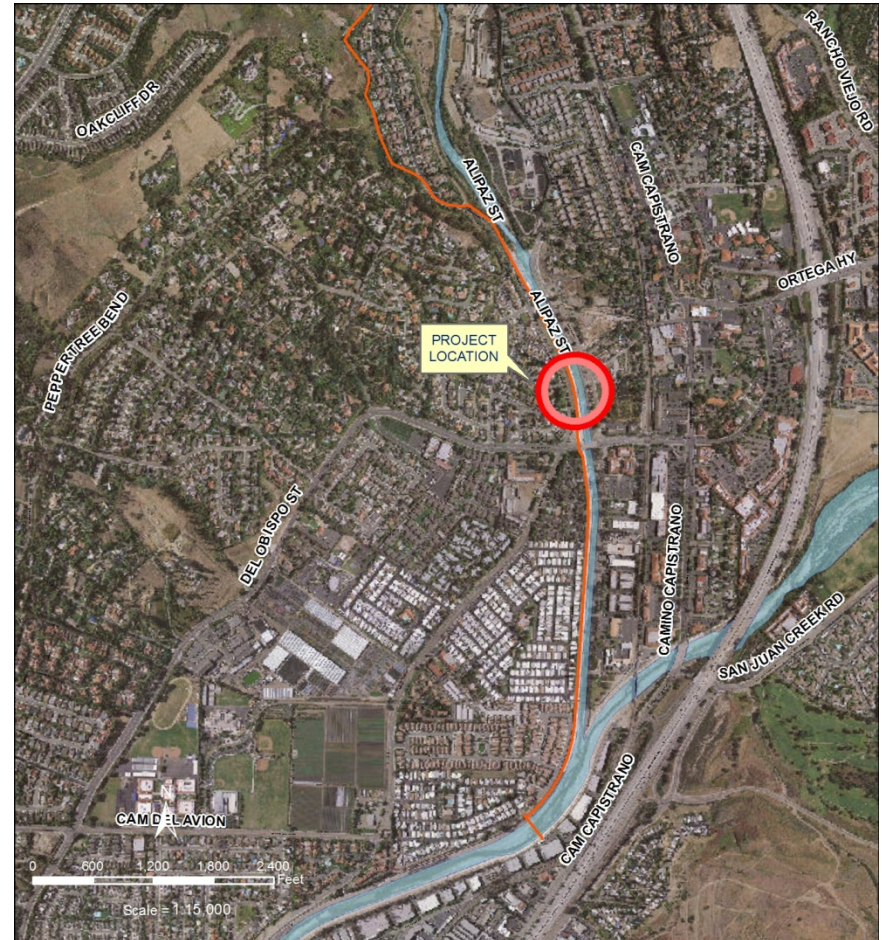
Project Description: Extend the existing riprap on the east side lower bank of Oso Creek beyond the downstream turn. The riprap will match existing top and toe elevation of existing riprap. The project will require acquisition of a nationwide permit from the Army Corp. of Engineers.

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.

3A Effluent Transmission Main (ETM) Replacement Avenida de la Vista

Project No: TBD

System: Wastewater

Fund: 7

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.

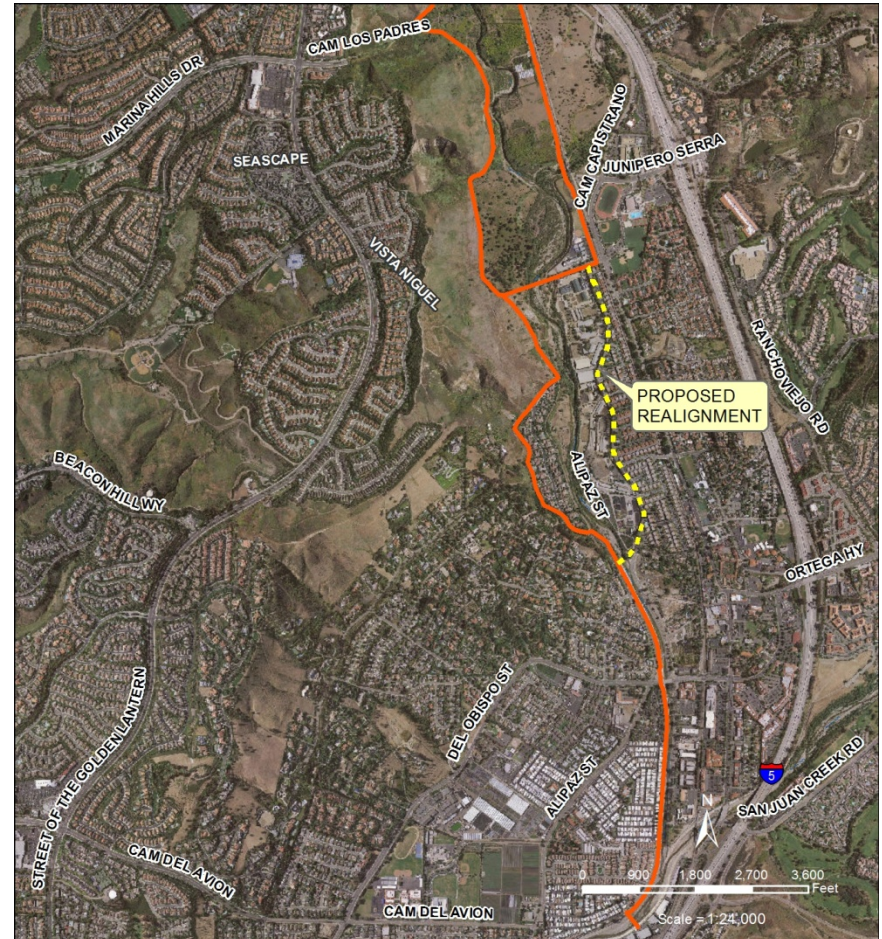
Project Need: The existing ETM is located in an embankment along an unprotected bank of Trabuco Creek and is subjected to potential erosion of the creek bank. This proposed project will abandon the existing ETM pipeline and construct a replacement pipeline in Avenida de la Vista.

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.



3A Effluent Transmission Main (ETM) Replacement Camino Capistrano

Project No: TBD

System: Wastewater

Fund: 7

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.



3A Effluent Transmission Main (ETM) Replacement San Juan Creek County of Orange Phase VIII

Project No: TBD

System: Wastewater

Fund: 7

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.

Lower Salada Lift Station Overflow Wetwell

Project No: TBD

System: Wastewater

Fund: 14

Project Location: Lower Salada Lift Station, Laguna Niguel

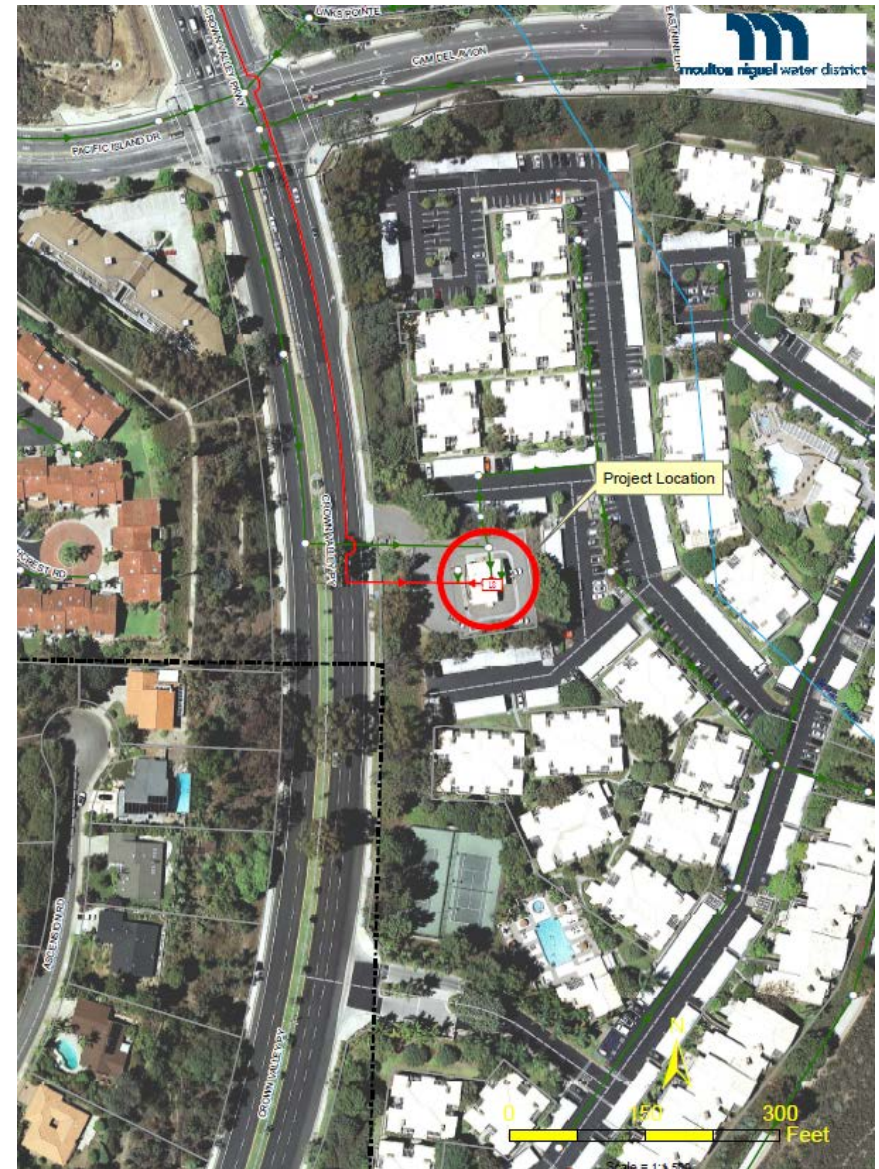
Project Description: The construction of a new overflow wetwell at the Lower Salada Lift Station.

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



Manhole Adjustments on Oso-Trabuco Interceptor Sewer

Project No: TBD

System: Wastewater

Fund: 7

Project Location: Metrolink Railroad, San Juan Capistrano

Project Description: This project will add new manhole shaft top sections at approximately 3-4 manholes within railroad right-of-way to reduce the distance from cover to cone in order to comply with District standards.

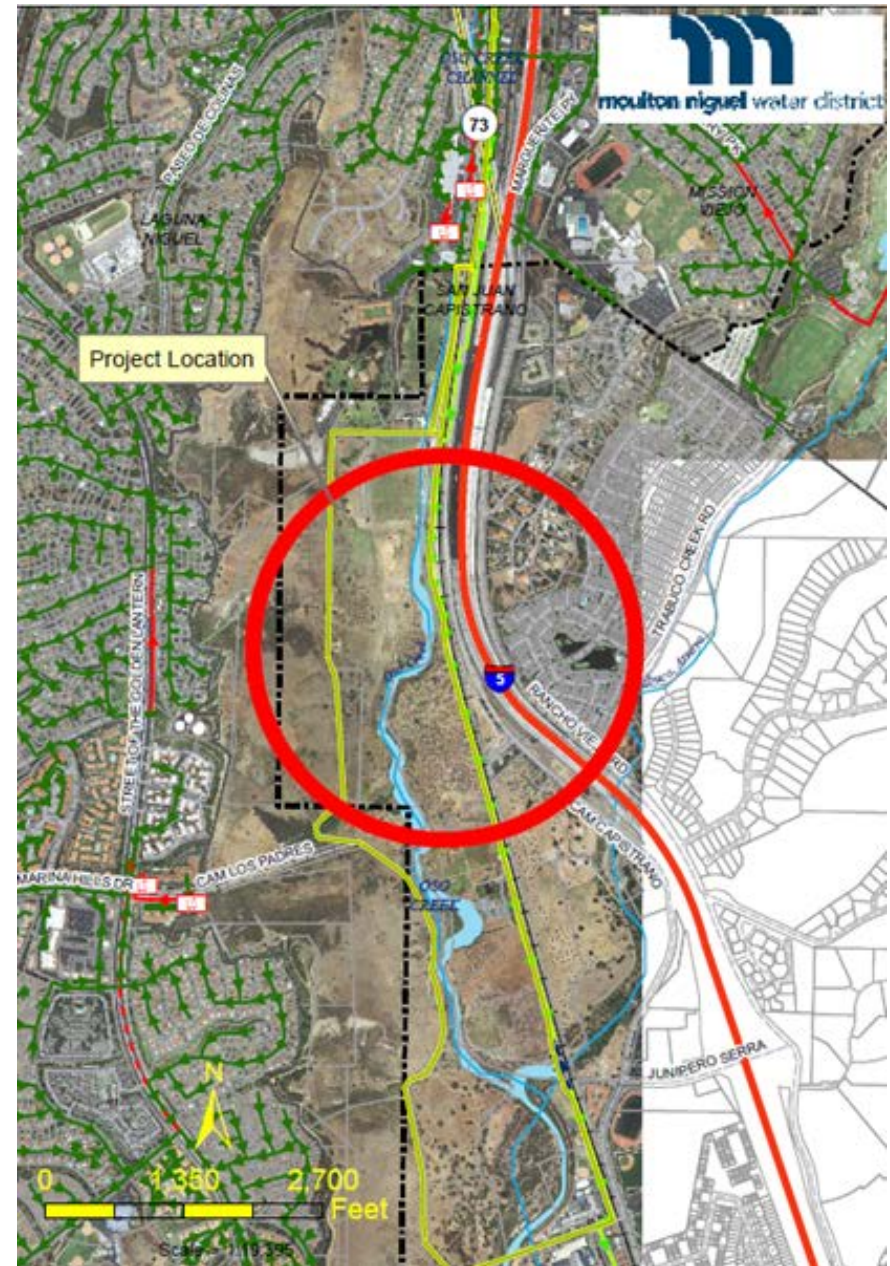
Project Need: Existing distances from cover to cone on these manholes makes it difficult for access and maintenance.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$25,000
CEQA IS/MND	Exempt
Construction Contract	\$200,000
CM and Specialty Inspection	\$25,000
Legal/Permit/Other	\$10,000
Total Project Budget	\$260,000

*Santa Margarita Water District owns 59.87% of the capacity for the Oso Trabuco line. Cost reimbursement for this project will occur accordingly.



Upper Salada Lift Station Force Main Rehabilitation and Replacement

Project No: TBD

System: Wastewater

Fund: 7

Project Location: Niguel Road, Laguna Niguel

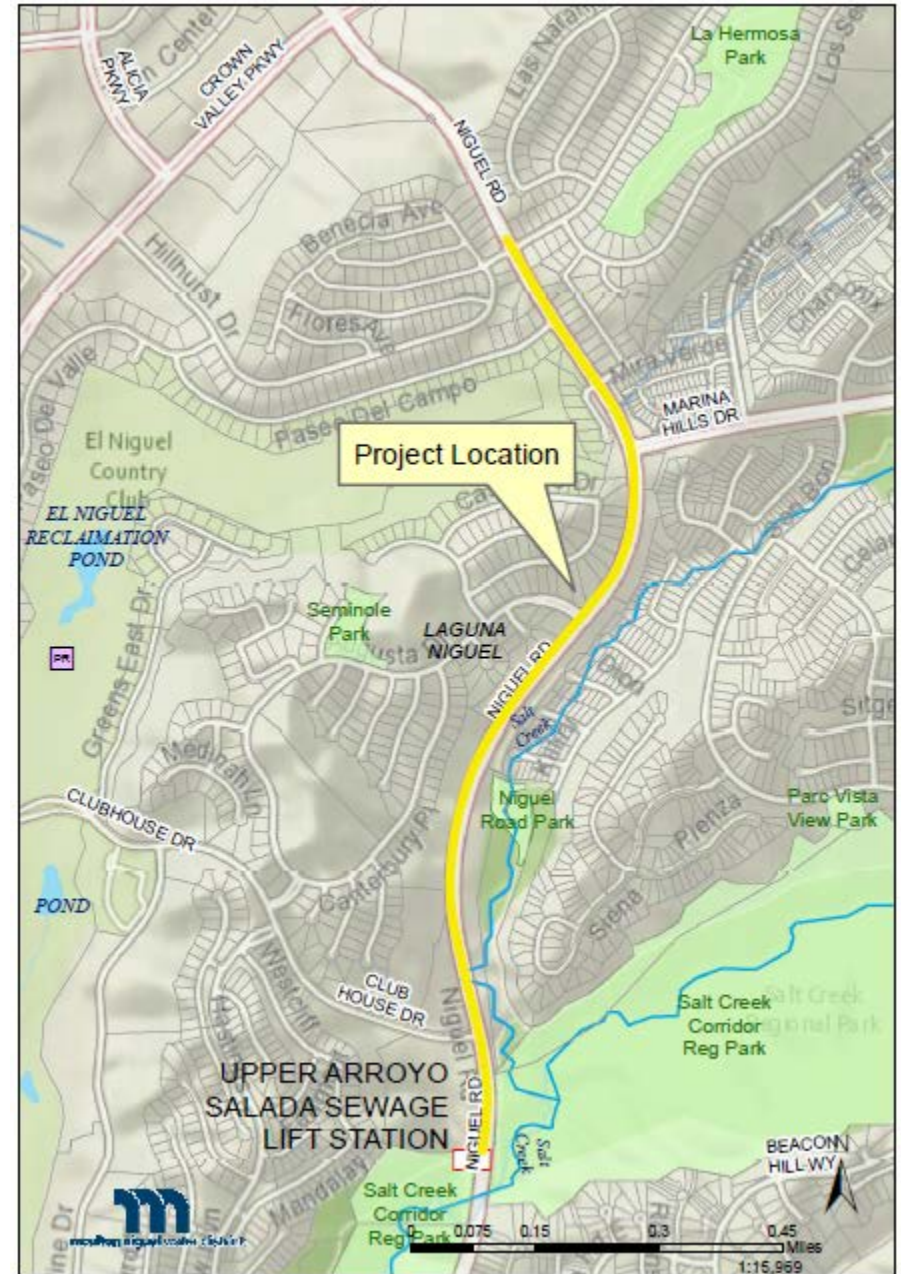
Project Description: Replace approximately 5,400 feet of existing 8-inch diameter sewer force main with a new 12-inch diameter PVC force main. Rehabilitate approximately 6,700 feet of existing 12-inch diameter sewer force main with cured-in-place-pipe along Niguel Road, from the Upper Salada Lift Station 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



2022-23 Manhole Rehabilitation

Project No: TBD

System: Wastewater

Fund: 7

Project Location: Various

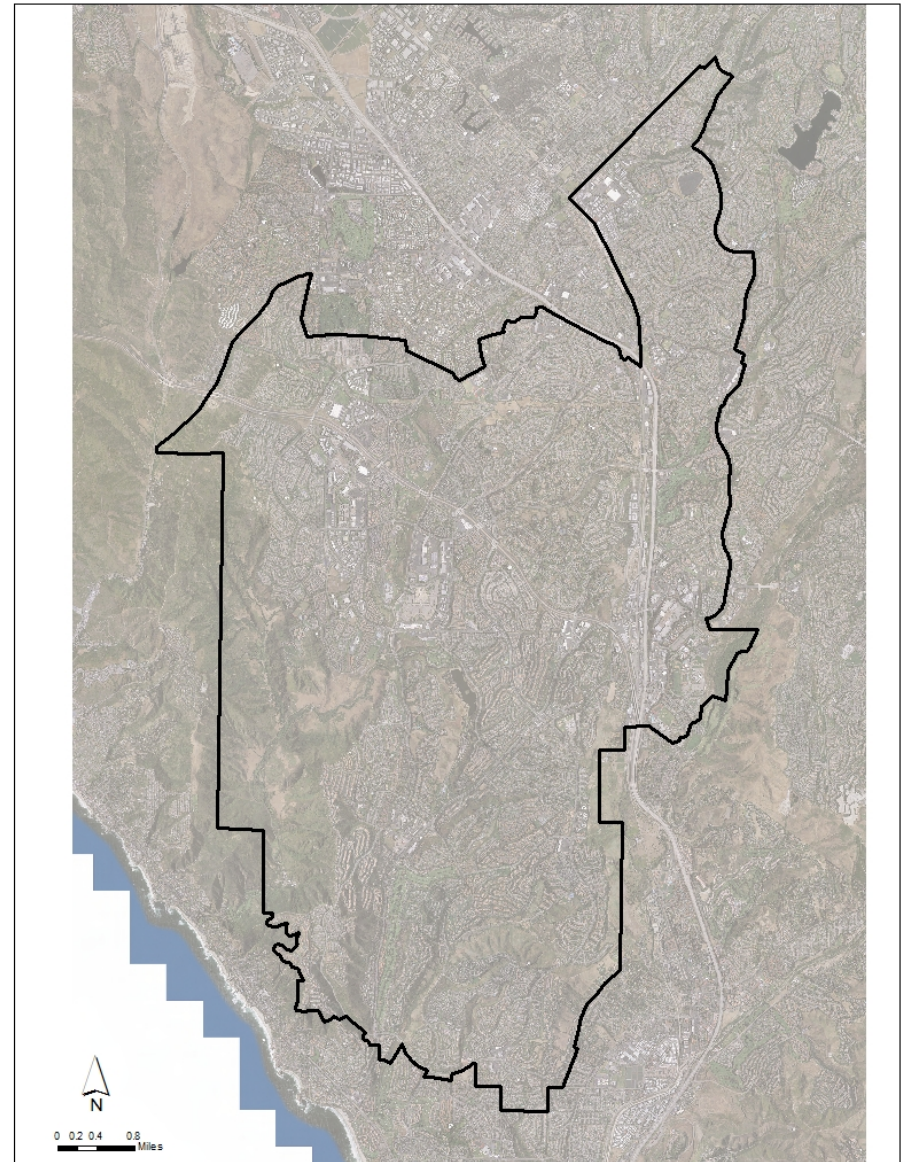
Project Description: Rehabilitate existing sewer manholes.

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	\$250,000
Total Project Budget	\$250,000



2022-23 Operations-Led Capital Improvements – WW

Project No: 2022.400

System: Wastewater

Fund: 7

Project Location: Various

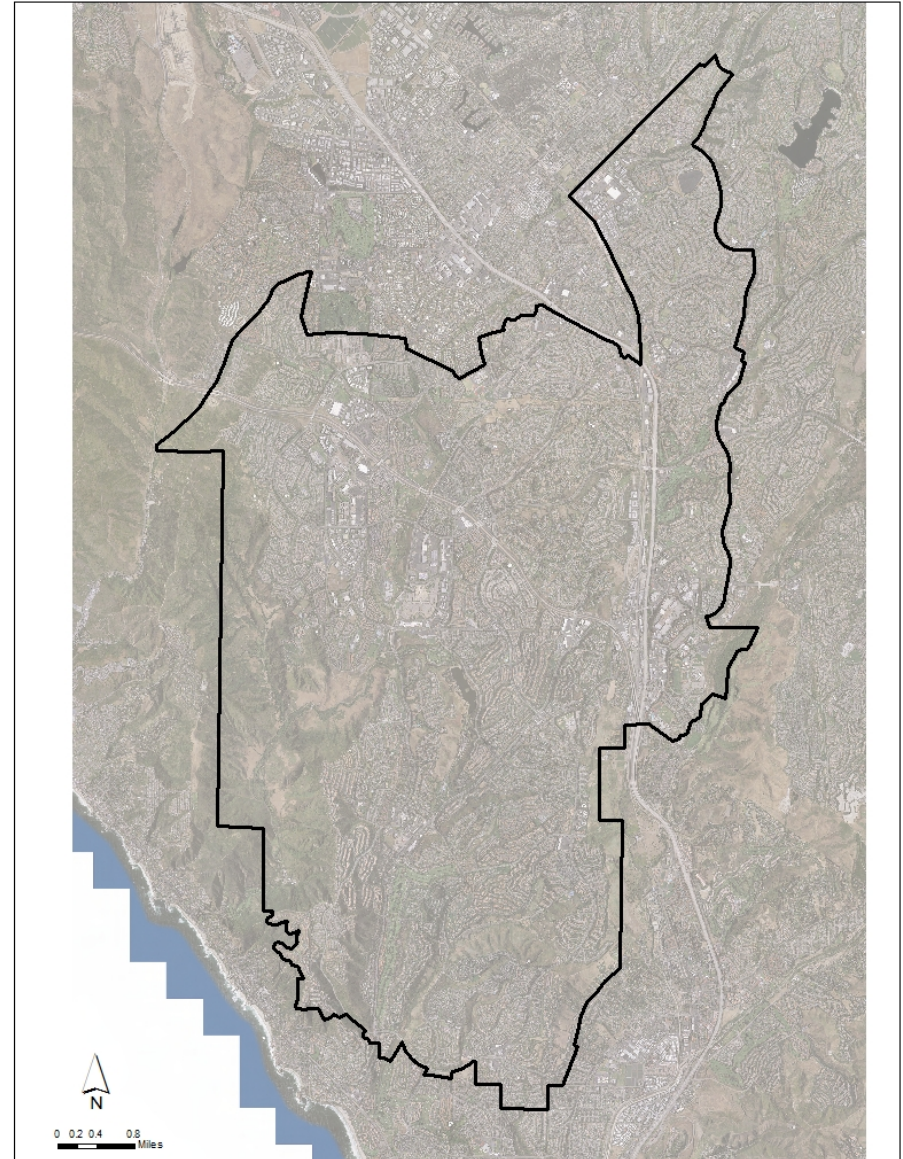
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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



Lower Salada Lift Station Auxiliary Generator Replacement

Project No: TBD

System: Wastewater

Fund: 7

Project Location: Lower Salada Lift Station, Dana Point

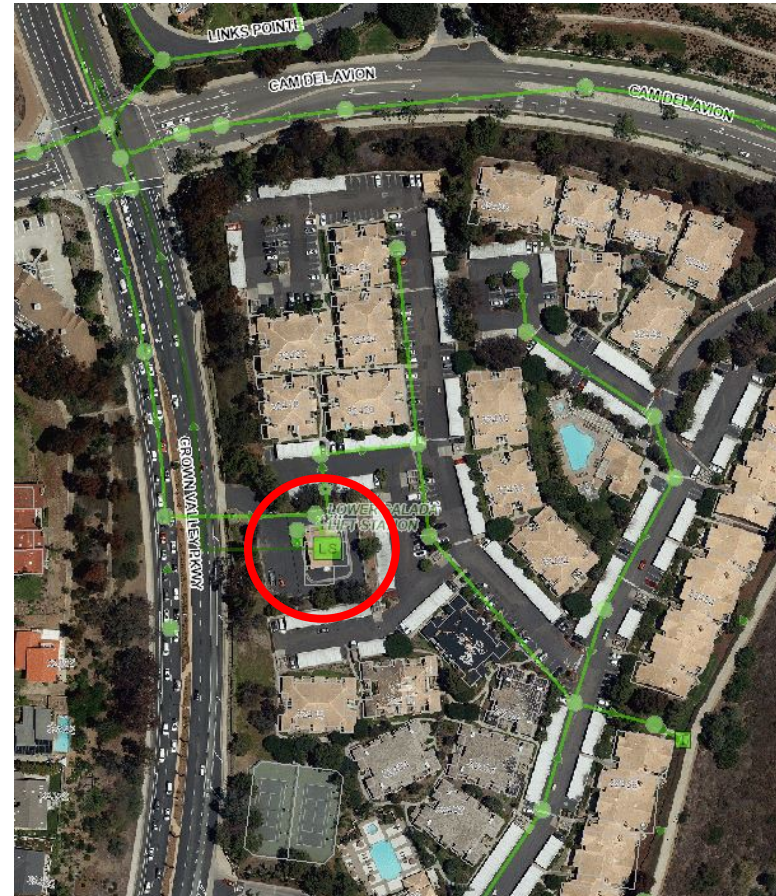
Project Description: Remove and replace the existing 300 kW auxiliary diesel generator.

Project Need: Replacement of the existing generator is based on age and difficulty finding off the shelf replacement parts.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$50,000
CEQA Compliance	Exempt
Construction Contract	\$320,000
Specialty Inspection	\$15,000
Legal/Permits/Other	\$15,000
Total Project Budget	\$400,000



Upper Boundary Oak Lift Station Auxiliary Generator Replacement

Project No: TBD

System: Wastewater

Fund: 7

Project Location: Upper Boundary Oak Lift Station, Aliso Viejo

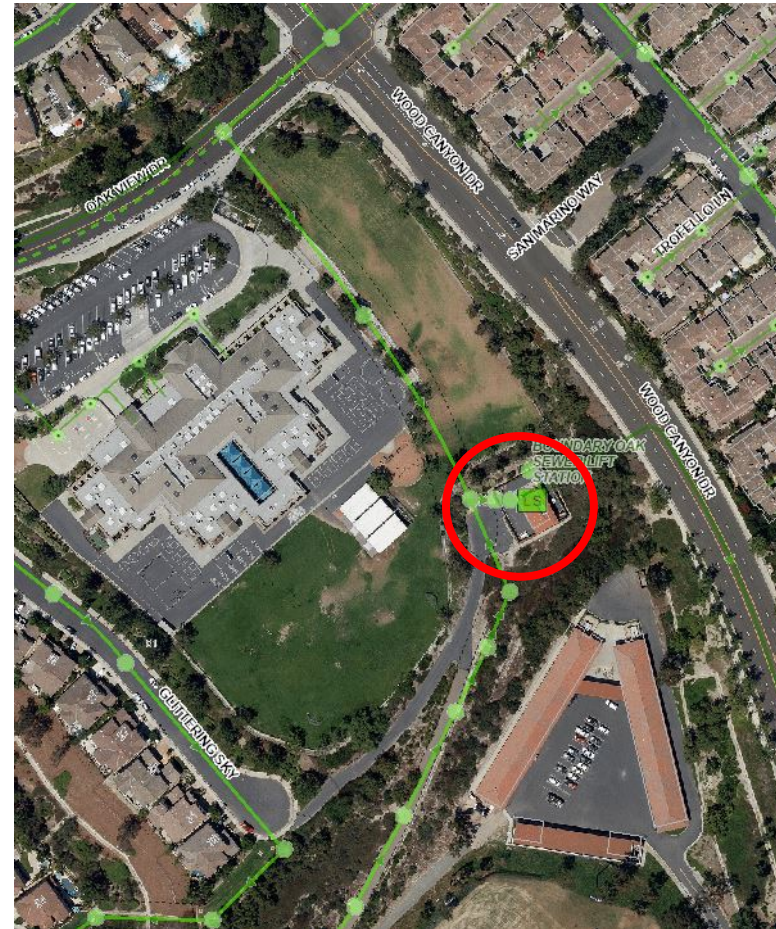
Project Description: Remove and replace the existing backup generator with a new auxiliary diesel generator.

Project Need: Replacement of the existing generator is based on age and difficulty finding off the shelf replacement parts.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$100,000
CEQA Compliance	Exempt
Construction Contract	\$700,000
Specialty Inspection	\$25,000
Legal/Permits/Other	\$25,000
Total Project Budget	\$850,000



Wastewater Trunk Main Replacement- 3A Subbasin Phase 1

Project No: TBD

System: Wastewater

Fund: 14

Project Location: Mission Viejo High School, Mission Viejo

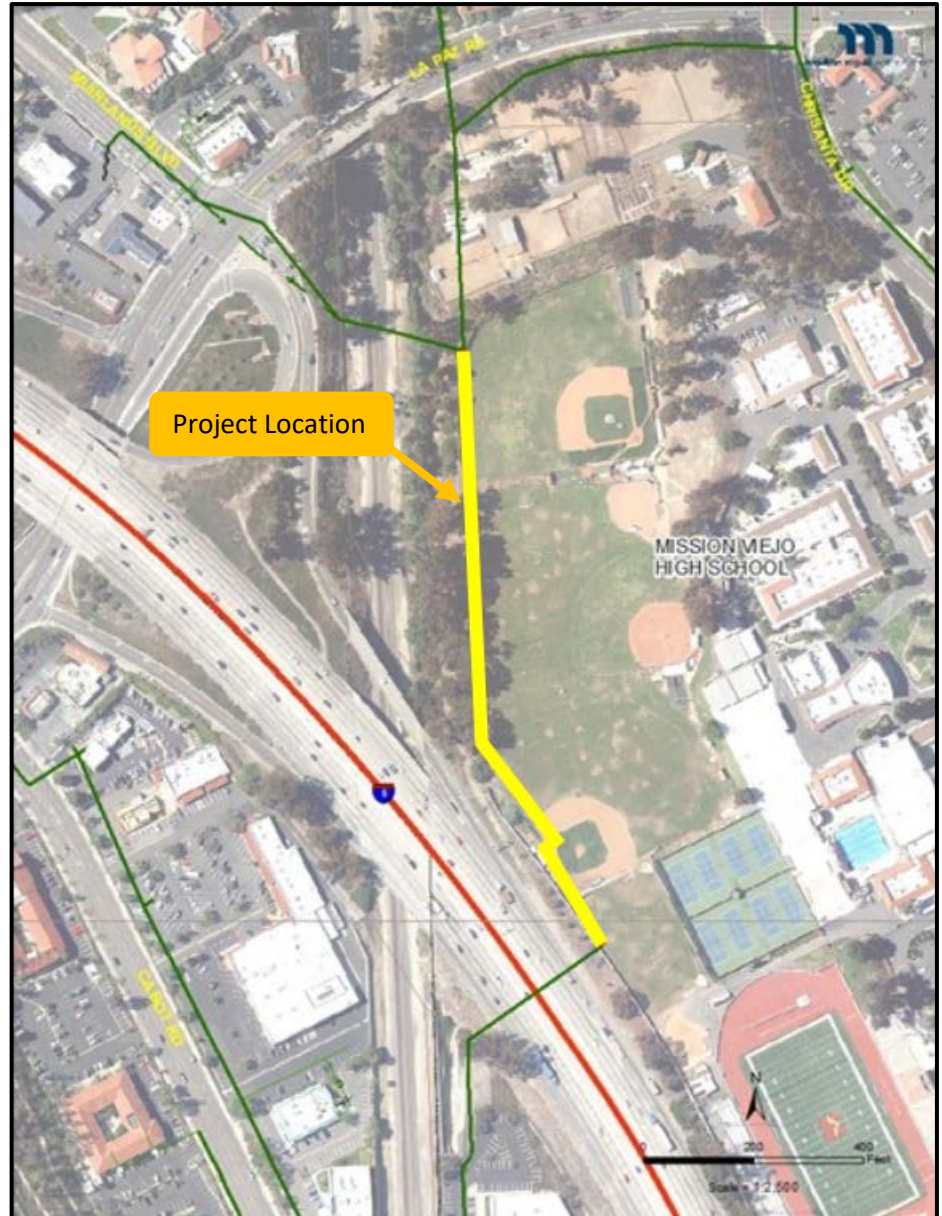
Project Description: Install approximately 1,500 feet of 18-inch diameter pipelines, in the same alignment as existing 15-inch diameter pipelines. The project will likely require temporary sewer bypass pumping during construction.

Project Need: The pipelines need to be upsized for additional flow capacity.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$50,000
CEQA Compliance	Exempt
Construction Contract	\$1,100,000
Inspection/Permits/Other	\$50,000
Total Project Budget	\$1,200,000



Wastewater Trunk Main Replacement- 3A Subbasin Phase 2

Project No: TBD

System: Wastewater

Fund: 14

Project Location: Downstream of North Aliso LS, Mission Viejo

Project Description: Install approximately 2,100 feet of 15-inch diameter pipelines, in the same alignment as existing 12-inch diameter pipelines. The project will likely require temporary sewer bypass pumping during construction.

Project Need: The pipelines need to be upsized for additional flow capacity.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$50,000
CEQA Compliance	Exempt
Construction Contract	\$1,300,000
Inspection/Permits/Other	\$50,000
Total Project Budget	\$1,400,000



Plant 3A Subsidence Mitigation

Project No: 2019.301

System: Plant 3A

Fund: 7

Project Location: Plant 3A, Mission Viejo

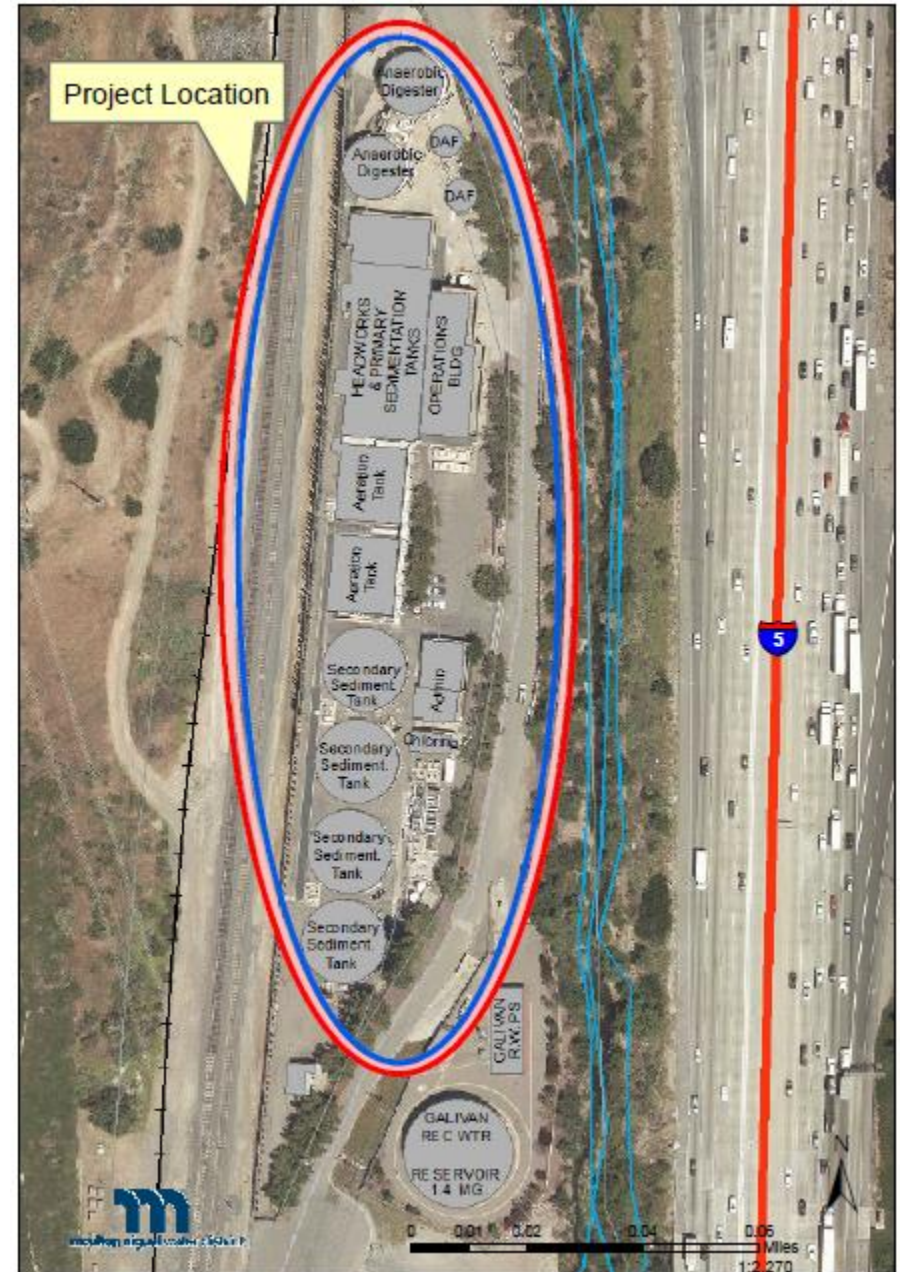
Project Description: Plant 3A requires soil stabilization, site grading, and stormwater drainage improvements for the long-term operation of the facility. This project will remediate backfill around deep structures, improve site drainage, and replace site paving. The project will also remove and replace select underground piping systems to restore and improve functionality. In addition, the project will convert water source for the plant's wash water system from 3W to RW and add new conduits for future electrical and SACADA system improvements.

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. Several underground pipe systems, including electrical cables and control wiring, are in need of replacement.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$650,000
CEQA Compliance	Exempt
Construction Contract	\$3,700,000
Inspection/Other	\$450,000
Total Project Budget	\$4,800,000



Plant 3A Solids Handling Facilities Improvements

Project No: 2019.302

System: Plant 3A

Fund: 7

Project Location: Plant 3A, Mission Viejo

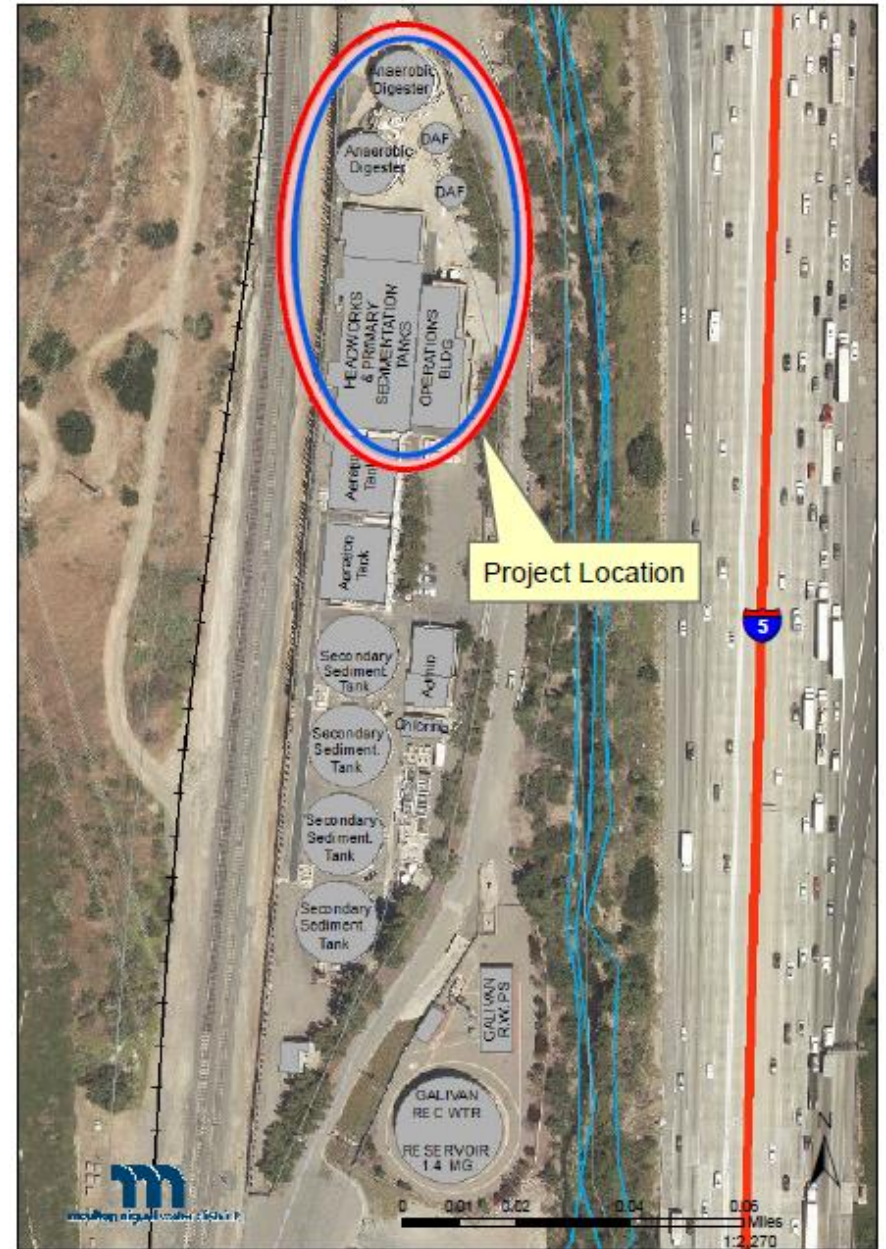
Project Description: This project will rehabilitate and re-establish the desired level of service and redundancy for the solids treatment facilities including solids thickening system, solids digesters (mixing, heating boilers, heat exchangers, sludge transfer pumping system, steel dome covers), solids dewatering system upgrades and improvements including centrifuges and feed pumping system. The project also includes digester gas flare system upgrade, associated electrical systems improvements, SCADA and PLC systems improvements.

Project Need: The existing solids handling facilities has been in operation since 1997 and the facilities have experienced typical deterioration. The facilities have also been impacted by settlement and have lost functional redundancy on all 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. Digester gas flare system also needs to be upgraded. Electrical and SCADA systems are in need of an upgrade to match with new equipment and systems.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$2,750,000
CEQA Compliance	Exempt
Construction Contract	\$41,800,000
Inspection/Other	\$3,250,000
Total Project Budget	\$47,800,000



Plant 3A Solids Loadout Facility

Project No: 2021.303

System: Plant 3A

Fund: 14

Project Location: Plant 3A, Mission Viejo

Project Description: This project will construct a new solids loadout facility including solids storage silo, associated conveyor system, truck scale system and other associated equipment.

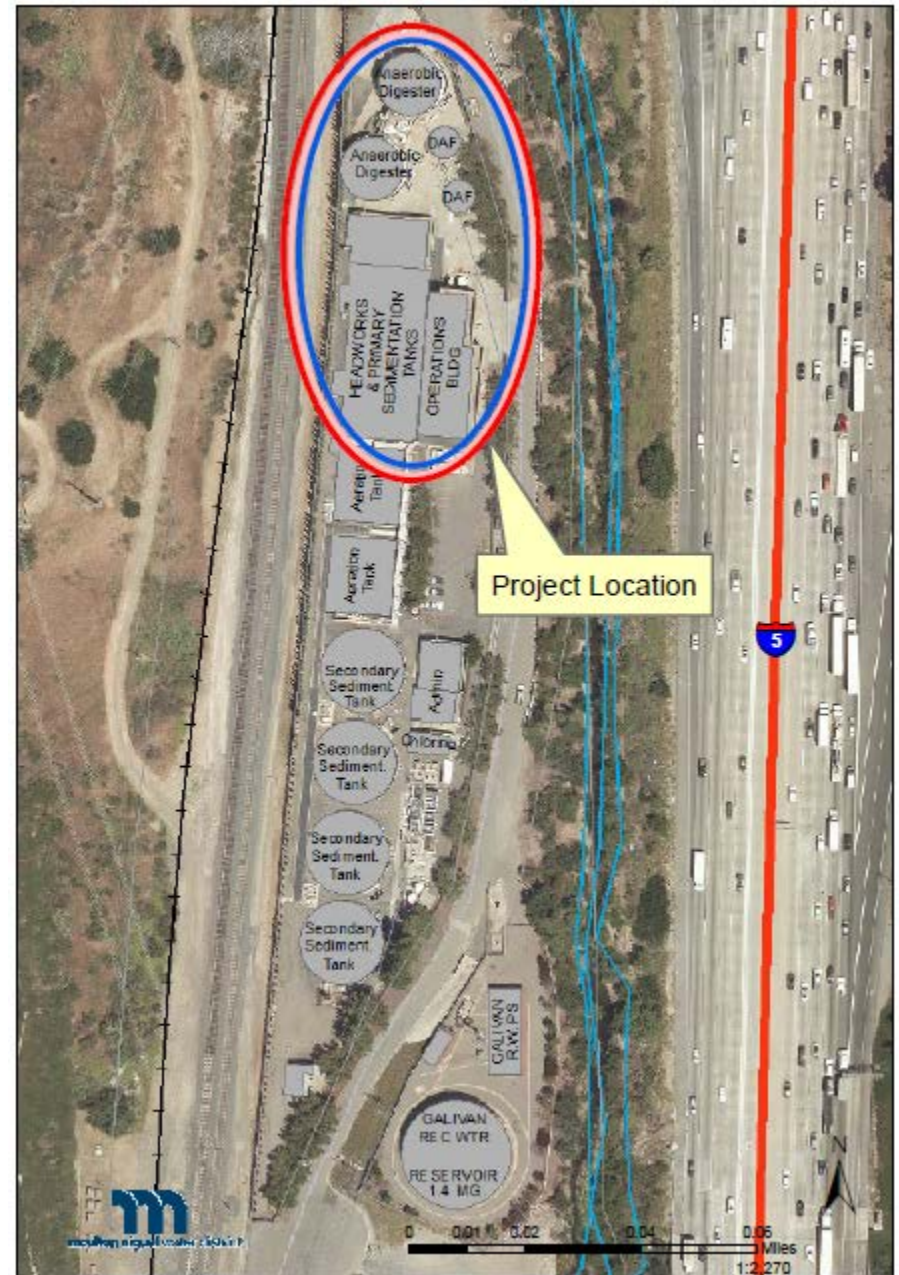
Project Need: The solids produced during the treatment process at Plant 3A are currently disposed through a series of 20-yard roll-off style bins, which are retrieved by a contracted service company for disposal.

Based on the thorough cost-benefit analysis of the solids loadout facility, adding solids loadout facility will have more competitive response from vendors for solids hauling and disposal services, reduced hauling and disposal costs, reduced O&M costs, reduced safety concerns for the current disposal system, reduced environmental risk associated with storing full sludge bins on site prior to disposal, and reduced risk associated with uncertain upcoming biosolids disposal regulations.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$350,000
CEQA Compliance	Exempt
Utility Relocation	\$300,000
Construction Contract	\$8,800,000
Inspection/Other	\$350,000
Total Project Budget	\$9,800,000



Operations-Led Capital Improvements – 3A

Project No: Annual Program

System: Plant 3A

Fund: 7

Project Location: Plant 3A, Mission Viejo

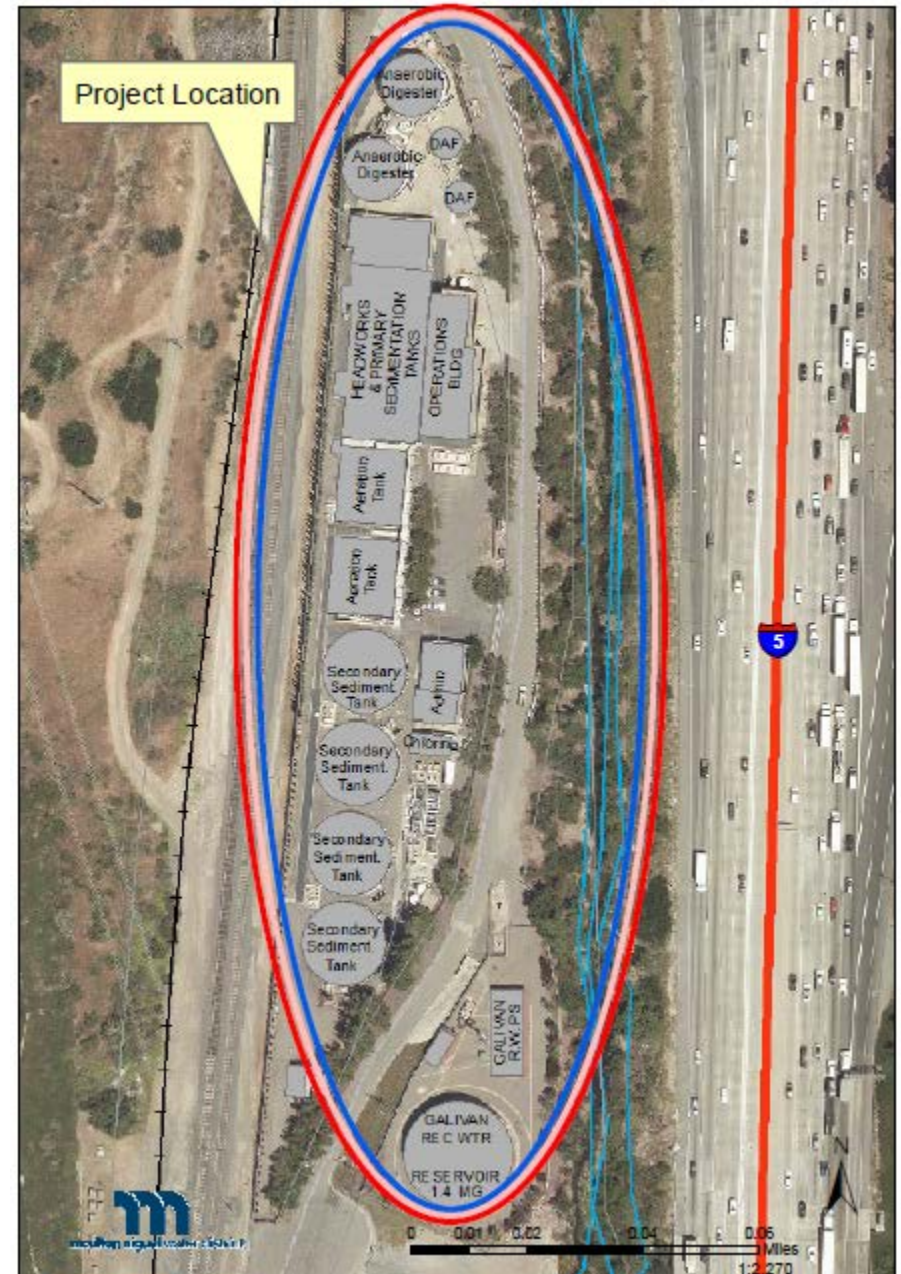
Project Description: This program covers District Operations Staff-led capital equipment and parts purchase and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, 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	\$2,250,000
Total Project Budget	\$2,250,000



Plant 3A Odor Control System Evaluation and Rehabilitation

Project No: 2021.301

System: Plant 3A

Fund: 7

Project Location: Plant 3A, Mission Viejo

Project Description: The existing odor control system, consisting of a bio-scrubber and activated carbon chambers, has been evaluated and is in need of rehabilitation or replacement with newer technology to ensure compliance with the appropriate air quality regulations.

Project Need: The existing odor control facilities have been in operation since 1997 with minimal rehabilitation work being completed. The activated carbon was most recently replaced in 2014 and is due to be replaced.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$150,000
CEQA Compliance	Exempt
Construction Contract	\$1,000,000
Inspection/Other	\$100,000
Total Project Budget	\$1,250,000



Plant 3A Security Improvements

Project No: 2021.302

System: Plant 3A

Fund: 14

Project Location: Plant 3A, Mission Viejo

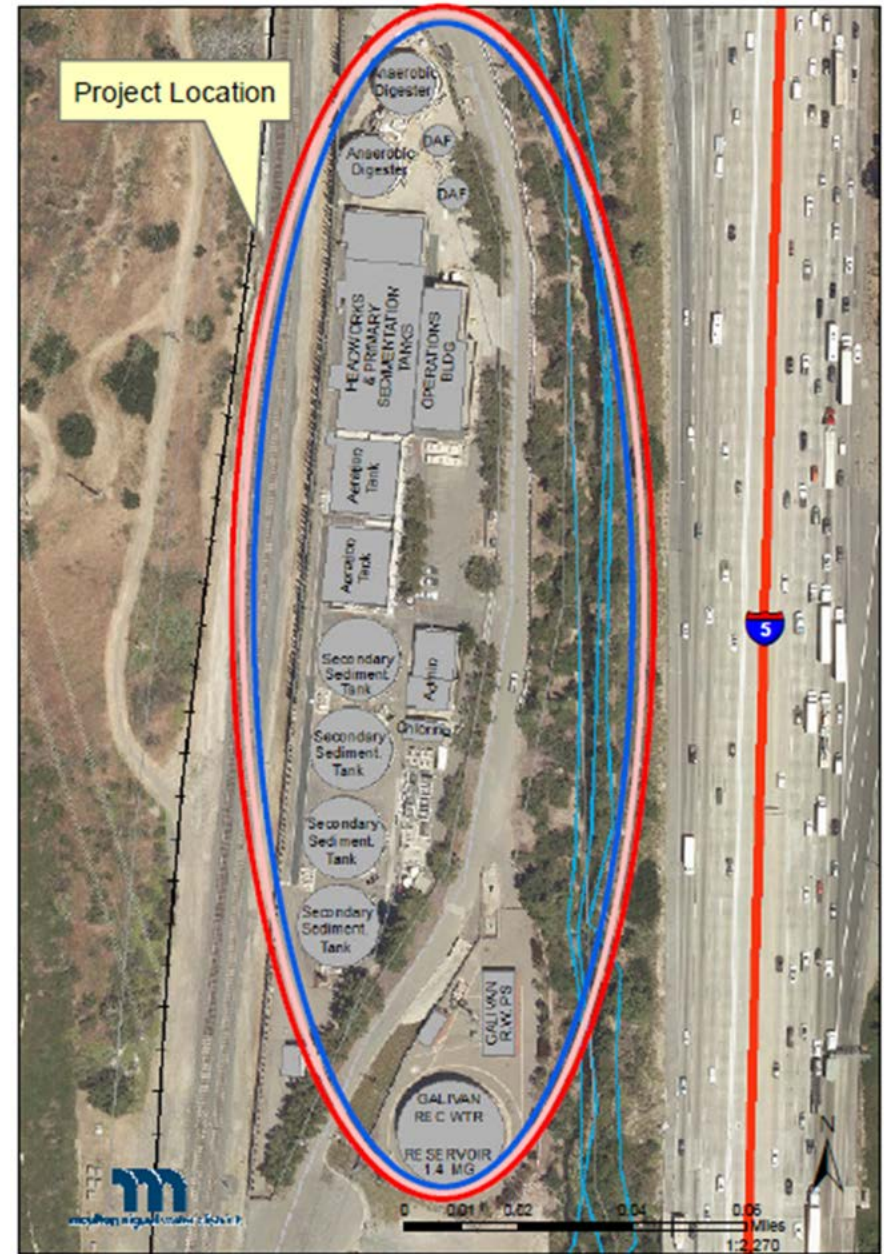
Project Description: Implement and update security and safety measures for the Plant 3A site, including intrusion detection, access control, and fire and safety systems.

Project Need: To secure our existing infrastructure and during construction of new infrastructure, the need to have reliable and robust security and safety measures is increasingly important. The existing connectivity onsite is out of date and failing, the access control system only covers a minimal amount of the buildings, and the site does not currently have fire and smoke alarms.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$25,000
CEQA IS/MND	Exempt
Construction Contract	\$100,000
CM and Specialty Inspection	\$0
Legal/Permit/Other	\$0
Total Project Budget	\$125,000



Plant 3A Liquids Handling Facilities Improvements

Project No: TBD
System: Plant 3A
Fund: 7

Project Location: Plant 3A, Mission Viejo

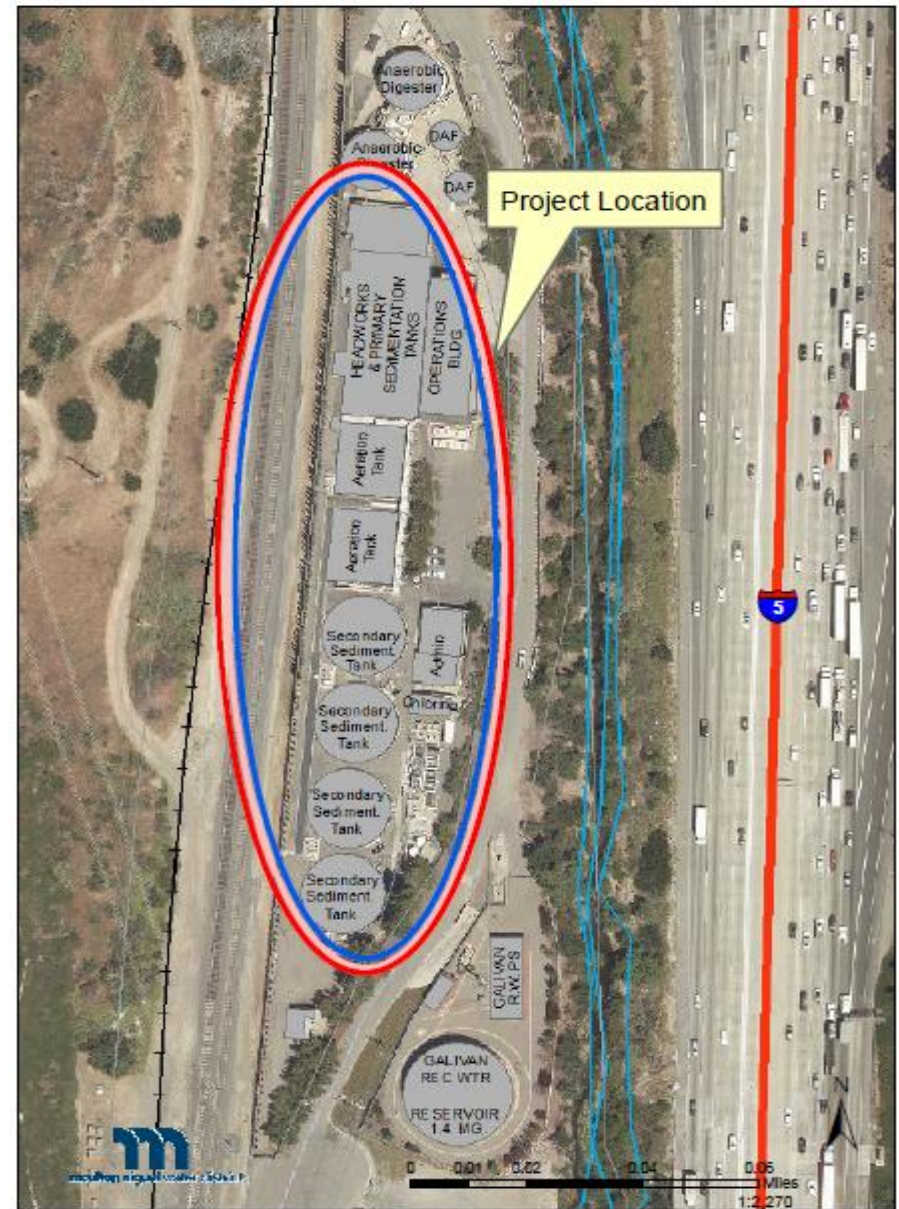
Project Description: This project will rehabilitate and re-establish the desired level of service and redundancy for the liquid stream treatment facilities, including: Headworks/Preliminary Treatment, Primary Treatment, Secondary Treatment, and Tertiary Treatment. The project will also include associated electrical systems and SCADA and PLC systems improvements.

Project Need: Most of the existing liquid treatment facilities have been in operation since 1991 and are at the end of their useful life. In addition, new technologies are to be implemented to improve the overall treatment process and gain efficiency.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$3,000,000
CEQA Compliance	\$100,000
Construction Contract	\$18,900,000
Inspection/Other	\$2,000,000
Total Project Budget	\$24,000,000



Plant 3A Emergency Standby Generator

Project No: TBD

System: Plant 3A

Fund: 14

Project Location: Plant 3A, Mission Viejo

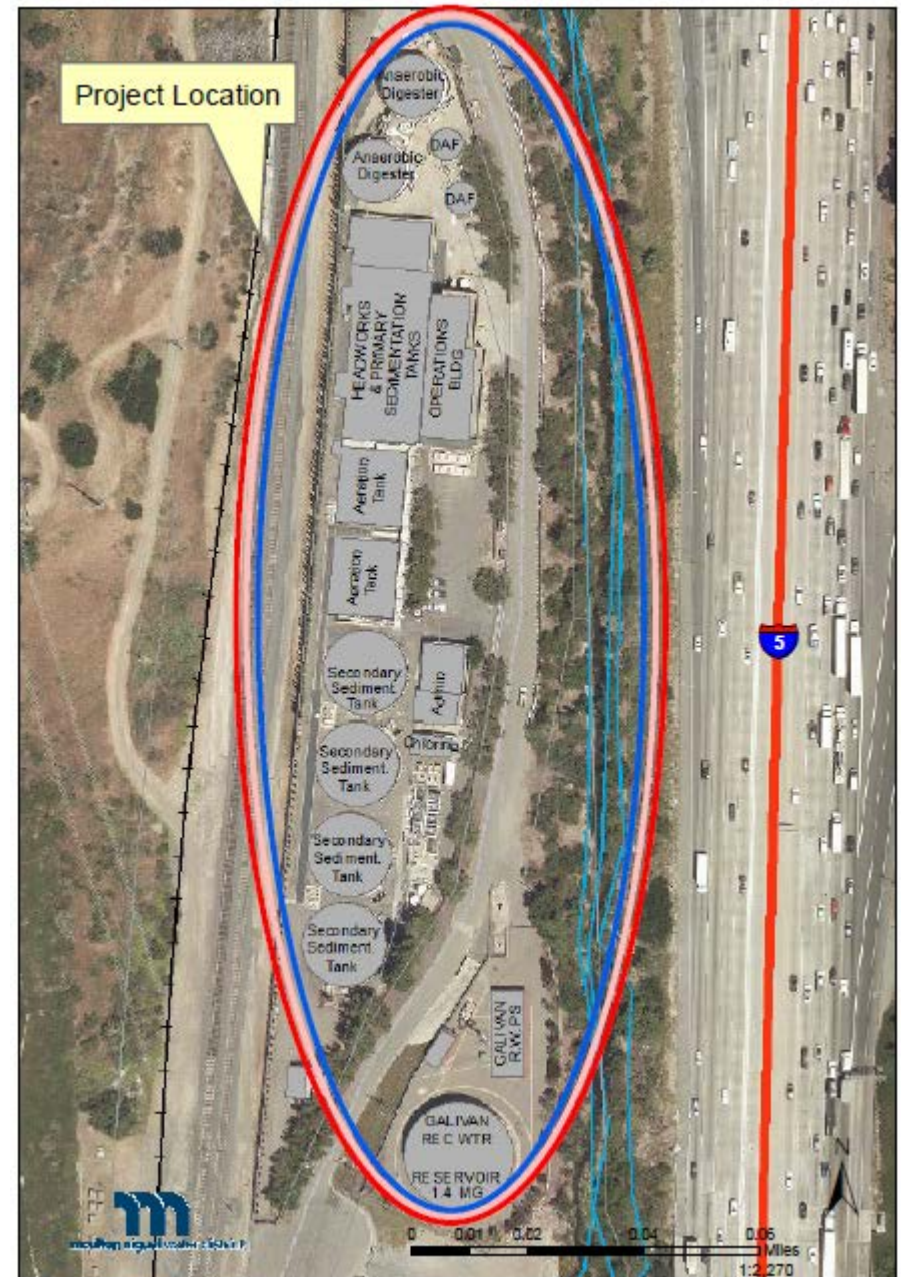
Project Description: A new emergency standby diesel generator and associated fuel storage system, cables, and necessary structures will be installed within Plant 3A to supply power for the critical loads during power outage.

Project Need: Plant 3A does not currently have an emergency standby power source that can maintain electrical power for the critical loads at the Plant 3A during the loss of utility power. Currently, in the event that Plant 3A is inoperable due to loss of utility power, wastewater flows are bypassed to the JB Latham Treatment Plant.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$150,000
CEQA Compliance	Exempt
Construction Contract	\$1,250,000
Inspection/Other	\$100,000
Total Project Budget	\$1,500,000



2022-23 Operations-Led Capital Improvements – 3A

Project No: 2022.300

System: Plant 3A

Fund: 7

Project Location: Plant 3A, Mission Viejo

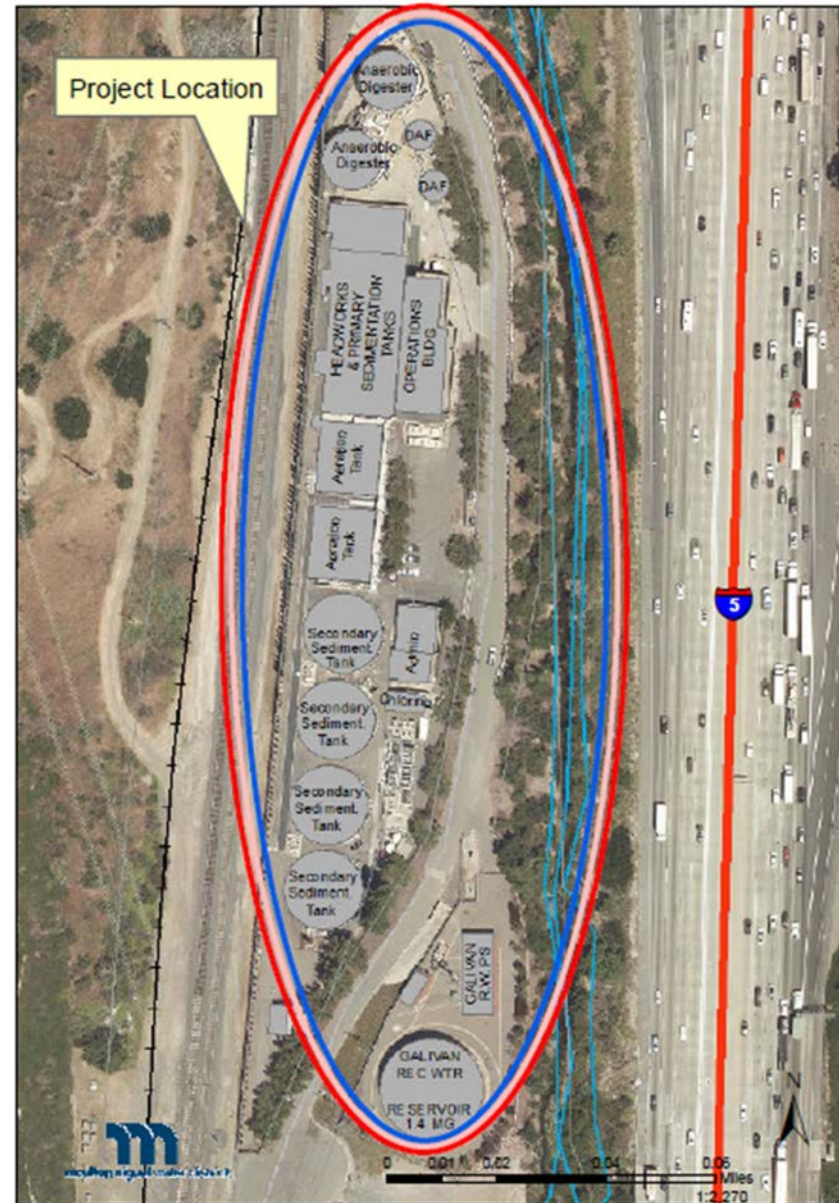
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, 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	\$750,000
Total Project Budget	\$750,000



Plant 3A Network Cabling Improvements

Project No: TBD

System: Plant 3A

Fund: 14

Project Location: Plant 3A, Mission Viejo

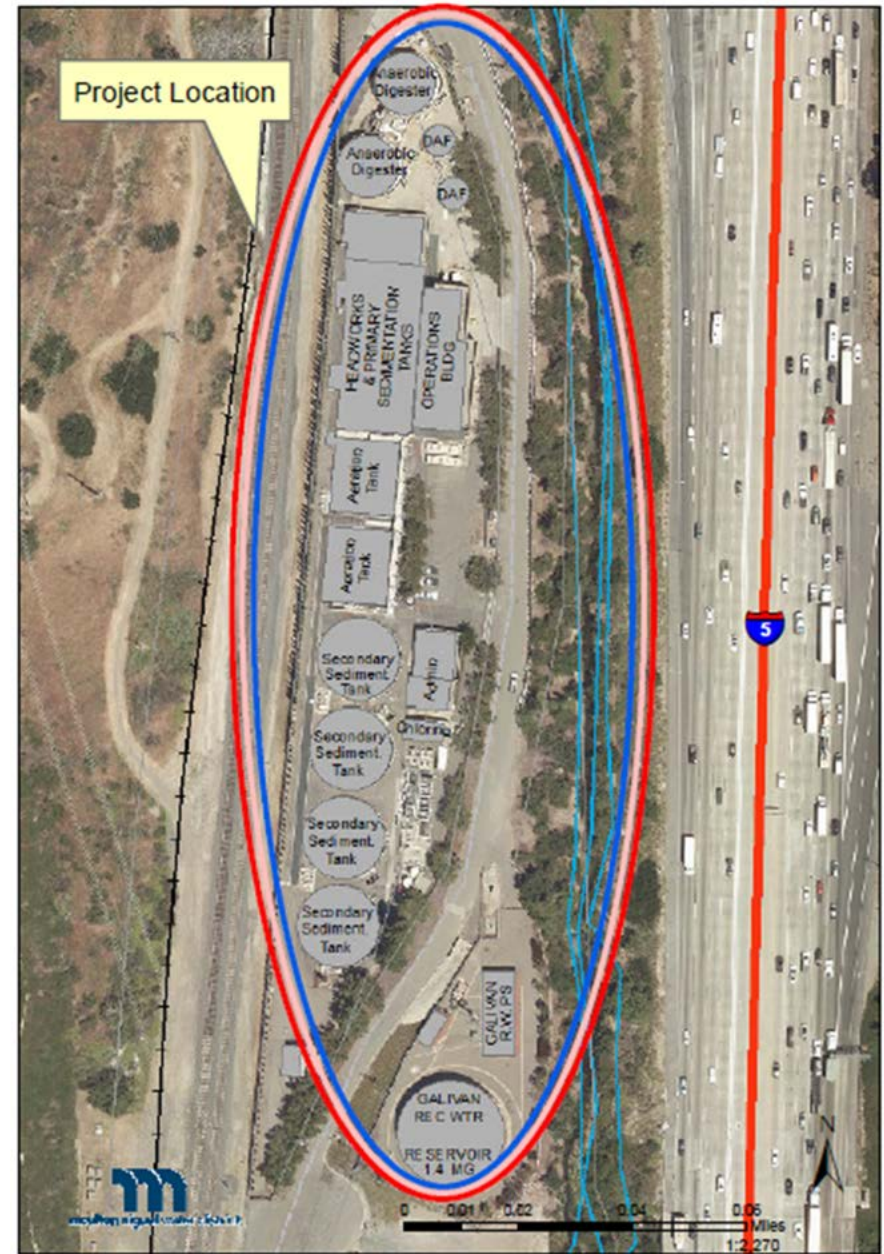
Project Description: Install new network cabling, patch panels, and related conduit and/or equipment throughout Plant 3A to support existing and future SCADA and business networks.

Project Need: Reliable network cabling is needed to support business networks, as well as SCADA remote monitoring and control.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA IS/MND	Exempt
Construction Contract	\$150,000
Total Project Budget	\$150,000



IRWD Baker Water Treatment Plant Capital Projects

Project No: IRWD

System: Regional (Potable)

Fund: 7

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



SCWD/JRWSS Capital Projects

Project No: JRWSS

System: Regional (Potable)

Fund: 7

Project Location: Joint Transmission Main

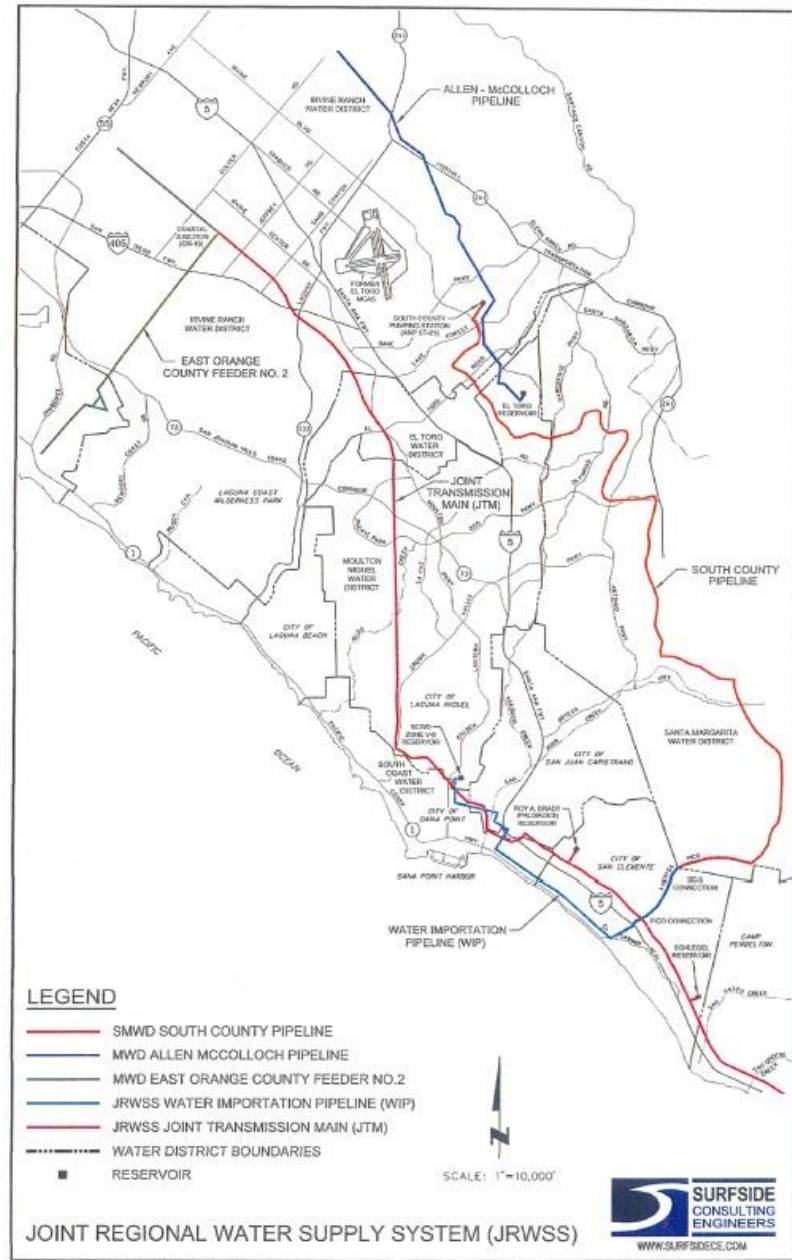
Project Description: Perform capital improvements to the Joint Transmission Main (JTM).

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	\$7,453,323



SMWD Capital Projects – Joint Facilities

Project No: SMWD

System: Regional (Potable, Wastewater)

Fund: 7

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	\$2,615,375



SOCWA Capital Project Committee 2

Project No: SOCWA

System: Regional (Wastewater)

Fund: 7

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	\$19,431,545



SOCWA Capital Project Committee 5

Project No: SOCWA

System: Regional (Wastewater)

Fund: 7

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	\$249,275

SOCWA Capital Project Committee 15

Project No: SOCWA

System: Regional (Wastewater)

Fund: 7

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	\$11,289,736



SOCWA Capital Project Committee 17

Project No: SOCWA

System: Regional (Wastewater)

Fund: 7

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	\$73,338,463



SOCWA Capital Project Committee 21

Project No: SOCWA

System: Regional (Wastewater)

Fund: 7

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	\$1,661,144

SOCWA Capital Project Committee 24

Project No: SOCWA

System: Regional (Wastewater)

Fund: 7

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	\$3,113,644

El Toro Water District R6 Reservoir Cover and Liner Replacement

Project No: ETWD

System: Regional (Potable)

Fund: 7

Project Location: R6 Reservoir

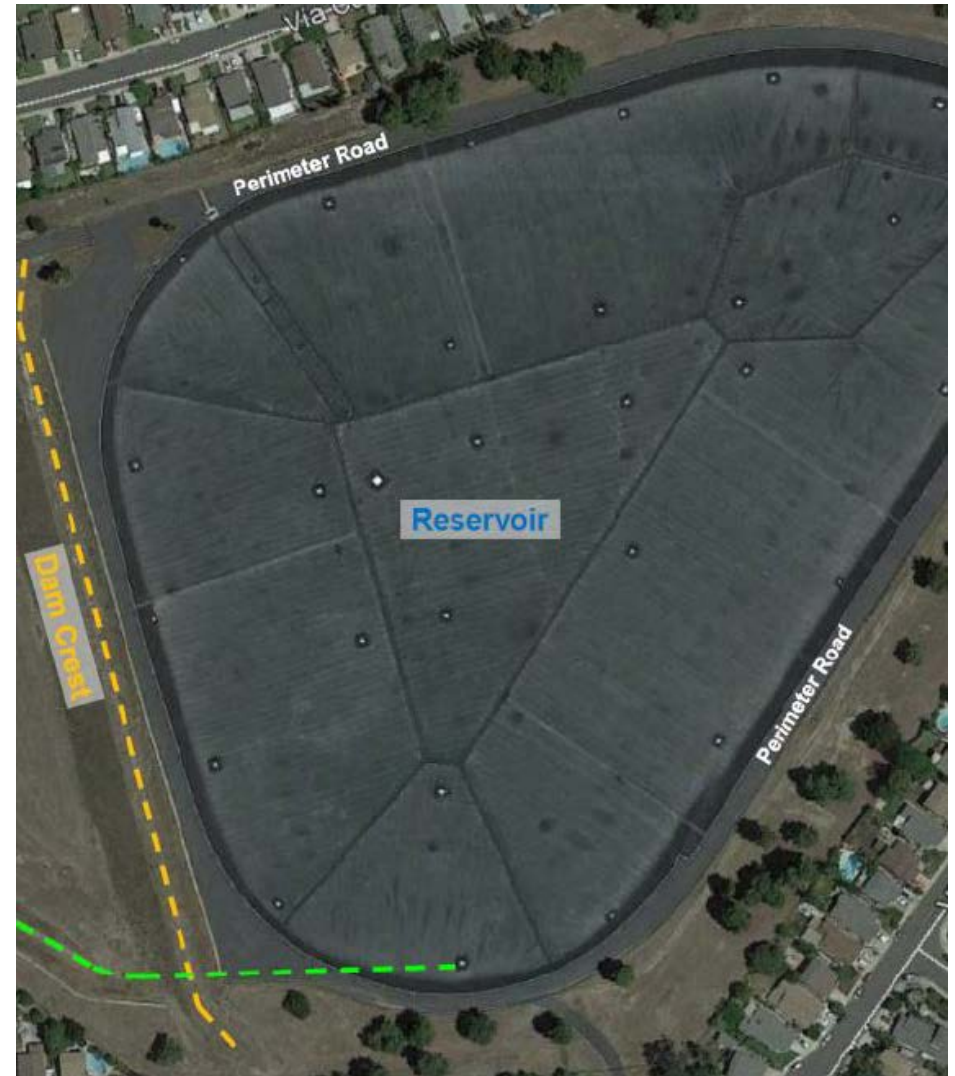
Project Description: Replace the existing flexible geomembrane reinforced polypropylene (RPP) floating cover and liner with a new chlorosulfonated polyethylene (CPSE) floating cover and liner.

Project Need: The existing RPP liner and floating cover are approximately 20 years old, which is at the end of their expected useful lives. Material degradation has been observed on the existing cover. Replacement is needed due to age and condition. ETWD is the lead agency. MNWD's share is five percent of the total project cost.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$36,000
CEQA Compliance	Exempt
Construction Contract	\$1,094,000
Inspection/Other	\$90,000
Total Project Budget	\$1,220,000



Appendix F: *Capitalization & Surplus 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
- administrative support cost allocation

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
- administrative support cost allocation

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.



POLICY A-4: CAPITALIZATION & SURPLUS

See also:

6.9.2022

Page | 7

Last Revised:

6.10.2021

TABLE 1: 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 G: *Debt Management Policy*



POLICY A-3: MANAGING WATER DISTRICT DEBT

See also:
POL A-7

6.09.2022
Page | 1
Last Revised:
6.13.2020

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.



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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 Financial Planning & Innovation 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 Financial Planning & Innovation 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



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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



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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 Financial Planning & Innovation 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



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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 Financial Planning & Innovation 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 Financial Planning & Innovation 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 in the 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 (less than 10 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,



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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.



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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 Financial Planning & Innovation, 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 Financial Planning &



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Innovation 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



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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 (including current and future amendments to 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.



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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 a third-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 Financial Planning & Innovation 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 Financial Planning & Innovation, 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



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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



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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.

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. This includes the amendments to Rule 15c2-12 adopted in 2018. The Financial Planning Manager and/or Controller 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/or 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:



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- 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 Comprehensive Annual Financial Report. The Comprehensive Annual Financial Report shall describe in detail all funds and fund balances established as part of any direct debt financing of the District.

The Comprehensive Annual Financial Report 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 basis, the General Manager will update and revise this Policy, which shall be reviewed and adopted by the Board.



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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



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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 Financial Planning & Innovation, 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,



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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.

SRF Loans may have different legal terms and covenants than the District's publicly issued obligations. In analyzing the use of SRF loans, care will be taken that terms and covenants of the SRF loan which differ from the District's publicly issued obligations are carefully weighed as to the benefits and potential risks.

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 H: *Federal Grants Management Policy*



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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.



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- 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. Indirect costs that follow the District's indirect cost rate proposal, discussed in the "indirect cost" section of this policy.
- d. Must be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of the District.
- e. Consistently treated when used in like circumstances and adequately documented.
- f. 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.
- g. Determined in accordance with Generally Accepted Accounting Principles (GAAP).
- h. 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.

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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.

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. Direct Costs - *Legal requirement: 2 CFR 200.306*

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.

7. Indirect Costs - *Legal requirement: 2 CFR 200.306*

Indirect costs are those that are incurred for common or joint objectives and cannot be identified or allocated to a specific project or activity. The indirect costs will be allocated to each capital project with annual activity each year and may include an indirect cost rate for administrative salaries.

Specific departments provide administrative support to capital projects and execution of the grant program. These departments include Accounting, General Administration, Contracts, Purchasing, Financial Planning, and General Outreach. The indirect cost rate for administrative support will be determined as of July 1 each fiscal year and will be calculated using expenses from the prior year (total labor for those functions divided by District wide total labor). This factor will be added to labor charged to capital projects for the upcoming fiscal year.

8. Program and Budget Revisions - *Legal requirement: 2 CFR 200.308*

The project manager is responsible for obtaining written approvals for program or budget revisions.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. Suspension/Debarment - *Legal requirement: 2 CFR 200.213*



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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.

17. 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.



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18. 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.

19. 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.

20. 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.

21. 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)*.

22. 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.

23. 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.

24. 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.

25. 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;



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- c. Records for disposition of equipment shall be retained for three years after disposition;

26. 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.

27. 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 I: *Investment Policy*



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A-7: MAINTAINING DISTRICT INVESTMENT FUNDS

This Investment Policy (Policy) may be amended by the Board as it deems appropriate from time to time to ensure prudent management of the District's funds.

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 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 District shall invest public funds in such a manner as to comply with state and local laws:

- 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. Scope

This investment policy applies to all investment activities and financial assets of the District. The funds covered by this policy are accounted for and incorporated in the District Annual Comprehensive Financial Report (ACFR) and include:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Internal Service Funds

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:



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- 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.
- Any other funds specifically exempted by the District.

3. Prudence

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 prudent investor standard states, "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency".

4. District Investment Program Objectives 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. 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 Policy.



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The Board, as permitted under California Government Code 53607 delegates the responsibility to invest or reinvest the funds of the District or to sell or exchange securities so purchased, to the Treasurer who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, and their procedures in the absence of the Treasurer. The Board of Directors will oversee the investments.

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.

6. Ethics and Conflicts of Interest

All participants in the investment process shall act as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. Thus, employees and officials involved in the investment process shall refrain from personal business activity that could create a conflict of interest or the appearance of a conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

Employees and investment officials shall disclose to the District any material interests in financial institutions with which they conduct business, and they shall further disclose any large personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the Agency.

7. 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).



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As stated in Section 53601.5, the District may transact business investments with:

- Institutions licensed by the state as a broker-dealer.
- Institutions that are members of a federally regulated securities exchange.
- Primary government dealers as 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.

8. Allocation of District Investments by Fund Type

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.



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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.



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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 Benchmarks for Reserve Funds are developed based on the criteria of the indenture.

9. **Authorized Investments**

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.

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, except for 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:



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- 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, except for 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.



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- 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.



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- 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.



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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.



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- 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 Mortgage 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. Review of the District Investments for Compliance with Governing Laws

The District’s investments are governed by California Government Code (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 and credit ratings apply at the time the security is purchased.



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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

The securities held by the District must be in compliance with Section 9.0 Authorized Investments at the time of purchase. The Treasurer shall at least annually review the portfolio to identify those securities for compliance with all governing documents. The Treasurer shall establish procedures to report to the District's Board of major and critical incidences of noncompliance identified through the review of the portfolio.

11. Analysis of Investment Pools / Mutual Funds

A thorough investigation of the pool/fund is required prior to investing, and on a continual basis. There shall be a questionnaire developed which will answer the following general questions:

- A description of eligible investment securities, and a written statement of investment policy and objectives.
- A description of interest calculations and how it is distributed, and how gains and losses are treated.
- A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- A description of who may invest in the program, how often, what size deposit and withdrawal are allowed.
- A schedule for receiving statements and portfolio listings.
- Are reserves, retained earnings, etc. utilized by the pool/fund?
- A fee schedule, and when and how is it assessed.
- Is the pool/fund eligible for bond proceeds and/or will it accept such proceeds?

12. District Mitigates Credit Risk through Diversification

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.



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13. District Mitigates Market Risk with Maturity Restrictions

The District will not directly invest in securities maturing more than 5 years from the date of purchase with the exception of the Operating Reserve which may have a stated maturity of 10 years unless specified by the investment policy.

14. District Mitigates Credit Risk by Utilizing a Downgrade Procedure

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 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 Treasurer 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.



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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.

15. District Internal Controls

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft, fraud, or misuse. Accordingly, the Treasurer shall establish an annual process of independent review by an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

16. 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.



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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.

17. Custodian Keeps District's Investments in Safekeeping

All investment transactions shall be settled using "delivery vs. payment".

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 custodian 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).



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18. Performance Standards

The District's investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The District has four distinct categories:

- **Liquid Fund:** The Liquid Fund's investment performance shall earn a return over a market cycle that equals or exceeds the return on the ICE BofA US 3-Month Treasury Bill Index.
- **Limited Maturity Fund:** The investment performance objective of the Limited Maturity Fund is to earn a return that equals or exceeds the return of the ICE BofA 0-3 Year US Treasury Index.
- **Operating Reserve Fund:** The investment performance objective of the Limited Maturity Fund is to earn a return that equals or exceeds the return of the ICE BofA 1-10 Year US Treasury & Agency Index.
- **Debt Service Restricted Reserve Funds:** The investment performance objectives for the Debt Service Restricted Benchmarks for Reserve Funds are developed based on the criteria of the indenture.

19. Fiduciaries Shall Report to the Board Regularly

The District's custodian and investment adviser shall each provide monthly statements of holdings and account activity to the Treasurer. The District custodian shall also provide such information to the District's Investment Adviser(s).

The investment adviser and brokers shall promptly confirm all transactions and fund movements to the District. The investment adviser shall also ensure brokers provide duplicate trade confirmations to the District.

The investment adviser shall meet at least quarterly with District management and/or with the Board of Directors to review account activity, economic conditions, and investment performance.

Monthly Reports

Monthly transaction reports will be submitted by the Treasurer to the Board in accordance with California Government Code Section 53607.



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Quarterly Reports

The Treasurer will submit a quarterly investment report to the Board which provides full disclosure of the District's investment activities within 30 days after the end of the quarter. The quarterly report will disclose the information required by Government Code Section 53646(b), and, at a minimum, the following information about the District's portfolio:

1. 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.
2. Transactions for the period.
3. 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)
4. A one-page summary report that shows:
 - a. Average maturity of the portfolio and modified duration of the portfolio;
 - b. Maturity distribution of the portfolio;
 - c. Percentage of the portfolio represented by each investment category;
 - d. Average portfolio credit quality; and,
 - e. 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;
5. 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.
6. A statement that the District has adequate funds to meet its cash flow requirements for the next six months.

Annual Reports

A comprehensive annual report will be presented to the Board. This report will include comparisons of the District's return to the market benchmark return, suggest policies and improvements that might enhance the investment program, and will include an investment plan for the coming year

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).



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The investment adviser and broker shall promptly confirm all transactions and fund movements to the District. The investment adviser shall also ensure brokers provide duplicate trade confirmations 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.

20. 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 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.



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Glossary:

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.



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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.

Dealer - A dealer acts as a principal in security transactions, selling securities from and buying securities for his own position.

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.



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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).

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.

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.



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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).

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."

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.



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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.

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 J: *Purchasing Policy*



POLICY A-5: PURCHASING SERVICES, MATERIALS, AND PUBLIC WORKS PROJECTS

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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 2. 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 2.

If an authorized signatory (other than the General Manager) for a given request is absent, the next highest authority in Table 2 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.



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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 2.



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8. Purchasing Cards

Authorized District staff may be assigned Cal Cards to make miscellaneous purchases within the limits of Table 2. 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.

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 2 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 2.

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.



POLICY A-5: PURCHASING SERVICES, MATERIALS, AND PUBLIC WORKS PROJECTS

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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 2. 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 2.



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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 quote or proposal from one qualified Consultant or Vendor.

District staff will request a minimum of three quotes 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.



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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.



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- 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 2, 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 2.

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



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limit, the requesting department will complete a revised Purchase Order Requisition (approved at the levels in Table 2.)

- For Contracts and Amendments up to \$75,000:
 - Change Orders can be approved by the total appropriate authorization levels as outlined in Table 2 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).



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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.



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TABLE 1: 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 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.



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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.



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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. Quotes are evaluated/awarded based primarily on cost/price.

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.



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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).



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TABLE 2: Procurement Limits and Contract Signature Authority

Procurement Limits and Contract Signature Authority		
Title	Expenditures	Contract Signature Authority
<i>General Manager</i>	up to \$75,000	\$75,001 and over with Board authorization up to \$75,000 without Board authorization
<i>Assistant General Manager Deputy General Manager</i>	up to \$50,000	up to \$50,000
<i>Staff Directors, Government Affairs Officer, Information Systems Officer</i>	up to \$25,000	up to \$25,000
<i>Board Secretary Staff Assistant Directors</i>	up to \$20,000	None
<i>Superintendents, Managers, Controller, Principal Engineers, Coordinators, Sr. Water Resources Planner, Operations Engineer</i>	up to \$10,000	None
<i>Supervisors, Purchasing Agent, Administrative Personnel, Sr. Water Efficiency Specialist, Sr. Wastewater Treatment Plant Operators, Administrators</i>	up to \$5,000	None

Appendix K: *Reserve Policy*



POLICY A-8: MAINTAINING WATER DISTRICT RESERVE FUNDS

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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.



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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.



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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



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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.