

FISCAL YEAR 2023-24 BUDGET



Prepared by :

On behalf of the Moulton Niguel Board of Directors, we proudly present the Fiscal Year 2023-24 Budget to our customers. Moulton Niguel enters the new fiscal year in a strong financial position with the highest-possible AAA credit rating from Fitch Ratings and S&P Global Ratings.

Upon approval by the Moulton Niguel Board of Directors, this year's \$163.5 million budget will put our customers' money to work maintaining our robust infrastructure, financing our reliable water supply, and funding our water quality systems that keep our water safe. The balanced budget is based directly on customer feedback and makes substantial investments in planning and preparing for the long-term water and wastewater service expectations of more than 170,000 customers in South Orange County.

At Moulton Niguel, we value your hard-earned dollars by providing safe and reliable water service 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 remain committed to responsible long-term planning that ensures ongoing safe and reliable water and wastewater services for our customers, now and for decades to come. During the upcoming fiscal year, our largest budget expenditure is approximately \$57.4 million for capital investments to support our extensive infrastructure system, including more than 1,300 miles of pipelines, 28 drinking water reservoirs, 10 recycled water pump stations, and two wastewater treatment facilities.

Finally, all of us at Moulton Niguel Water District would like to express our gratitude and appreciation to our customers for remaining resilient through California's historic drought. This winter's storms ended the drought by refilling our state's reservoirs to historic levels, providing the Sierra Nevada with a record snowpack and replenishing groundwater basins and aquifers throughout California. We could not have overcome the historic drought without our customers using water wisely and taking extraordinary steps to implement long-term water conservation measures. We continue to encourage you to use water wisely so we can remain resilient for the next water supply challenge.

Respectfully Submitted,



Joone Kim-Lopez, General Manager

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Introduction & Overview

Executive Summary

\$460.3 Million Investment in Infrastructure Projects

Over the next ten years, Moulton Niguel will reinvest more than \$460.3 million in building, maintaining, and upgrading our capital infrastructure assets. This investment in our water and wastewater infrastructure includes ongoing reservoir rehabilitation, rehabilitation of the District's pump stations, transmission main rehabilitation, valve replacements, and future water reliability projects.

Exploring Water Re-Use: Planning for Our Community's Long-Term Water Needs

Moulton Niguel is engaging in long-term planning to explore new ways to re-use water locally. In the past year, Moulton Niguel resumed operations of our Advanced Water Treatment Plant at the Regional Treatment Plant in Laguna Niguel that produces recycled water for customers. Moulton Niguel is projected to recycle nearly 2.5 billion gallons of water this year, meeting more than 20 percent of our total water demand through water we recycle locally and is actively pursuing additional water re-use opportunities.

South OC Wastewater Optimization Blueprint to Resolve Expiring Wastewater Agreements

Moulton Niguel is working collaboratively with our neighboring water agencies to address expiring operating agreements for our locally owned wastewater treatment facilities. The South OC Wastewater Optimization Blueprint, which has been jointly developed with Santa Margarita Water District, would optimize wastewater operations, increase local water supply development, and modernize the governance for our region's wastewater treatment facilities.

\$35.2 Million in Water Reliability Projects

Moulton Niguel continues to explore water reliability projects to secure our future water supply in the face of short-term emergencies and long-term diminished supplies. One project under consideration with the City of Santa Ana and Orange County Water District would provide our customers with groundwater during emergencies through a new well and pump station.

Disaster Readiness & Emergency Preparedness

From COVID to the Coastal Fire, Moulton Niguel has kept our water flowing in times of crisis. In the year ahead, Moulton Niguel will conduct an in-depth preparedness assessment to prepare for cyber-security threats, natural disasters, and other emergency situations.

\$76.7 Million in Financial Reserves

To prepare for uncertainties and in anticipation of continued inflation, the 2023-24 Fiscal Year budget includes \$76.7 million in reserve funds.

Balanced Budget Based on Customer Feedback

Moulton Niguel is committed to an open and transparent budget process that incorporates direct feedback from our customers. In February, the Board of Directors held a public workshop to discuss strategic initiatives for the upcoming fiscal year. At this year's public budget workshop on May 3, 2023, customers, staff, and the Board of Directors reviewed the identified priorities and initiatives to be funded in this budget.

Budget Overview

The Fiscal Year 2023-24 (FY24) budget of \$163.5 million comprises Operation & Maintenance (O&M) and Capital expenditures. The O&M portion, \$95.2 million, is presented by departments and differentiated between Funds 1 and 6. Fund 1, the General Fund, is utilized for operating expenditures and small capital outlays. Fund 6, the Water Efficiency Fund, is accounted for separately and used to fund water efficiency and reliability projects to offset inefficient water usage.

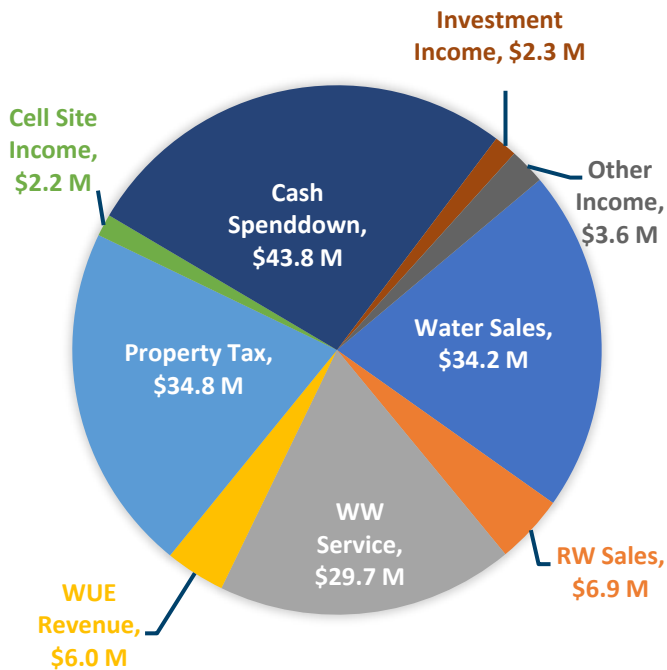
The Capital portion is \$57.4 million. Funds 7, 12, and 14 make up \$54.7 million which are replenished throughout the fiscal year via budget transfers authorized through the budget resolution to meet capital expenditures. Another \$2.7 million is attributed to capital projects in Funds 1 and 6.

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 FY24 are shown below in Figure 1.

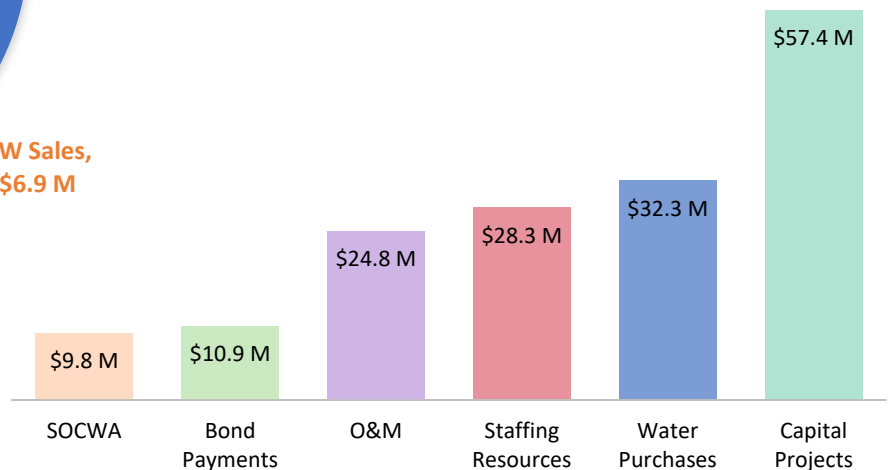
Capital improvement projects are the most significant portion of the District's budget, and the reflected spenddown of existing cash reserves to fund these investments is consistent with the most recent Long-Range Financial Plan (LRFP). This budget evaluates the long-term implications of annual budget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

Figure 1: FY24 Budget Summary

SOURCES OF FUNDS = \$163.5 M



USE OF FUNDS = \$163.5 M



Factors and Assumptions

Factors and assumptions that guided the development of this budget include:

- 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 the same from FY23 levels due to continued water conservation by customers from increased messaging and outreach from the District. Total water purchases are budgeted at 23,590 acre-feet.
- Potable water deliveries from the Baker Water Treatment Plant for FY24 are budgeted at 8,908 AF, reflecting a full year of water deliveries. The remaining 14,682 AF of potable water deliveries will be supplied from imported sources by Metropolitan Water District of Southern California (MET) via the District's wholesaler, the Municipal Water District of Orange County (MWDOC).
- Water purchase costs are budgeted based on the rates and charges adopted as part of MET's biennial budget (adopted in April 2022).
- Recycled water production is budgeted at 6,723 acre-feet, 100 acre-feet less than FY23, to reflect recent trends in recycled water use efficiency.
- Implementing year one of the 4-year, 2023 Memorandum of Understanding with employees.
- Continued educational programs and resources to support customers in utilizing water efficiently.
- 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 by 4.68% due to the appreciation of home values and the recapture of adjusted property values due to Proposition 8. Staff monitors property tax projections for Years 2-10 on an annual basis and will update as conditions changes.
- 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.
- Significant inflationary and other cost increases from external sources that contributed to 51% of the year over year budget increase:
 - Electrical and chemical: \$2,794,053 - 24% of increase
 - Electrical generation rates have increased up to 40% while delivery charges increased more than 200%.
 - Chemicals have increased in both rate and quantity. Increased wastewater flow to Plant 3A from SMWD is expected until their Advanced Water Treatment (AWT) plant is back in service. However, miscellaneous non-operating revenue will also increase due to SMWD's agreement.
 - Water Purchases: \$1,659,939 - 19% of increase
 - Imported water purchases represent the District's largest O&M expense and any increases in MET's rates have a direct impact on the District's budget.
 - Increase reflects both MET's planned 5% rate increase and the annual update of water sales assumptions based on volumetric usage trends for potable and recycled water demands.

Strategic Plan

For over a decade, District staff has jointly conducted an annual strategic planning workshop with the Board of Directors to identify the key objectives and strategies 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 workshop, 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 objectives and strategies are listed in Table 1 on the next page. Each of the District's departments have initiatives that contribute to these F.O.C.U.S. areas. In addition, performance measures can be found in the Departmental Information section of this budget document.

Figure 2: Strategic Planning Areas



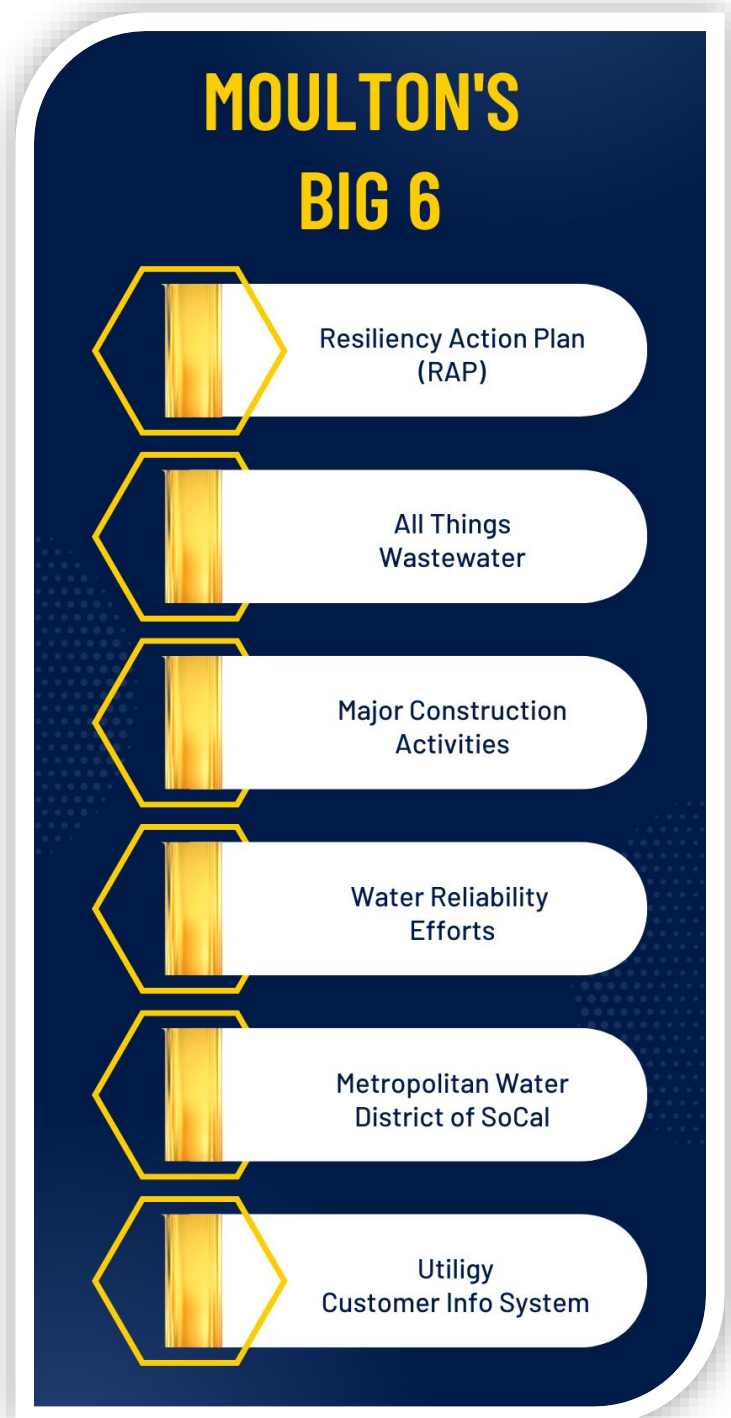
Table 1: Strategic Goals & Objectives

Strategic Goals	Objectives & Strategies
1. Fiscal Responsibility	a. 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. <ul style="list-style-type: none"> i. <i>Maintain fiduciary responsibility</i> ii. <i>Provide financial transparency</i> iii. <i>Implementing equitable rates</i>
2. Operational Optimization	a. 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. <ul style="list-style-type: none"> i. <i>Assess infrastructure condition</i> ii. <i>Replace infrastructure proactively</i> iii. <i>Address infrastructure needs</i> iv. <i>Maximize useful lives of assets</i> v. <i>Pilot potential new technologies</i>
3. Community & Government Relations	a. Promote the District’s programs and services to our customers and general public in a positive, purposeful, and cost-effective manner, while also soliciting customer and community feedback. <ul style="list-style-type: none"> i. <i>Build brand recognition</i> ii. <i>Increase public awareness</i> b. Continue the District’s leadership role in implementing the Governor’s Water Action Plan to make “conservation a way of life” through engagement with our customers. <ul style="list-style-type: none"> i. <i>Engage customers</i> c. 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. <ul style="list-style-type: none"> i. <i>Increase partnerships and networking</i>
4. Unified Workforce	a. 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. <ul style="list-style-type: none"> i. <i>Fill open vacancies</i> ii. <i>Comprehensive recruitments</i> iii. <i>Succession doing</i> iv. <i>Active employee training and engagement</i>
5. Secure & Reliable Service	a. 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. <ul style="list-style-type: none"> i. <i>Proactive physical security for District sites</i> ii. <i>Monitor emerging water and wastewater issues and regulations</i> iii. <i>Emergency preparedness</i> b. 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. <ul style="list-style-type: none"> i. <i>Work towards service reliability and efficiency policy goals</i> ii. <i>Provide a sustainable, adequate water supply per Board policy</i>

Priorities and Issues

From the F.O.C.U.S. goals and objectives, staff prioritized six substantial District-wide initiatives for the upcoming planning period that require significant time and resourcing, also known as Moulton's Big 6:

Figure 3: Moulton's BIG 6



1. Resiliency Action Plan (RAP)

Engaged Arcadis (consultant) for a first-of-its-kind preparedness assessment that takes feedback directly from staff and key stakeholders to look at key challenges and solutions for being resilient in the following pillars:

- Security (physical/cyber)
 - Defending against cyber-attacks which are constant and evolving
 - Sourcing needed materials for cybersecurity during ongoing supply chain issues
 - Providing ease-of-use without adding vulnerability
 - Managing third-party access and connections
 - Maintaining physical security of facilities and people
- External events (natural disasters, recession, supply chain)
 - Planning for external events with no direct control or influence over the events
 - Navigating disruptions to the supply chain during emergencies is a key issue
 - Understanding what scale of event to prepare for
 - Managing compounding and simultaneous issues
 - Expanding staff training and community preparations for emergencies with compounding events
- Workforce
 - Recruiting and retaining qualified people and skilled labor
 - Competing for staff from other agencies and sectors
 - Operating with staff across all departments and levels needing to wear multiple hats
 - Facilitating succession planning and effective knowledge transfer
- Customer Experience
 - Building trust with unengaged customers, but higher visibility when something is going wrong
 - Rising customer demands, “they expect us to fix the issue right away”
 - Preparing the community for what to expect from the District during emergencies

2. All Things Wastewater

Working collaboratively with neighboring water agencies to address operations of wastewater treatment facilities.

- South Orange County (South OC) Wastewater Optimization Blueprint
 - A proposal that could change the dynamics of wastewater treatment and recycled water supply in South OC.
 - The Blueprint is being reviewed by and discussed with SOCWA member agencies and their Boards of Directors.
 - The District proposed the Blueprint for more oversight of the facilities, given the rising costs from SOCWA (8.6% for O&M in FY23) and a projected \$9.8M in FY24, net of the District assuming operations of the Regional AWT.
 - The District began operating the Regional AWT in November 2022 and shifted those costs out of the SOCWA line item and into their respective categories, consistent with the change in cost accounting used when the District resumed operation of Plant 3A.
- Wastewater Treatment Plant improvements
 - The District’s wastewater treatment plants have begun to reach the end of their useful lives and require significant investment to update the facilities. However, rather than restore the facilities to their original state the District has elected to align these needed investments with its long-term reliability goals. The FY24 Budget includes:
 - Plant 3A:
 - Solids – comprehensive rehabilitation of mechanical, electrical, instrumentation, and controls systems of the solids handling facilities to restore redundancy and provide operational improvements with modern technologies.
 - Liquids – comprehensive rehabilitation of mechanical, electrical, instrumentation, and controls systems of the liquids handling facilities to provide operational improvements, improve efficiencies, and to incorporate salinity management and cogeneration into the facility.

2. All Things Wastewater, cont.

- Regional AWT – comprehensive rehabilitation and retrofit of modern filter technology to ensure reliable recycled water production.
- Regional Treatment Plant – comprehensive assessment of existing facilities and prioritization of improvements necessary for the facility that has been in continuous operation since 1984.

3. Major Construction Activities

\$57.4M in capital investments with these three projects as the most significant for FY24:

- Crown Valley Parkway Pipelines Replacement (includes Lower Salada Lift Station Force Main Replacement, CVP Transmission Main Lower Reach Replacement, and I.D. No. 1 Master Meter Replacement) - \$11.2M of \$18.0M total project cost
 - Replacement of critical water and wastewater pipelines that serve a large population of the District's customers
 - Implementing enhanced public outreach in consideration of the effects of construction activities on the surrounding community
- Regional Lift Station Force Main Replacement - \$2.8M of \$22.0M total project cost
 - Replacement of critical sewer force mains that convey wastewater from the Regional Lift Station, which handles more than half of all the wastewater generated in the District, to the Regional Treatment Plant
- Plant 3A Solids (includes Plant 3A Solids Handling Facilities Improvements and Plant 3A Solids Loadout Facility) – \$19.0M of \$53.8M total project cost
 - Improve efficiency and safety of solids management at wastewater treatment plant

4. Water Reliability Efforts

Future in-progress efforts studies will develop potential future capital projects. The first study is far enough along to be included in the ten-year CIP plan at \$20 million. The second two projects are currently being studied and will be incorporated into future budgets once they are formalized into capital projects:

- **Orange County Water District (OCWD) Basin Emergency Interconnection at Santa Ana East Station**

Retail water agencies in South OC, including the District, rely primarily on imported water from MET for their potable water supply, making it imperative for these agencies to identify and develop alternative emergency supply sources. The District entered into an agreement with OCWD in January 2019 to study potential alternatives for developing additional emergency interconnections that would allow for water to be moved to South OC through the East Orange County Feeder #2 from the groundwater basin during emergencies. OCWD and the District commissioned a study of potential alternatives, which was completed in 2020. Through that analysis, five potential projects were identified as possible emergency interconnections, with the Santa Ana East Station location being the most cost-effective to evaluate further. The District entered into an agreement with OCWD and the City of Santa Ana to prepare the preliminary design and required environmental documentation for the East Station project. The preliminary design effort is currently underway and anticipated to be completed mid-2024. The environmental documentation effort will commence thereafter.

- **Doheny Desalination Tracking**

South Coast Water District (SCWD) is developing an ocean water desalination facility in the City of Dana Point. The project would desalinate saline groundwater pumped from slant beach intake wells at the mouth of San Juan Creek at Doheny State Beach. The brine would be combined with treated wastewater in the existing San Juan Creek Ocean Outfall pipeline and discharged to the ocean. SCWD intends to construct a facility with an initial capacity of 5 million gallons/day (MGD), with potential for future expansions up to a capacity of 15 MGD. Moulton Niguel is tracking developments with this project and evaluating opportunities to participate in the project.

- **Optimized, Adaptive, Sustainable, Integrated Supply (OASIS) Treatment Center**

Moulton Niguel is evaluating opportunities to create new sources of drinking water and recycled water supplies by maximizing the reuse of wastewater and capturing runoff water in the watershed. The OASIS Treatment Center project could provide our customers with a drought resistant, local water supply that would also increase operational flexibility, reduce Moulton Niguel's dependence on drought stricken imported water sources, and reduce discharges of urban runoff and treated wastewater to Aliso Creek and the ocean. The project is evaluating the feasibility of implementing a direct potable reuse facility at the Regional Wastewater Treatment Plant, diverting runoff from the Aliso Creek watershed with a nature-based treatment system, and building a watershed education facility to support the community outreach program. Initial planning studies will begin this year and are anticipated to be complete by 2025.

5. Metropolitan Water District of Southern California Tracking and Advocacy

Since MNWD imports all its potable water from MET, any change in their budget and rates that were not considered in their adopted budget last year will have a direct impact on the District's rates; therefore, we must track MET's reliability and finances:

- This year's budget is based on MET's adopted biennial budget (FY23 & FY24), which includes a rate increase of 3.89% for treated potable water and 5.61% for untreated potable water.
- However, items that will influence next year's (FY25) budget that the District is tracking include:
 - In recent months, Colorado River Aqueduct electrical costs have been as high as 200% of historical costs, increasing MET's operating cost to move and store water.
 - MET's current rate plan does not align fixed and variable expenses with the fixed and variable revenue. Therefore, if water demands are lower than projected, MET will have a massive loss in revenue, which would impact water rates directly. We will track their supply and finances and plan accordingly for our service area.
 - Increased CIP cost to expand infrastructure for areas that are solely dependent on State Water Project

6. Utility Customer Information System Replacement

Multi-year project with \$450K proposed in FY24 as a project initiative that will replace the current billing system while enhancing customer experience with the customer portal and the District's other information systems integrated with customer billing. Funding will support staff, project management, and consultant (project manager) to develop an RFP for system replacement. This would affect more than 650,000 bills on an annual basis.

District Profile

The District delivers high-quality drinking water, recycled water, and wastewater services to more than 55,000 customer accounts, representing more than 170,000 residents. While operations have evolved with service area growth, the District's primary focus has remained unchanged: ensuring ratepayers have reliable, sustainable, and affordable services for the future. Residential land uses are the most significant 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 1 percent.

Service Area

The District's service area (Figure 4) is in south Orange County, California, encompassing approximately 37 square miles, serving 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 rain annually, almost entirely within six months, from 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 4.6% for the most current tax roll. The assessed net taxable valuation of the properties within the District's service area has grown to \$43.3 billion as of June 30, 2023. Property tax accounts for approximately 29% of the District's annual revenue.

Local Community

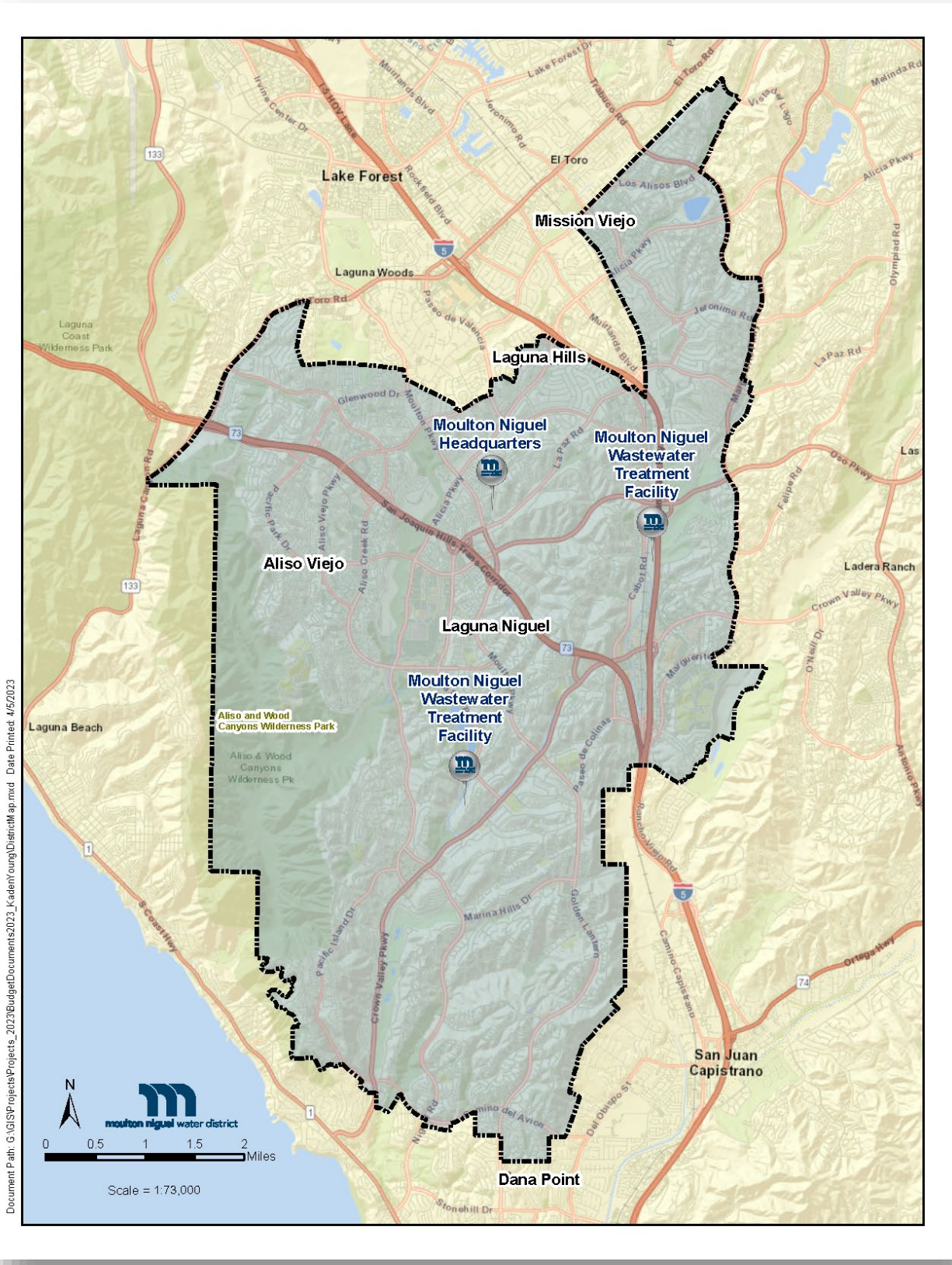
The District serves communities within South Orange County that historically reports stronger financial indicators than that of the nation and state. Residential development is the predominant land use throughout. The highest concentration of commercial development is in the City of Mission Viejo, which 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.

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 also post the link for the approved budget:



Figure 4: Map of Service Area



Document Path: G:\GIS\Projects\Projects_2023\BudgetDocuments\2023_Kaden\cung\DistrictMap.mxd Date Printed: 4/5/2023

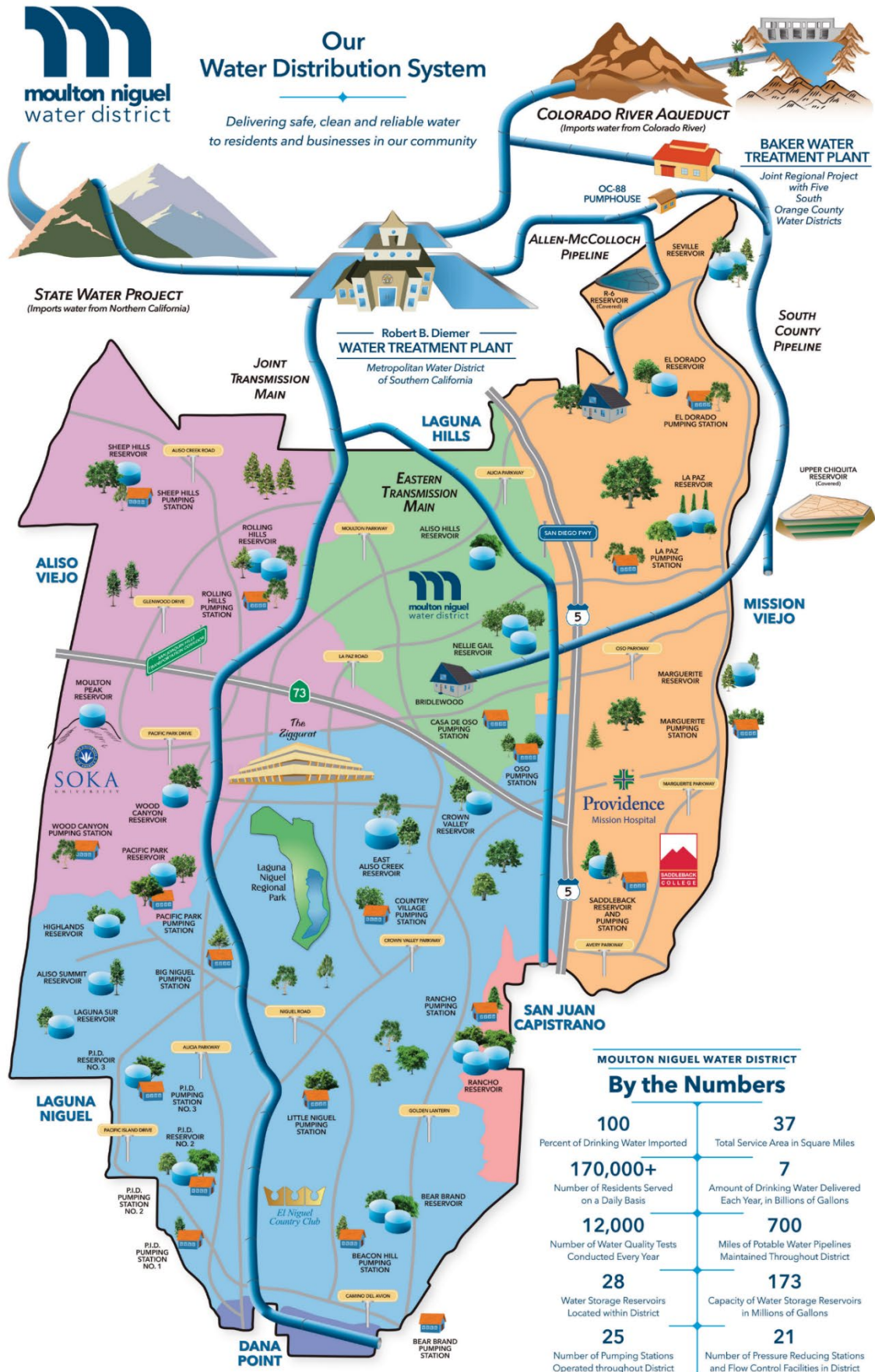
Water Supply & Services

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 that facilitates water purchases on behalf of 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 of the water supply is imported raw water 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, the Joint Transmission Main/Eastern Transmission Main, and the Allen-McColloch Pipeline (Figure 5).

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 the 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.

From 2020 to 2022, California experienced the three driest years in its history. Record-breaking winter storms have helped restore depleted reservoirs, boosted snowpack in the Sierra Nevada and allowed the State to increase available water supplies to Southern California for this year. As of April 20, 2023, the Department of Water Resources announced it now expects to deliver 100% of requested water supplies to Southern California, up from 75% in March 2023. While conditions in California have improved, the future of Colorado River Basin supplies remains uncertain. The District continues to ask customers to reduce waste and use water efficiently in support of improving long term water reliability.

Figure 5: Potable Water Distribution System



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 eight governmental agencies, which 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. 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). The District also owns and operates the AWT facilities located at the Regional Treatment Plant. This facility treats water to Title 22 standards for recycled water to supply up to 20% of the District's total water demands.

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 subsequent update/re-certification will be in 2024.

SOCWA, which is built upon agreements dating back to the 1970s, could not have foreseen the technological advancements and opportunities that would make water reuse a viable and cost-effective option for wastewater disposal. Therefore, in January 2023, the District, in partnership with SMWD, introduced the South OC Wastewater Optimization Blueprint (Blueprint) which outlines a strategy in which retail agencies directly oversee operations of local treatment facilities to optimize wastewater service delivery, integrate system operations, and implement a long-term vision for safe, reliable, and efficient wastewater treatment in South Orange County for generations to come.

Recycled Water Supply & Services

The District promotes the use of recycled water to reduce reliance on imported water by maximizing the reuse of available resources. The District operates two Advanced Water Treatment (AWT) plants (Plant 3A since 2019 and Regional AWT since November 2022) 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.

For more than 60 years, water reuse has been a key component of the District's supply reliability efforts since it began producing recycled water for irrigation. Looking forward, reuse will continue to be a critical piece of the District's long-term reliability strategy. South Orange County agencies are evaluating the jointly developed Blueprint and how to advance local supply reliability by implementing programs to increase recycled water production, enhance treatment technologies to improve recycled water quality, integrate urban runoff and first flush storm flows into the recycled water supply, and develop indirect and direct potable reuse projects consistent with existing and emerging regulatory guidelines. Consistent with the goals of the Blueprint, the District resumed operations of its Regional AWT in November 2022 to integrate the recycled water production with the District's water system management and to ensure that upcoming capital plans are developed with these long-term supply reliability goals in mind.

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, Figure 6: Board of Directors - Officers and Figure 7: Board of Directors. 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 can 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 6: Board of Directors - Officers



Duane Cave serves as President of the Moulton Niguel Water District. Mr. Cave has served as a member of the Moulton Niguel Board of Directors since 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. An experienced utility professional, President Cave uses his extensive knowledge of public utilities and public affairs to cement Moulton Niguel's reputation as an award winning utility provider.



Brian Probolsky serves as first Vice President of the Moulton Niguel Water District. Mr. Probolsky has served as a member of the Moulton Niguel Board of Directors since 2008. During his tenure, the district has won numerous awards from the WaterNow Alliance, Association of California Cities Orange County, Orange County Business Council, and SustainOC as well as the State of California's highest environmental honor. Probolsky's priorities include maintaining reliable access to a clean water supply, protecting our beaches and local waterways from pollution, and embracing state of the art water technology to improve customer service and reduce operating costs.



Diane Rifkin serves as second Vice President of the Moulton Niguel Water District. Vice President Rifkin has over 30 years of experience in the legal, attorney recruiting, and public relations sectors. Known for her detail oriented approach, straightforward counsel, and passion for achieving results on behalf of her clients, Vice President Rifkin now brings that same focus to representing her Moulton Niguel constituents. 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 elected to the Board in 2022 to serve her second term.

Figure 7: Board of Directors



Richard S. "Dick" Fiore serves as an elected member of the Board of Directors for the Moulton Niguel Water District. First elected to the Moulton Niguel Board in 1977, Director Fiore has played a key role in guiding the District through its years of rapid growth and development, and multiple periods of drought. Director 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.



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 and an Alternate for the California Association of Sanitation Agencies. A registered civil engineer and principal water engineer, Mr. Moorhead understands the challenges of managing complex projects while ensuring fair and equitable water rates for customers.

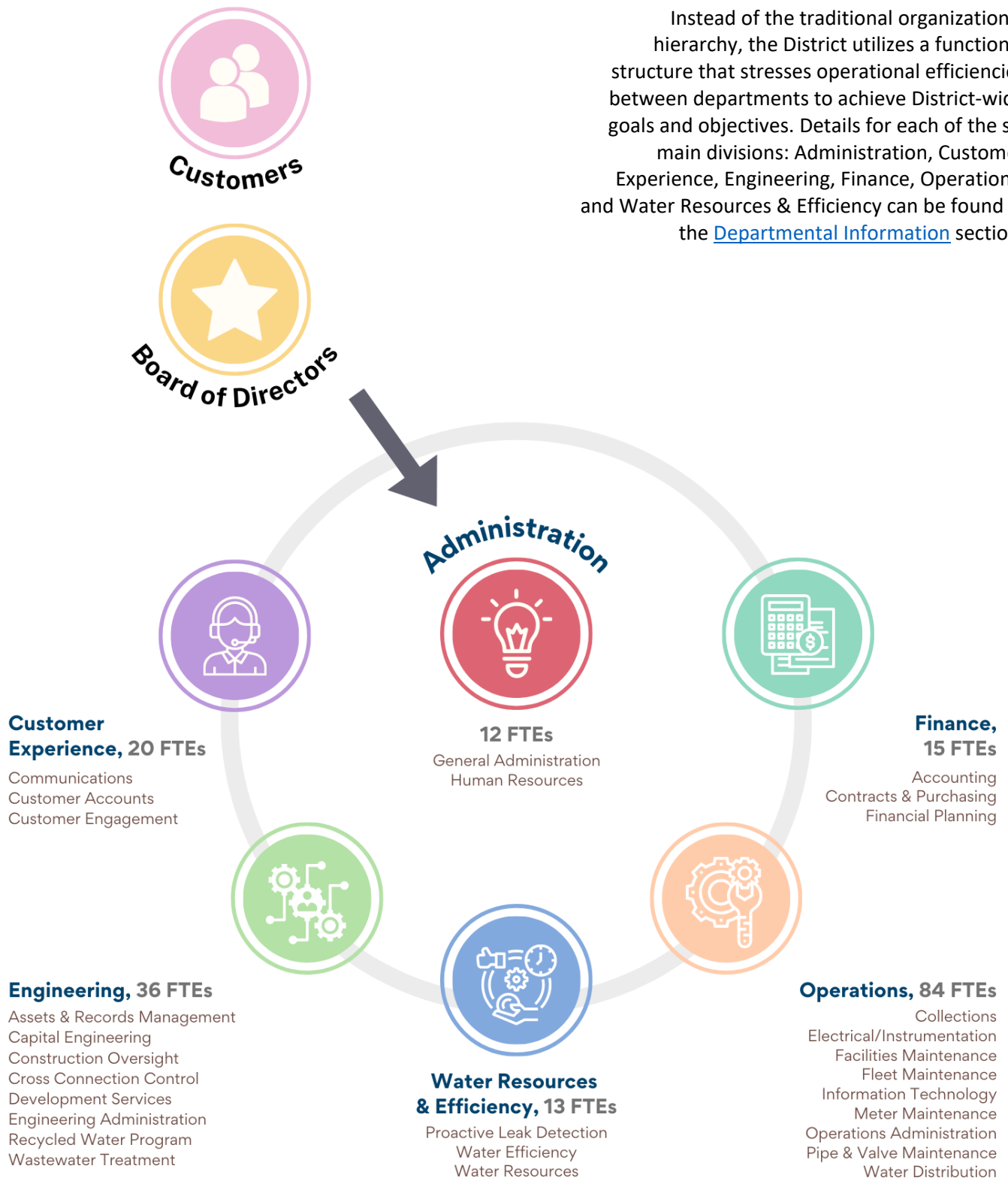


Sherry Wanninger serves as an elected Director of the Moulton Niguel Water District and represents the District on the Santiago Aqueduct Commission. Elected to her first term in 2020, Ms. Wanninger believes in prioritizing long term water resiliency to build on the District's success at delivering safe, reliable and affordable water services to its more than 170,000 customers. She has been an active community member for over three decades and brings a wealth of knowledge and experience to her role as a Director at Moulton Niguel Water District.



Donald R. Froelich serves as an elected member of the Board of Directors for the Moulton Niguel Water District. For the past decade, Director Froelich has applied his engineering knowledge, legal acumen, and technical skills in overseeing Moulton Niguel's robust infrastructure system, which 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 four treatment plants. During his previous term as president of the Board of Directors, then Vice President Froelich helped develop the District's ten year capital improvement plan, which will invest \$533 million into upgrading Moulton Niguel's extensive water infrastructure system.

Organization Chart



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Financial Structure, Policy, and Process



Financial Structure, Policy, & Process

Fund Descriptions & Fund Structure

The overall flow of funds is shown in Figure 8. This section is divided by the primary purpose of each fund: operation and maintenance and capital funds. Classification of expenditures into operating or capital expenses is provided in more detail in the description of the Appendix F: *A-4, Capitalization & Surplus Policy*.

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.

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 effect 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, identified as Fund 6, is used for 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 related to future water supply reliability enhancement projects has 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 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.

Capital expenses and operating costs 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

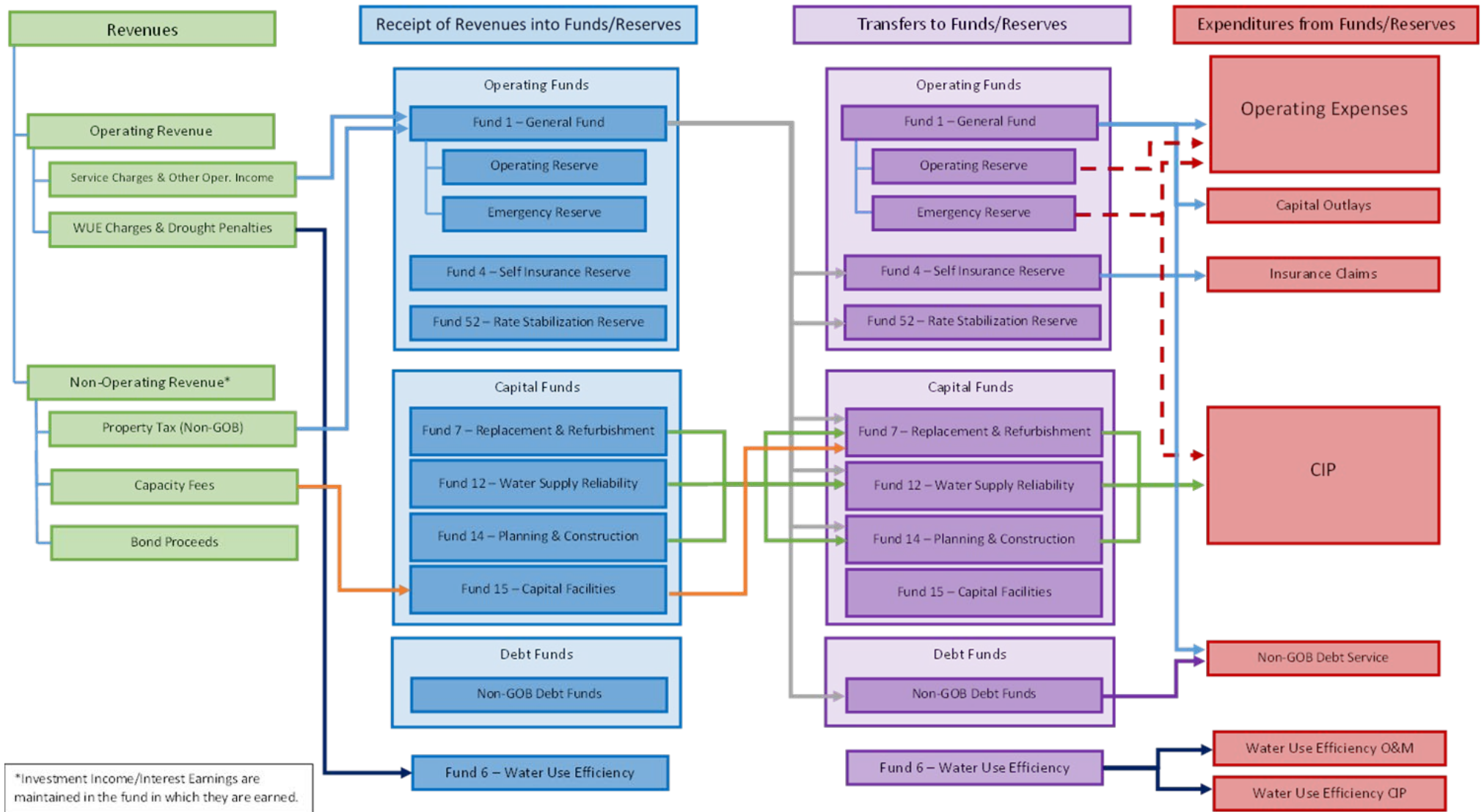
The Planning and Construction Fund is used to pay expenditures for developing new capital facilities that do not result in new potable or recycled water supplies as identified in the District’s Capital Improvement Plan. Funding for the Planning and Construction Fund will be from new debt issuances or 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.

Department/Fund Relationship

Figure 8: Flow of Funds



Budget Process

Budget Development, Review, and Adoption

The budget process is initiated by District staff in mid-November 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 2023, 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 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 May 3, 2023, staff presented the proposed 10-year Capital Improvement Program, Capital Financing Plan, and Operations & Maintenance Budgets for FY24. 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 2023-24 budget, which is scheduled for Board consideration and action on June 8, 2023. The budget timeline can be seen in Figure 9.

Budget Amendments and Transfers between Funds

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

As outlined in the annual budget resolution, Appendix B: *Budget Resolution*, any unexpected expenses that require additional funding beyond the annual authorized budgeted expenses and fund transfers require 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 9: Budget Timeline



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 E to Appendix J. 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 10: 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 Long-Range Financial Plan (LRFP) aims 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, 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 critical input into the long-range financial outlook for the District. Additionally, the District's 10-year cashflow summary is crucial contextual information for making near-term financial decisions.

Basis of Budgeting

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

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 cash 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. Fund balance is the difference between the fund's assets and liabilities. 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 of providing the service
2. Revenues for the fee cannot be used for something other than what the fee was imposed for
3. Property owners must be able to use or have service immediately available to them

Financial Policies

This section includes a summary of the District’s financial policies. These policies, as written, follow best practices as recommended by GFOA.

1. *Policy A-3:*

Managing Water District Debt

The District maintains debt as a tool to provide intergenerational equity between past, present, and future customers and to smooth out future rate adjustments to provide customers with predictable and incremental rate adjustments. The District maintains a solid 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 2023 and attached as [Appendix E](#).

2. *Policy A-4:*

Capitalization & Surplus

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 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 and attached as [Appendix F](#).

Financial Policies, cont.

3. *Policy A-5:
Purchasing, Services, Materials, and Public Works Project*

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 2023 and attached as [Appendix G](#).

4. *Policy A-6:
Federal Grant Management*

In 2014, the Federal Office of Management and Budget approved the Uniform Guidance with specific requirements for procuring 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 is reviewed and adopted annually and attached as [Appendix H](#).

5. *Policy A-7:
Maintaining Water District Investment Funds*

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 2023 and attached as [Appendix I](#).

6. *Policy A-8:
Maintaining Water District Reserve Funds*

The District has adopted reserves to mitigate potential revenue and expense volatility and reduce the risk of requiring unplanned, significant rate adjustments. The reserve policies help to maintain the District's creditworthiness by adequately providing for economic uncertainties, extraordinary costs, and other financial impacts. In addition, reserves are used when there are 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 attached as [Appendix J](#).

Reserves

The District maintains four types of reserves:

1. *General Operating Reserve*

This reserve provides sufficient liquidity for day-to-day operating expenses and District cashflow needs during normal operations due to expected 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 costs, 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 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).



Financial Summaries

Financial Schedules

The All Funds budget presents the annual flow of funds consolidated across all District functions. The statement summarizes the yearly operating and non-operating revenues, operating expenses, capital expenses, and debt service expenses. The operating costs are presented consistent with the monthly financials reported by the Accounting Department at each monthly 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: Fund 1 – Statement) and Water Efficiency Fund (Table 4: Fund 6 – Statement).

Consistent with GFOA’s best practices, the District utilizes a cash basis for its budgetary basis of accounting. On the other hand, financial statements are prepared under GAAP’s accrual 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 cash basis of accounting provides a better match of revenues and expenses for budgeting and reporting and identifies 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 made.

Therefore, the expenses and actuals in the following budget statements differ slightly from those in the Annual Comprehensive Financial Report.

Table 2: All Funds – Statement

	FY22 Budget	FY22 Actuals	FY22 Difference	FY23 Budget	FY24 Proposed	FY24 Forecast*	FY24 vs FY23 \$Δ	%Δ
		32,547,908	76,302	32,895,199	34,188,707	33,795,289	1,293,508	4%
	31,671,356	32,092,257	420,901	32,621,422	34,780,406	33,736,691	2,158,984	7%
EXPENSES (Operating)**								
Salaries	17,250,709	15,537,086	(1,713,623)	17,877,595	20,431,280	19,071,307	2,553,685	14%
DEBT SERVICE EXPENSE	8,150,081	8,705,751	555,670	10,922,835	10,852,731	10,852,731	(70,104)	-1%
CAPITAL EXPENSES								
General Fund	386,000	492,133	106,133	1,250,000	1,100,000	1,250,000	(150,000)	-12%
R&R Fund	34,090,000	21,130,587	(12,959,413)	35,216,174	46,523,794	45,140,418	11,307,620	32%
Water Supply Reliability Fund	1,891,250	6,476	(1,884,774)	750,000	584,000	1,400,000	(166,000)	-22%
Planning & Construction Fund	5,248,594	3,856,568	(1,392,026)	1,278,750	7,626,219	3,325,000	6,347,469	496%
Water Efficiency Fund	910,000	269,725	(640,275)	1,510,000	1,600,000	1,010,000	90,000	6%
Total Capital Expenses	42,525,844	25,755,489	(16,770,355)	40,004,924	57,434,013	52,125,418	17,211,089	44%
PROJECTED CHANGE IN FUNDS	33,180,376	57,435,028		(24,878,944)	(43,922,525)	(36,712,208)		

*Forecasted values based on projections developed from the Ten Year Cashflow Model.

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

***Regional AWT costs are no longer included in SOCWA and are now reported in their respective line items.

Totals may not foot due to rounding

Table 3: Fund 1 – Statement

	FY22 Budget	FY22 Actuals	FY22 Difference	FY23 Budget	FY24 Proposed	FY24 Forecast*	FY24 vs FY23 \$Δ	FY24 vs FY23 %Δ
REVENUE (Operating):								
Water Revenue	32,471,606	32,547,908	76,302	32,895,199	34,188,707	33,795,289	1,293,508	4%
Recycled Water Revenue	6,222,975	6,032,984	(189,991)	6,762,798	6,877,107	7,051,086	114,309	2%
Sewer Revenue	26,718,392	28,989,216	2,270,824	28,255,850	29,676,776	29,859,215	1,420,926	5%
Other Operating Revenue	576,020	335,128	(240,892)	702,782	1,321,848	704,776	619,066	88%
Total Operating Revenues	65,988,993	67,905,236	1,916,243	68,616,629	72,064,438	71,410,366	3,447,809	5%
REVENUE (Non-Operating):								
Property Tax Income	31,671,356	32,092,257	420,901	32,621,422	34,780,406	33,736,691	2,158,984	7%
Investment Income	2,486,866	1,690,061	(796,805)	2,663,281	2,186,898	2,153,503	(476,383)	-18%
Cell Site Income	2,016,093	1,449,393	(566,700)	2,091,040	2,168,860	2,168,860	77,820	4%
Misc. Non-Operating Income	245,202	4,881,357	4,636,155	250,812	2,342,932	250,812	2,092,120	834%
Total Non-Operating Revenues	36,419,517	40,113,068	3,693,551	37,626,555	41,479,096	38,309,866	3,852,541	10%
TOTAL REVENUES	102,408,510	108,018,304	5,609,794	106,243,184	113,543,534	109,720,232	7,300,350	7%
EXPENSES (Operating)**								
Salaries	15,686,168	13,736,080	(1,950,088)	16,266,643	18,709,299	17,346,076	2,442,656	15%
PERS Employer Contributions	3,200,847	3,106,920	(93,927)	3,232,376	3,608,182	3,624,919	375,806	12%
Defined Contribution 401A	281,323	240,428	(40,895)	299,726	340,806	318,321	41,080	14%
Educational Courses	96,075	48,031	(48,044)	94,895	68,893	96,793	(26,002)	-27%
Travel & Meetings	287,056	278,729	(8,327)	292,797	287,225	298,653	(5,572)	-2%
Employee Relations	101,700	33,047	(68,653)	111,717	125,123	113,951	13,406	12%
General Services	481,834	524,350	42,516	507,381	589,000	515,109	81,619	16%
Annual Audit	52,500	60,065	7,565	55,000	62,000	56,100	7,000	13%
Member Agencies O&M	598,632	565,395	(33,237)	545,071	555,972	555,972	10,901	2%
Dues & Memberships	124,425	150,967	26,542	119,914	142,638	122,312	22,724	19%
Election Expenses	-	-	-	180,000	-	-	(180,000)	-100%
Consulting Services	2,008,700	2,065,999	57,299	2,340,470	2,261,674	2,002,356	(78,796)	-3%
Equipment Rental	47,510	45,141	(2,369)	62,520	27,000	63,771	(35,520)	-57%
District Fuel	340,000	317,442	(22,558)	412,500	412,500	420,750	-	0%
Insurance - District	558,300	561,901	3,601	758,300	661,300	773,466	(97,000)	-13%
Insurance - Personnel	418,524	440,179	21,655	430,518	533,291	466,118	102,773	24%
Insurance - Benefits	3,401,187	3,867,767	466,580	3,276,776	3,365,401	3,322,267	88,625	3%
Legal Services - Personnel	50,000	2,757	(47,243)	50,000	50,000	51,000	-	0%
Legal Services - General	500,000	299,062	(200,938)	400,000	400,000	408,000	-	0%
District Office Supplies	713,650	640,887	(72,763)	653,500	778,180	661,290	124,680	19%
District Operating Supplies	1,066,400	940,090	(126,310)	938,400	2,142,900	957,168	1,204,500	128%
Repairs & Maint. - Equipment	1,299,152	1,491,040	191,888	1,345,355	1,550,440	1,372,262	205,085	15%
Repairs & Maint. - Facilities	4,121,663	3,807,213	(314,450)	4,422,435	5,045,072	4,510,884	622,637	14%
Safety & Compliance	374,371	498,718	124,347	392,943	438,662	400,802	45,719	12%
SOCWA***	9,507,471	9,154,157	(353,314)	9,660,238	9,841,962	9,815,461	181,724	2%
Special Outside Assessments	156,602	148,365	(8,237)	159,634	178,000	162,827	18,366	12%
Utilities	3,132,890	3,638,369	505,479	3,253,650	4,922,006	3,318,722	1,668,356	51%
Water Purchases	28,897,373	29,817,481	920,108	30,057,298	31,717,237	31,517,465	1,659,939	6%
TOTAL OPERATING EXPENSES	77,504,353	76,480,580	(1,023,773)	80,320,057	88,814,763	83,272,815	8,494,706	11%
Change in Operating Position	24,904,157	31,537,724		25,923,127	24,728,771	26,447,417		
CAPITAL EXPENSES								
Capital Outlay Expense	386,000	492,133	106,133	1,250,000	1,100,000	1,250,000	(150,000)	-12%
Total Capital Expenses	386,000	492,133	106,133	1,250,000	1,100,000	1,250,000	(150,000)	-12%
PROJECTED CHANGE IN FUNDS	24,518,157	31,045,591		24,673,127	23,628,771	25,197,417		-4%

*Forecasted values based on projections developed from the Ten Year Cashflow Model.

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

***Regional AWT costs are no longer included in SOCWA and are now reported in their respective line items.

Totals may not foot due to rounding

Table 4: Fund 6 – Statement

	FY22 Budget	FY22 Actuals	FY22 Difference	FY23 Budget	FY24 Proposed	FY24 Forecast*	FY24 vs FY23	
							\$Δ	%Δ
REVENUE (Operating):								
Projected Water Efficiency Revenue	4,770,662	4,581,682	(188,980)	5,927,640	5,927,633	5,927,644	(7)	0%
Total Operating Revenues	4,770,662	4,581,682	(188,980)	5,927,640	5,927,633	5,927,644	(7)	0%
REVENUE (Non-Operating):								
Investment Income	-	(203,774)	(203,774)	48,003	55,026	24,033	7,023	15%
Demand Offset Fees	5,378	69,832	64,454	36,000	36,000	36,000	-	0%
Total Non-Operating Revenues	5,378	(133,942)	(139,320)	84,003	91,026	60,033	7,023	8%
TOTAL REVENUES	4,776,040	4,447,740	(328,300)	6,011,643	6,018,659	5,987,677	7,016	0%
EXPENSES (Operating)**								
Labor	2,220,426	2,584,247	363,821	2,217,939	2,321,108	2,383,555	103,169	5%
Educational Courses	3,500	4,717	1,217	5,500	6,107	5,610	607	11%
Travel & Meetings	48,400	47,041	(1,359)	49,368	52,775	50,355	3,407	7%
Dues & Memberships	106,850	88,156	(18,694)	125,681	77,750	128,194	(47,931)	-38%
Consulting Services	1,440,000	583,448	(856,552)	1,260,000	1,250,000	1,285,200	(10,000)	-1%
Legal Services	20,000	22,893	2,893	15,000	30,000	15,300	15,000	100%
Conservation Supplies	388,250	232,714	(155,536)	344,000	349,000	350,880	5,000	1%
Repairs & Maint. – Equipment	20,000	11,150	(8,850)	30,500	26,500	31,110	(4,000)	-13%
Safety & Compliance	5,100	3,317	(1,783)	5,900	5,900	6,018	-	0%
Water Efficiency	1,367,000	863,633	(503,367)	1,963,063	2,226,500	1,969,524	263,437	13%
TOTAL OPERATING EXPENSES	5,619,526	4,441,316	(1,178,210)	6,016,951	6,345,640	6,225,747	328,689	5%
Change in Operating Position	(843,486)	6,424		(5,308)	(326,981)	(238,070)		
CAPITAL EXPENSES								
Recycled Water Retrofits	10,000	-	(10,000)	10,000	100,000	10,000	90,000	900%
Metering System Enhancements	500,000	267,668	(232,332)	1,000,000	1,000,000	1,000,000	-	0%
RWOS – System Improvements	400,000	2,057	(397,943)	500,000	500,000	-	-	0%
Total Capital Expenses	910,000	269,725	(640,275)	1,510,000	1,600,000	1,010,000	90,000	6%
PROJECTED CHANGE IN FUNDS	(1,753,486)	(263,301)		(1,515,308)	(1,926,981)	(1,248,070)		27%

*Forecasted values based on projections developed from the Ten Year Cashflow Model.

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

Totals may not foot due to rounding.

Revenues & Expenditures

Revenues

Figure 11 shows the eight primary sources of revenue for the District:

1. Water Sales
2. Recycled Water Sales
3. Wastewater Services
4. Water Efficiency Revenue
5. Property Tax
6. Investment Income
7. Cell Site Income
8. Other Income

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](#). Most year-over-year revenue change is driven by changes in customer behavior on water use and the Ad Valorem property tax. Revenue projections are based on trend analysis and shown in Figure 12-Figure 19.

Figure 11: Sources of Revenue

FY24 REVENUES = \$163.5 M

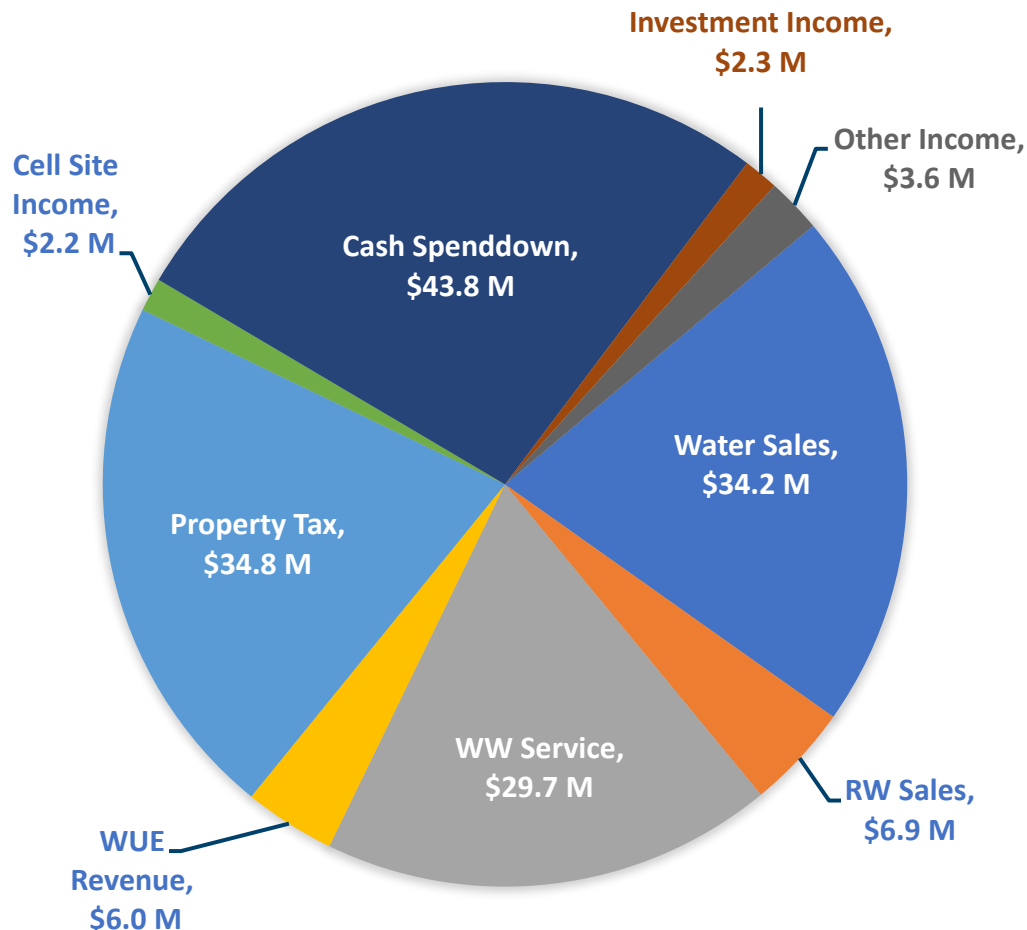
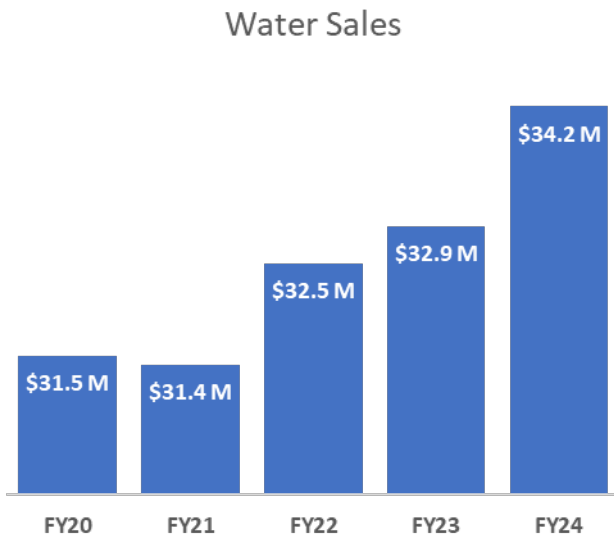
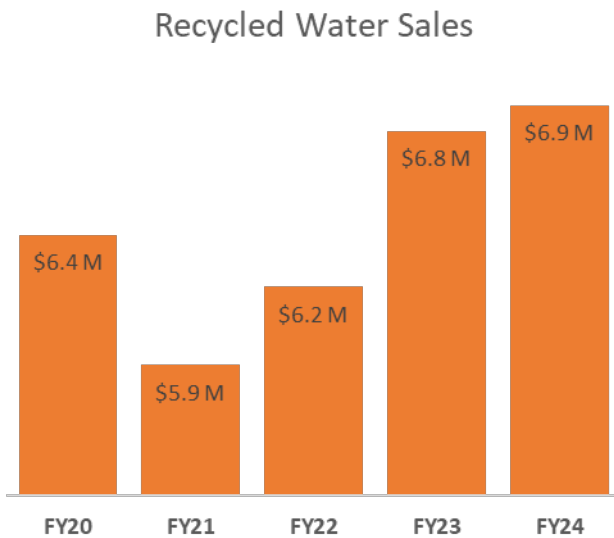


Figure 12: Water Sales Trend



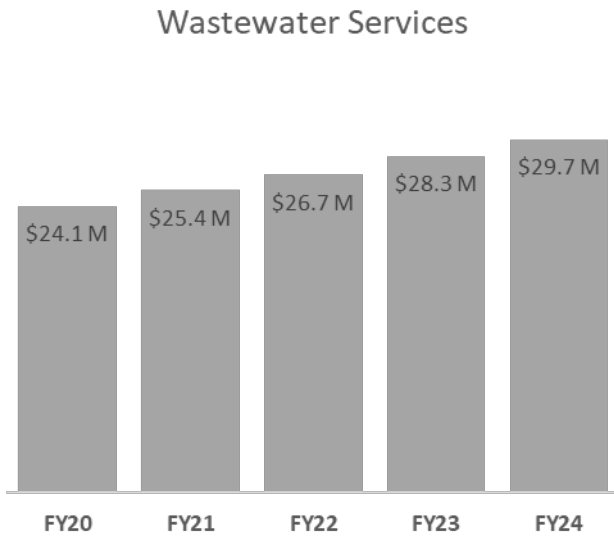
Water sales revenue is generated from the usage of imported potable water. The increase in revenue is attributed to an approved water rate increase (3%) and a slight increase in sales volume (100 acre-feet).

Figure 13: Recycled Water Sales Trend



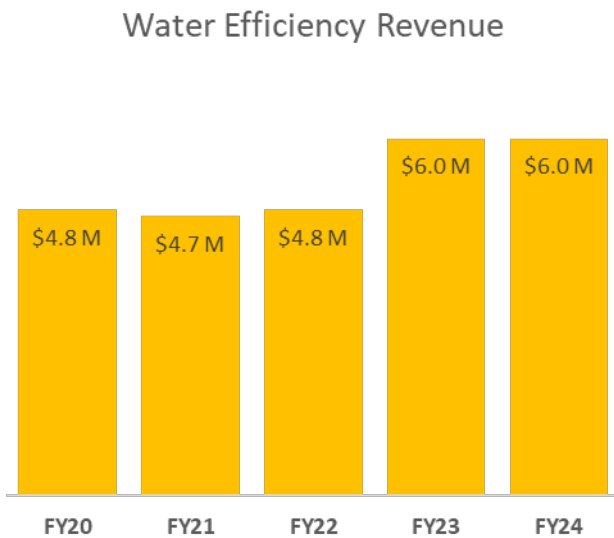
Recycled water sales revenue is generated from using recycled water for irrigation. The slight increase in revenue is attributed to an approved recycled water rate increase (3%) but a decrease in sales due to lower demand.

Figure 14: Wastewater Services Trend



Wastewater services revenue is generated from the collection and treatment of wastewater. The increase in revenue is attributed to an increase in wastewater service rates (5.5%). The wastewater flow volume remains the same as last year.

Figure 15: Water Efficiency Revenue Trend



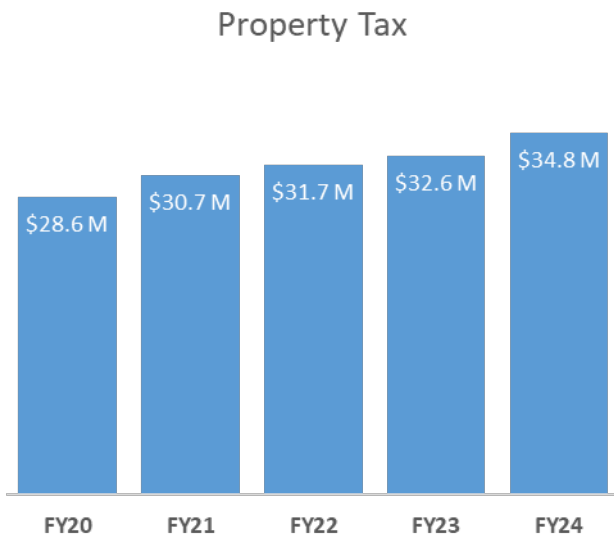
Customers who exceed their water budgets are billed at higher rates for the amount of water they use above their water budget. All water rate revenue over the cost of imported water will be designated for the Water Efficiency Fund to fund new water supply projects and invest in water efficiency improvements to maintain reliability. The District’s tiered rates can be found here:

www.mnwd.com/waterrates

The increase in FY23 was due to the one-time 25% increase in water efficiency rates that was approved in December 2021 to fund water efficiency programs and water reliability planning projects.

Customers have so overwhelmingly responded to the Governor’s call for water demand reductions that the District’s Board of Directors rescinded Stage 2 of its Water Shortage Contingency Plan (WSCP). As such, no drought penalties are assumed, and Water Efficiency revenues are projected to remain level for FY24.

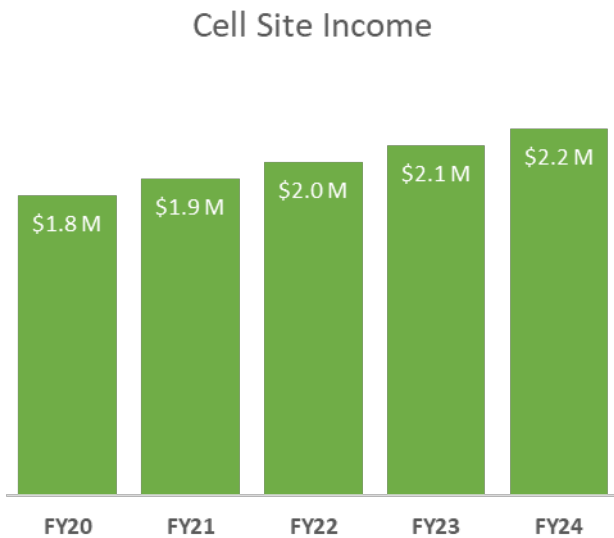
Figure 16: Property Tax Trend



The District receives an apportionment of Ad Valorem property taxes from the County of Orange. This has been critical to the District’s revenue base, providing customers with the lowest average monthly bills in South Orange County.

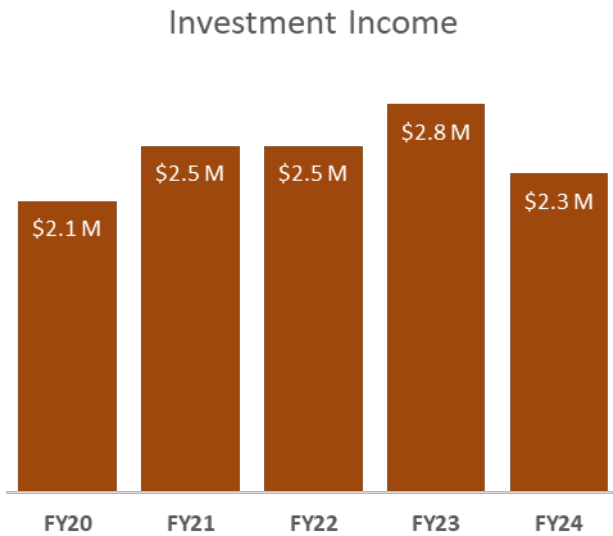
The District’s tax consultants develop the forecasts for property tax revenues based on current housing values and recapture of Prop.8 adjustments from prior years. Staff actively monitors property tax receipts during the year to track performance.

Figure 17: Cell Site Income Trend



This revenue is collected from leasing District facilities to cell carriers to place cell towers and equipment on reservoirs and other District locations. Since implementing the Communications Lease Agreement and Lease Policy, the Program has grown to include 47 agreements with various amendments. These communications facilities are distributed among 19 District sites. The increase is due to the annual 4% rent increases on existing agreements.

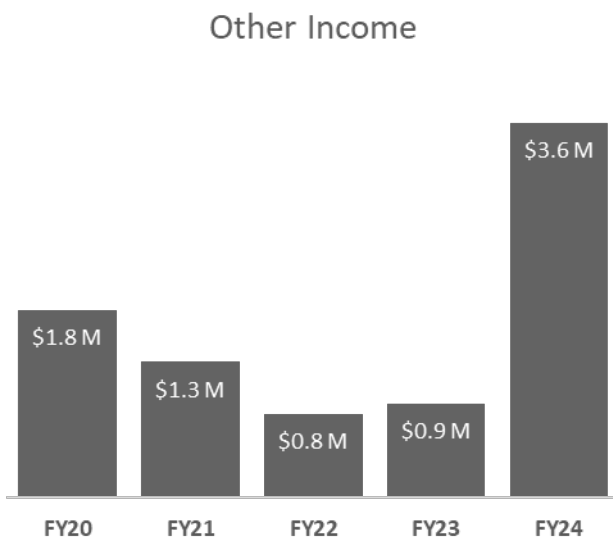
Figure 18: Investment Income Trend



The District currently holds a diverse portfolio of investments to meet 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 \$2.3 million is a result of the planned spenddown of unrestricted cash balances (\$43.8 million), reducing 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% earnings are consistent with conservative expectations of portfolio performance over prior fiscal years. The 1.75% was retained; however, recent market conditions suggest that 3.0% is more realistic. Financial Planning staff and the District’s Investment Advisor will continue to monitor these developments and will evaluate increasing the investment return rate over the course of the fiscal year.

Figure 19: Other Income Trend



Other income 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 significant increase includes \$1 million from sales of recycled water produced at Plant 3A to SMWD while their treatment plant is offline. In addition, the District has consistently collected between \$1 million and \$3 million in additional unbudgeted revenues from sources such as grants or asset sales. Forecasts for Other Income have been adjusted to recognize this trend.

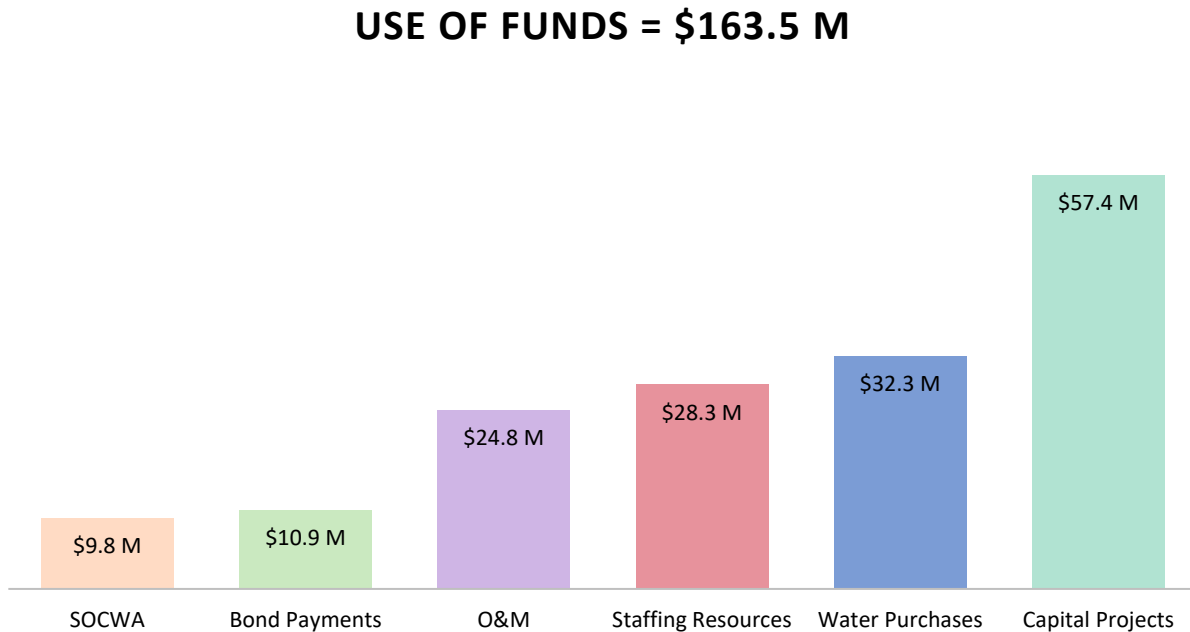
Expenses

Operating expenditures are presented in the aggregate in the All Funds statement. However, they are classified into 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.

As seen in Figure 20, water purchases and staffing resources (including the new employee MOU) are the primary operating expense categories. Fund 1’s expenses are projected to increase by 11%, while Fund 6’s expenses will increase by 5%, for an aggregate of 10% in FY24. The departmental information section will provide details for expenses that year-over-year changed by \$50,000 or are of note.

Capital Expenditures represent the most significant cost category for the proposed FY24 budget, accounting for one-third of total District expenses. Details of the program can be found in this document’s Capital & Debt section.

Figure 20: Use of Funds



Fund Balances

Table 5: Fund Balances

Moulton Niguel Water District FY24 – Change in Fund Balances

Fund No.	Fund	Projected Cash Fund Balance 6/30/2023	Designated / Reserved	Net Available	Increases		Total Available	Decreases		Total Decreases	Projected Ending Balance 06/30/2024	Fund Balance Change
					Revenue	Transfer		Expense	Transfer			
1	General ¹	117,597,264	59,090,101	58,507,163	113,543,534	-	172,050,697	89,914,763	53,867,403	143,782,166	87,358,632	-26%
6	Water Efficiency	4,135,365	-	4,135,365	6,018,659	-	10,154,024	7,945,640	-	7,945,640	2,208,384	-47%
Capital Improvement Funds												
7	Replacement & Refurbishment	11,843,987	-	11,843,987	-	34,679,807	46,523,794	46,523,794	-	46,523,794	-	-100%
12	Water Supply Reliability ²	52,281	-	52,281	-	531,719	584,000	584,000	-	584,000	-	-100%
14	Planning & Construction	451,732	-	451,732	-	7,174,487	7,626,219	7,626,219	-	7,626,219	-	-100%
Miscellaneous Funds												
15	Capital Facilities	46,029	-	46,029	62,429	-	108,458	-	46,029	46,029	62,429	36%
4	Self Insurance	250,000	250,000	-	-	100,000	100,000	100,000	-	100,000	250,000	0%
52	Rate Stabilization	16,310,711	17,390,203	(1,079,492)	-	1,079,492	-	-	-	-	17,390,203	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)	504,804	235,750	504,804*	-	1,852,696	2,357,500	2,357,500	-	2,357,500	-	0%
73	2019 COPS	-	-	-	-	3,318,331	3,318,331	3,318,331	-	3,318,331	-	0%
74	2021 COPS ³	-	-	-	-	2,746,650	2,746,650	2,746,650	-	2,746,650	-	0%
Total		151,192,173	76,966,054	74,461,869	119,624,622	53,913,432	247,999,923	163,457,147	53,913,432	217,460,579	107,269,648	-29%

¹ Emergency Reserves and Operating Reserves are included in General Fund Designated/Reserved in the amounts of \$35,300,000 and \$23,790,101, respectively.

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

³ Proceeds 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.

* 2015 COPS reserve balance will be utilized in the final payment of the bond.

Fund Balance, details

General Fund – Fund 1

The individual revenues and expenses that make up the aggregate totals reported in Table 5 were presented in Table 3: Fund 1 – Statement. In addition to the \$89.9M budgeted operating and capital outlay expenses, total use of funds for the General Fund includes \$53.9M in transfers to the Capital, Miscellaneous, and Debt Service Funds for total cash outflows of \$143.8M in FY24.

Water Efficiency – Fund 6

The District’s Water Efficiency Fund receives revenue from 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 Table 4: Fund 6 – Statement and the [Water Resources & Efficiency section](#). The spenddown of \$7.9M in the fund balance is consistent with the overall plan.

Capital Improvement & Misc. Funds

The District’s overall Capital Financing Plan includes the capital expenses shown. The following sections provide a high-level summary of major project categories and highlight significant nonrecurring capital expenses. The large decrease in fund balance shown for fiscal year end is consistent with the District’s practice of annually transferring sufficient funds for the fiscal year budget and drawing that amount down 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 \$46.5M capital expenditures for Fund 7 include: the Plant 3A solids handling facilities improvement, the Crown Valley Parkway transmission main lower reach replacement, the Lower Salada Lift Station force main replacement, and the Reservoir Management System Replacement, Phase 4. Wastewater treatment related expenses are expected to be \$2.7M for SOCWA treatment facilities.

Water Supply Reliability – Fund 12

Project designs for the South County Pipeline (SCP) Takeout Facility will improve potable water supply reliability should there be a shutdown of the existing SC-2 takeout, the Central Intertie Pipeline, or the SCP downstream of the proposed takeout. In addition, the OCWD Basin Emergency Interconnection at Santa Ana East Station would provide an emergency interconnection to the OCWD groundwater basin.

Planning and Construction – Fund 14

The major projects for the proposed \$7.6M capital expenditures include Plant 3A improvements and 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.

Long-Range Financial Plan

The LRFPP aims to identify strategies and actions that ensure sufficient financial resources are available for the District to achieve its mission and to utilize those resources 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 critical 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 solid financial position based on conservative planning and budgeting, maintenance of adequate cash balances, and solid debt service coverage. A primary 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 \$660.7 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 \$460.3 million Capital Financing Plan can be seen below in the shaded blue area plot in Figure 22.

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. 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 updates since April 2022 includes increased rates in Years 2-10; however, staff will continue to track any regional changes and update the LRFPP accordingly.

Table 6: 10-year Cash Model - Outputs Comparison

LRFP Update	Forecasted Rate Adjustments				Projected Bond Issuances	
	2023 24	2024 25	2025 26	2026-27	Fiscal Year	Amount
September 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%	5.6%*	6.0%	6.0%	2024-25 2027-28 2030-31	\$83 million \$71 million \$28 million

This scenario was the approved LRFP for FY23 budget.

Rate increases were necessary in response to MET’s rate increases. This rate adjustment increases revenues to offset the increased expense for water purchases. Now that the December 2021 issuance is completed, the total amounts for FY25 and FY28 decreased by \$4 million. A new issuance in FY31 for \$28 million was included after the CIP schedule was updated.

March 2023	4.0%	5.6%	7.0%	7.0%	2024-25 2026-27 2029-30	\$73 million \$53 million \$84 million
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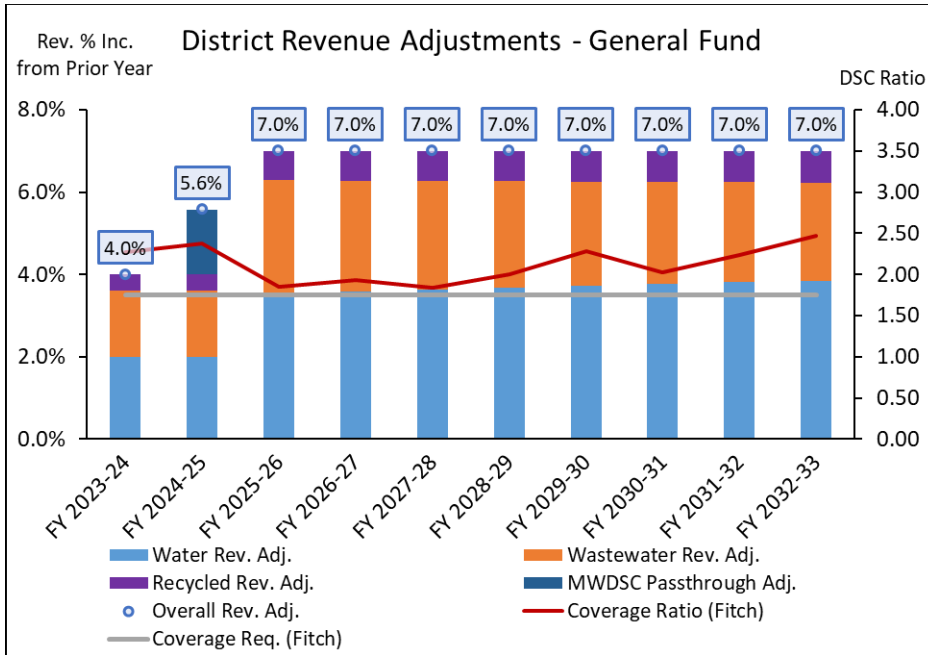
This scenario is the assumed LRFP for FY24 budget.

Rate increases are necessary in response to long term inflationary trends, capital project cost increases and the cost of imported water. The FY25 bond issuance decreased by \$10 million, but the second and third issuances were moved up a year. Additional capital projects have been incorporated into the 10-Year CIP and the second and third issuances increased by \$38 million.

Purple font indicates changes from the prior update to the Long-Range Financial Plan.

**Includes a pass-through of MET’s increased rate forecasts.*

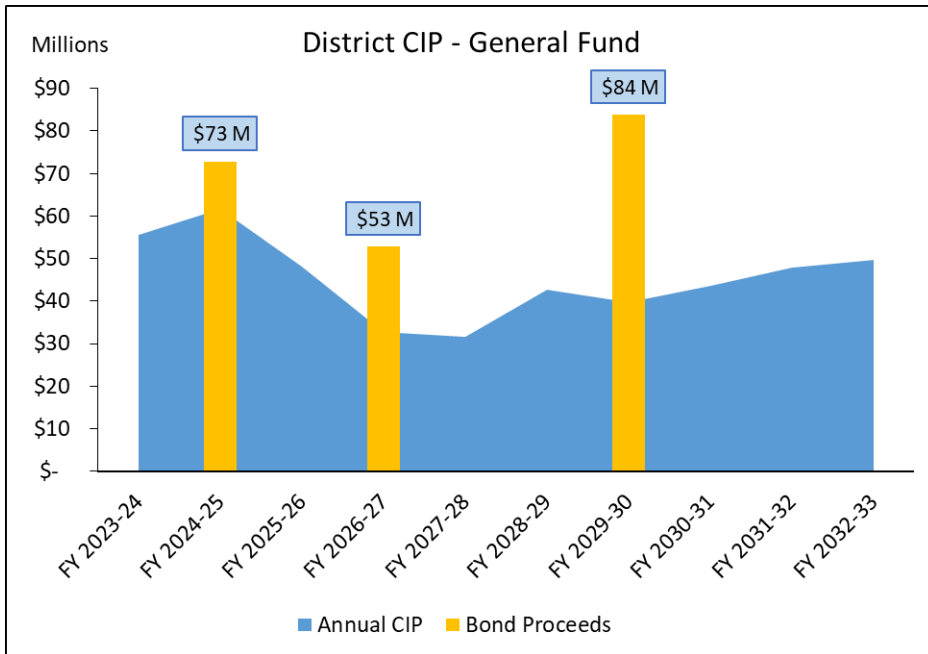
Figure 21: District Revenue Adjustments



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.

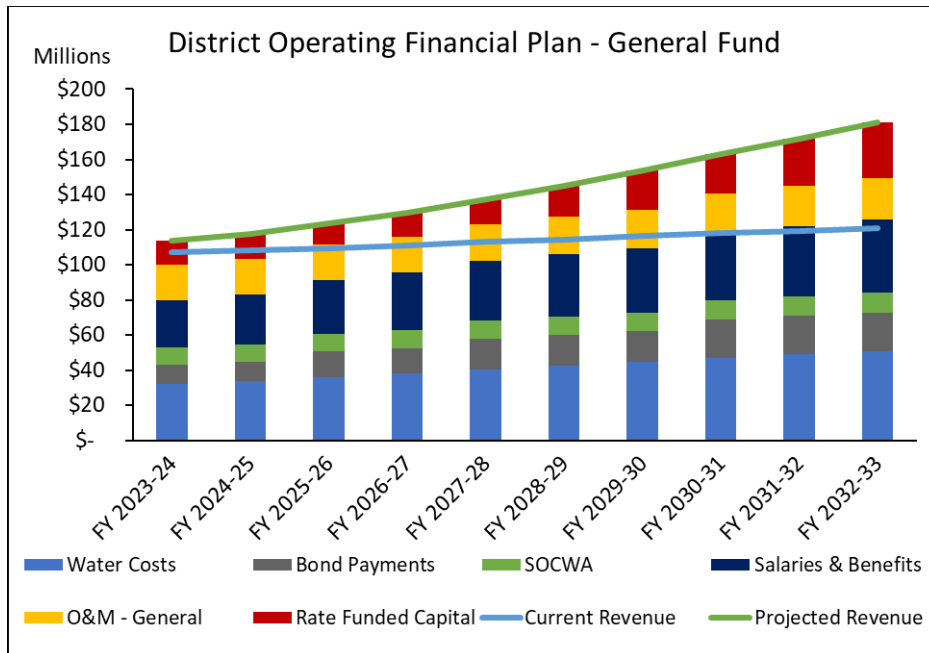
Metropolitan Water District revised its 10-year rate projection, which would tentatively affect the District’s rate forecasts in Years 2-10 as shown. The District will conduct another Cost-of-Service study in 2025 but update the LRFPA annually.

Figure 22: District CIP & Bond Proceeds



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 projected annual rate adjustments from Figure 21, while providing for inter-generational equity amongst today’s customers and the rate payers of tomorrow. The total anticipated issuance amounts to \$210 million over the next decade.

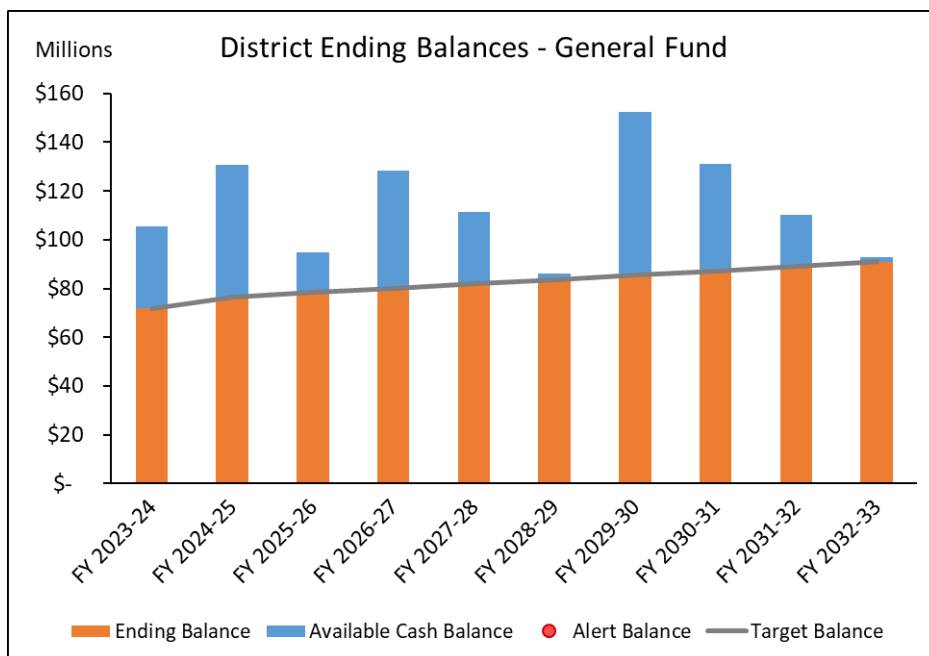
Figure 23: District Operating Financial Plan



The Operating Financial Plan breaks down the significant 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 24: District Ending Balances



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.



Capital & Debt

Capital Program

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 the 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 budget, and, at that time, funds are only appropriated for the fiscal year. 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 is funded from five sources:

1. Fund1: General (G)
2. Fund 6: Water Efficiency (WE)
3. Fund 7: Replacement and Refurbishment (R&R)
4. Fund 12: Water Supply Reliability (WSR)
5. Fund 14: Planning and Construction (P&C)

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 factors such 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.

The CIP includes both recurring and non-recurring capital expenditures. Recurring capital expenditures include programmatic activities that are budgeted annually such as valve replacement, manhole rehabilitation, meter replacement, service line replacement, fire hydrant replacement, and operations-led capital improvements. A significant portion of the recurring capital expenditures is associated with activities that are performed using District resources instead of an outside contractor. Non-recurring capital expenditures include project-based activities and capital outlays. Project-based activities are those that are related to identified projects that have a specific scope of work and limited duration. Project-based expenditures are budgeted under the restricted capital Funds 7, 12, and 14. Capital outlays include expenditures for capital assets such as vehicles and mobile equipment that are not associated with a particular project. Capital outlay expenditures are budgeted under Funds 1 and 6.

10-Year Capital Improvement Program

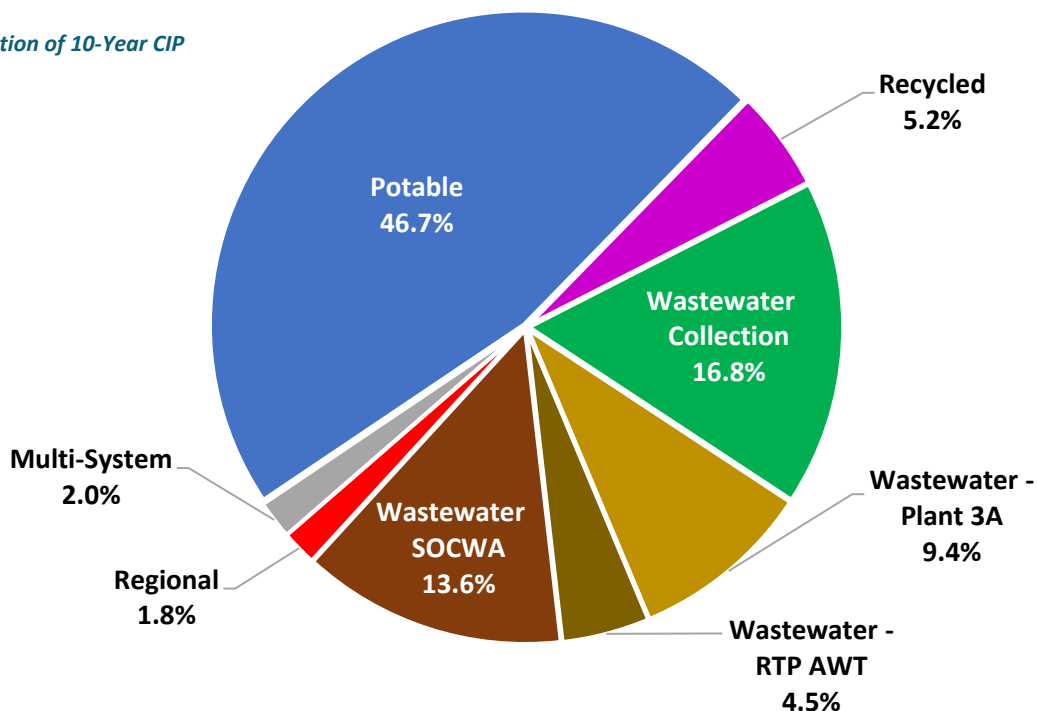
The 10-year CIP represents potable, recycled, wastewater, and multi-system projects that are required to maintain and operate the District's infrastructure. [Appendix D](#) lists the detailed individual projects of the 10-year CIP. The budgets are planning level costs based on similar completed projects and engineering estimates and are refined as new information becomes available. The planning efforts that contributed to the list of projects include 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 \$658 million for FY24 through FY33. About 15 percent (\$102 million) of these projected CIP projects are associated with the District's participation in external activities such as Joint Power Authorities (JPAs).

Figure 25 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, 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, Regional Treatment Plant Advanced Water Treatment (RTP AWT), and facilities operated by South Orange County Wastewater Authority (SOCWA).
- External – projects in which there is more than one agency participating and which are managed by an agency other than the District, such as: Joint Regional Water Supply System (JRWSS), Upper Oso Reservoir, Upper Chiquita Reservoir, R6 Reservoir, and Baker Water Treatment Plant.

Figure 25: Distribution of 10-Year CIP



FY23 CIP Budget (previous year)

The CIP for FY23 as adopted by the Board of Directors in June of 2022 had a budget of \$58.9 million. The Board of Directors authorized a budget amendment in October of 2022 bringing the budget to \$59.0 million. The FY23 budget contained 69 individual projects, along with external projects. District Engineering staff anticipates that at fiscal year-end, 37 projects will have been completed, 13 projects will be in construction and 26 projects will be in various stages of design.

Staff estimates that by fiscal year-end, \$68 million will be contracted or otherwise committed (includes multi-year projects with expenditures beyond the end of FY23) and approximately \$25 million will have been expended. Table 7 summarizes the FY23 adopted budget.

Table 7: FY23 Adopted CIP Budget

ITEM/FUND	FY23 Adopted Budget
General – Fund 1 ⁽¹⁾	\$1,375,000
Water Efficiency – Fund 6	\$1,510,000
Replacement and Refurbishment – Fund 7	\$37,089,062
SOCWA and Other External (JRWSS, SMWD, ETWD, and IRWD) – Fund 7	\$14,768,358
Water Supply Reliability – Fund 12	\$1,000,000
Planning and Construction – Fund 14	\$3,304,219
Total	\$59,046,639
Projected Expenditures for FY23 ⁽²⁾	\$25,398,175
Projected Committed Funds/Contracts ⁽³⁾	\$68,306,147

(1) Includes \$125,000 capital portion of the budget amendment authorized by the Board of Directors in October 2022 for Regional Treatment Plant Advanced Water Treatment.

(2) Based on actual expenditures through March 31, 2023, and projected expenditures through the end of FY23.

(3) Includes multi-year projects with expenditures beyond the end of FY23.

FY24 CIP Budget

The FY24 CIP outlines \$80.6 million in appropriations to continue funding existing projects and provide funding for new projects. Projects carried forward from FY23 account for about \$57.8 million of the FY23 CIP budget - \$22.6 million is currently in construction and \$35.2 million is in various design phases. Appropriations for new projects are about \$13.6 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. External projects, totaling \$9.2 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; and Irvine Ranch Water District (IRWD) for Baker Water Treatment Plant. Appendix D lists the projects and detailed description of each proposed project.

Table 8: FY24 CIP by Fund summarizes the proposed budget for each of the various funds while Figure 26 shows the percentage allocation. Rehabilitation and replacement of infrastructure generally drive budget requirements and account for approximately 83% 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 FY24 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, a new takeout facility on the South County Pipeline, 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 more apparent, there could be a high degree of variability in these projects that would be considered and addressed as part of future budgets.

Table 9: FY24 CIP by System summarizes the proposed expenditure by the system, while Figure 27 displays the percentage distribution across systems. The Wastewater and Potable systems account for approximately 48% and 38%, respectively, of the fiscal year budget due in large part to external projects; Lower Salada Lift Station Force Main Replacement; Regional Lift Station Force Main Replacement; Crown Valley Parkway Transmission Main Lower Reach Replacement; multiple phases of Reservoir Management System Replacements; 1050-Zone Secondary Feed Pump Station and Transmission Main; ongoing replacement of valves, services lines, and meters; filter system improvements and salinity management projects at the Regional Treatment Plant Advanced Water Treatment System; as well as continuing the comprehensive rehabilitation of the 3A Wastewater Treatment Plant.

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 external facilities. The 10-year capital financing plan total of \$460.3 million is utilized in the 10-year cashflow modeling to forecast revenue requirements in the future.

Table 8: FY24 CIP by Fund

ITEM/FUND	FY24 Budget
General - Fund 1	\$1,100,000
Water Efficiency - Fund 6	\$1,600,000
Replacement and Refurbishment - Fund 7	\$57,423,437
SOCWA and Other External (JRWSS, SMWD, ETWD, and IRWD) – Fund 7	\$9,209,370
Water Supply Reliability - Fund 12	\$800,000
Planning and Construction - Fund 14	\$10,446,875
Total FY24 Proposed Budget	\$80,579,682

Figure 26: Distribution of FY24 CIP by Fund

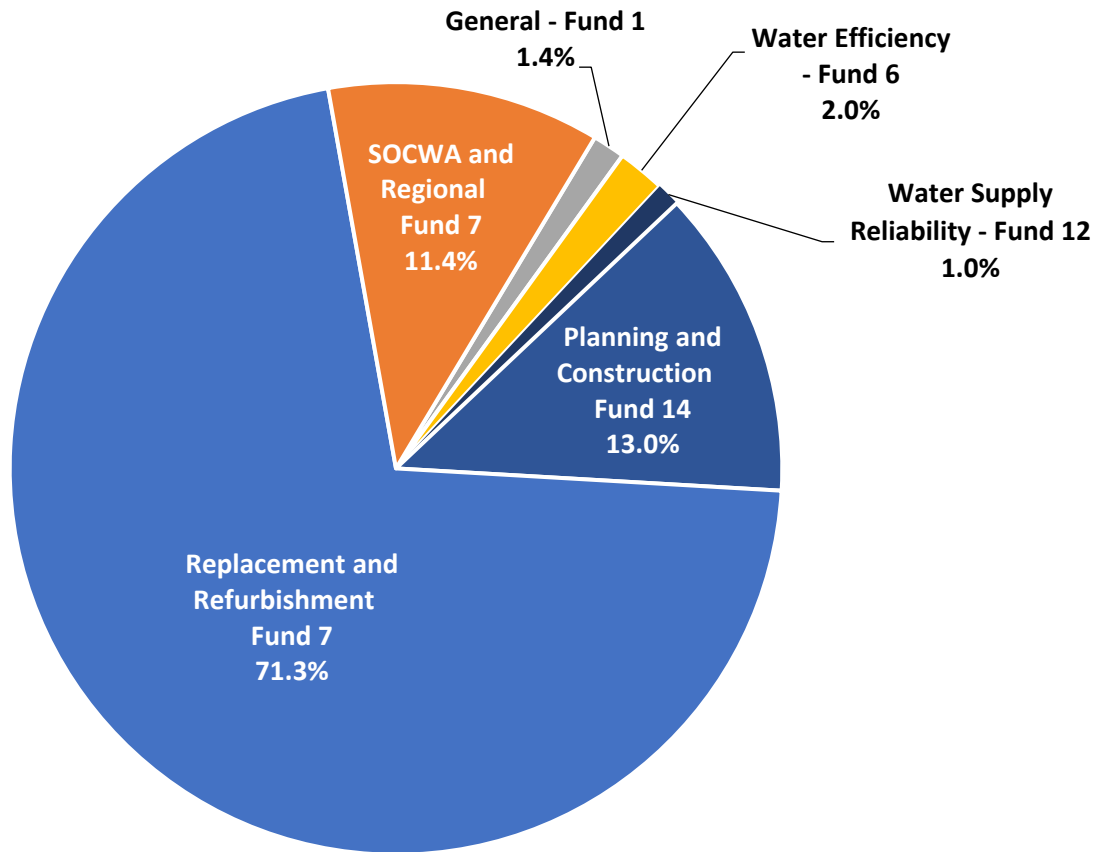


Table 9: FY24 CIP by System

SYSTEM	FY24 Budget
Multi-System	\$3,800,000
Potable Water	\$30,330,000
Recycled Water	\$1,995,000
Wastewater	
Collection	\$13,000,000
Treatment (Plant 3A)	\$16,495,312
Treatment (RTP AWT)	\$5,750,000
Treatment (SOCWA)	\$3,742,329
Other External	
JRWSS, Upper Oso/Upper Chiquita, R6 Reservoir, Baker WTP, etc.	\$5,467,041
Total FY24 Proposed Budget	\$80,579,682

Figure 27: Distribution of FY24 CIP by System

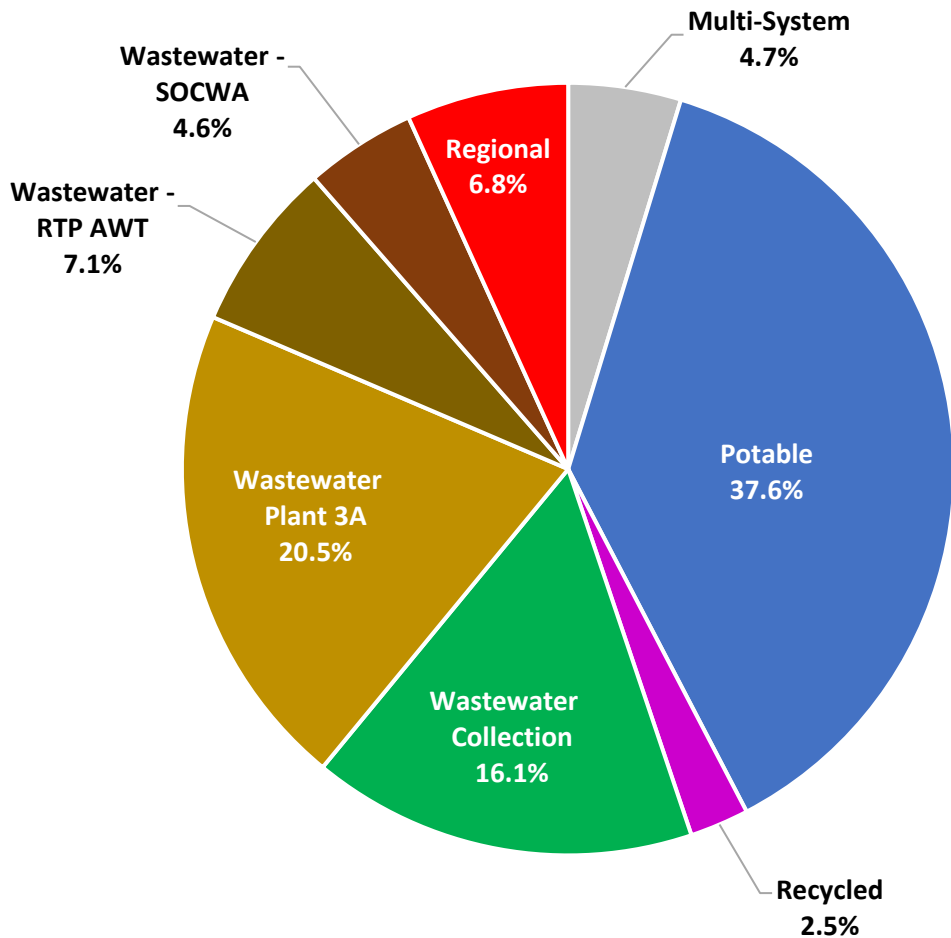
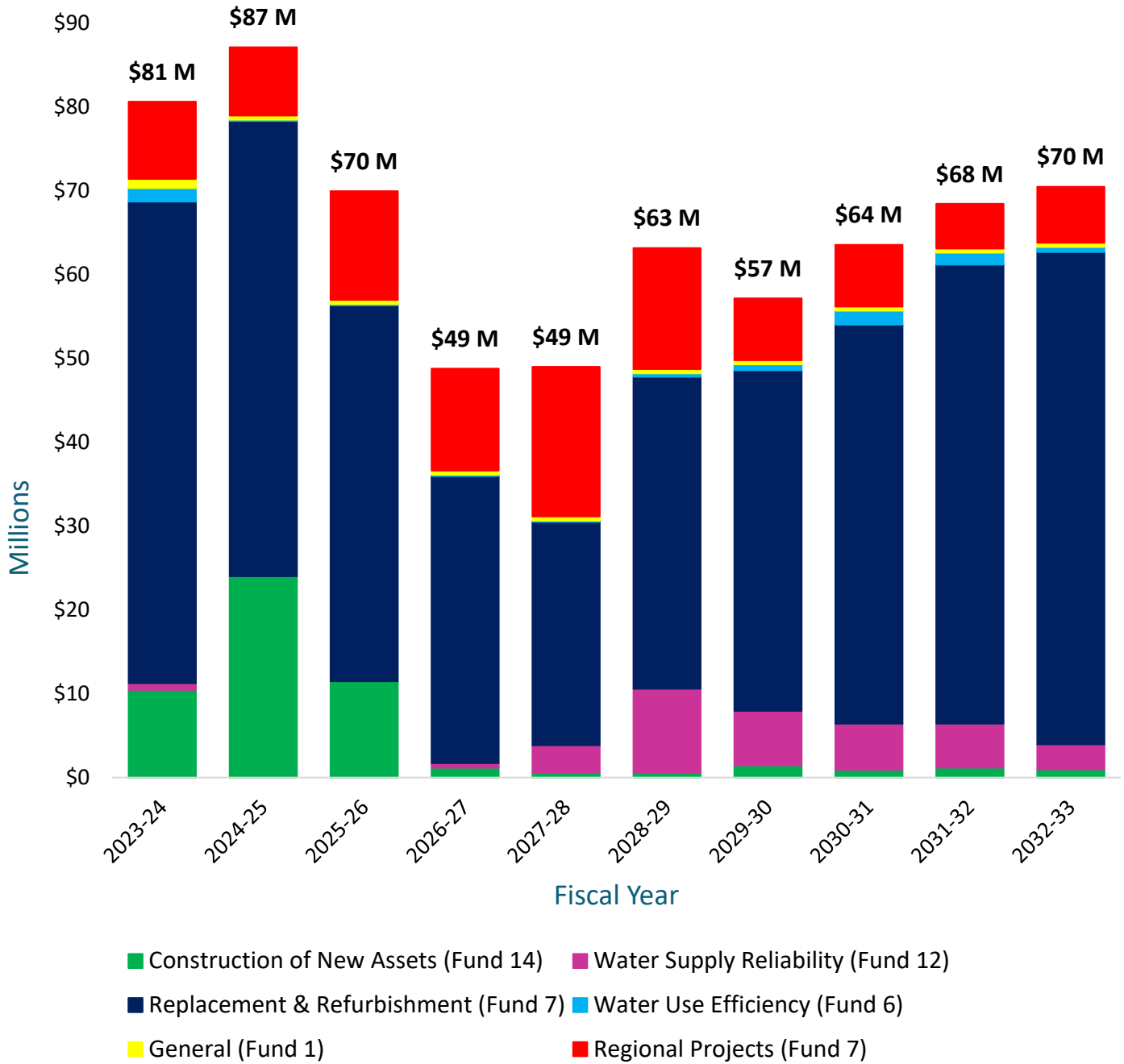


Figure 28: 10-Year CIP Budget Distribution



Impacts of Capital Program on Operating Budget

Some aspects of the capital program will result in impacts to the operating budget. The anticipated impacts to the operating budget associated with the FY24 CIP budget are outlined below.

Salaries:

Approximately \$3.95M of staff's salary expenses from working on CIP will be capitalized.

Debt/Funding:

Approximately \$22.8M 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 FY24 proposed CIP budget includes 75 individual projects in addition to external 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 FY24 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 developed and grew over the past 60 years, issuing bonds has been a critical strategy to expand infrastructure across the service area while keeping rates and charges affordable. The bonds fund capital projects that increase the District’s system reliability. Additionally, the District works with its Financial Advisor to identify potential opportunities to refinance its debt portfolio at optimal interest rates.

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. As presented in the LRF section, a key component of funding the 10-year Capital Improvement Program is to issue debt to smooth out rate increases. Figure 22: District CIP & Bond Proceeds shows the expected debt service over the next ten years and includes three bond issuances: FY25, FY27, and FY30. 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 10 presents the scheduled debt service payments for FY24 for each of the District’s existing bonds, certificates, and loans while Table 11 presents their maturity schedule. Bond reserves in Fund 71 will be applied to the last payment for the 2015 Revenue Bond.

Table 10: Summary of Debt Service Payments in FY24

DESCRIPTION	FY24 Principal	FY24 Interest	FY24 Total
2021 Certificate of Participation – Fund 74	\$1,120,000	\$1,621,900	\$2,741,900
2019 Certificate of Participation – Fund 73	\$1,340,000	\$1,978,331	\$3,318,331
2019 Revenue Bonds (Refunding of 2009 COPs) – Fund 12	\$ -	\$2,430,250	\$2,430,250
2015 Revenue Bonds (Refunding of 2003 COPs) – Fund 71	\$2,300,000	\$57,500	\$2,357,500
TOTAL FY24 DEBT SERVICE EXPENSE	\$4,760,000	\$6,087,981	\$10,847,981

Debt Funds

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

On March 1, 2019, the District issued \$60,000,000 in 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 better 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.

Table 11: Debt Service Payment Schedules

FY	2021 Certificate of Participation			2019 Certificate of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$1,120,000	\$1,621,900	\$2,741,900	\$1,340,000	\$1,978,331	\$3,318,331
2025	\$1,180,000	\$1,564,400	\$2,744,400	\$1,405,000	\$1,909,706	\$3,314,706
2026	\$1,235,000	\$1,504,025	\$2,739,025	\$1,475,000	\$1,837,706	\$3,312,706
2027	\$1,300,000	\$1,440,650	\$2,740,650	\$1,550,000	\$1,762,081	\$3,312,081
2028	\$1,365,000	\$1,374,025	\$2,739,025	\$1,625,000	\$1,682,706	\$3,307,706
2029	\$1,430,000	\$1,304,150	\$2,734,150	\$1,710,000	\$1,599,331	\$3,309,331
2030	\$1,505,000	\$1,230,775	\$2,735,775	\$1,795,000	\$1,511,706	\$3,306,706
2031	\$1,580,000	\$1,153,650	\$2,733,650	\$1,885,000	\$1,419,706	\$3,304,706
2032	\$1,655,000	\$1,081,050	\$2,736,050	\$1,975,000	\$1,333,081	\$3,308,081
2033	\$1,725,000	\$1,013,450	\$2,738,450	\$2,055,000	\$1,273,031	\$3,328,031
2034	\$1,795,000	\$943,050	\$2,738,050	\$2,095,000	\$1,230,222	\$3,325,222
2035	\$1,865,000	\$879,175	\$2,744,175	\$2,140,000	\$1,183,888	\$3,323,888
2036	\$1,920,000	\$822,400	\$2,742,400	\$2,190,000	\$1,126,963	\$3,316,963
2037	\$1,980,000	\$763,900	\$2,743,900	\$2,255,000	\$1,065,925	\$3,320,925
2038	\$2,035,000	\$703,675	\$2,738,675	\$2,310,000	\$1,008,863	\$3,318,863
2039	\$2,100,000	\$652,150	\$2,752,150	\$2,370,000	\$950,363	\$3,320,363
2040	\$2,140,000	\$609,750	\$2,749,750	\$2,430,000	\$888,844	\$3,318,844
2041	\$2,185,000	\$566,500	\$2,751,500	\$2,490,000	\$819,600	\$3,309,600
2042	\$2,225,000	\$522,400	\$2,747,400	\$2,565,000	\$743,775	\$3,308,775
2043	\$2,270,000	\$476,031	\$2,746,031	\$2,645,000	\$665,625	\$3,310,625
2044	\$2,320,000	\$425,813	\$2,745,813	\$2,725,000	\$585,075	\$3,310,075
2045	\$2,370,000	\$373,050	\$2,743,050	\$2,805,000	\$502,125	\$3,307,125
2046	\$2,425,000	\$319,106	\$2,744,106	\$2,890,000	\$416,700	\$3,306,700
2047	\$2,480,000	\$263,925	\$2,743,925	\$2,975,000	\$328,725	\$3,303,725
2048	\$2,535,000	\$207,506	\$2,742,506	\$3,065,000	\$238,125	\$3,303,125
2049	\$2,595,000	\$149,794	\$2,744,794	\$3,155,000	\$144,825	\$3,299,825
2050	\$2,650,000	\$90,788	\$2,740,788	\$3,250,000	\$48,750	\$3,298,750
2051	\$2,710,000	\$30,488	\$2,740,488			
Total by Issue	\$54,695,000	\$22,087,576	\$76,782,576	\$61,170,000	\$28,255,778	\$89,425,778

FY	2019 Revenue Refunding Bonds			2015 Revenue Bonds		
	Principal	Interest	Total	Principal	Interest	Total
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	\$24,365,975	\$72,970,975	\$2,300,000	\$57,500	\$2,357,500



Departmental Information

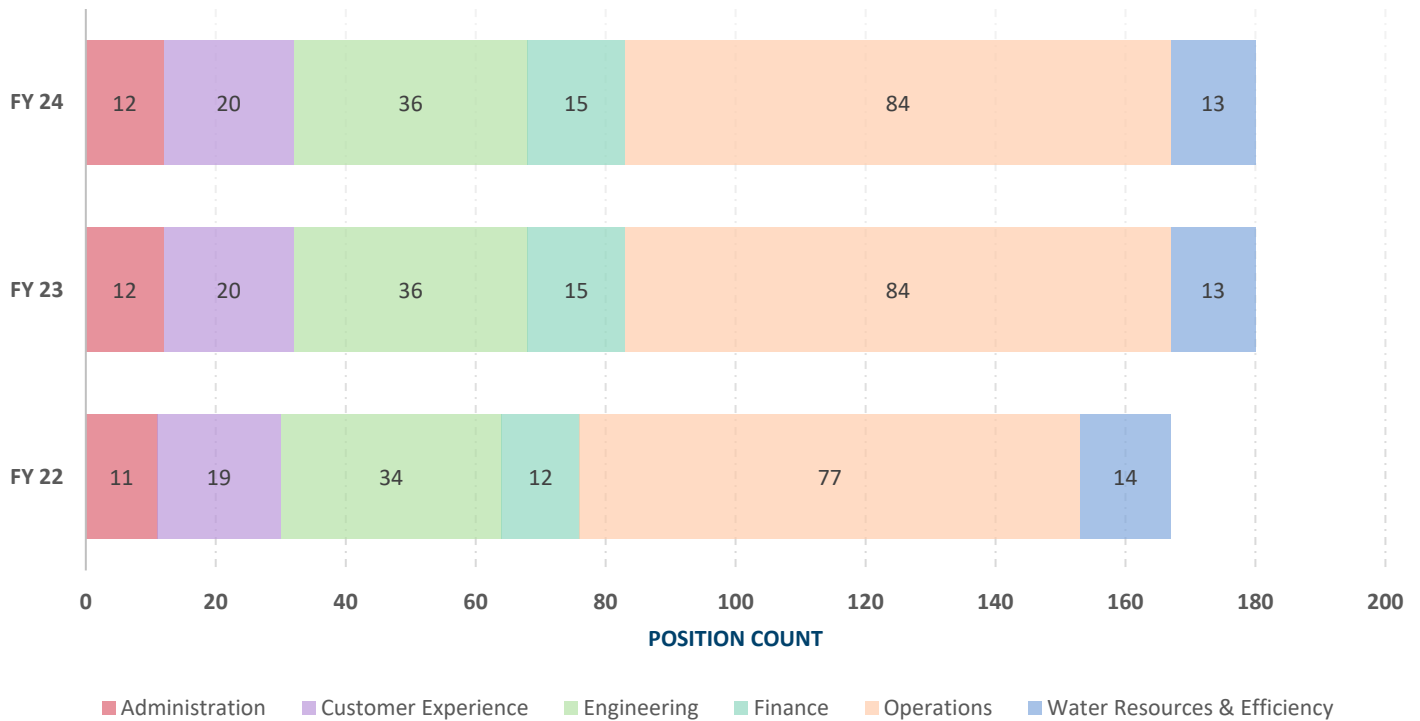
Position Summary Schedule

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 12 lists the total position counts by departments while Figure 29 stacks it visually.

Table 12: Trend of Position Count by Department

Functional Departments	FY22	FY23	FY24
Administration	11	12	12
Customer Experience	19	20	20
Engineering	34	36	36
Finance	12	15	15
Operations	77	84	84
Water Resources & Efficiency	14	13	13

Figure 29: Trend of Position Count by Department





ADMINISTRATION

The Administration Division is responsible for the overall day-to-day management and support of the District. Therefore, the Division is comprised of 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. This Department also supports the Board of Directors (posting meeting notices/agendas, conducting Board and Committee meetings, etc.) and assures that Board policies, resolutions, and ordinances are appropriately 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.

Human Resources

The Human Resources Department strives to maintain strong employee morale and enhance organizational performance through recruiting and retaining top talent personnel, supporting employees and their families through concierge-level benefits assistance, enhancing existing labor force’s skillsets through educational and professional training opportunities, ensuring a safe and equitable workplace by complying with all labor regulations and enforcing District labor policies, and delivering a positive overall employee experience by administering the collectively developed labor terms.

Table 13: Trend of Position Count in Administration

ADMINISTRATION	FY22	FY23	FY24	Changes/Trends
General Administration	9			
Human Resources				
Total Personnel	11	12	12	No changes in personnel from last FY

Performance Measures and Achievements

List of completed, in-progress, and planned items related to the District's Strategic Goals & Objectives:

Strategic Plan

- 4.a.iv**
 - Responded to the COVID-19 pandemic
 - Monitored Centers for Disease Control and Prevention and CalOSHA guidance
 - Revised the COVID-19 Prevention Plan to comply with updated regulations
 - Applied workplace exclusion and return-to-work protocols to prevent the spread of the virus
 - Provided COVID-19 testing kits to staff
 - Administered State-mandated paid leave to impacted employees
- 4.a.iv**
 - Won the Top Workplace in Orange County designation for the sixth year in a row
 - Won the Top Workplace USA designation for the third year in a row
- 4.a.**
 - Developed new MNWD Employee Association MOU with the General and Supervisory Units establishing agreed-upon labor terms from July 1, 2023, through June 30, 2027
- 4.a.i**
 - Filled 166 of 180 budgeted full-time positions (92% staffed)
 - Hired 32 employees (25 FTE + 7 Temp) between March 2022 to February 2023
- 4.a.**
 - Negotiated a 5% increase in Anthem health insurance rates (initial renewal rate equated to an increase of 12.5% for HMO and PPO plans) and guaranteed a 4% rate cap for health insurance renewal in FY24
- 4.a.**
 - Consolidated insurance providers by moving the District's dental plan from Lincoln Financial Group to Anthem Blue Cross
- 4.a.iv**
 - Facilitated deferred compensation financial counseling and education sessions between staff and consultants
- 3.a.ii**
 - Worked in partnership with our cities, chambers, and local groups to provide drought updates
- 3.c.i**
 - Submitted applications for four grants:
- 1.a.i**
 - U.S. Bureau of Reclamation WaterSMART Water and Energy Efficiency Grant (Low-Resolution Meter Replacement Project) for \$500,000
 - U.S. Bureau of Reclamation WaterSMART Water and Energy Efficiency Grant (Comprehensive Commercial Landscape and Irrigation Improvement Program) for \$500,000
 - Federal Building Resilient Infrastructure in Communities (BRIC) Grant (Aliso Creek Stormwater and Urban Runoff Capture and Reuse Planning Study Project) for \$1.5 million
 - California Department of Water Resources Urban Community Drought Relief Funding Grant (Low-Resolution Meter Replacement Project, Commercial and Homeowners' Association Landscape Water Efficiency Program, and Aliso Creek Stormwater and Urban Runoff Capture and Reuse Planning Study Project) for \$3.3 million
- 3.c.i**
 - Invited area Congress Members, State Legislators and local elected officials to special Board meetings and community events
- 3.c.i**
 - Continued to collaborate with Council Members, 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 interconnection
- 1.a.i**
 - Prepared and distributed the South OC Wastewater Optimization Blueprint as a comprehensive proposal for the South Orange County Wastewater Authority (SOCWA) member agencies to consider an alternative governance model to provide wastewater treatment operations in South Orange County
- 2.a.**
- 3.a-c.**
- 4.a.**
- 5.a-b.**

IN-PROGRESS BETWEEN FY23 & FY24

- 4.a.iv ○ Future Leaders of Water (FLOW) Initiative
 - Build upon our collaborative partnerships with Santiago Canyon College and UC Irvine to educate their students about careers in the water industry and to apply for our FLOW internship program
 - Equip existing water professionals with the necessary leadership skills by developing and implementing an internal Supervisory Bootcamp
 - 4.a.iv ○ Facilitating the completion of mandatory ethics and harassment training for all applicable staff
 - 4.a. ○ Monitoring labor relations legislation and analyzing any required action
 - 4.a. ○ Maintaining a close working relationship with employees and Orange County Employees Association
 - 4.a. ○ Researching and considering a new short-term disability benefit plan
 - 4.a.ii ○ Continuing to recruit and select from our competitive applicant pools to further fill our budgeted full-time positions with only the best talent
 - 3.c.i ○ Evaluating upcoming District projects and programs and identifying possible new grant funding opportunities
 - 1, 2, 5 ○ Monitoring proposals and actions at Metropolitan Water District related to:
 - Financial Policies & Business Plan
 - Water Allocations & Supply Planning
 - Climate Change Planning
 - 1, 2, 5 ○ Monitoring proposals and discussions related to the potential consolidation of OCWD and MWDOC
 - 1, 2, 5 ○ Continuing to participate in a Seismic Benefit Cost Analysis (BCA) Water/Utilities Workgroup with FEMA, CalOES, and others to implement specific BCA recommendations that will help additional water and other utility projects become eligible for grant funding from FEMA related to seismic mitigation projects
 - 1, 2, 5 ○ Participating in ongoing discussions regarding the expiring agreements for the SOCWA project facilities and the strategic direction for the operation of the various wastewater treatment facilities and associated agreements
 - 1, 2, 3, 5 ○ Continuing to work closely with Council Members, Board members and staff from the Orange County Water District (OCWD), the City of Santa Ana, and other interested parties to conduct a preliminary design of a potential emergency interconnection
-
- 4.a. ○ Implement and process all associated changes from the new MOUs and Exempt Labor Resolution
 - 4.a. ○ Support the implementation of the South OC Wastewater Optimization Blueprint
 - Develop labor terms to provide an effective transition to MNWD for SOCWA employees
 - Onboard new employees
 - 3.c. ○ Meet with newly elected Congress Members, State Legislators and local officials in our District area and their staff and continue to involve them and their staff in District events and activities (e.g., community events, online virtual programs, grant proposals, and state and federal agency official briefings)
 - 3, 5 ○ Continue to evaluate upcoming District projects and programs and identify possible new grant funding opportunities, including support and funding for the OASIS Treatment Center
 - 3.c.i. ○ Assess state and federal lobbyist needs and support to advance OASIS Treatment Program and funding.
 - 1, 2, 3, 4, 5 ○ Evaluate elements necessary to develop policies for Board consideration on the following topics: climate action plan and Environmental, Social, and Governance (ESG) program



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 16: Trend of Position Count in Customer Experience

CUSTOMER EXPERIENCE	FY22	FY23	FY24	Changes/Trends
Communications	2	3	3	
Customer Accounts	16	14	14	
Customer Engagement	1	3	3	
Total Personnel	19	20	20	No changes in personnel from last FY

Performance Measures and Achievements

List of completed, in-progress, and planned items related to the District’s Strategic Goals & Objectives:

Strategic Plan Alignment	Customer Experience
COMPLETED IN FY23	
3.a.	○ Provided timely, informative, and educational messaging to encourage efficient water use in response to the escalating drought via the Resilient Together campaign; outreach campaigns contributed to over 2,200 AF of water savings (14.4%) in fiscal year 2022-2023 compared to the 2020 baseline
3.a.	○ Automatic enrollment of nearly 25,000 portal registered customers into leak alert notifications.
3.b.	○ Implemented Leak Alert Outreach Campaign and related marketing study in coordination with Stanford University’s Marketing Department.
3.a.	○ Awarded best in class for “Digital Customer Engagement” at Customer Service Week 2022 for MyWater MNWD customer portal.
3.a.	○ Implemented providing payment plan reminder letters in conjunction with the customer bill to incentivize customers to keep their payment plan installment payments.
3.c.	○ Expanded the District’s payment assistance programs by enrolling in the California Low Income Household Water Assistance Program (LIHWAP).
3.a-b.	○ Expanded online resources and videos (i.e., emergency and safety videos, drought updates, leak alerts, etc.) to give our customers options on programs and services during the pandemic and beyond.
3.a-b.	○ Developed outreach materials and provided support in planning for H2O for HOAs, California Data Collaborative (CaDC) Water Data Summit, WaterUCI Speaking of Water Series.
3.b.	○ Developed and distributed our first Water Wise Watering Guide – a concise and informative handout to help customers water their landscapes efficiently.
3.b.	○ Increased participation in K-12 education programs with nearly 1,000 students in the virtual and in-person Watershed Field Trip program; over 1,600 students in the School Choice Program, and 38 submissions from MNWD school children to the Water Awareness Poster Contest (8 were winning submissions!).
3.a.	○ Sponsored our first local high school (Mission Viejo HS) in MWD’s STEAM Solar Cup Challenge; Mission Viejo HS took 1st place in two categories: Robot-powered conservation devices and the zero-emission vehicles challenge.
3	○ Evaluated customer feedback from programs, services, and workshops to develop new 2023 Workshop content.

IN-PROGRESS BETWEEN FY23 & FY24

- 3.b. ○ Implementing the 6th annual Fix-A-Leak Week Campaign and hosting a hands-on Fix-A-Leak workshop to help customers find and fix common household leaks.
 - 3.b.i ○ Electronic Outage Notifications: initiate the exploration of informing customers of service outages via web, email and mobile communications.
 - 3.a-c. ○ Developing outreach and providing support with planning the NatureScape Garden Tour and the Water Infrastructure Networking Summit.
 - 3 ○ Expanding on online resources and videos (i.e., leak alert videos, workshop videos,) to give our customers options on programs and services during the pandemic and beyond.
 - 3.b. ○ Continue to provide timely, informative, and educational messaging to encourage efficient water use in response to the escalating drought via the Resilient Together campaign.
 - 3.b. ○ Continue proactive leak alert outreach and communications to help customers with potential leaks.
 - 3 ○ Reformatted the customer information welcome packet to be available in both print and digital versions.
-
- 3 ○ As part of planning efforts for the OASIS Treatment Center, develop an outreach campaign to support project goals, objectives, and associated planning activities.
 - 3 ○ Develop and implement outreach campaigns related to:
 - Resiliency Action Plan (RAP) initiative
 - Construction activities for significant capital investment projects
 - South OC Wastewater Optimization Blueprint
 - 3 ○ Develop outreach and provide support planning H2O for HOAs, the CaDC Water Data Summit, and the WaterUCI Speaking of Water Series.
 - 3.a. ○ Host 2 Project WET teacher trainings in coordination with the Water Education Foundation, Orange County Department of Education, Saddleback Valley Unified School District, and Capistrano Unified School District.
 - 3.a. ○ Identify opportunities to expand education outreach programs to engage with more students and teachers on the District’s water resources, efficiency initiatives, and career opportunities within the water sector.



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 asset management, 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 and ensuring adequate 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 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 a wide variety of technical studies and 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

This Department successfully operates and maintains Plant 3A Wastewater Treatment facilities as well as the Advanced Water Treatment facilities at the Joint Regional Treatment Plant while protecting public health, the environment, and remaining in compliance with regulatory and public health agencies. The Department performs sampling, monitoring, and testing of wastewater treatment processes and responds to treatment plant issues and emergency situations. As part of the operation of these facilities, Title 22 recycled water is produced for the District's customers and accounts for approximately 20% of the District's total water demand. Additionally, staff facilitates all capital work at Plant 3A and the Advanced Water Treatment facilities at the Joint Regional Treatment Plant in compliance with District objectives and regulatory performance standards.

Table 19: Trend of Position Count in Engineering

ENGINEERING	FY22	FY23	FY24	Changes/Trends
Assets & Records Management	7	6	6	
Capital Engineering	5	6	6	
Construction Oversight	6	7	7	
Cross Connection Control	2	2	2	
Development Services	2	2	2	
Engineering Administration	3	3	3	
Recycled Water Program	4	4	4	
Wastewater Treatment	5	6	6	
Total Personnel	34	36	36	No changes in personnel from last FY

Table 20: Operating Expenses, Engineering

	FY22 Budget	FY22 Actuals	FY22 Difference	FY23 Budget	FY24 Proposed	FY24 Forecast	FY24 vs FY23	
							\$Δ	%Δ
EXPENSES (Operating)								
Labor	5,976,429	5,640,374	-336,055	5,319,910	6,108,574	5,753,448	788,664	14.8%
Educational Courses	31,750	25,731	-6,019	18,600	19,601	18,972	1,001	5.4%
Travel & Meetings	66,700	80,214	13,514	78,725	49,304	80,300	-29,421	-37.4%
General Services	2,000	2,000	0	15,000	26,000	15,300	11,000	73.3%
Dues & Memberships	34,200	41,085	6,885	33,050	16,050	33,711	-17,000	-51.4%
Consulting Services	1,284,000	1,447,480	163,480	1,457,000	1,426,300	1,216,618	-30,700	-2.1%
Insurance - District	558,300	561,901	3,601	758,300	661,300	773,466	-97,000	-12.8%
District Office Supplies	30,400	19,155	-11,245	29,900	24,900	30,498	-5,000	-16.7%
District Operating Supplies	590,000	445,403	-144,597	420,000	1,580,000	428,400	1,160,000	276.2%
Repairs & Maint. - Equipment	148,300	117,471	-30,829	65,100	72,400	66,402	7,300	11.2%
Repairs & Maint. - Facilities	2,178,740	1,552,884	-625,856	2,194,000	2,515,856	2,237,880	321,856	14.7%
Safety & Compliance	31,500	21,836	-9,664	24,292	253,530	24,778	229,238	943.7%
SOCWA	9,507,471	9,154,157	-353,314	9,660,238	9,841,962	9,815,461	181,724	1.9%
Special Outside Assessments	5,000	0	-5,000	5,000	5,000	5,100	0	0.0%
Utilities	570,700	687,634	116,934	632,000	1,125,000	644,640	493,000	78.0%
TOTAL	\$21,015,490	\$19,797,325	-\$1,218,165	\$20,711,115	\$23,725,777	\$21,144,974	\$3,014,662	14.6%

Expense Details

Details of line-item expenses in Table 20: Operating Expenses, Engineering that changed by more than \$50,000, or are of note:

- Labor: increase due to implementation of updated labor terms
- Insurance – District: insurance did not increase as much as the budget projection from FY23; therefore, FY24 has been adjusted accordingly
- District Operating Supplies: chemicals used for wastewater treatment have doubled in cost, accounting for 68% of this line item
- Repairs & Maintenance – Facilities: increased supplies for unforeseen conditions during emergency and construction support repairs, including City street resurfacing
- Safety & Compliance: transfer of expenses from the Operations Department’s budget and increase to personal protective equipment
- SOCWA: projected increase for operations & maintenance for external wastewater treatment services
- Utilities: the District is dependent on Southern California Edison and San Diego Gas & Electric for its power. Both agencies have had multiple rate changes in the last 14 months, spiking rates by more than 35%.

Table 21: Engineering KPIs

Strategic Plan Alignment	Key Performance Indicators	FY22	FY23 Projected	FY24 Forecast
2.a.ii	1. <i>CIP Expenditure vs. Depreciation</i> <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>	1.34	1.08	2.75
2.a.i	2. <i>Fats, Oil, and Grease (FOG) Program</i>			
	<i>Manhole Inspections</i>	7,489	8,134	8,165
	<i>Best Management Practices (BMP) Inspections</i>	597	600	603
	<i>Number of Food Service Establishments</i>	527	529	531
5.a.	3. <i>Recycled Water Use Sites</i>			
	<i>Recycled Water Inspections</i>	434	401	479
	<i>Total Recycled Water Use Sites</i>	1,358	1,358	1,372
	<i>Percentage of Use Sites Inspected</i>	32.0%	29.5%	34.9%
2.a.i	4. <i>Cross Connection Tests</i>	464	434	517
2.a.i-iii	5. <i>Backflow devices</i>			
	<i>Inspected</i>	5,423	5,484	5,542
	<i>Repaired</i>	433	438	443
	<i>Replaced</i>	108	109	110
5.a.	6. <i>Will Serve Letters</i>	112	110	90

Performance Measures and Achievements

List of completed, in-progress, and planned items related to the District's Strategic Goals & Objectives:

- 2.a.** ○ Completed Phase 1 of the new Computerized Maintenance Management System (CMMS) implementation
- 2.a.i** ○ Populated comprehensive asset register for all District facilities and assets
- 5.b.** ○ Substantially completed 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
- 2.a.ii** ○ Awarded construction contract for Crown Valley Pipelines Replacement Project (Lower Salada Force Mains, Crown Valley Transmission Main – Lower Reach, ID#1 Master Meter)
- 2.a.iii** ○ Substantially completed the design of the following significant projects:
 - Plant 3A Solids Handling Facilities Improvements Project
 - Regional Lift Station Force Main Replacement
 - Phases 4 & 5 of the Reservoir Management Systems Replacement Program
 - 1050-Zone Secondary Feed Pump Station and Transmission Main
 - 2022-23 Valve Replacements in support of the Valve Replacement Program
- 2.a.** ○ Completed Collection System Inflow and Infiltration assessment and created pipeline rehabilitation projects to address recommendations
- 2.a.i** ○ Completed various reservoir condition assessments in coordination with the Reservoir Seismic Retrofits Project and to support the planning of future reservoir rehabilitation projects
- 2.a.i** ○ Implemented valve isolation tracing in the GIS system to support strategic valve replacement projects, planned capital projects, and isolation needs during emergency repairs
- 5.a.** ○ Transitioned operations of the Advanced Water Treatment system at the Regional Treatment Plant from SOCWA to District staff
- 2.a.v** ○ 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

IN-PROGRESS BETWEEN FY23 & FY24

- 2.a.i** ○ Implementing Phase 2 of the new CMMS implementation, including the development of the NexGEN asset management module, risk score development across all asset classes, lifecycle plans, funding forecasting, and capital prioritization reports
- 5.a.** ○ Continuing construction of the following significant projects:
 - Regional Treatment Plant Advanced Water Treatment Filter System Improvements
 - Plant 3A Subsidence Mitigation Project
- 5.b.** ○ Continuing design of the following significant projects:
 - North Aliso Lift Station Reconstruction
 - Aliso Creek Lift Station Rehabilitation
 - Electrical System Improvements – Phase 4
- 5.b.** ○ Coordinating infrastructure requirements at the Regional Treatment Plant to support the long-term vision of wastewater reuse as defined in the South OC Wastewater Optimization Blueprint
- 5.b.** ○ Continuing the major pipeline condition assessment (Northern Transmission Main) to support the planning of future pipeline rehabilitation and replacement projects
- 2.a.iii** ○ Implementing ongoing strategies to address Collection System Inflow and Infiltration, including pipeline rehabilitation in targeted sub-basins based on field data collection
- 2.a.i** ○ Continuing active coordination with Caltrans on facility conflicts and improvements for the Interstate 5 Widening project
- 2.a.v** ○ Developing a water-energy database to support future water loss, energy efficiency, power generation, and other operational optimization projects
- 2.a.v** ○ Creating engineering designs to support the installation of a small hydropower system to generate power and offset electricity costs

PLANNED FOR FY24

- 2.a.** ○ Complete annual update to the 10-year Capital Improvement Program.
- 2.a.i** ○ Initiate facility reviews and condition assessment to update capital planning for wastewater facilities in collaboration with partners per the South OC Wastewater Optimization Blueprint.
- 2.a.iii** ○ Implement additional refinements, enhancements, reporting, and training for the new Computerized Maintenance Management System.
- 5.a.** ○ Complete construction of the Plant 3A Subsidence Mitigation Project.
- 5.b.** ○ Commence construction of the first two major pipeline projects from the Pipeline Rehabilitation and Replacement Program:
 - Crown Valley Pipelines Replacement
 - Regional Lift Station Force Main Replacement
- 5.b.** ○ Commence construction of the first two major lift station projects from the Vertical Asset Rehabilitation and Replacement Program:
 - North Aliso Lift Station Reconstruction
 - Aliso Creek Lift Station Rehabilitation
- 5.b.** ○ Commence construction of the following significant projects:
 - Plant 3A Solids Handling Facilities Improvements
 - Phase 4 of the Reservoir Management Systems Replacement Program
 - 1050-Zone Secondary Feed Pump Station and Transmission Main
 - 2022-23 Valve Replacements in support of the Valve Replacement Program
- 2.a.iii-iv** ○ Initiate design of the following significant projects:
 - Plant 3A Liquids Handling Facilities Improvements
 - Lower Salada Lift Station Rehabilitation
 - Beacon Hill Pump Station Rehabilitation
- 5.b.** ○ Implement projects at the Joint Regional Plant to address the following:
 - Reliability of the AWT system
 - Increasing salinity



FINANCE

The Finance Department maintains the financial oversight of all District funds by ensuring conformance with modern finance and accounting theory, practices, and compliance with applicable state and federal laws. The Finance Department includes accounting, contracts, purchasing, warehouse, and financial planning and innovation.

Accounting

The Accounting Department works 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 Annual Comprehensive Financial Report and Schedule of Expenditures of Federal Awards.

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.

Contracts & Purchasing

Contracts & Purchasing Departments provide 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. Purchasing staff works closely with each department to manage vendor invoices and to order and organize critical inventory in the warehouse.

Table 22: Trend of Position Count in Finance

FINANCE	FY22	FY23	FY24
Accounting	6	7	7
Contracts & Purchasing	3	5	5
Financial Planning & Innovation	3	3	3
Total Personnel	12	15	

Performance Measures and Achievements

List of completed, in-progress, and planned items related to the District’s Strategic Goals & Objectives:

Strategic Plan Alignment	Finance
COMPLETED IN FY23	
1.a.ii	○ Achieved the Distinguished Budget Award from the Government Finance Officers Association (GFOA)
1.a.i	○ Maintained AAA rating from Fitch and Standard & Poor’s Global and monitored the use of 2021 Certificate of Participation proceeds
1.a.	○ Issued late bill payment collections Request for Proposals (RFP) and selected vendor
1.a.	○ Issued Bond and Disclosure Counsel RFP and selected Norton Rose Fulbright
1.a.	○ Issued Financial Advisor RFP and selected PFM Financial Advisors LLC
1.a.	○ Reviewed and updated financial policies as part of the annual budget development
IN-PROGRESS BETWEEN FY23 & FY24	
1.a.	○ Developing and issuing Utility Billing System Project Management RFP (Utiligy 360)
1.a.ii	○ Apply for the Popular Annual Financial Report award from GFOA (pending official award)
1.a.ii	○ Apply for the Annual Comprehensive Financial Report award from GFOA (pending official award)
1.a.	○ Developing financial analysis for the South OC Wastewater Optimization Blueprint
PLANNED FOR FY24	
1.a.ii	○ Roll out new monthly financial reporting format
1.a.	○ Implement solutions for process automation in accounts payable and payroll
1.a.ii	○ Achieve the Triple Crown designation from GFOA: Distinguished Budget Presentation Award, Comprehensive Annual Financial Report Award, and Popular Annual Financial Report Award
1.a.	○ Implement GASB 96, Subscription Based IT Arrangements, in fiscal 2023 audited financial statements
1.a.	○ Review and update financial policies as part of the annual budget review
1.a.	○ Develop facility budgets and integrate financial systems to support the implementation of the South OC Wastewater Optimization Blueprint



OPERATIONS

The Operations Division is responsible for the day-to-day operations and maintenance of potable water, recycled water, and wastewater infrastructure to meet the service expectations of the District's customers. Consistent and regular inspection and maintenance of all infrastructure and equipment are necessary to ensure regulatory compliance, staff and public safety, and high service levels. The District has increased its focus on operational strategies to maximize the useful lives of its assets most efficiently and cost-effectively. 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 include 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, 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 responsible for all pump refurbishments and keeping the District's oxygen generation systems online. The facilities maintenance crew responds to emergencies at all hours, from communication to motor/pump failures.

Fleet Maintenance

This Department is responsible for maintaining and repairing over 115 vehicles, including fuel management hardware and software. In addition, portable equipment and stationary backup emergency generators are also maintained in this shop.

Information Technology

This Department supports District strategic business requirements by providing technology services. The Department manages 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 meet current and future business needs and regulatory compliance obligations 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 maintaining and repairing the District’s potable water and recycled water system, providing an 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

OPERATIONS	FY22	FY23	FY24	Changes/Trends
Collections	7	7	7	
Electrical/Instrumentation	5	6	6	
Facilities Maintenance	10	10	10	
Fleet Maintenance	5	4	4	
Information Technology	8	8	8	
Meter Maintenance	15	15	15	
Operations Administration	6	8	8	
Pipe & Valve Maintenance	16	21	21	
Water Distribution	5	5	5	
Total Personnel	77	84	84	No changes in personnel from last FY

Table 26: Operating Expenses, Operations

	FY22 Budget	FY22 Actuals	FY22 Difference	FY23 Budget	FY24 Proposed	FY24 Forecast	FY24 vs FY23	
							\$Δ	%Δ
EXPENSES (Operating)								
Labor	10,631,796	9,827,960	-803,836	11,121,229	12,310,378	11,898,956	1,189,149	10.7%
Educational Courses	39,075	23,301	-15,774	38,415	31,608	39,183	-6,807	-17.7%
Travel & Meetings	102,540	47,284	-55,256	94,080	95,831	95,962	1,751	1.9%
Member Agencies O&M	598,632	565,395	-33,237	545,071	555,972	555,972	10,901	2.0%
Dues & Memberships	5,691	4,108	-1,583	6,208	17,138	6,333	10,930	176.1%
Consulting Services	136,000	105,947	-30,053	289,000	291,000	294,780	2,000	0.7%
Equipment Rental	35,510	18,158	-17,352	35,520	15,000	36,231	-20,520	-57.8%
District Office Supplies	14,250	140,653	126,403	14,250	14,250	14,535	0	0.0%
District Operating Supplies	474,900	490,380	15,480	516,900	560,400	527,238	43,500	8.4%
Repairs & Maint. - Equipment	1,145,352	1,281,714	136,362	1,274,685	1,472,540	1,300,179	197,855	15.5%
Repairs & Maint. - Facilities	1,691,623	2,224,359	532,736	2,189,935	2,461,929	2,233,734	271,994	12.4%
Safety & Compliance	338,371	472,449	134,078	363,545	178,782	370,816	-184,763	-50.8%
Utilities	2,562,190	2,946,393	384,203	2,621,650	3,797,006	2,674,082	1,175,356	44.8%
Water Purchases	28,897,373	29,817,481	920,108	30,057,298	31,717,237	31,517,465	1,659,939	5.5%
TOTAL	\$46,673,303	\$47,965,582	\$1,292,279	\$49,167,786	\$53,519,071	\$51,565,466	\$4,351,285	8.8%

Expense Details

Details of line-item expenses in Table 26: Operating Expenses, Operations that changed by more than \$50,000, or are of note:

- Labor: increase due to implementation of updated labor terms and addition of two positions from mid-FY23 – (1) Assistant Director of Operations, and (2) Senior Operations Analyst
- Repairs & Maintenance - Equipment: increase due to IT software and hardware upgrades
- Repairs & Maintenance - Facilities: increase due to reimbursement to Cities for annual resurfacing projects, manhole repairs due to aging City roadway infrastructure, station rehab, and pest control
- Safety & Compliance: transfer of expenses to the Engineering Department’s budget
- Utilities: the District depends on Southern California Edison and San Diego Gas & Electric for power. Both agencies have had multiple rate changes in the last 14 months, spiking rates by more than 35%.
- Water Purchases: increase due to the cost of water as projected with rate increases from MET and the difference from projection is due to 100 acre-feet change in demand forecast

Table 27: Operations KPIs

Strategic Plan Alignment	Key Performance Indicators	FY22	FY23 Projected	FY24 Forecast
2.a.iii	1. Valves – Potable and Recycled Water Exercised	2,763	2,858	2,900
	Replaced	153	157	202
2.a.iii	2. Mainline Breaks	15	23	n/a
2.a.iii	3. Sewer Line, feet Inspected	204,930	404,325	321,079
	Cleaned	2,481,260	1,812,270	2,146,765
2.a.iv	4. Meters Changed	3,110	2,878	2,994
2.a.iii	5. Water Service Lines Replaced	435	456	446

Performance Measures and Achievements

List of completed, in-progress, and planned items related to the District's Strategic Goals & Objectives:

- 2.a. ○ Supported implementation of the District's 10-year Capital Improvement Program
 - 2.a.i ○ Supported advancement of Collection System Inflow and Infiltration Program activities
 - 2.a.ii ○ High-frequency radio replacements (18GHz) of our Supervisory Control and Data Acquisition (SCADA) communication network
 - 2.a.i ○ Facility Hardening Assessment of priority pump stations and major lift stations
 - 2.a.i ○ High-demand hydraulic modeling at strategic locations throughout the District
 - 2.a. ○ Emergency Response Plan at Plant 3A
 - 2.a.ii ○ Expanded proactive leak detection and implemented the 1050 zone pilot pressure management project to reduce water loss
 - 2.a.iii ○ Implemented consultant support for additional recycled water system inspections in response to recent Regional Water Quality Control Board requirements
 - 2.a.v ○ Reviewed and analyzed findings from the machine health learning pilot currently in operation at the Lower and Upper Salada Lift Stations
 - 2.a. ○ Consumer confidence water quality report and the triennial public health goals report
 - 2.a.iii ○ Wastewater line cleaning and CCTV inspection in accordance with the approved Sewer System Management Plan
 - 2.a.ii ○ The initial phase of the low-resolution meter replacement program
 - 2.a. ○ Provided an update to Board on cyber security measures and initiatives
 - 2.a. ○ Updated emergency response incident command system certifications District-wide
 - 2.a.i ○ Collaborated with the City of Laguna Hills on the development of their Hazard Mitigation Plan
 - 2.a.i ○ Assessed the feasibility of adding electric vehicles to our fleet and piloting an electric vehicle program
-
- 2.a.ii ○ Starting Phase 1 of the Low-Resolution Meter replacement program
 - 2.a.iii ○ Establishing internet service to the Regional Treatment Plant Advanced Water Treatment site
 - 2.a.iii ○ Completion of Phase 3 of the Reservoir Management System Upgrades, preparing to move into Phase 4.
 - 2.a.iii ○ Targeting active leak response time of 24 hours or less
 - 2.a.i ○ Following the Coastal Fire, utilizing an emergency preparedness work group to assure unified incident response; currently making recommendations and implementing this for new projects
 - 2.a.i ○ Comprehensive drone inspection of both outfalls
 - 4.a.iv ○ Increase to quarterly confined space entry and rescue training
 - 2.a.v ○ Exploration of new technologies for less intrusive easement repair
 - 2.a.i ○ Assessing the Advanced Water Treatment (AWT) System at Joint Regional Plant and moving forward with safety and operational upgrades
 - 2.a.ii ○ Performing District-wide lead service line assessment
 - 2.a.i ○ Assessing hosting Water Emergency Response Organization of Orange County's (WEROc's) Emergency Operating Center at the District's Headquarters

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- 2.a.v**
 - Implement the following pilot programs:
 - Install a small hydropower system to evaluate potential for power generation and offset increasing electricity costs
 - Create a customized dashboard to assess real water loss in the 1050 pressure zone
 - Work with Kamstrup to develop metering software that automatically identifies indoor and outdoor water use; pilot findings could support long-term regulatory compliance and advanced analytics of I&I, water use, and water reuse
 - KLIR software implementation pilot that will enhance regulatory reporting
- 2.a.v**
 - Implementation of Hach’s Water Information Management Solution system to standardize water quality reporting
- 2.a.iii**
 - Partner with San Diego Gas & Electric’s Power Your Drive for Workplaces program to develop a fleet electrification plan and install 12 additional charging stations for future electric vehicles
- 2.a.i**
 - Support implementation of the District’s 10-year Capital Improvement Program
- 2.a.iii**
 - Connect all Plant 3A buildings with a reliable fiber optic network and initiate security improvements
- 2.a.i**
 - Update Sewer System Management Plan to comply with new State Sanitary Sewer Overflow wastewater discharge order



WATER RESOURCES & EFFICIENCY

The Water Resources and Efficiency Department manages the District’s water efficiency and rebate programs, assists customers with questions about 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 the 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 leak.

Water Efficiency

The District is seen as a statewide leader in providing a portfolio of innovative resources and programs to help customers manage their water demands. The Department’s water efficiency programs, partnerships with state and regional organizations, 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 in-person and virtual assistance to all customer classes by issuing leak alert notifications and 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.

- Managing the District’s water efficiency programs, engaging with MWDOC and MET to partner on regional rebate and water efficiency programs, and engaging with professional associations, consultants, landscape professionals, businesses, 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.
- 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 the 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 a reliable, high-quality water supply is available where and when customers need it. Successful implementation of the 2020 Long-Range Water Reliability Plan adaptive management plan is essential to ensuring future reliable water supplies for customers. Staff reviews regional water supply projections monthly and compares them against projected water demands to identify necessary actions the District’s Board of Directors may 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 base-loaded 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 planning 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 existing and future supply conditions. Reviewing and engaging with MET and MWDOC on the implementation 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.
- 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.

Table 28: Trend of Position Count in Water Resources & Efficiency

WATER RESOURCE & EFFICIENCY	FY22	FY23	FY24	Changes/Trends
Proactive Leak Detection	3	2	2	
Water Efficiency	9	9	8	Reorganized (1) position to WRE: Water Resources
Water Resources	2	2	3	Reorganized (1) position from WRE: Water Efficiency
Total Personnel	14	13	13	

Performance Measures and Achievements

List of completed, in-progress, and planned items related to the District's Strategic Goals & Objectives:

Strategic Plan	
5.b.ii	○ Applied for state/federal grants for demand management and recycled water program expansion, including to support the OASIS Treatment Center
3.b.i	○ Hosted 6 th H ₂ O for HOAs workshop
2.a.v	○ Implemented a pilot rainwater harvesting incentive developed in partnership with the County of Orange; this is a stacked incentive with the NatureScape Program
3.c.	○ Retrofitted 6 schools in the Capistrano Unified School District with high efficiency plumbing devices: Capistrano Valley HS, Aliso Niguel HS, Aliso Viejo Middle School, Niguel Hills Jr. High, Don Juan Avila Elementary, and Oak Grove Elementary
3.c.	○ Partnered with California Data Collaborative on the 7 th Annual Water Data Summit
	○ Expanded educational and web support materials for the H ₂ O Pro Water Management Program
3.c.	○ Engaged with the Department of Water Resources, State Water Resources Control Board, 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
2.a.v	○ Completed an in-depth review of Workshops by Environmental Incentives
2.a.i	○ Completed mapping of potable dedicated irrigation meters
2.a.i	○ Digitally mapped and measured all 1,270 of the District's potable dedicated irrigation meters
2, 3	○ Implemented recommendations from the adopted 2020 LRWRP Update adaptive management plan: <ul style="list-style-type: none">● Engaged with the Metropolitan Water District of Southern California (MWD), Municipal Water District of Orange County (MWDOC) and other local water agencies to track the development of water resource and reliability projects that are in the planning phase● Worked with Orange County Water District and the City of Santa Ana to sign an Interagency Agreement to work together to develop an emergency interconnection at the City's East Station facility for the conveyance of groundwater during an emergency outage; issued RFP for consultant selection● Completed the Potable Reuse Framework Study intended to help advance a potable reuse strategy. The Study developed a potable reuse concept and the general path for implementation.
3, 5.b.	○ Engaged 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 (WSCP). <ul style="list-style-type: none">● Implemented WSCP Stage 2 per Board resolution adopted on May 31, 2022
5.a.	○ Prepared the first Annual Water Supply and Demand Assessment and submitted it to DWR in compliance with the Water Code
5.a.	○ Completed the Smart Watershed Network dashboard to evaluate opportunities for the potential use of wastewater assets to capture and reuse dry-weather diversions through collaboration with the Urban Runoff Reduction Partnership
5.a.	○ Presented the Smart Watershed Network Project to the District Board
5.a.	○ Completed the Sustainable Water Management (SWM) Profile, which identifies how well the District is responding to water supply stressors within our region to help advance the District's sustainable water management
2.a.	○ Implemented 6 recycled water sites (3 were new, and 3 were retrofits). The potable water usage offset from the 6 sites was 9 AF/Y
5.a.	○ Resumed operation of the Advance Water Treatment Facility at the Joint Regional Treatment Plant to ensure reliable recycled water production to meet the desired level of service for the District's customers

IN-PROGRESS BETWEEN FY23 & FY24

- 3.b.i ○ Hosting the District's 3rd NatureScape Garden Tour and first-ever open house at headquarters
- 3.b.i ○ Reinstating in-person landscape and irrigation workshops; additionally, expanding the District's workshop and class offerings to include new topics and video format
- 2.a.i ○ Digitally mapping and classifying commercial accounts into business categories and verifying mixed-use meters
- 3.c.i ○ Partnering with Metropolitan to jointly host up to three professional landscaper training on irrigation water use efficiency in English and Spanish
- 3.c.i ○ Developing a partnership with Saddleback College to support their large-scale irrigation and landscape retrofit project and initiated a pilot to study the efficacy of master valves and flow sensors in field conditions
- 2.a.iii ○ Continuing with advanced leak detection efforts at recycled water use sites to minimize unintended discharges
- 2.a.iii ○ Performing peer effect study of the District's turf removal program to inform the comprehensive water efficiency plan
- 3.c.i ○ Ongoing implementation of the recommendations from the adopted 2020 LRWRP Update adaptive management plan:
 - Engaging with MWD, MWDOC and other local water agencies to monitor water resource and reliability projects that are in the planning phase to track future implementation to evaluate how that may impact the District's water reliability.
 - Preliminary design efforts for the OCWD and Santa Ana emergency interconnection at the City's East Station facility.
- 5.a.ii ○ Implementing the multi-year water quality monitoring program to support a future direct potable reuse and runoff diversion project (under the Optimized, Adaptive, Sustainable, Integrated Supply (OASIS) Treatment Center).
- 3.c.i ○ Engaging with south Orange County agencies and project partners to support a pathway for implementing the OASIS Treatment Center.
 - Applied for FEMA Building Resilient Infrastructure and Communities (BRIC) Grant Funds to support the OASIS Treatment Center planning efforts.
- 3.c.i ○ Engaging with MWD, MWDOC and the State regarding drought conditions in Northern California and the Colorado River Basin to help inform necessary Water Shortage Contingency Plan actions.
- 5.b. ○ Presenting the Smart Watershed Network Project to the Metropolitan Water District of Southern California as part of the Future Supply Action Grant.
- 2.a.ii ○ Continuing to retrofit implementation of 19 recycled water retrofits. The potable water usage offset from all 19 sites is projected to be 30 AF/Y.

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- 2.a.ii ○ Retrofit the remaining ten schools in the Capistrano Unified School District with high efficiency plumbing devices
- 3.b.i ○ Host the 7th H₂O for HOAs workshop
- 3.b.i ○ Host the District's 4th NatureScape Garden Tour
- 3.c.i ○ Partner with California Data Collaborative on the 8th Annual Water Data Summit
- 5.b. ○ Scope a comprehensive water efficiency plan to evaluate existing programming and provide guidance over a 5-year planning horizon
- 5.a. ○ Take action to meet current and anticipated regulatory compliance reporting requirements, including expanded monthly water supply and demand reporting, submission of water loss target and supporting documentation, and submission of urban water use objective
- 3.b. ○ Enhance NatureScape Program to a design assistance program with an emphasis on customer choice and education
- 3.b. ○ Expand H₂O Pro Water Management Program for HOA and commercial customers to include design support and turf removal project facilitation services
- 5.b. ○ Ongoing implementation of the recommendations from the adopted 2020 LRWRP Update adaptive management plan:
 - Work with Orange County Water District and the City of Santa Ana to prepare the preliminary design study and environmental analysis for the emergency interconnection at the City's East Station facility.
- 5.b. ○ Advance the OASIS Treatment Center towards the goals of the South OC Wastewater Optimization Blueprint:
 - Work with the County of Orange and other South Orange Counties agencies to prepare the Runoff Diversion Study. The Study will evaluate the opportunity for a cooperative runoff diversion project from the Aliso Creek Watershed to increase local water supplies and improve downstream water quality
 - Prepare the Direct Potable Reuse (DPR) Concept and Feasibility Study to further define the drinking water treatment concepts, the planning for a DPR Demonstration, an evaluation of the existing RTP facilities to support the implementation of the DPR project
- 2.a.iii ○ Initiate design of South County Pipeline Take-out Facility
- 2.a.iii ○ Initiate the design and construction of the Regional Treatment Plant AWT Salinity Management Project to ensure high-quality recycled water is provided to the District's customers in compliance with all regulatory requirements

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; equals 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 a 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 the 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 \$3,000 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 the 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 renders 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	The difference between the fund's assets and liabilities.
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 essential district services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel and fuel, and does not include purchases of significant 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 the 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 varies on the number of units bought or produced.
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 & Abbreviations

AF	Acre-Foot	IRWD	Irvine Ranch Water District
AFY	Acre-feet per Year	IT	Information Technology
AMI	Advanced Metering Infrastructure	JPA	Joint Powers Authority
AMP	Allen-McColloch Pipeline	JRWSS	Joint Regional Water Supply System
AWT/F	Advanced Wastewater Treatment/Facility	LRFP	Long-Range Financial Plan
AWWA	American Water Works Association	LRWRP	Long-Range Water Reliability Plan
Blueprint	South Orange County Wastewater Optimization Blueprint	MAF	Million Acre-Feet
BMP	Best Management Practices	MG	Million Gallons
Board/BOD	District Board of Directors	MGD	Million Gallons per Day
BU	Billing Unit = 748 gallons or 100 Cubic Feet of Water	MNWD	Moulton Niguel Water District
CCF	Centum (hundreds) of Cubic Feet	MOU	Memorandum of Understanding
CFS	Cubic Feet per Second	MWDOC	Municipal Water District of Orange County
CII	Commercial, Industrial, Institutional types of businesses	MWD/MET	Metropolitan Water District of Southern California
CIP	Capital Improvement Plan	O&M	Operations and Maintenance
CMMS	Computerized Maintenance Management System	OASIS	Optimized, Adaptive, Sustainable, Integrated Supply Treatment Center
COP	Certificates of Participation (debt instrument)	OCWD	Orange County Water District
CPI	Consumer Price Index	OPEB	Other Post-Employment Benefits
CY	Calendar Year	R&R	Replacement and Refurbishment
DPR	Direct Potable Reuse	RTP	Regional Treatment Plant or Joint RTP
DWR	Department of Water Resources	SCADA	Supervisory Control and Data Acquisition
EOCF #2	East Orange County Feeder No.2	SCP	South County Pipeline
ET	Evapotranspiration	SCWD	South Coast Water District
ETWD	El Toro Water District	SJBA	San Juan Basin Authority
FEMA	Federal Emergency Management Agency	SMWD	Santa Margarita Water District
FLOW	Future Leaders of Water Initiative	SOCWA	South Orange County Wastewater Authority
FOG	Fats, Oils & Grease	SWM	Sustainable Water Management
FY	Fiscal Year ending June 30	SWP	State Water Project
GAAP	Generally Accepted Accounting Principals	SWRCB	State Water Resources Control Board
GASB	Governmental Accounting Standards Board	USBR	U.S. Department of the Interior, Bureau of Reclamation
GFOA	Government Finance Officers Association	USEPA	U.S. Environmental Protection Agency
GIS	Geographic Information System Mapping	UWMP	Urban Water Management Plan
GPCD	Gallons Per Capita per Day	WBBRS	Water Budget Based Rate Structure
GPM	Gallons per Minute	WBIC	Weather Based Irrigation Controller
HOA	Home Owner's Association	WEF	Water Environment Federation
IPR	Indirect Potable Reuse	WSCP	Water Shortage Contingency Plan
IRP	Integrated Resources Plan	WUE	Water Use Efficiency

Appendix A: *Salary Schedules*

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
GENERAL UNIT**

JOB CLASSIFICATION	RANGE
Accountant	G31
Accounting Assistant I	G3
Accounting Assistant II	G8
Accounting Assistant III	G18
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	G3
Customer Account Representative II	G8
Customer Account Representative III	G18
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
Inventory Control Technician	G18
Leak Detection Technician I	G10
Leak Detection Technician II	G21
Leak Detection Technician III	G32
Maintenance Worker I - Collections	G10
Maintenance Worker I - Facilities	G10
Maintenance Worker I - Streets	G10
Maintenance Worker II - Collections	G21
Maintenance Worker II - Facilities	G21

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
GENERAL UNIT**

JOB CLASSIFICATION	RANGE
Maintenance Worker II - Streets	G21
Maintenance Worker III - Collections	G32
Maintenance Worker III - Facilities	G32
Maintenance Worker III - Streets	G32
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 Accountant	G39
Senior Cross Connection Inspector	G42
Senior Customer Account Representative	G31
Senior Customer Service Field Technician	G31
Senior Electrical/Instrumentation Technician	G48.1
Senior GIS Analyst	G47.1
Senior Inspector	G42
Senior Leak Detection Technician	G40
Senior Maintenance Worker - Collections	G40
Senior Maintenance Worker - Facilities	G40
Senior Maintenance Worker - Streets	G40
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

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
GENERAL UNIT**

JOB CLASSIFICATION	RANGE
Water Systems Operator I	G13
Water Systems Operator II	G25
Water Systems Operator III	G35

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
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
	G1	Monthly	4,371.47	4,480.67	4,593.33	4,707.73	4,825.60	4,945.20	5,070.00	5,196.53	5,326.53	5,460.00	5,595.20
		Hourly	25.22	25.85	26.50	27.16	27.84	28.53	29.25	29.98	30.73	31.50	32.28
		Annually	52,457.60	53,768.00	55,120.00	56,492.80	57,907.20	59,342.40	60,840.00	62,358.40	63,918.40	65,520.00	67,142.40
	G2	Monthly	4,636.67	4,752.80	4,870.67	4,993.73	5,118.53	5,246.80	5,376.80	5,512.00	5,648.93	5,791.07	5,934.93
		Hourly	26.75	27.42	28.10	28.81	29.53	30.27	31.02	31.80	32.59	33.41	34.24
		Annually	55,640.00	57,033.60	58,448.00	59,924.80	61,422.40	62,961.60	64,521.60	66,144.00	67,787.20	69,492.80	71,219.20
Accounting Assistant I Customer Account Representative I Customer Service Field Technician I Inventory Clerk Water Efficiency Representative I	G3	Monthly	4,640.13	4,756.27	4,875.87	4,997.20	5,122.00	5,250.27	5,380.27	5,515.47	5,654.13	5,794.53	5,940.13
		Hourly	26.77	27.44	28.13	28.83	29.55	30.29	31.04	31.82	32.62	33.43	34.27
		Annually	55,681.60	57,075.20	58,510.40	59,966.40	61,464.00	63,003.20	64,563.20	66,185.60	67,849.60	69,534.40	71,281.60
	G4	Monthly	4,919.20	5,042.27	5,168.80	5,297.07	5,430.53	5,565.73	5,704.40	5,846.53	5,993.87	6,142.93	6,297.20
		Hourly	28.38	29.09	29.82	30.56	31.33	32.11	32.91	33.73	34.58	35.44	36.33
		Annually	59,030.40	60,507.20	62,025.60	63,564.80	65,166.40	66,788.80	68,452.80	70,158.40	71,926.40	73,715.20	75,566.40
	G5	Monthly	4,992.00	5,116.80	5,245.07	5,375.07	5,510.27	5,647.20	5,789.33	5,933.20	6,082.27	6,234.80	6,390.80
		Hourly	28.80	29.52	30.26	31.01	31.79	32.58	33.40	34.23	35.09	35.97	36.87
		Annually	59,904.00	61,401.60	62,940.80	64,500.80	66,123.20	67,766.40	69,472.00	71,198.40	72,987.20	74,817.60	76,689.60
	G6	Monthly	5,000.67	5,125.47	5,253.73	5,385.47	5,520.67	5,657.60	5,799.73	5,943.60	6,092.67	6,245.20	6,401.20
		Hourly	28.85	29.57	30.31	31.07	31.85	32.64	33.46	34.29	35.15	36.03	36.93
		Annually	60,008.00	61,505.60	63,044.80	64,625.60	66,248.00	67,891.20	69,596.80	71,323.20	73,112.00	74,942.40	76,814.40
	G7	Monthly	5,219.07	5,349.07	5,482.53	5,621.20	5,761.60	5,905.47	6,052.80	6,203.60	6,359.60	6,517.33	6,680.27
		Hourly	30.11	30.86	31.63	32.43	33.24	34.07	34.92	35.79	36.69	37.60	38.54
		Annually	62,628.80	64,188.80	65,790.40	67,454.40	69,139.20	70,865.60	72,633.60	74,443.20	76,315.20	78,208.00	80,163.20
Accounting Assistant II Customer Account Representative II Customer Service Field Technician II Water Efficiency Representative II	G8	Monthly	5,222.53	5,352.53	5,487.73	5,624.67	5,765.07	5,908.93	6,056.27	6,208.80	6,363.07	6,522.53	6,685.47
		Hourly	30.13	30.88	31.66	32.45	33.26	34.09	34.94	35.82	36.71	37.63	38.57
		Annually	62,670.40	64,230.40	65,852.80	67,496.00	69,180.80	70,907.20	72,675.20	74,505.60	76,356.80	78,270.40	80,225.60
Administrative Assistant I	G9	Monthly	5,241.60	5,373.33	5,506.80	5,645.47	5,785.87	5,929.73	6,078.80	6,231.33	6,385.60	6,546.80	6,709.73
		Hourly	30.24	31.00	31.77	32.57	33.38	34.21	35.07	35.95	36.84	37.77	38.71
		Annually	62,899.20	64,480.00	66,081.60	67,745.60	69,430.40	71,156.80	72,945.60	74,776.00	76,627.20	78,561.60	80,516.80
Leak Detection Technician I Maintenance Worker I - Collections Maintenance Worker I - Facilities Maintenance Worker I - Streets	G10	Monthly	5,304.00	5,437.47	5,572.67	5,711.33	5,855.20	6,000.80	6,151.60	6,304.13	6,461.87	6,624.80	6,789.47
		Hourly	30.60	31.37	32.15	32.95	33.78	34.62	35.49	36.37	37.28	38.22	39.17
		Annually	63,648.00	65,249.60	66,872.00	68,536.00	70,262.40	72,009.60	73,819.20	75,649.60	77,542.40	79,497.60	81,473.60
Mechanic I	G11	Monthly	5,317.87	5,451.33	5,586.53	5,726.93	5,869.07	6,016.40	6,167.20	6,321.47	6,479.20	6,642.13	6,806.80
		Hourly	30.68	31.45	32.23	33.04	33.86	34.71	35.58	36.47	37.38	38.32	39.27
		Annually	63,814.40	65,416.00	67,038.40	68,723.20	70,428.80	72,196.80	74,006.40	75,857.60	77,750.40	79,705.60	81,681.60
Cross Connection Inspector I Inspector I Recycled Water Inspector I	G12	Monthly	5,402.80	5,538.00	5,676.67	5,818.80	5,964.40	6,113.47	6,266.00	6,422.00	6,583.20	6,747.87	6,916.00
		Hourly	31.17	31.95	32.75	33.57	34.41	35.27	36.15	37.05	37.98	38.93	39.90
		Annually	64,833.60	66,456.00	68,120.00	69,825.60	71,572.80	73,361.60	75,192.00	77,064.00	78,998.40	80,974.40	82,992.00

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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
Water Systems Operator I	G13	Monthly	5,477.33	5,614.27	5,754.67	5,898.53	6,045.87	6,196.67	6,352.67	6,510.40	6,673.33	6,839.73	7,011.33
		Hourly	31.60	32.39	33.20	34.03	34.88	35.75	36.65	37.56	38.50	39.46	40.45
		Annually	65,728.00	67,371.20	69,056.00	70,782.40	72,550.40	74,360.00	76,232.00	78,124.80	80,080.00	82,076.80	84,136.00
	G14	Monthly	5,534.53	5,673.20	5,815.33	5,960.93	6,108.27	6,262.53	6,418.53	6,578.00	6,742.67	6,912.53	7,084.13
		Hourly	31.93	32.73	33.55	34.39	35.24	36.13	37.03	37.95	38.90	39.88	40.87
		Annually	66,414.40	68,078.40	69,784.00	71,531.20	73,299.20	75,150.40	77,022.40	78,936.00	80,912.00	82,950.40	85,009.60
	G15	Monthly	5,624.67	5,765.07	5,908.93	6,058.00	6,208.80	6,363.07	6,522.53	6,685.47	6,853.60	7,025.20	7,200.27
		Hourly	32.45	33.26	34.09	34.95	35.82	36.71	37.63	38.57	39.54	40.53	41.54
		Annually	67,496.00	69,180.80	70,907.20	72,696.00	74,505.60	76,356.80	78,270.40	80,225.60	82,243.20	84,302.40	86,403.20
	G16	Monthly	5,635.07	5,775.47	5,921.07	6,068.40	6,219.20	6,375.20	6,534.67	6,697.60	6,865.73	7,037.33	7,214.13
		Hourly	32.51	33.32	34.16	35.01	35.88	36.78	37.70	38.64	39.61	40.60	41.62
		Annually	67,620.80	69,305.60	71,052.80	72,820.80	74,630.40	76,502.40	78,416.00	80,371.20	82,388.80	84,448.00	86,569.60
	G17	Monthly	5,869.07	6,016.40	6,165.47	6,319.73	6,479.20	6,640.40	6,806.80	6,976.67	7,151.73	7,330.27	7,512.27
		Hourly	33.86	34.71	35.57	36.46	37.38	38.31	39.27	40.25	41.26	42.29	43.34
		Annually	70,428.80	72,196.80	73,985.60	75,836.80	77,750.40	79,684.80	81,681.60	83,720.00	85,820.80	87,963.20	90,147.20
Accounting Assistant III Customer Account Representative III Customer Service Field Technician III Inventory Control Technician Water Efficiency Representative III	G18	Monthly	5,870.80	6,018.13	6,167.20	6,321.47	6,480.93	6,642.13	6,808.53	6,978.40	7,153.47	7,332.00	7,515.73
		Hourly	33.87	34.72	35.58	36.47	37.39	38.32	39.28	40.26	41.27	42.30	43.36
		Annually	70,449.60	72,217.60	74,006.40	75,857.60	77,771.20	79,705.60	81,702.40	83,740.80	85,841.60	87,984.00	90,188.80
Administrative Assistant II	G19	Monthly	5,914.13	6,061.47	6,214.00	6,368.27	6,527.73	6,690.67	6,858.80	7,030.40	7,205.47	7,385.73	7,571.20
		Hourly	34.12	34.97	35.85	36.74	37.66	38.60	39.57	40.56	41.57	42.61	43.68
		Annually	70,969.60	72,737.60	74,568.00	76,419.20	78,332.80	80,288.00	82,305.60	84,364.80	86,465.60	88,628.80	90,854.40
GIS Technician Permit Technician Records & Mapping Technician	G20	Monthly	5,952.27	6,101.33	6,253.87	6,409.87	6,569.33	6,734.00	6,902.13	7,075.47	7,252.27	7,434.27	7,619.73
		Hourly	34.34	35.20	36.08	36.98	37.90	38.85	39.82	40.82	41.84	42.89	43.96
		Annually	71,427.20	73,216.00	75,046.40	76,918.40	78,832.00	80,808.00	82,825.60	84,905.60	87,027.20	89,211.20	91,436.80
Leak Detection Technician II Maintenance Worker II - Collections Maintenance Worker II - Facilities Maintenance Worker II - Streets	G21	Monthly	5,962.67	6,111.73	6,264.27	6,422.00	6,581.47	6,746.13	6,914.27	7,087.60	7,264.40	7,446.40	7,631.87
		Hourly	34.40	35.26	36.14	37.05	37.97	38.92	39.89	40.89	41.91	42.96	44.03
		Annually	71,552.00	73,340.80	75,171.20	77,064.00	78,977.60	80,953.60	82,971.20	85,051.20	87,172.80	89,356.80	91,582.40
Mechanic II	G22	Monthly	5,981.73	6,130.80	6,285.07	6,441.07	6,602.27	6,766.93	6,936.80	7,110.13	7,288.67	7,470.67	7,657.87
		Hourly	34.51	35.37	36.26	37.16	38.09	39.04	40.02	41.02	42.05	43.10	44.18
		Annually	71,780.80	73,569.60	75,420.80	77,292.80	79,227.20	81,203.20	83,241.60	85,321.60	87,464.00	89,648.00	91,894.40
Wastewater Treatment Plant Operator in Training	G22.1	Monthly	6,012.93	6,163.73	6,318.00	6,475.73	6,636.93	6,803.33	6,973.20	7,148.27	7,326.80	7,508.80	7,697.73
		Hourly	34.69	35.56	36.45	37.36	38.29	39.25	40.23	41.24	42.27	43.32	44.41
		Annually	72,155.20	73,964.80	75,816.00	77,708.80	79,643.20	81,640.00	83,678.40	85,779.20	87,921.60	90,105.60	92,372.80
Inspector II	G23	Monthly	6,078.80	6,231.33	6,387.33	6,546.80	6,709.73	6,877.87	7,049.47	7,226.27	7,406.53	7,592.00	7,780.93
		Hourly	35.07	35.95	36.85	37.77	38.71	39.68	40.67	41.69	42.73	43.80	44.89
		Annually	72,945.60	74,776.00	76,648.00	78,561.60	80,516.80	82,534.40	84,593.60	86,715.20	88,878.40	91,104.00	93,371.20

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JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Cross Connection Inspector II Recycled Water Inspector II	G24	Monthly	6,125.60	6,278.13	6,435.87	6,597.07	6,761.73	6,929.87	7,103.20	7,281.73	7,463.73	7,649.20	7,841.60
		Hourly	35.34	36.22	37.13	38.06	39.01	39.98	40.98	42.01	43.06	44.13	45.24
		Annually	73,507.20	75,337.60	77,230.40	79,164.80	81,140.80	83,158.40	85,238.40	87,380.80	89,564.80	91,790.40	94,099.20
Water Systems Operator II	G25	Monthly	6,162.00	6,316.27	6,474.00	6,635.20	6,801.60	6,971.47	7,146.53	7,325.07	7,507.07	7,696.00	7,888.40
		Hourly	35.55	36.44	37.35	38.28	39.24	40.22	41.23	42.26	43.31	44.40	45.51
		Annually	73,944.00	75,795.20	77,688.00	79,622.40	81,619.20	83,657.60	85,758.40	87,900.80	90,084.80	92,352.00	94,660.80
	G26	Monthly	6,227.87	6,383.87	6,543.33	6,706.27	6,874.40	7,046.00	7,222.80	7,403.07	7,588.53	7,777.47	7,971.60
		Hourly	35.93	36.83	37.75	38.69	39.66	40.65	41.67	42.71	43.78	44.87	45.99
		Annually	74,734.40	76,606.40	78,520.00	80,475.20	82,492.80	84,562.00	86,673.60	88,836.80	91,062.40	93,329.60	95,659.20
Electrical/Instrumentation Technician I	G26.1	Monthly	6,269.47	6,425.47	6,586.67	6,751.33	6,919.47	7,092.80	7,271.33	7,451.60	7,638.80	7,829.47	8,025.33
		Hourly	36.17	37.07	38.00	38.95	39.92	40.92	41.95	42.99	44.07	45.17	46.30
		Annually	75,233.60	77,105.60	79,040.00	81,016.00	83,033.60	85,113.60	87,256.00	89,419.20	91,665.60	93,953.60	96,304.00
	G27	Monthly	6,316.27	6,474.00	6,635.20	6,801.60	6,971.47	7,146.53	7,325.07	7,508.80	7,696.00	7,888.40	8,086.00
		Hourly	36.44	37.35	38.28	39.24	40.22	41.23	42.26	43.32	44.40	45.51	46.65
		Annually	75,795.20	77,688.00	79,622.40	81,619.20	83,657.60	85,758.40	87,900.80	90,105.60	92,352.00	94,660.80	97,032.00
	G28	Monthly	6,331.87	6,489.60	6,652.53	6,818.93	6,988.80	7,163.87	7,342.40	7,526.13	7,715.07	7,907.47	8,105.07
		Hourly	36.53	37.44	38.38	39.34	40.32	41.33	42.36	43.42	44.51	45.62	46.76
		Annually	75,982.40	77,875.20	79,830.40	81,827.20	83,865.60	85,966.40	88,108.80	90,313.60	92,580.80	94,889.60	97,260.80
Buyer	G29	Monthly	6,527.73	6,690.67	6,858.80	7,030.40	7,205.47	7,385.73	7,569.47	7,760.13	7,954.27	8,151.87	8,356.40
		Hourly	37.66	38.60	39.57	40.56	41.57	42.61	43.67	44.77	45.89	47.03	48.21
		Annually	78,332.80	80,288.00	82,305.60	84,364.80	86,465.60	88,628.80	90,833.60	93,121.60	95,451.20	97,822.40	100,276.80
	G30	Monthly	6,600.53	6,765.20	6,935.07	7,108.40	7,285.20	7,467.20	7,654.40	7,846.80	8,042.67	8,243.73	8,450.00
		Hourly	38.08	39.03	40.01	41.01	42.03	43.08	44.16	45.27	46.40	47.56	48.75
		Annually	79,206.40	81,182.40	83,220.80	85,300.80	87,422.40	89,606.40	91,852.80	94,161.60	96,512.00	98,924.80	101,400.00
Accountant Records & Mapping Analyst Senior Customer Account Representative Senior Customer Service Field Technician Senior Water Efficiency Representative	G31	Monthly	6,604.00	6,768.67	6,938.53	7,111.87	7,290.40	7,472.40	7,657.87	7,850.27	8,046.13	8,247.20	8,453.47
		Hourly	38.10	39.05	40.03	41.03	42.06	43.11	44.18	45.29	46.42	47.58	48.77
		Annually	79,248.00	81,224.00	83,262.40	85,342.40	87,484.80	89,668.80	91,894.40	94,203.20	96,553.60	98,966.40	101,441.60
Facilities Coordinator Leak Detection Technician III Maintenance Worker III - Collections Maintenance Worker III - Facilities Maintenance Worker III - Streets	G32	Monthly	6,709.73	6,877.87	7,049.47	7,226.27	7,406.53	7,592.00	7,780.93	7,975.07	8,174.40	8,378.93	8,588.67
		Hourly	38.71	39.68	40.67	41.69	42.73	43.80	44.89	46.01	47.16	48.34	49.55
		Annually	80,516.80	82,534.40	84,593.60	86,715.20	88,878.40	91,104.00	93,371.20	95,700.80	98,092.80	100,547.20	103,064.00
Mechanic III	G33	Monthly	6,728.80	6,896.93	7,070.27	7,245.33	7,427.33	7,612.80	7,803.47	7,997.60	8,198.67	8,403.20	8,612.93
		Hourly	38.82	39.79	40.79	41.80	42.85	43.92	45.02	46.14	47.30	48.48	49.69
		Annually	80,745.60	82,763.20	84,843.20	86,944.00	89,128.00	91,353.60	93,641.60	95,971.20	98,384.00	100,838.40	103,355.20
Wastewater Treatment Plant Operator I	G33.1	Monthly	6,765.20	6,935.07	7,108.40	7,285.20	7,467.20	7,654.40	7,845.07	8,040.93	8,242.00	8,448.27	8,659.73
		Hourly	39.03	40.01	41.01	42.03	43.08	44.16	45.26	46.39	47.55	48.74	49.96
		Annually	81,182.40	83,220.80	85,300.80	87,422.40	89,606.40	91,852.80	94,140.80	96,491.20	98,904.00	101,379.20	103,916.80

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Cross Connection Inspector III Inspector III Recycled Water Inspector III	G34	Monthly	6,839.73	7,011.33	7,186.40	7,364.93	7,550.40	7,739.33	7,931.73	8,131.07	8,333.87	8,541.87	8,755.07
		Hourly	39.46	40.45	41.46	42.49	43.56	44.65	45.76	46.91	48.08	49.28	50.51
		Annually	82,076.80	84,136.00	86,236.80	88,379.20	90,604.80	92,872.00	95,180.80	97,572.80	100,006.40	102,502.40	105,060.80
Water Systems Operator III	G35	Monthly	6,935.07	7,108.40	7,286.93	7,468.93	7,654.40	7,846.80	8,042.67	8,243.73	8,450.00	8,661.47	8,878.13
		Hourly	40.01	41.01	42.04	43.09	44.16	45.27	46.40	47.56	48.75	49.97	51.22
		Annually	83,220.80	85,300.80	87,443.20	89,627.20	91,852.80	94,161.60	96,512.00	98,924.80	101,400.00	103,937.60	106,537.60
Electrical/Instrumentation Technician II	G36	Monthly	7,054.67	7,231.47	7,411.73	7,597.20	7,787.87	7,982.00	8,181.33	8,385.87	8,595.60	8,810.53	9,030.67
		Hourly	40.70	41.72	42.76	43.83	44.93	46.05	47.20	48.38	49.59	50.83	52.10
		Annually	84,656.00	86,777.60	88,940.80	91,166.40	93,454.40	95,784.00	98,176.00	100,630.40	103,147.20	105,726.40	108,368.00
	G37	Monthly	7,110.13	7,288.67	7,470.67	7,656.13	7,848.53	8,044.40	8,245.47	8,451.73	8,663.20	8,879.87	9,101.73
		Hourly	41.02	42.05	43.10	44.17	45.28	46.41	47.57	48.76	49.98	51.23	52.51
		Annually	85,321.60	87,464.00	89,648.00	91,873.60	94,182.40	96,532.80	98,945.60	101,420.80	103,958.40	106,558.40	109,220.80
	G38	Monthly	7,124.00	7,302.53	7,484.53	7,671.73	7,864.13	8,060.00	8,261.07	8,467.33	8,680.53	8,897.20	9,119.07
		Hourly	41.10	42.13	43.18	44.26	45.37	46.50	47.66	48.85	50.08	51.33	52.61
		Annually	85,488.00	87,630.40	89,814.40	92,060.80	94,369.60	96,720.00	99,132.80	101,608.00	104,166.40	106,766.40	109,428.80
GIS Analyst Senior Accountant Water Efficiency Analyst	G39	Monthly	7,533.07	7,722.00	7,914.40	8,112.00	8,314.80	8,522.80	8,736.00	8,954.40	9,178.00	9,408.53	9,642.53
		Hourly	43.46	44.55	45.66	46.80	47.97	49.17	50.40	51.66	52.95	54.28	55.63
		Annually	90,396.80	92,664.00	94,972.80	97,344.00	99,777.60	102,273.60	104,832.00	107,452.80	110,136.00	112,902.40	115,710.40
Senior Leak Detection Technician Senior Maintenance Worker - Collections Senior Maintenance Worker - Facilities Senior Maintenance Worker - Streets	G40	Monthly	7,550.40	7,739.33	7,933.47	8,131.07	8,333.87	8,541.87	8,756.80	8,975.20	9,198.80	9,429.33	9,665.07
		Hourly	43.56	44.65	45.77	46.91	48.08	49.28	50.52	51.78	53.07	54.40	55.76
		Annually	90,604.80	92,872.00	95,201.60	97,572.80	100,006.40	102,502.40	105,081.60	107,702.40	110,385.60	113,152.00	115,980.80
Senior Mechanic	G41	Monthly	7,567.73	7,756.67	7,950.80	8,150.13	8,352.93	8,562.67	8,775.87	8,996.00	9,221.33	9,451.87	9,687.60
		Hourly	43.66	44.75	45.87	47.02	48.19	49.40	50.63	51.90	53.20	54.53	55.89
		Annually	90,812.80	93,080.00	95,409.60	97,801.60	100,235.20	102,752.00	105,310.40	107,952.00	110,656.00	113,422.40	116,251.20
Wastewater Treatment Plant Operator II	G41.1	Monthly	7,609.33	7,800.00	7,994.13	8,195.20	8,399.73	8,609.47	8,824.40	9,044.53	9,271.60	9,503.87	9,741.33
		Hourly	43.90	45.00	46.12	47.28	48.46	49.67	50.91	52.18	53.49	54.83	56.20
		Annually	91,312.00	93,600.00	95,929.60	98,342.40	100,796.80	103,313.60	105,892.80	108,534.40	111,259.20	114,046.40	116,896.00
Senior Cross Connection Inspector Senior Inspector Senior Recycled Water Inspector	G42	Monthly	7,694.27	7,886.67	8,084.27	8,285.33	8,493.33	8,704.80	8,923.20	9,146.80	9,373.87	9,609.60	9,848.80
		Hourly	44.39	45.50	46.64	47.80	49.00	50.22	51.48	52.77	54.08	55.44	56.82
		Annually	92,331.20	94,640.00	97,011.20	99,424.00	101,920.00	104,457.60	107,078.40	109,761.60	112,486.40	115,315.20	118,185.60
	G43	Monthly	7,715.07	7,907.47	8,105.07	8,307.87	8,515.87	8,729.07	8,947.47	9,171.07	9,399.87	9,635.60	9,876.53
		Hourly	44.51	45.62	46.76	47.93	49.13	50.36	51.62	52.91	54.23	55.59	56.98
		Annually	92,580.80	94,889.60	97,260.80	99,694.40	102,190.40	104,748.80	107,369.60	110,052.80	112,798.40	115,627.20	118,518.40
Information Systems Analyst I	G44	Monthly	7,786.13	7,980.27	8,179.60	8,384.13	8,593.87	8,808.80	9,028.93	9,256.00	9,486.53	9,724.00	9,966.67
		Hourly	44.92	46.04	47.19	48.37	49.58	50.82	52.09	53.40	54.73	56.10	57.50
		Annually	93,433.60	95,763.20	98,155.20	100,609.60	103,126.40	105,705.60	108,347.20	111,072.00	113,838.40	116,688.00	119,600.00

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
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
Senior Water Systems Operator	G45	Monthly	7,800.00	7,995.87	8,195.20	8,399.73	8,609.47	8,824.40	9,046.27	9,271.60	9,503.87	9,741.33	9,984.00
		Hourly	45.00	46.13	47.28	48.46	49.67	50.91	52.19	53.49	54.83	56.20	57.60
		Annually	93,600.00	95,950.40	98,342.40	100,796.80	103,313.60	105,892.80	108,555.20	111,259.20	114,046.40	116,896.00	119,808.00
	G46	Monthly	7,931.73	8,129.33	8,333.87	8,541.87	8,755.07	8,973.47	9,198.80	9,427.60	9,663.33	9,906.00	10,153.87
		Hourly	45.76	46.90	48.08	49.28	50.51	51.77	53.07	54.39	55.75	57.15	58.58
		Annually	95,180.80	97,552.00	100,006.40	102,502.40	105,060.80	107,681.60	110,385.60	113,131.20	115,960.00	118,872.00	121,846.40
Electrical/Instrumentation Technician III	G46.1	Monthly	7,935.20	8,132.80	8,337.33	8,545.33	8,758.53	8,978.67	9,202.27	9,432.80	9,668.53	9,909.47	10,157.33
		Hourly	45.78	46.92	48.10	49.30	50.53	51.80	53.09	54.42	55.78	57.17	58.60
		Annually	95,222.40	97,593.60	100,048.00	102,544.00	105,102.40	107,744.00	110,427.20	113,193.60	116,022.40	118,913.60	121,888.00
Purchasing Agent	G47	Monthly	8,153.60	8,358.13	8,566.13	8,781.07	8,999.47	9,224.80	9,455.33	9,692.80	9,933.73	10,183.33	10,438.13
		Hourly	47.04	48.22	49.42	50.66	51.92	53.22	54.55	55.92	57.31	58.75	60.22
		Annually	97,843.20	100,297.60	102,793.60	105,372.80	107,993.60	110,697.60	113,464.00	116,313.60	119,204.80	122,200.00	125,257.60
Senior GIS Analyst Senior Wastewater Treatment Plant Operator	G47.1	Monthly	8,562.67	8,777.60	8,996.00	9,221.33	9,451.87	9,687.60	9,930.27	10,178.13	10,432.93	10,692.93	10,961.60
		Hourly	49.40	50.64	51.90	53.20	54.53	55.89	57.29	58.72	60.19	61.69	63.24
		Annually	102,752.00	105,331.20	107,952.00	110,656.00	113,422.40	116,251.20	119,163.20	122,137.60	125,195.20	128,315.20	131,539.20
Information Systems Analyst II	G48	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
Senior Electrical/Instrumentation Technician	G48.1	Monthly	8,926.67	9,150.27	9,379.07	9,613.07	9,854.00	10,100.13	10,351.47	10,611.47	10,876.67	11,148.80	11,426.13
		Hourly	51.50	52.79	54.11	55.46	56.85	58.27	59.72	61.22	62.75	64.32	65.92
		Annually	107,120.00	109,803.20	112,548.80	115,356.80	118,248.00	121,201.60	124,217.60	127,337.60	130,520.00	133,785.60	137,113.60
	G49	Monthly	9,852.27	10,098.40	10,351.47	10,609.73	10,874.93	11,147.07	11,426.13	11,710.40	12,003.33	12,304.93	12,611.73
		Hourly	56.84	58.26	59.72	61.21	62.74	64.31	65.92	67.56	69.25	70.99	72.76
		Annually	118,227.20	121,180.80	124,217.60	127,316.80	130,499.20	133,764.80	137,113.60	140,524.80	144,040.00	147,659.20	151,340.80

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
SUPERVISORY UNIT

Exhibit 2

JOB CLASSIFICATION	RANGE
Accounting Supervisor	SU1
Collection System Supervisor	SU1
Cross Connection Supervisor	SU1
Customer Account Supervisor	SU1
Customer Service Field Supervisor	SU1
Electrical/Instrumentation Supervisor	SU2
Inspection Supervisor	SU1
Station Maintenance Supervisor	SU1
Street Crew Supervisor	SU1
Support Services Supervisor	SU1
Wastewater Treatment Plant Supervisor	SU2
Water Distribution Supervisor	SU1
Water Efficiency Supervisor	SU1

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
SUPERVISORY UNIT**

These job classifications are Non-Exempt
2.5% Increase Between Each Step

JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Accounting Supervisor	SU1	Monthly	8,963.07	9,186.67	9,417.20	9,652.93	9,893.87	10,141.73	10,394.80	10,654.80	10,920.00	11,193.87	11,472.93
Collection System Supervisor		Hourly	51.71	53.00	54.33	55.69	57.08	58.51	59.97	61.47	63.00	64.58	66.19
Cross Connection Supervisor		Annually	107,556.80	110,240.00	113,006.40	115,835.20	118,726.40	121,700.80	124,737.60	127,857.60	131,040.00	134,326.40	137,675.20
Customer Account Supervisor													
Customer Service Field Supervisor													
Inspection Supervisor													
Station Maintenance Supervisor													
Street Crew Supervisor													
Support Services Supervisor													
Water Distribution Supervisor													
Water Efficiency Supervisor													
Electrical/Instrumentation Supervisor	SU2	Monthly	10,042.93	10,294.27	10,550.80	10,816.00	11,084.67	11,362.00	11,646.27	11,937.47	12,235.60	12,542.40	12,856.13
Wastewater Treatment Plant Supervisor		Hourly	57.94	59.39	60.87	62.40	63.95	65.55	67.19	68.87	70.59	72.36	74.17
		Annually	120,515.20	123,531.20	126,609.60	129,792.00	133,016.00	136,344.00	139,755.20	143,249.60	146,827.20	150,508.80	154,273.60

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
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
Contracts, Purchasing, & Risk Manager	E11
Controller	E16
Customer Accounts Manager	E11
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	E11
Information Systems Administrator	E5
Information Systems Manager	E6
Information Systems Officer	E15
Marketing & Social Media Coordinator	E4.1
Operations Engineer	E5
Principal Accountant	E4
Principal Engineer	E13
Public Affairs Officer	E15.1
Regulatory Compliance Coordinator	E5

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
EXEMPT EMPLOYEES**

JOB CLASSIFICATION	RANGE
Safety & Emergency Manager	E11
Senior Administrative Analyst	E3
Senior Communications Coordinator	E5
Senior Contracts Analyst	E4
Senior Customer Engagement Coordinator	E5
Senior Engineer	E8
Senior Financial Data Analyst	E4
Senior Human Resources Analyst	E3
Senior Operations Analyst	E4
Senior Operations Engineer	E8
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
Sustainable Resources Officer	E15.1
Water Efficiency Manager	E11
Water Efficiency Specialist	E1
Water Resources Analyst	E2
Water Resources Manager	E11

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
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	6,836.27	6,973.20	7,111.87	7,254.00	7,399.60	7,546.93	7,699.47	7,852.00	8,009.73	8,169.20	8,333.87	8,500.27	8,670.13	8,843.47	9,020.27	9,200.53
		Hourly	39.44	40.23	41.03	41.85	42.69	43.54	44.42	45.30	46.21	47.13	48.08	49.04	50.02	51.02	52.04	53.08
		Annually	82,035.20	83,678.40	85,342.40	87,048.00	88,795.20	90,563.20	92,393.60	94,224.00	96,116.80	98,030.40	100,006.40	102,003.20	104,041.60	106,121.60	108,243.20	110,406.40
Contracts Analyst Data Scientist Financial Data Analyst Water Resources Analyst	E2	Monthly	7,307.73	7,453.33	7,602.40	7,754.93	7,910.93	8,068.67	8,229.87	8,394.53	8,562.67	8,734.27	8,907.60	9,086.13	9,268.13	9,453.60	9,642.53	9,834.93
		Hourly	42.16	43.00	43.86	44.74	45.64	46.55	47.48	48.43	49.40	50.39	51.39	52.42	53.47	54.54	55.63	56.74
		Annually	87,692.80	89,440.00	91,228.80	93,059.20	94,931.20	96,824.00	98,758.40	100,734.40	102,752.00	104,811.20	106,891.20	109,033.60	111,217.60	113,443.20	115,710.40	118,019.20
Customer Engagement Coordinator Senior Administrative Analyst Senior Human Resources Analyst Senior Water Efficiency Specialist	E3	Monthly	8,238.53	8,403.20	8,571.33	8,742.93	8,918.00	9,096.53	9,278.53	9,464.00	9,652.93	9,845.33	10,042.93	10,244.00	10,448.53	10,658.27	10,869.73	11,088.13
		Hourly	47.53	48.48	49.45	50.44	51.45	52.48	53.53	54.60	55.69	56.80	57.94	59.10	60.28	61.49	62.71	63.97
		Annually	98,862.40	100,838.40	102,856.00	104,915.20	107,016.00	109,158.40	111,342.40	113,568.00	115,835.20	118,144.00	120,515.20	122,928.00	125,382.40	127,899.20	130,436.80	133,057.60
Principal Accountant Senior Contracts Analyst Senior Financial Data Analyst Senior Operations Analyst Senior Water Resources Analyst	E4	Monthly	8,496.80	8,666.67	8,840.00	9,016.80	9,197.07	9,380.80	9,568.00	9,760.40	9,954.53	10,153.87	10,358.40	10,564.67	10,776.13	10,991.07	11,211.20	11,434.80
		Hourly	49.02	50.00	51.00	52.02	53.06	54.12	55.20	56.31	57.43	58.58	59.76	60.95	62.17	63.41	64.68	65.97
		Annually	101,961.60	104,000.00	106,080.00	108,201.60	110,364.80	112,569.60	114,816.00	117,124.80	119,454.40	121,846.40	124,300.80	126,776.00	129,313.60	131,892.80	134,534.40	137,217.60
Board Secretary/Executive Assistant Communications Coordinator Marketing & Social Media Coordinator	E4.1	Monthly	9,302.80	9,488.27	9,678.93	9,873.07	10,068.93	10,271.73	10,476.27	10,686.00	10,899.20	11,117.60	11,339.47	11,566.53	11,798.80	12,034.53	12,275.47	12,519.87
		Hourly	53.67	54.74	55.84	56.96	58.09	59.26	60.44	61.65	62.88	64.14	65.42	66.73	68.07	69.43	70.82	72.23
		Annually	111,633.60	113,859.20	116,147.20	118,476.80	120,827.20	123,260.80	125,715.20	128,232.00	130,790.40	133,411.20	136,073.60	138,798.40	141,585.60	144,414.40	147,305.60	150,238.40
CMMS Administrator GIS Administrator Information Systems Administrator Operations Engineer Regulatory Compliance Coordinator Senior Communications Coordinator Senior Customer Engagement Coordinator	E5	Monthly	10,145.20	10,348.00	10,554.27	10,765.73	10,980.67	11,200.80	11,424.40	11,653.20	11,887.20	12,124.67	12,367.33	12,613.47	12,866.53	13,123.07	13,386.53	13,653.47
		Hourly	58.53	59.70	60.89	62.11	63.35	64.62	65.91	67.23	68.58	69.95	71.35	72.77	74.23	75.71	77.23	78.77
		Annually	121,742.40	124,176.00	126,651.20	129,188.80	131,768.00	134,409.60	137,092.80	139,838.40	142,646.40	145,496.00	148,408.00	151,361.60	154,398.40	157,476.80	160,638.40	163,841.60
Accounting Manager Information Systems Manager	E6	Monthly	10,540.40	10,751.87	10,966.80	11,185.20	11,408.80	11,637.60	11,869.87	12,107.33	12,350.00	12,596.13	12,849.20	13,105.73	13,367.47	13,634.40	13,908.27	14,185.60
		Hourly	60.81	62.03	63.27	64.53	65.82	67.14	68.48	69.85	71.25	72.67	74.13	75.61	77.12	78.66	80.24	81.84
		Annually	126,484.80	129,022.40	131,601.60	134,222.40	136,905.60	139,651.20	142,438.40	145,288.00	148,200.00	151,153.60	154,190.40	157,268.80	160,409.60	163,612.80	166,899.20	170,227.20
	E6.1	Monthly	10,575.07	10,786.53	11,001.47	11,221.60	11,446.93	11,675.73	11,909.73	12,147.20	12,389.87	12,637.73	12,890.80	13,149.07	13,412.53	13,679.47	13,953.33	14,232.40
		Hourly	61.01	62.23	63.47	64.74	66.04	67.36	68.71	70.08	71.48	72.91	74.37	75.86	77.38	78.92	80.50	82.11
		Annually	126,900.80	129,438.40	132,017.60	134,659.20	137,363.20	140,108.80	142,916.80	145,766.40	148,678.40	151,652.80	154,689.60	157,788.80	160,950.40	164,153.60	167,440.00	170,788.80

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
EXEMPT EMPLOYEES**

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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
	E7	Monthly	10,817.73	11,034.40	11,254.53	11,479.87	11,708.67	11,944.40	12,181.87	12,426.27	12,674.13	12,928.93	13,187.20	13,450.67	13,719.33	13,993.20	14,274.00	14,560.00
		Hourly	62.41	63.66	64.93	66.23	67.55	68.91	70.28	71.69	73.12	74.59	76.08	77.60	79.15	80.73	82.35	84.00
		Annually	129,812.80	132,412.80	135,054.40	137,758.40	140,504.00	143,332.80	146,182.40	149,115.20	152,089.60	155,147.20	158,246.40	161,408.00	164,632.00	167,918.40	171,288.00	174,720.00
Senior Engineer Senior Operations Engineer Senior Water Resources Planner	E8	Monthly	10,916.53	11,134.93	11,356.80	11,583.87	11,816.13	12,053.60	12,294.53	12,538.93	12,790.27	13,046.80	13,306.80	13,573.73	13,844.13	14,121.47	14,404.00	14,691.73
		Hourly	62.98	64.24	65.52	66.83	68.17	69.54	70.93	72.34	73.79	75.27	76.77	78.31	79.87	81.47	83.10	84.76
		Annually	130,998.40	133,619.20	136,281.60	139,006.40	141,793.60	144,643.20	147,534.40	150,467.20	153,483.20	156,561.60	159,681.60	162,884.80	166,129.60	169,457.60	172,848.00	176,300.80
	E9	Monthly	11,287.47	11,512.80	11,743.33	11,979.07	12,218.27	12,462.67	12,712.27	12,965.33	13,225.33	13,488.80	13,759.20	14,034.80	14,315.60	14,601.60	14,892.80	15,190.93
		Hourly	65.12	66.42	67.75	69.11	70.49	71.90	73.34	74.80	76.30	77.82	79.38	80.97	82.59	84.24	85.92	87.64
		Annually	135,449.60	138,153.60	140,920.00	143,748.80	146,619.20	149,552.00	152,547.20	155,584.00	158,704.00	161,865.60	165,110.40	168,417.60	171,787.20	175,219.20	178,713.60	182,291.20
	E10	Monthly	11,310.00	11,537.07	11,767.60	12,001.60	12,242.53	12,486.93	12,736.53	12,991.33	13,251.33	13,516.53	13,786.93	14,062.53	14,343.33	14,631.07	14,924.00	15,222.13
		Hourly	65.25	66.56	67.89	69.24	70.63	72.04	73.48	74.95	76.45	77.98	79.54	81.13	82.75	84.41	86.10	87.82
		Annually	135,720.00	138,444.80	141,211.20	144,019.20	146,910.40	149,843.20	152,838.40	155,896.00	159,016.00	162,198.40	165,443.20	168,750.40	172,120.00	175,572.80	179,088.00	182,665.60
Communications Manager Contracts, Purchasing, & Risk Manager Customer Accounts Manager Financial Planning Manager Human Resources Manager Safety & Emergency Manager Water Efficiency Manager Water Resources Manager	E11	Monthly	11,346.40	11,573.47	11,804.00	12,041.47	12,282.40	12,526.80	12,778.13	13,032.93	13,294.67	13,559.87	13,832.00	14,107.60	14,390.13	14,677.87	14,970.80	15,270.67
		Hourly	65.46	66.77	68.10	69.47	70.86	72.27	73.72	75.19	76.70	78.23	79.80	81.39	83.02	84.68	86.37	88.10
		Annually	136,156.80	138,881.60	141,648.00	144,497.60	147,388.80	150,321.60	153,337.60	156,395.20	159,536.00	162,718.40	165,984.00	169,291.20	172,681.60	176,134.40	179,649.60	183,248.00
Superintendent of Engineering Superintendent of Operations Superintendent of Wastewater Operations	E12	Monthly	11,585.60	11,817.87	12,053.60	12,294.53	12,540.67	12,792.00	13,046.80	13,308.53	13,573.73	13,845.87	14,123.20	14,405.73	14,693.47	14,986.40	15,286.27	15,593.07
		Hourly	66.84	68.18	69.54	70.93	72.35	73.80	75.27	76.78	78.31	79.88	81.48	83.11	84.77	86.46	88.19	89.96
		Annually	139,027.20	141,814.40	144,643.20	147,534.40	150,488.00	153,504.00	156,561.60	159,702.40	162,884.80	166,150.40	169,478.40	172,868.80	176,321.60	179,836.80	183,435.20	187,116.80
Principal Engineer	E13	Monthly	12,152.40	12,395.07	12,642.93	12,896.00	13,154.27	13,417.73	13,686.40	13,958.53	14,239.33	14,523.60	14,813.07	15,109.47	15,412.80	15,719.60	16,035.07	16,355.73
		Hourly	70.11	71.51	72.94	74.40	75.89	77.41	78.96	80.53	82.15	83.79	85.46	87.17	88.92	90.69	92.51	94.36
		Annually	145,828.80	148,740.80	151,715.20	154,752.00	157,851.20	161,012.80	164,236.80	167,502.40	170,872.00	174,283.20	177,756.80	181,313.60	184,953.60	188,635.20	192,420.80	196,268.80
	E14	Monthly	12,362.13	12,610.00	12,861.33	13,119.60	13,381.33	13,648.27	13,922.13	14,199.47	14,483.73	14,773.20	15,069.60	15,371.20	15,678.00	15,991.73	16,312.40	16,638.27
		Hourly	71.32	72.75	74.20	75.69	77.20	78.74	80.32	81.92	83.56	85.23	86.94	88.68	90.45	92.26	94.11	95.99
		Annually	148,345.60	151,320.00	154,336.00	157,435.20	160,576.00	163,779.20	167,065.60	170,393.60	173,804.80	177,278.40	180,835.20	184,454.40	188,136.00	191,900.80	195,748.80	199,659.20

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
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
Assistant Director of Operations Engineering Manager Information Systems Officer	E15	Monthly	13,093.60	13,355.33	13,622.27	13,894.40	14,173.47	14,456.00	14,745.47	15,040.13	15,341.73	15,648.53	15,960.53	16,279.47	16,605.33	16,938.13	17,276.13	17,622.80
		Hourly	75.54	77.05	78.59	80.16	81.77	83.40	85.07	86.77	88.51	90.28	92.08	93.92	95.80	97.72	99.67	101.67
		Annually	157,123.20	160,264.00	163,467.20	166,732.80	170,081.60	173,472.00	176,945.60	180,481.60	184,100.80	187,782.40	191,526.40	195,353.60	199,264.00	203,257.60	207,313.60	211,473.60
Assistant Director of Engineering Government Affairs Officer Public Affairs Officer Sustainable Resources Officer	E15.1	Monthly	13,968.93	14,248.00	14,534.00	14,823.47	15,119.87	15,423.20	15,731.73	16,045.47	16,366.13	16,693.73	17,028.27	17,368.00	17,716.40	18,070.00	18,432.27	18,799.73
		Hourly	80.59	82.20	83.85	85.52	87.23	88.98	90.76	92.57	94.42	96.31	98.24	100.20	102.21	104.25	106.34	108.46
		Annually	167,627.20	170,976.00	174,408.00	177,881.60	181,438.40	185,078.40	188,780.80	192,545.60	196,393.60	200,324.80	204,339.20	208,416.00	212,596.80	216,840.00	221,187.20	225,596.80
Controller Director of Financial Planning & Innovation Director of Human Resources Director of Operations	E16	Monthly	14,906.67	15,204.80	15,508.13	15,818.40	16,135.60	16,458.00	16,787.33	17,123.60	17,465.07	17,815.20	18,170.53	18,534.53	18,905.47	19,283.33	19,669.87	20,061.60
		Hourly	86.00	87.72	89.47	91.26	93.09	94.95	96.85	98.79	100.76	102.78	104.83	106.93	109.07	111.25	113.48	115.74
		Annually	178,880.00	182,457.60	186,097.60	189,820.80	193,627.20	197,496.00	201,448.00	205,483.20	209,580.80	213,782.40	218,046.40	222,414.40	226,865.60	231,400.00	236,038.40	240,739.20
Deputy General Manager Director of Engineering	E17	Monthly	16,038.53	16,359.20	16,686.80	17,019.60	17,361.07	17,707.73	18,061.33	18,423.60	18,791.07	19,167.20	19,550.27	19,942.00	20,340.67	20,748.00	21,162.27	21,585.20
		Hourly	92.53	94.38	96.27	98.19	100.16	102.16	104.20	106.29	108.41	110.58	112.79	115.05	117.35	119.70	122.09	124.53
		Annually	192,462.40	196,310.40	200,241.60	204,235.20	208,332.80	212,492.80	216,736.00	221,083.20	225,492.80	230,006.40	234,603.20	239,304.00	244,088.00	248,976.00	253,947.20	259,022.40
Assistant General Manager	E18	Monthly	17,992.00	18,352.53	18,718.27	19,092.67	19,475.73	19,864.00	20,262.67	20,666.53	21,080.80	21,502.00	21,931.87	22,370.40	22,817.60	23,275.20	23,739.73	24,214.67
		Hourly	103.80	105.88	107.99	110.15	112.36	114.60	116.90	119.23	121.62	124.05	126.53	129.06	131.64	134.28	136.96	139.70
		Annually	215,904.00	220,230.40	224,619.20	229,112.00	233,708.80	238,368.00	243,152.00	247,998.40	252,969.60	258,024.00	263,182.40	268,444.80	273,811.20	279,302.40	284,876.80	290,576.00

**MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JULY 1, 2023
GENERAL MANAGER**

JOB CLASSIFICATION	FREQUENCY	RATE
General Manager	Annually	\$ 343,429

Appendix B: *Budget Resolution*

RESOLUTION NO. 23-12

**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 2023-24**

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 2023-24 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 8, 2023 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 2023-24 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, 2023, and ending June 30, 2024, 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 \$54,734,013 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 \$54,734,013.
 3. The maximum amount which may be transferred by the General Manager from the Capacity Fee Fund 15 to Fund 7 shall be \$108,458 to be spent on the identified projects in Table 1.

Table 1.

Description	FY 2023-24 Budget
CROWN VALLEY PARKWAY PIPELINES REPLACEMENT	\$11,200,000
REGIONAL LIFT STATION FORCE MAIN REPLACEMENT	\$2,750,000
RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 4	\$6,000,000
REGIONAL TREATMENT PLANT AWT FILTER & SALINITY MANAGEMENT	\$4,100,000
Total	\$24,050,000

4. The maximum amount which may be transferred by the General Manager from Fund 1 to Funds 12, 71, 73 and 74 shall be \$10,847,981 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 \$100,000 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 \$1,079,492 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 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, 2023, are hereby appropriated for such Capital Projects for the 2023-24 Fiscal Year.

SECTION 6. All appropriations and outstanding encumbrances for non-Capital Projects as of June 30, 2023, 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 July 1, 2023, for Fiscal Year 2023-24 as shown in the Budget (Appendix A: Salary Schedules).

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 8th day of June, 2023.

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 C: GANN Appropriation Limit Resolution

RESOLUTION NO. 23-11

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
APPROVING ITS APPROPRIATIONS LIMIT FOR FISCAL YEAR 2023-24 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 2023-24; and

WHEREAS, the Board of Directors desires to establish an Appropriations Limit for Fiscal Year 2023-24 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 2023-24 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 **\$10,404,206** 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 2023-24.

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 8th day of June, 2023.

MOULTON NIGUEL WATER DISTRICT

A handwritten signature in blue ink, appearing to read "Juan D. Camacho", written over a horizontal line.

President

MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

A handwritten signature in blue ink, appearing to read "Paige Spiller", written over a horizontal line.

Secretary

MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

Appendix D: 10-Year CIP Schedule & Project Description

APPENDIX D
FY 2023-24 | 10-YEAR CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 to 2032-33
MULTI-SYSTEM								
2019004	7	RISK AND RESILIENCY ASSESSMENT AND ENHANCEMENT	CONSTRUCTION	\$210,600	\$110,000	\$50,600		
2022015	7	CMMS PHASE II IMPLEMENTATION/INTEGRATION	CONSTRUCTION	\$313,750	\$240,000	\$40,000		
2011024	7	DOCUMENT MANAGEMENT SYSTEM UPGRADE	DESIGN	\$389,000	\$25,000	\$80,000	\$125,000	
2022014	7	BILLING SYSTEM UPGRADE	DESIGN	\$1,000,000	\$450,000	\$525,000		
2022018	7	SCADA COMMUNICATIONS POLE REPLACEMENTS	DESIGN	\$250,000	\$225,000			
	1	CAPITAL OUTLAYS - FUND 1	PROGRAM	\$5,600,000	\$1,100,000	\$500,000	\$500,000	\$3,500,000
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - MS	PROGRAM	\$450,000		\$50,000	\$50,000	\$350,000
2021014	7	BUILDING E REHABILITATION		\$2,000,000				\$2,000,000
2021019	14	VIDEO SITE SURVEILLANCE SYSTEM		\$300,000	\$50,000	\$100,000	\$150,000	
2023000	7	2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - MS	NEW	\$300,000	\$300,000			
	14	EV CHARGING STATIONS AND SOLAR PANELS AT HEADQUARTERS	NEW	\$2,000,000	\$1,000,000	\$1,000,000		
	14	SCADA COMMUNICATIONS MONOPOLE AT MANDEVILLE PARK	NEW	\$250,000	\$150,000	\$100,000		
	14	SCADA HISTORIAN DATABASE AND DASHBOARD	NEW	\$150,000	\$150,000			
Subtotal - Multi-System Projects					\$3,800,000	\$2,445,600	\$825,000	\$5,850,000
POTABLE								
2015006	7	I.D. NO. 1 MASTER METER RELOCATION	CONSTRUCTION	\$2,239,055	\$1,150,000	\$750,000		
2019037	7	CROWN VALLEY PARKWAY TRANSMISSION MAIN LOWER REACH REPLACEMENT	CONSTRUCTION	\$5,512,922	\$3,000,000	\$2,200,000		
2022001	7	2022-23 VALVE REPLACEMENT - PW	CONSTRUCTION	\$4,800,000	\$3,400,000			
2022013	6	LOW RESOLUTION METER REPLACEMENT	CONSTRUCTION	\$2,000,000	\$1,000,000			
2023001	7	2023-24 VALVE REPLACEMENT - PW	CONSTRUCTION	\$1,100,000	\$1,100,000			
2017016	12	SOUTH COUNTY PIPELINE TAKEOUT FACILITY	DESIGN	\$10,200,000	\$300,000			\$9,800,000
2017019	14	1050-ZONE SECONDARY FEED PUMP STATION AND TRANSMISSION MAIN	DESIGN	\$8,500,000	\$2,500,000	\$3,000,000	\$1,900,000	
2018004	7	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 4 - PW	DESIGN	\$1,700,000	\$300,000	\$1,300,000	\$100,000	
2019029	7	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 4	DESIGN	\$8,770,000	\$6,000,000	\$2,370,000		
2020013	7	EAST ALISO CREEK RESERVOIR INLET AND OUTLET PIPING MODIFICATIONS	DESIGN	\$660,000	\$550,000			
2020017	7	REHABILITATION OF THE MARGUERITE RESERVOIR	DESIGN	\$1,000,000	\$1,000,000			
2020018	7	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 5	DESIGN	\$8,880,000			\$480,000	\$8,000,000
2021016	7	SUBSIDENCE MITIGATION AT EAST ALISO, MARGUERITE, AND EL DORADO SITES	DESIGN	\$400,000	\$70,000	\$280,000		
2022010	7	2022-23 PRESSURE REDUCING STATION REHABILITATION - PW	DESIGN	\$230,000	\$200,000			
2022016	7	EASTERN TRANSMISSION MAIN REHABILITATION	DESIGN	\$2,000,000		\$2,000,000		
2022016	7	EASTERN TRANSMISSION MAIN REHABILITATION - SMWD REIMBURSEMENT	REIMBURSEMENT	-\$1,400,000		-\$1,400,000		
2022029	14	MICRO-HYDRO TURBINE AT BRIDLEWOOD FCF	DESIGN	\$700,000	\$500,000			
OCWD001	12	OCWD BASIN EMERGENCY INTERCONNECTION	DESIGN	\$20,000,000	\$500,000			\$19,250,000
	7	FIRE HYDRANT REPLACEMENT PROGRAM	PROGRAM	\$2,250,000		\$250,000	\$250,000	\$1,750,000
	7	METER REPLACEMENT PROGRAM - PW	PROGRAM	\$11,250,000		\$1,250,000	\$1,250,000	\$8,750,000
	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		\$500,000	\$500,000	\$99,000,000
	7	RESERVOIR RECOATING PROGRAM - PW	PROGRAM	\$8,000,000			\$1,000,000	\$7,000,000
	7	SERVICE LINE REPLACEMENT PROGRAM - PW	PROGRAM	\$22,500,000		\$2,500,000	\$2,500,000	\$17,500,000
	7	VALVE REPLACEMENT PROGRAM - PW	PROGRAM	\$26,000,000			\$3,250,000	\$22,750,000
	7	VERTICAL ASSETS REHABILITATION AND REPLACEMENT PROGRAM - PW	PROGRAM	\$10,400,000			\$100,000	\$10,300,000
2018014	7	APPURTENANCE ADJUSTMENTS FOR CROWN VALLEY PARKWAY WIDENING		\$200,000	\$160,000			
2018021	7	SHEEP HILLS PUMP STATION IMPROVEMENTS		\$1,400,000			\$200,000	\$1,200,000
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		
	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	ALISO VIEJO MOV REPLACEMENT		\$675,000				\$675,000
	7	BEAR BRAND PUMP STATION PUMP REPLACEMENT		\$600,000				\$600,000
	7	CASA DEL OSO PUMP STATION AUXILIARY GENERATOR REPLACEMENT		\$850,000		\$100,000	\$250,000	\$500,000

APPENDIX D
FY 2023-24 | 10-YEAR CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 to 2032-33
	12	CIP TAKEOUT FACILITY AT MARGUERITE PUMP STATION		\$5,000,000				\$5,000,000
	7	COUNTRY VILLAGE PUMP STATION AUXILIARY GENERATOR REPLACEMENT		\$850,000			\$100,000	\$750,000
	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		\$1,250,000	\$350,000	\$900,000		
	7	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 5 - PW		\$1,250,000	\$50,000	\$200,000	\$1,000,000	
	7	HIDDEN HILLS AND LAGUNA SERRANO APARTMENTS PIPELINE REPLACEMENT		\$360,000		\$60,000	\$300,000	
	7	HIGH-LOW VALVE REPLACEMENT		\$1,125,000				\$1,125,000
	7	LA PAZ AND CABOT PW PIPELINE REPLACEMENT		\$1,250,000				\$1,250,000
	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		\$100,000	\$250,000	\$500,000
	7	SADDLEBACK RESERVOIR SITE PAVING REPLACEMENT		\$125,000			\$125,000	
	7	SOUTHWESTERN TRANSMISSION MAIN REHABILITATION		\$7,000,000				\$6,900,000
	7	2023-24 EASEMENT PIPELINE REHABILITATION	NEW	\$500,000	\$500,000			
	7	2023-24 FIRE HYDRANT REPLACEMENT	NEW	\$250,000	\$250,000			
	7	2023-24 METER REPLACEMENT - PW	NEW	\$1,250,000	\$1,250,000			
	14	2023-24 NEW SYSTEM VALVES	NEW	\$250,000	\$250,000			
2023100	7	2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - PW	NEW	\$500,000	\$500,000			
	7	2023-24 SERVICE LINE REPLACEMENT - PW	NEW	\$2,500,000	\$2,500,000			
	7	2024-25 VALVE REPLACEMENT - PW	NEW	\$3,250,000	\$100,000	\$2,000,000	\$1,150,000	
	7	BEACON HILL PUMP STATION REHABILITATION	NEW	\$3,200,000	\$250,000	\$750,000	\$1,500,000	\$700,000
	7	BROADMOOR PUMP STATION REFURBISHMENT	NEW	\$550,000	\$550,000			
	7	CROWN VALLEY PARKWAY AND FORBES ROAD PW PIPELINE REPLACEMENT	NEW	\$600,000				\$600,000
	14	HIGHLANDS PUMP STATION IMPROVEMENTS	NEW	\$150,000	\$50,000	\$100,000		
	7	MOULTON PEAK RESERVOIR SITE PAVING REPLACEMENT	NEW	\$150,000	\$150,000			
	7	NORTHERN TRANSMISSION MAIN REHABILITATION	NEW	\$1,500,000	\$1,500,000			
	7	PACIFIC PARK RESERVOIR SITE PAVING REPLACEMENT	NEW	\$250,000	\$250,000			
	7	SEVILLE RESERVOIR SITE PAVING REPLACEMENT	NEW	\$100,000	\$100,000			
Subtotal - Potable Projects					\$30,330,000	\$19,835,000	\$16,705,000	\$240,560,000
RECYCLED								
	2010013	6 RWOS - LA PAZ ROAD BRIDGE CROSSING RW PIPELINE	CONSTRUCTION	\$743,034	\$500,000			
	2018005	7 ELECTRICAL SYSTEM IMPROVEMENTS PHASE 4 - RW	DESIGN	\$2,300,000	\$300,000	\$1,800,000	\$200,000	
	2022011	7 2022-23 PRESSURE REDUCING STATION REHABILITATION - RW	DESIGN	\$100,000	\$75,000			
		7 METER REPLACEMENT PROGRAM - RW	PROGRAM	\$1,125,000		\$125,000	\$125,000	\$875,000
		7 OPERATIONS-LED CAPITAL IMPROVEMENTS - RW	PROGRAM	\$2,250,000		\$250,000	\$250,000	\$1,750,000
		7 RESERVOIR RECOATING PROGRAM - RW	PROGRAM	\$3,150,000		\$350,000	\$350,000	\$2,450,000
	6	RWOS - RECYCLED WATER RETROFITS PROGRAM	PROGRAM	\$2,800,000		\$150,000	\$150,000	\$2,500,000
		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	\$800,000			\$100,000	\$700,000
		7 CROWN POINT PUMP STATION PUMP REPLACEMENT AND VFD INSTALLATION		\$490,000				\$490,000
		7 ELECTRICAL SYSTEM IMPROVEMENTS PHASE 5 - RW		\$325,000	\$25,000	\$50,000	\$250,000	
		7 LAGUNA NIGUEL REGIONAL PARK RW METER VAULT RECONFIGURATION		\$150,000				\$150,000
		7 OAKGROVE DRIVE RW PIPELINE REPLACEMENT		\$750,000				\$750,000
		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 2023-24 METER REPLACEMENT - RW	NEW	\$125,000	\$125,000			
2023200		7 2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - RW	NEW	\$500,000	\$500,000			

APPENDIX D
FY 2023-24 | 10-YEAR CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 to 2032-33
	7	2023-24 PRESSURE REDUCING STATION REHABILITATION - RW	NEW	\$200,000	\$50,000	\$150,000		
	6	2023-24 RECYCLED WATER RETROFITS	NEW	\$100,000	\$100,000			
	7	2023-24 SERVICE LINE REPLACEMENT - RW	NEW	\$70,000	\$70,000			
	7	2023-24 VALVE REPLACEMENT - RW	NEW	\$250,000	\$250,000			
Subtotal - Recycled Projects					\$1,995,000	\$3,270,000	\$2,580,000	\$26,205,000
WASTEWATER								
2013005	7	LOWER SALADA LIFT STATION FORCE MAIN REPLACEMENT	CONSTRUCTION	\$10,245,891	\$6,000,000	\$3,850,000		
2013004	7	REGIONAL LIFT STATION FORCE MAIN REPLACEMENT	DESIGN	\$22,000,000	\$2,750,000	\$6,000,000	\$10,000,000	\$2,000,000
2019007	7	NORTH ALISO LIFT STATION RECONSTRUCTION	DESIGN	\$7,500,000	\$600,000	\$4,000,000	\$2,500,000	
2020015	7	LIFT STATION VENTILATION SYSTEM IMPROVEMENTS	DESIGN	\$1,350,000	\$1,250,000			
2021011	7	ALISO CREEK LIFT STATION REHABILITATION	DESIGN	\$6,500,000	\$650,000	\$3,000,000	\$2,500,000	
2022020	7	UPPER BOUNDARY OAK LIFT STATION AUXILIARY GENERATOR REPLACEMENT	DESIGN	\$850,000	\$150,000	\$700,000		
2022023	14	WASTEWATER TRUNK MAIN REPLACEMENT - 3A SUBBASIN PHASE 1	DESIGN	\$1,200,000	\$300,000	\$850,000		
2022024	14	WASTEWATER TRUNK MAIN REPLACEMENT - 3A SUBBASIN PHASE 2	DESIGN	\$1,400,000	\$300,000	\$1,000,000		
	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	\$7,500,000				\$7,500,000
	7	VERTICAL ASSETS REHABILITATION AND REPLACEMENT PROGRAM - WW	PROGRAM	\$24,000,000				\$24,000,000
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			\$50,000	\$200,000
2020009	7	NIGUEL WEST SEWER LINING		\$1,500,000		\$750,000	\$750,000	
	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	\$600,000	\$500,000
	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	2023-24 MANHOLE REHABILITATION	NEW	\$250,000	\$250,000			
2023300	7	2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - WW	NEW	\$500,000	\$500,000			
	7	CROWN VALLEY PARKWAY SEWER LINING	NEW	\$2,400,000			\$400,000	\$2,000,000
	7	LOWER SALADA LIFT STATION REHABILITATION	NEW	\$5,400,000	\$250,000	\$750,000	\$2,400,000	\$2,000,000
	7	PACIFIC ISLAND DRIVE SEWER LINING	NEW	\$1,500,000			\$200,000	\$1,300,000
Subtotal - Wastewater Projects					\$13,000,000	\$21,800,000	\$20,150,000	\$55,516,838
WASTEWATER TREATMENT								
2019301	7	PLANT 3A SUBSIDENCE MITIGATION	CONSTRUCTION	\$5,350,000	\$2,700,000			
2022302	14	PLANT 3A NETWORK CABLING IMPROVEMENTS	CONSTRUCTION	\$150,000	\$100,000			
2022501	7	REGIONAL TREATMENT PLANT AWT FILTER SYSTEM IMPROVEMENTS	CONSTRUCTION	\$3,750,000	\$3,100,000			
2019302	7	PLANT 3A SOLIDS HANDLING FACILITIES IMPROVEMENTS	DESIGN	\$45,450,000	\$15,000,000	\$18,000,000	\$9,400,000	
2021301	7	PLANT 3A ODOR CONTROL SYSTEM EVALUATION AND REHABILITATION	DESIGN	\$1,250,000	\$50,000	\$50,000	\$500,000	\$550,000
2021303	14	PLANT 3A SOLIDS LOADOUT FACILITY	DESIGN	\$8,300,000	\$4,000,000	\$3,500,000	\$800,000	
2022502	14	REGIONAL TREATMENT PLANT AWT SALINITY MANAGEMENT	DESIGN	\$25,500,000	\$2,250,000	\$15,000,000	\$8,000,000	
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - 3A	PROGRAM	\$2,250,000		\$250,000	\$250,000	\$1,750,000
	7	OPERATIONS-LED CAPITAL IMPROVEMENTS - RTPAWT	PROGRAM	\$900,000		\$100,000	\$100,000	\$700,000
2021302	14	PLANT 3A SECURITY IMPROVEMENTS		\$125,000		\$125,000		
2022301	7	PLANT 3A LIQUIDS HANDLING FACILITIES IMPROVEMENTS		\$24,500,000	\$500,000	\$1,000,000	\$1,000,000	\$22,000,000
	14	PLANT 3A EMERGENCY STANDBY GENERATOR		\$1,500,000				\$1,500,000
2023400	7	2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - 3A	NEW	\$600,000	\$600,000			

APPENDIX D
FY 2023-24 | 10-YEAR CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27 to 2032-33
2023500	7	2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - RTPAWT	NEW	\$400,000	\$400,000			
	14	PLANT 3A COGEN FACILITY	NEW	\$2,500,000				\$2,500,000
	7	PLANT 3A IMPROVEMENTS FUND 7 - SMWD REIMBURSEMENT	REIMBURSEMENT	-\$22,331,250	-\$5,301,563	-\$5,428,125	-\$3,135,938	-\$6,834,378
	14	PLANT 3A IMPROVEMENTS FUND 14 - SMWD REIMBURSEMENT	REIMBURSEMENT	-\$3,536,719	-\$1,153,125	-\$1,019,531	-\$225,000	-\$1,125,000
Subtotal - Wastewater Treatment Projects					\$22,245,312	\$31,577,344	\$16,689,062	\$21,040,622
EXTERNAL								
ETWD	7	ETWD R6 RESERVOIR COVER AND LINER REPLACEMENT	CONSTRUCTION	\$1,218,000	\$350,000			
ETWD	7	ETWD R6 RESERVOIR PERIMETER ROAD REPLACEMENT		\$125,000	\$125,000			
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	\$7,311,867	\$3,086,529	\$1,161,626	\$287,680	\$2,776,032
SMWD	7	SMWD CAPITAL PROJECTS - JOINT FACILITIES	PROGRAM	\$2,603,987	\$1,755,512	\$56,250	\$0	\$792,225
SOCWA	7	SOCWA CAPITAL PC 2	PROGRAM	\$17,302,826	\$987,377	\$1,118,718	\$4,175,939	\$11,020,792
SOCWA	7	SOCWA CAPITAL PC 5	PROGRAM	\$400,043	\$38,775	\$155,100	\$78,211	\$127,958
SOCWA	7	SOCWA CAPITAL PC 15	PROGRAM	\$9,613,696	\$855,680	\$1,113,115	\$531,765	\$7,113,136
SOCWA	7	SOCWA CAPITAL PC 17	PROGRAM	\$60,642,447	\$1,621,214	\$3,906,045	\$7,661,896	\$47,453,293
SOCWA	7	SOCWA CAPITAL PC 21	PROGRAM	\$259,087	\$20,033	\$26,710	\$20,700	\$191,644
SOCWA	7	SOCWA CAPITAL PC 24	PROGRAM	\$1,404,022	\$219,250	\$460,425	\$66,049	\$658,298
Subtotal - External Projects					\$9,209,370	\$8,147,989	\$12,972,240	\$71,183,378
TOTAL					\$80,579,682	\$87,075,933	\$69,921,302	\$420,355,838

NOTE: TOTAL 10-YEAR CIP PROJECTION (FY 2023-24 THROUGH FY 2032-33) = \$657,932,754

APPENDIX D
PROPOSED FY 2023-24 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2023-24 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
GENERAL (G) (FUND 1)					
	CAPITAL OUTLAYS - FUND 1	\$5,600,000	\$0	\$1,100,000	6/30/24
Subtotal - Fund 1 Projects				\$1,100,000	
WATER EFFICIENCY (WE) (FUND 6)					
2010013	RWOS - LA PAZ ROAD BRIDGE CROSSING RW PIPELINE	\$743,034	\$58,682	\$500,000	12/31/23
2022013	LOW RESOLUTION METER REPLACEMENT	\$2,000,000	\$541,097	\$1,000,000	6/30/24
	2023-24 RECYCLED WATER RETROFITS	\$100,000	\$0	\$100,000	6/30/24
Subtotal - Fund 6 Projects				\$1,600,000	
REPLACEMENT & REFURBISHMENT (R&R) (FUND 7)					
2011024	DOCUMENT MANAGEMENT SYSTEM UPGRADE	\$389,000	\$108,322	\$25,000	6/30/26
2013004	REGIONAL LIFT STATION FORCE MAIN REPLACEMENT	\$22,000,000	\$1,248,801	\$2,750,000	12/31/25
2013005	LOWER SALADA LIFT STATION FORCE MAIN REPLACEMENT	\$10,245,891	\$404,093	\$6,000,000	12/31/24
2015006	I.D. NO. 1 MASTER METER RELOCATION	\$2,239,055	\$261,248	\$1,150,000	12/31/24
2018004	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 4 - PW	\$1,700,000	\$5,711	\$300,000	3/31/25
2018005	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 4 - RW	\$2,300,000	\$8,859	\$300,000	3/31/25
2018014	APPURTENANCE ADJUSTMENTS FOR CROWN VALLEY PARKWAY WIDENING	\$200,000	\$35,686	\$160,000	6/30/24
2019004	RISK AND RESILIENCY ASSESSMENT AND ENHANCEMENT	\$210,600	\$46,681	\$110,000	6/30/25
2019007	NORTH ALISO LIFT STATION RECONSTRUCTION	\$7,500,000	\$308,847	\$600,000	6/30/25
2019029	RESERVOIR MANAGEMENT SYSTEM REPLACEMENT PHASE 4	\$8,770,000	\$248,980	\$6,000,000	3/31/25
2019037	CROWN VALLEY PARKWAY TRANSMISSION MAIN LOWER REACH REPLACEMENT	\$5,512,922	\$409,633	\$3,000,000	12/31/24
2019301	PLANT 3A SUBSIDENCE MITIGATION	\$5,350,000	\$1,934,065	\$2,700,000	12/31/23
2019301	PLANT 3A SUBSIDENCE MITIGATION - SMWD REIMBURSEMENT	-\$1,504,688	\$0	-\$759,375	Reimbursement
2019302	PLANT 3A SOLIDS HANDLING FACILITIES IMPROVEMENTS	\$45,450,000	\$2,871,997	\$15,000,000	12/31/25
2019302	PLANT 3A SOLIDS HANDLING FACILITIES IMPROVEMENTS - SMWD REIMBURSEMENT	-\$12,782,813	\$0	-\$4,218,750	Reimbursement
2020013	EAST ALISO CREEK RESERVOIR INLET AND OUTLET PIPING MODIFICATIONS	\$660,000	\$125,729	\$550,000	3/31/24
2020015	LIFT STATION VENTILATION SYSTEM IMPROVEMENTS	\$1,350,000	\$61,577	\$1,250,000	3/31/24
2020017	REHABILITATION OF THE MARGUERITE RESERVOIR	\$1,000,000	\$1,678	\$1,000,000	6/30/24
2021011	ALISO CREEK LIFT STATION REHABILITATION	\$6,500,000	\$121,827	\$650,000	6/30/25
2021016	SUBSIDENCE MITIGATION AT EAST ALISO, MARGUERITE, AND EL DORADO SITES	\$400,000	\$1,428	\$70,000	6/30/25
2021301	PLANT 3A ODOR CONTROL SYSTEM EVALUATION AND REHABILITATION	\$1,250,000	\$136,727	\$50,000	6/30/27
2021301	PLANT 3A ODOR CONTROL SYSTEM EVALUATION AND REHABILITATION - SMWD REIMBURSEMENT	-\$351,563	\$0	-\$14,063	Reimbursement
2022001	2022-23 VALVE REPLACEMENT - PW	\$4,800,000	\$1,100,377	\$3,400,000	6/30/24
2022010	2022-23 PRESSURE REDUCING STATION REHABILITATION - PW	\$230,000	\$1,317	\$200,000	6/30/24
2022011	2022-23 PRESSURE REDUCING STATION REHABILITATION - RW	\$100,000	\$1,531	\$75,000	6/30/24
2022014	BILLING SYSTEM UPGRADE	\$1,000,000	\$996	\$450,000	6/30/25
2022015	CMMS PHASE II IMPLEMENTATION/INTEGRATION	\$313,750	\$10,723	\$240,000	12/31/24
2022018	SCADA COMMUNICATIONS POLE REPLACEMENTS	\$250,000	\$6,042	\$225,000	6/30/24
2022020	UPPER BOUNDARY OAK LIFT STATION AUXILIARY GENERATOR REPLACEMENT	\$850,000	\$0	\$150,000	6/30/25
2022031	BROADMOOR PUMP STATION REFURBISHMENT	\$550,000	\$0	\$550,000	6/30/24
2022301	PLANT 3A LIQUIDS HANDLING FACILITIES IMPROVEMENTS	\$24,500,000	\$2,903	\$500,000	6/30/29
2022301	PLANT 3A LIQUIDS HANDLING FACILITIES IMPROVEMENTS - SMWD REIMBURSEMENT	-\$6,890,625	\$0	-\$140,625	Reimbursement
2022501	REGIONAL TREATMENT PLANT AWT FILTER SYSTEM IMPROVEMENTS	\$3,750,000	\$28,655	\$3,100,000	6/30/24
2023000	2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - MS	\$300,000	\$0	\$300,000	6/30/24

Project expenditures based on March 31, 2023 accounting data

APPENDIX D
PROPOSED FY 2023-24 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2023-24 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
2023001	2023-24 VALVE REPLACEMENT - PW	\$1,100,000	\$0	\$1,100,000	6/30/24
	2023-24 VALVE REPLACEMENT - RW	\$250,000	\$0	\$250,000	6/30/24
	2023-24 METER REPLACEMENT - PW	\$1,250,000	\$0	\$1,250,000	6/30/24
	2023-24 METER REPLACEMENT - RW	\$125,000	\$0	\$125,000	6/30/24
	2023-24 SERVICE LINE REPLACEMENT - PW	\$2,500,000	\$0	\$2,500,000	6/30/24
	2023-24 SERVICE LINE REPLACEMENT - RW	\$70,000	\$0	\$70,000	6/30/24
	2023-24 FIRE HYDRANT REPLACEMENT	\$250,000	\$0	\$250,000	6/30/24
	2023-24 MANHOLE REHABILITATION	\$250,000	\$0	\$250,000	6/30/24
	2023-24 PRESSURE REDUCING STATION REHABILITATION - RW	\$200,000	\$0	\$50,000	6/30/24
	2023-24 EASEMENT PIPELINE REHABILITATION	\$500,000	\$0	\$500,000	6/30/24
	CROWN VALLEY RESERVOIR NO. 3 ROOF PLATE REPLACEMENT AND INTERIOR RECOATING	\$1,250,000	\$0	\$350,000	6/30/25
	BEACON HILL PUMP STATION REHABILITATION	\$3,200,000	\$0	\$250,000	6/30/27
	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 5 - PW	\$1,250,000	\$0	\$50,000	6/30/26
	ELECTRICAL SYSTEM IMPROVEMENTS PHASE 5 - RW	\$325,000	\$0	\$25,000	6/30/26
	LOWER SALADA LIFT STATION REHABILITATION	\$5,400,000	\$0	\$250,000	6/30/27
	MOULTON PEAK RESERVOIR SITE PAVING REPLACEMENT	\$150,000	\$0	\$150,000	6/30/24
	NORTHERN TRANSMISSION MAIN REHABILITATION	\$1,500,000	\$0	\$1,500,000	6/30/24
	PACIFIC PARK RESERVOIR SITE PAVING REPLACEMENT	\$250,000	\$0	\$250,000	6/30/24
	SEVILLE RESERVOIR SITE PAVING REPLACEMENT	\$100,000	\$0	\$100,000	6/30/24
2023100	2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - PW	\$500,000	\$0	\$500,000	6/30/24
2023200	2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - RW	\$500,000	\$0	\$500,000	6/30/24
2023300	2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - WW	\$500,000	\$0	\$500,000	6/30/24
2023400	2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - 3A	\$600,000	\$0	\$600,000	6/30/24
2023400	2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - 3A - SMWD REIMBURSEMENT	-\$168,750	\$0	-\$168,750	Reimbursement
2023500	2023-24 OPERATIONS-LED CAPITAL IMPROVEMENTS - RTPAWT	\$400,000	\$0	\$400,000	6/30/24
	2024-25 VALVE REPLACEMENT - PW	\$3,250,000	\$0	\$100,000	6/30/26
ETWD	ETWD R6 RESERVOIR COVER AND LINER REPLACEMENT	\$1,218,000	\$456,677	\$350,000	12/31/23
ETWD	ETWD R6 RESERVOIR PERIMETER ROAD REPLACEMENT	\$125,000	\$0	\$125,000	6/30/24
IRWD	IRWD BAKER WATER TREATMENT PLANT CAPITAL PROJECTS	\$150,000	NA	\$150,000	6/30/24
JRWSS	SCWD/JRWSS CAPITAL PROJECTS	\$7,311,867	NA	\$3,086,529	6/30/24
SMWD	SMWD CAPITAL PROJECTS - JOINT FACILITIES	\$2,603,987	NA	\$1,755,512	6/30/24
SOCWA	SOCWA CAPITAL PC 2	\$17,302,826	NA	\$987,377	6/30/24
SOCWA	SOCWA CAPITAL PC 5	\$400,043	NA	\$38,775	6/30/24
SOCWA	SOCWA CAPITAL PC 15	\$9,613,696	NA	\$855,680	6/30/24
SOCWA	SOCWA CAPITAL PC 17	\$60,642,447	NA	\$1,621,214	6/30/24
SOCWA	SOCWA CAPITAL PC 21	\$259,087	NA	\$20,033	6/30/24
SOCWA	SOCWA CAPITAL PC 24	\$1,404,022	NA	\$219,250	6/30/24
Subtotal - Fund 7 Projects				\$66,632,807	
WATER SUPPLY RELIABILITY (WSR) (FUND 12)					
2017016	SOUTH COUNTY PIPELINE TAKEOUT FACILITY	\$10,200,000	\$50,283	\$300,000	6/30/28
OCWD001	OCWD BASIN EMERGENCY INTERCONNECTION	\$20,000,000	\$20,365	\$500,000	6/30/28
Subtotal - Fund 12 Projects				\$800,000	

Project expenditures based on March 31, 2023 accounting data

APPENDIX D
PROPOSED FY 2023-24 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2023-24 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
PLANNING & CONSTRUCTION (P&C) (FUND 14)					
2017019	1050-ZONE SECONDARY FEED PUMP STATION AND TRANSMISSION MAIN	\$8,500,000	\$545,682	\$2,500,000	6/30/25
2021019	VIDEO SITE SURVEILLANCE SYSTEM	\$300,000	\$202	\$50,000	6/30/26
2021303	PLANT 3A SOLIDS LOADOUT FACILITY	\$8,300,000	\$4,671	\$4,000,000	12/31/25
2021303	PLANT 3A SOLIDS LOADOUT FACILITY - SMWD REIMBURSEMENT	-\$2,334,375	\$0	-\$1,125,000	Reimbursement
2022023	WASTEWATER TRUNK MAIN REPLACEMENT - 3A SUBBASIN PHASE 1	\$1,200,000	\$504	\$300,000	6/30/25
2022024	WASTEWATER TRUNK MAIN REPLACEMENT - 3A SUBBASIN PHASE 2	\$1,400,000	\$504	\$300,000	6/30/25
2022029	MICRO-HYDRO TURBINE AT BRIDLEWOOD FCF	\$700,000	\$5,759	\$500,000	6/30/24
2022030	EV CHARGING STATIONS AND SOLAR PANELS AT HEADQUARTERS	\$2,000,000	\$0	\$1,000,000	6/30/25
2022302	PLANT 3A NETWORK CABLING IMPROVEMENTS	\$150,000	\$15,466	\$100,000	6/30/24
2022302	PLANT 3A NETWORK CABLING IMPROVEMENTS - SMWD REIMBURSEMENT	-\$42,188	\$0	-\$28,125	Reimbursement
2022502	REGIONAL TREATMENT PLANT AWT SALINITY MANAGEMENT	\$25,500,000	\$2,971	\$2,250,000	6/30/26
	2023-24 NEW SYSTEM VALVES	\$250,000	\$0	\$250,000	6/30/24
	HIGHLANDS PUMP STATION IMPROVEMENTS	\$150,000	\$0	\$50,000	6/30/25
	SCADA COMMUNICATIONS MONOPOLE AT MANDEVILLE PARK	\$250,000	\$0	\$150,000	6/30/25
	SCADA HISTORIAN DATABASE AND DASHBOARD	\$150,000	\$0	\$150,000	6/30/24
Subtotal - Fund 14 Projects				\$10,446,875	
TOTAL				\$80,579,682	

Project expenditures based on March 31, 2023 accounting data

Capital Outlays – Fund 1

Project No: Annual Program

System: Multi-System

Fund: 1

Project Location: Various

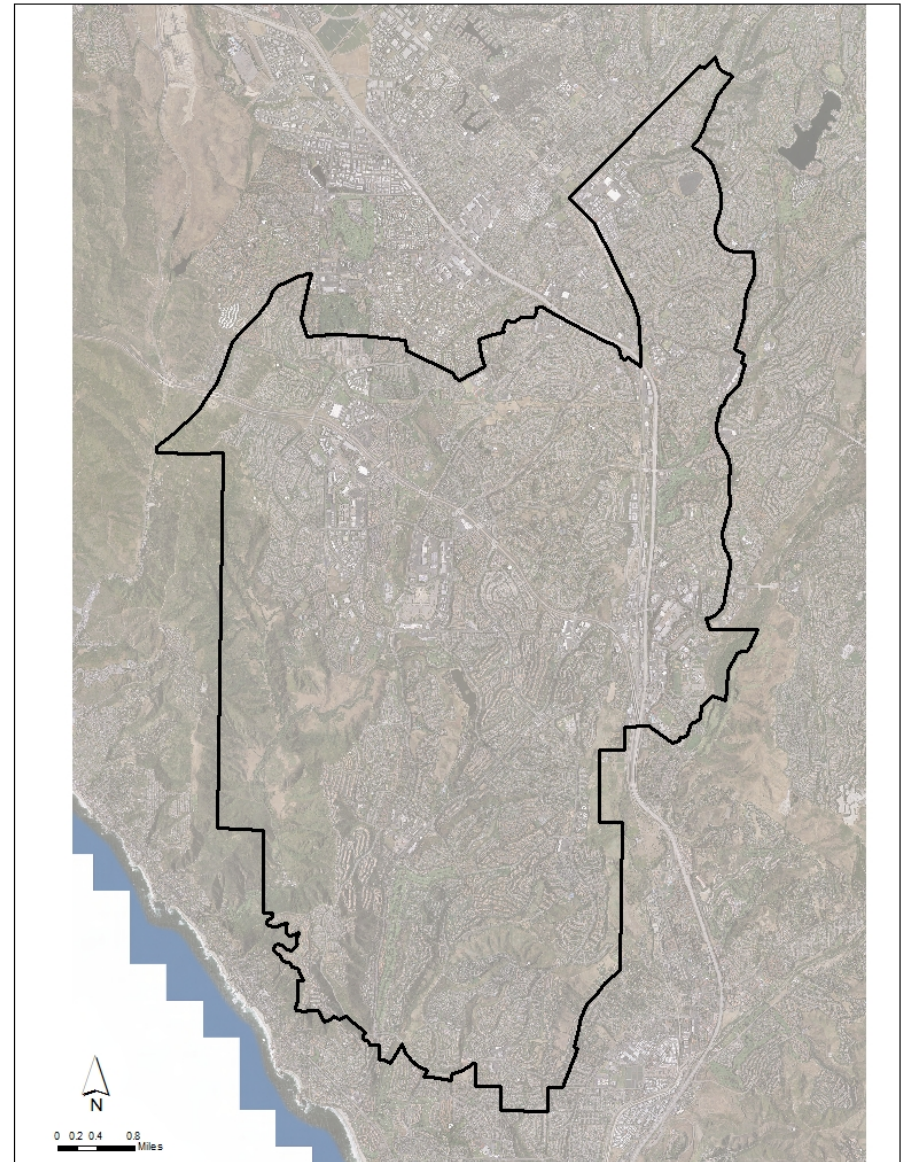
Project Description: Capital equipment and parts purchases, including fleet vehicles, heavy equipment, other rolling stock, and technology.

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

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

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases	\$5,600,000
Total Project Budget	\$5,600,000



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

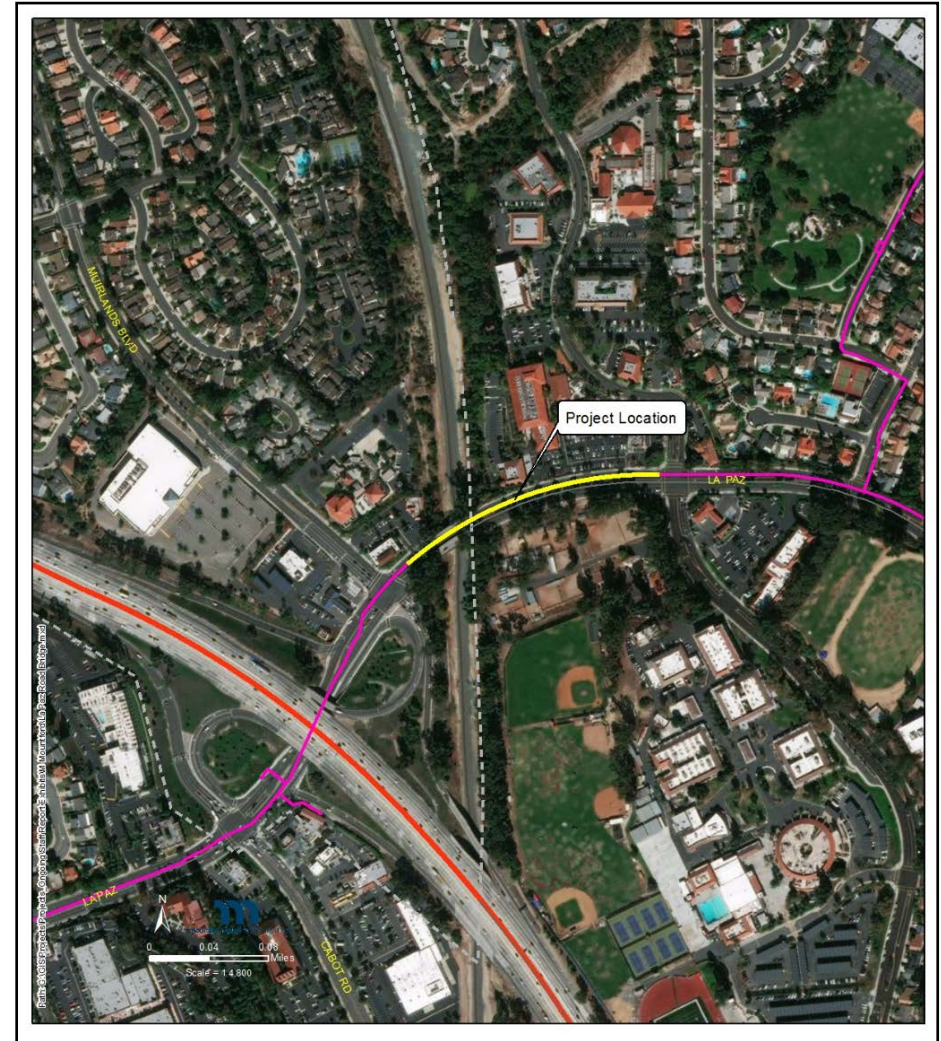
Project Description: Construct approximately 1,200 feet of 12-inch diameter recycled water main in La Paz Road while the City of Mission Viejo is constructing its widening of the La Paz Road Bridge.

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	\$40,000
Total Project Budget	\$743,034



Low Resolution Meter Replacement

Project No: 2022.013

System: Potable

Fund: 6

Project Location: District-wide

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.

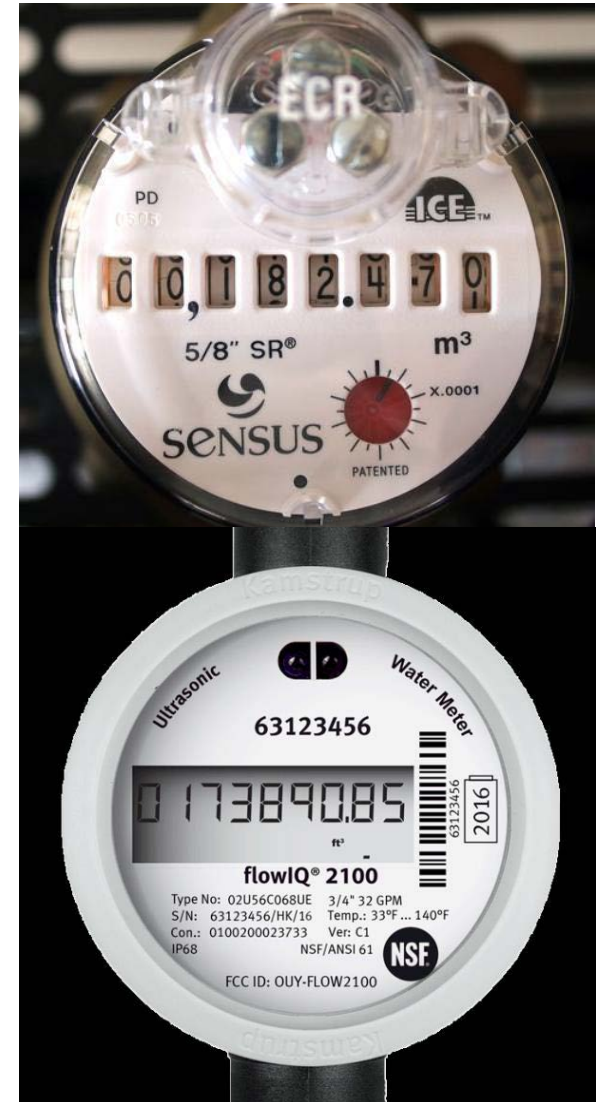
Project Need: The non-programmable water meters have become obsolete as they are not capable of providing high-resolution hourly AMI data. Upgrading the obsolete meters to high-resolution ultrasonic meters will allow the District to maximize utility of its recent investment in AMI radios. In particular,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

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



2023-24 Recycled Water Retrofits

Project No: TBD

System: Recycled

Fund: 6

Project Location: Various

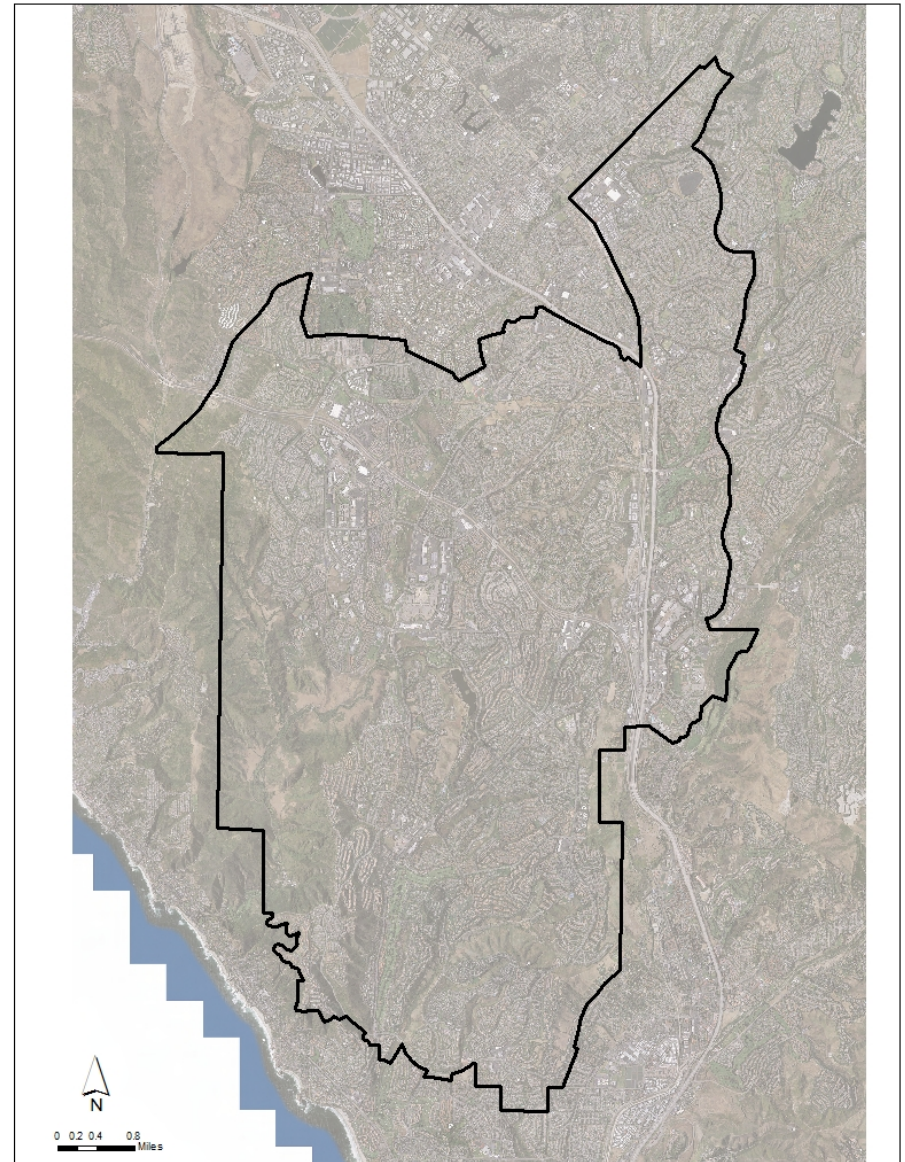
Project Description: Install recycled water service connections and irrigation pumps.

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	\$100,000
Total Project Budget	\$100,000



Document Management System Upgrade

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

Project Location: N/A

Project Description:

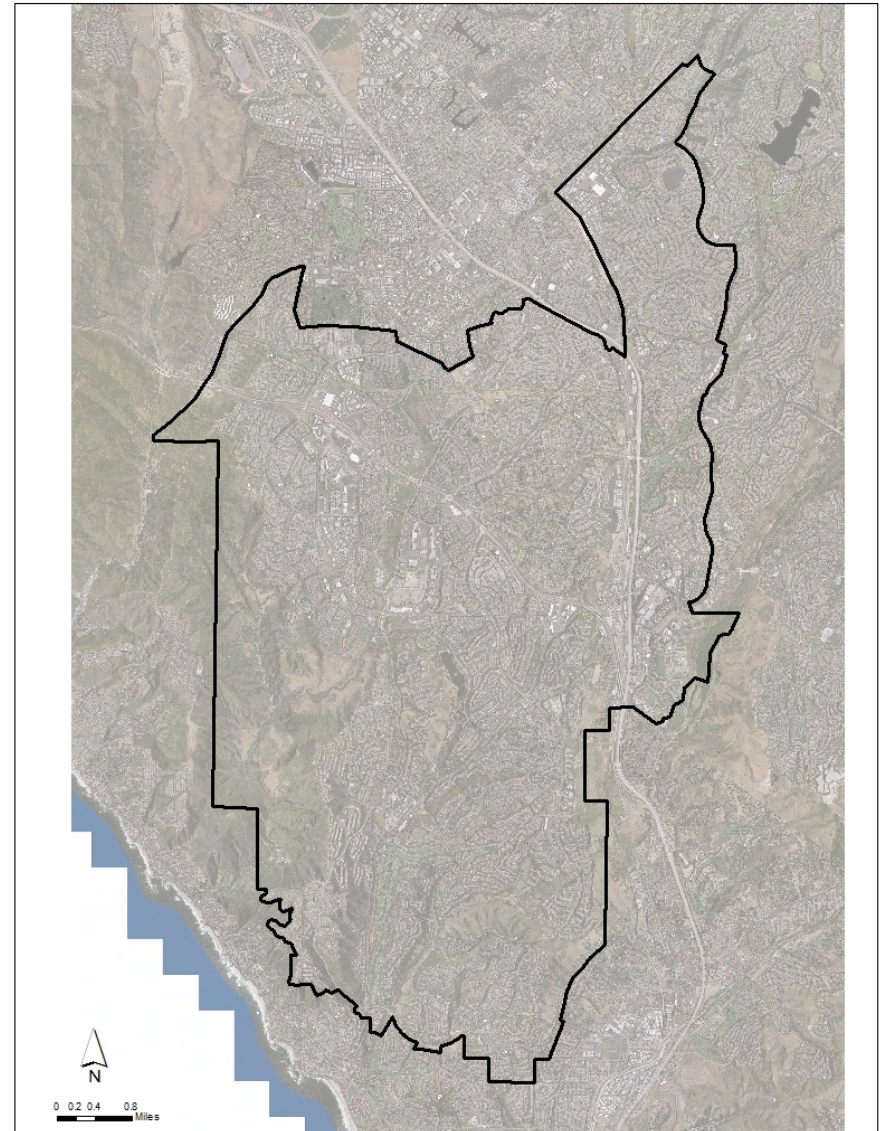
- Select and procure document management solution for storage of District’s records and documents.
- Migrate all historical digital records from legacy system to new document management solution.
- Identify and streamline workflows related to capturing digital records including drawings, agreements, 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	Exempt
Implementation	\$389,000
Total Project Budget	\$389,000



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	\$18,000,000
CM, Inspection, & CEQA Compliance	\$2,500,000
Legal/Permits/Other	\$250,000
Total Project Budget	\$22,000,000



Lower Salada Lift Station Force Main Replacement

Project No: 2013.005

System: Wastewater

Fund: 7

Project Location: Crown Valley Parkway, Laguna Niguel

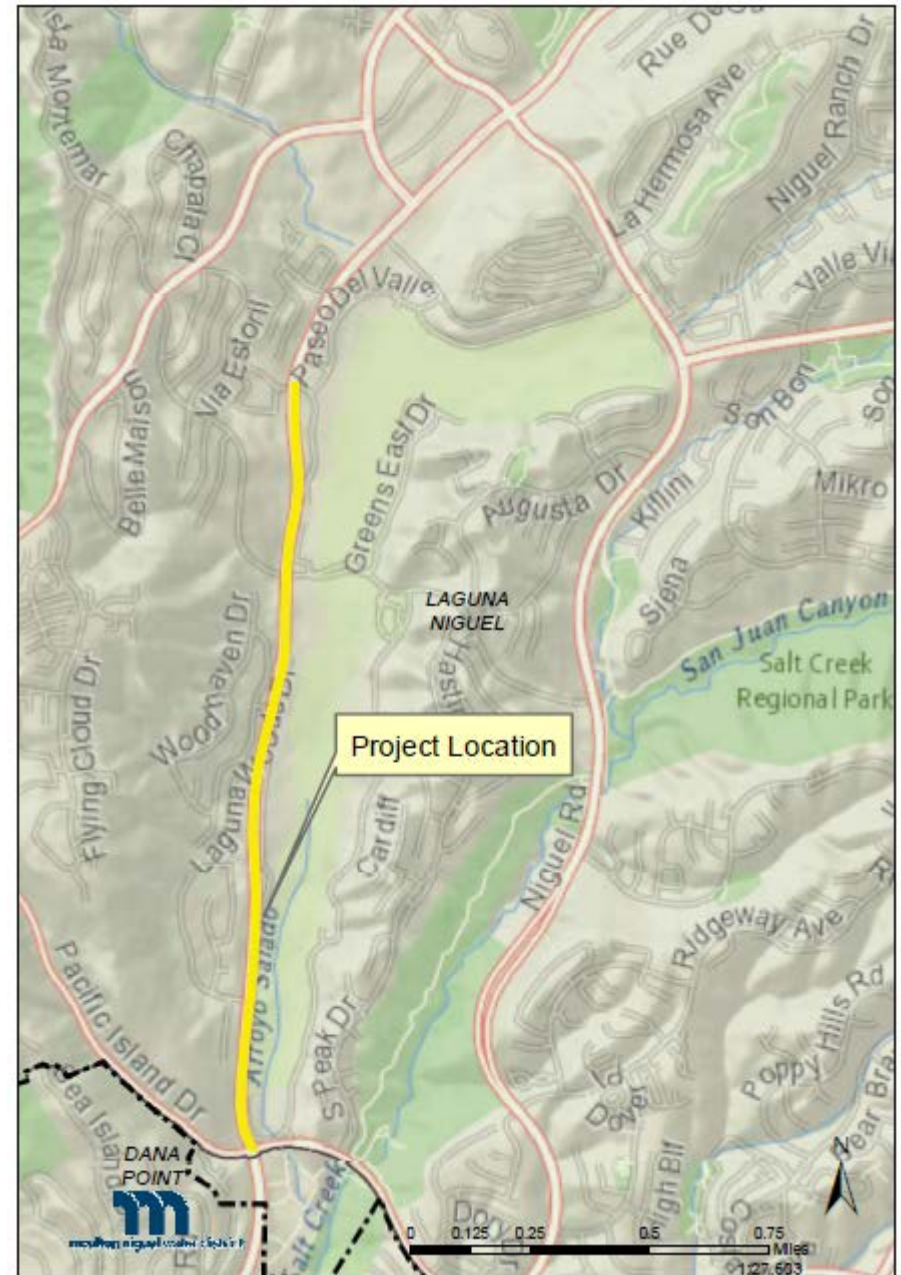
Project Description: Abandon the existing 12-inch diameter asbestos cement sewer force main and construct new dual 12-inch sewer force mains in Crown Valley Parkway. Approximate length of new sewer force mains is 9,600 feet.

Project Need: The existing single sewer force main is beyond its useful life and needs to be reconstructed. Current District standard is for sewer force mains to be dual.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$372,900
CEQA Compliance	Included
Construction Contract	\$8,923,828
CM and Inspection	\$655,862
Legal/Permits/Other	\$293,301
Total Project Budget	\$10,245,891



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

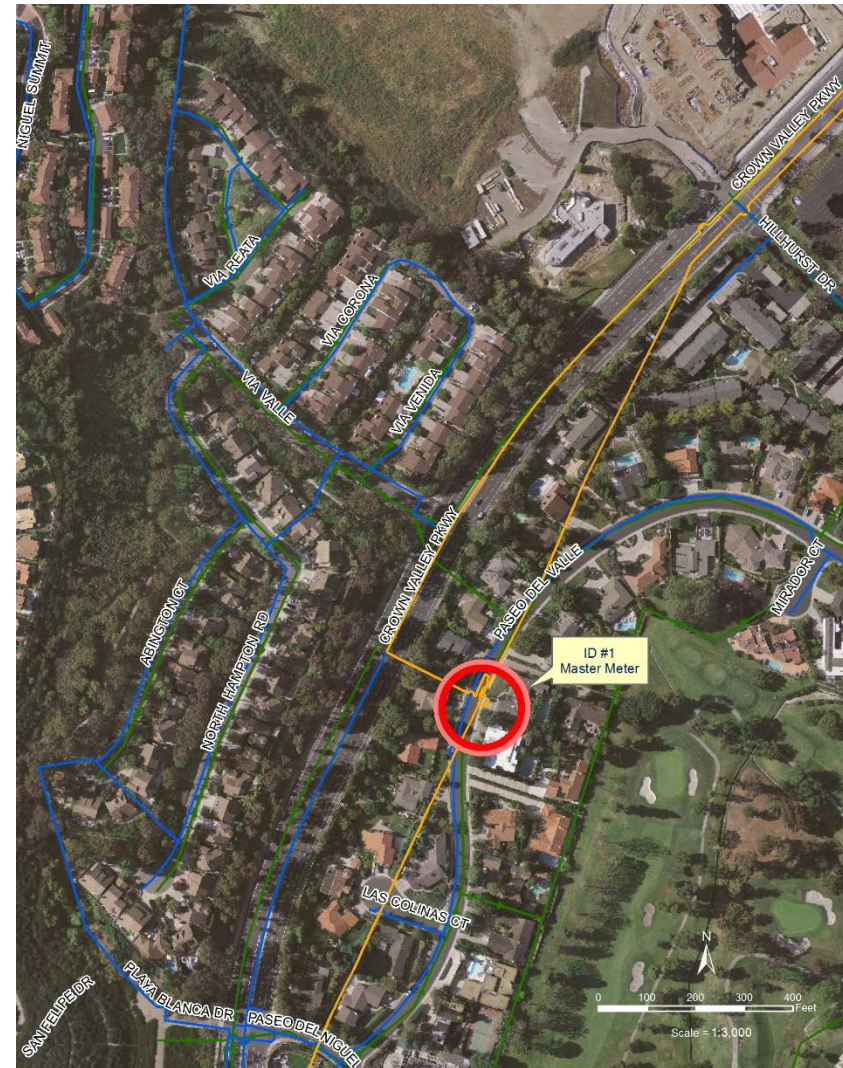
Project Description: Construct new master meter vault and associated piping.

Project Need: SCWD/JRWSS will be relocating approximately 0.5-mile of the Joint Transmission Main (JTM) out of the housing track along Paseo Del Valle and into Crown Valley Parkway. The I.D. No. 1 Master Meter needs to be relocated and reconnected to the JTM at a different location. SCWD/JRWSS plans to perform the JTM relocation work in FY 2023-24.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$403,700
CEQA Compliance	Included
Construction Contract	\$1,662,018
CM and Inspection	\$119,774
Legal/Permits/Other	\$53,563
Total Project Budget	\$2,239,055



Electrical System Improvements Phase 4 – PW

Project No: 2018.004

System: Potable

Fund: 7

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

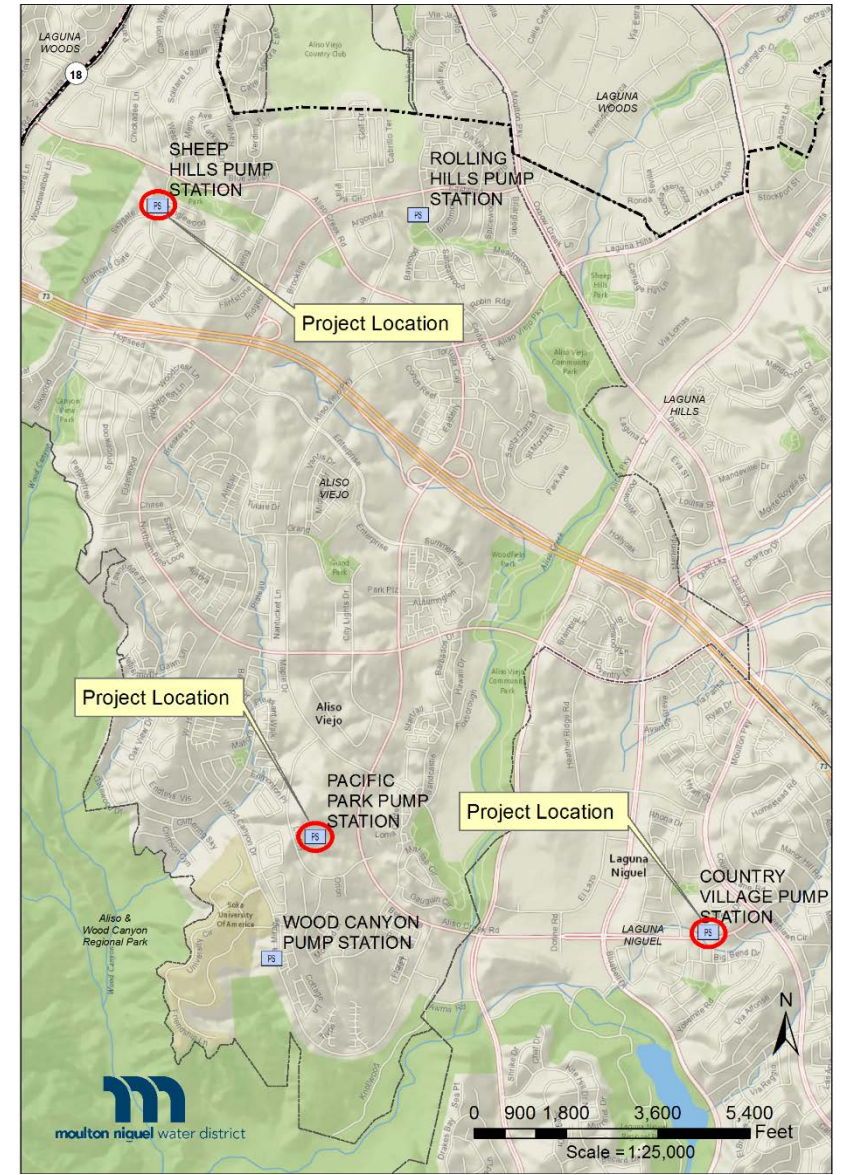
Project Description: Replace 1600A MCC, 600A E-MCC, and Load Bank Circuit Breaker at Country Village PS. Temporary switchgear will be required to maintain operation during construction. Replace Meter/Main Section; remove the fire pump and natural gas engine; and install a new portable generator connection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

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: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$200,000
CEQA Compliance	Exempt
Construction Contract	\$1,400,000
Inspection/Utility Fees/Other	\$100,000
Total Project Budget	\$1,700,000



Electrical System Improvements Phase 4 – RW

Project No: 2018.005

System: Recycled

Fund: 7

Project Location: Alicia Recycled Water Pump Station, Laguna Niguel; Aliso Viejo Recycled Water Pump Station, Aliso Viejo; and Galivan Recycled Water Pump Station, Mission Viejo

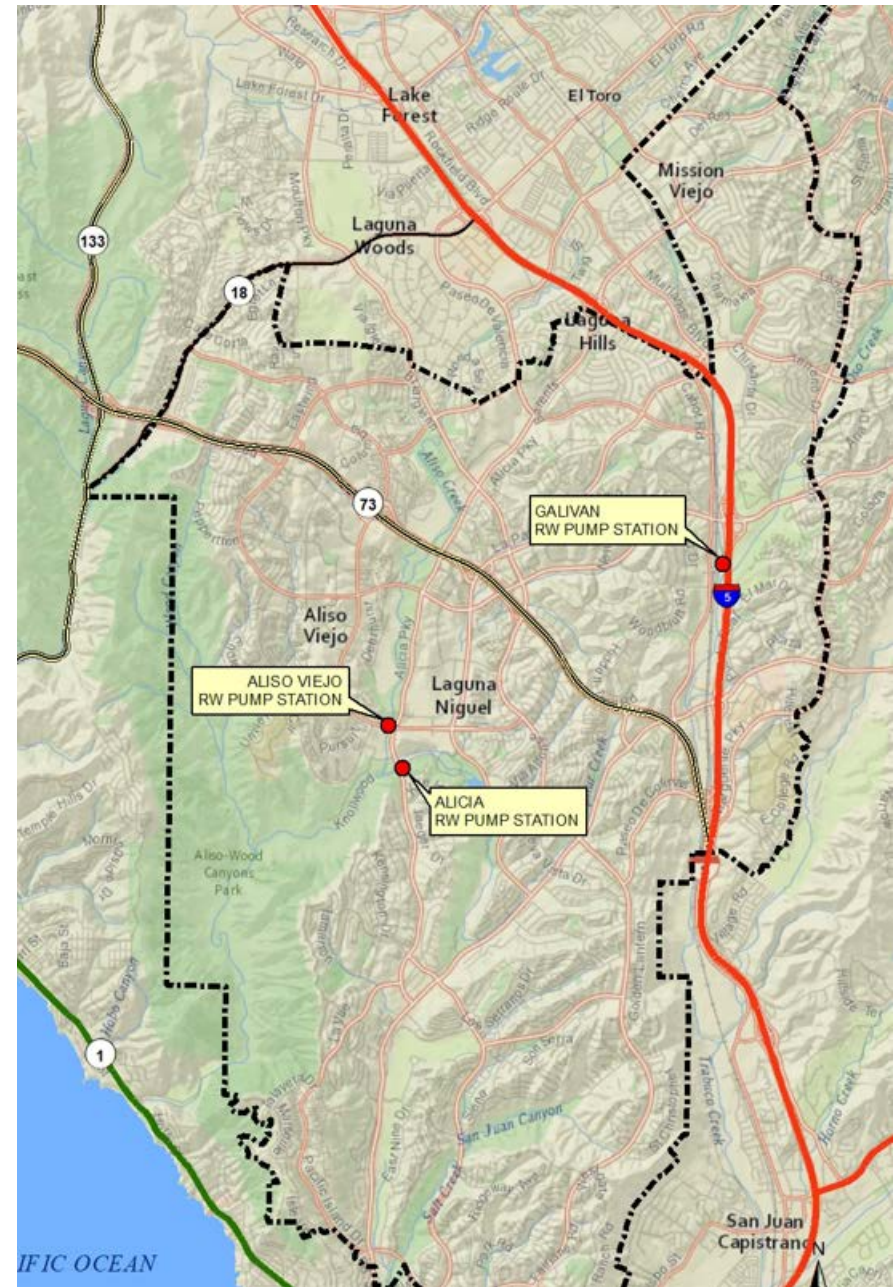
Project Description: Replace meter/main section and MCCs at Alicia, Aliso Viejo, and Galivan Recycled Water Pump Stations. Temporary switchgear for Alicia Recycled Water Pump Station will be required to maintain operation during construction. Variable frequency drives (VFDs) will be installed on pump nos. 1, 2 & 3 at Galivan Recycled Water Pump Station.

Project Need: The noted electrical equipment at these facilities 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	\$300,000
CEQA Compliance	Exempt
Construction Contract	\$1,800,000
Inspection/Utility Fees/Other	\$200,000
Total Project Budget	\$2,300,000



Appurtenance Adjustments For Crown Valley Parkway Widening

Project No: 2018.014

System: Potable

Fund: 7

Project Location: Crown Valley Parkway and Forbes Road, Laguna Niguel

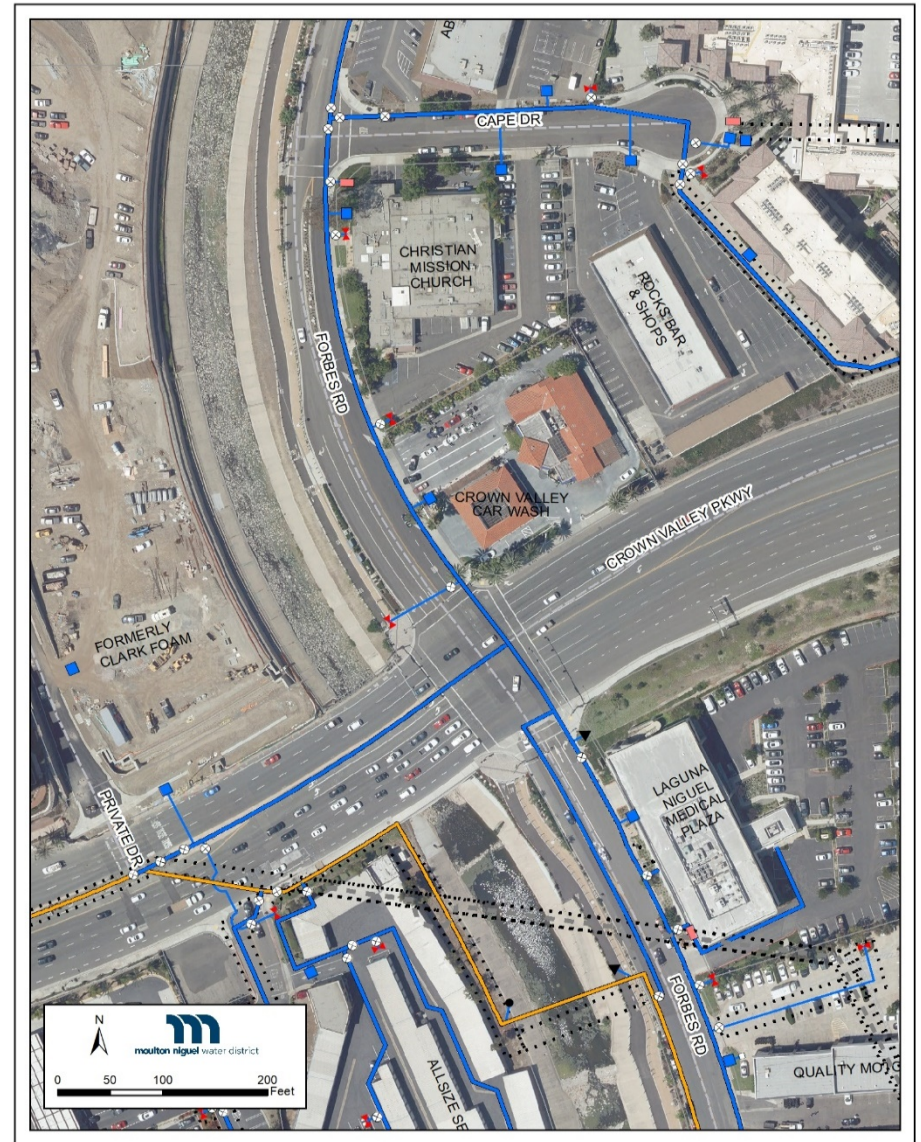
Project Description: Relocate numerous appurtenances in Forbes Road to relocate behind new curb face alignment, as part of the City of Laguna Niguel's Crown Valley Parkway widening project.

Project Need: The City of Laguna Niguel is performing roadway improvements in Crown Valley Parkway and Forbes Road, 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 be protected-in-place.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$40,000
CEQA Compliance/Legal	Exempt
Construction Contract	\$150,000
Inspection/Permits/Other	\$10,000
Total Project Budget	\$200,000



Risk and Resiliency Assessment and Enhancement

Project No: 2019.004

System: Multi-System

Fund: 7

Project Location: All offices and remote locations.

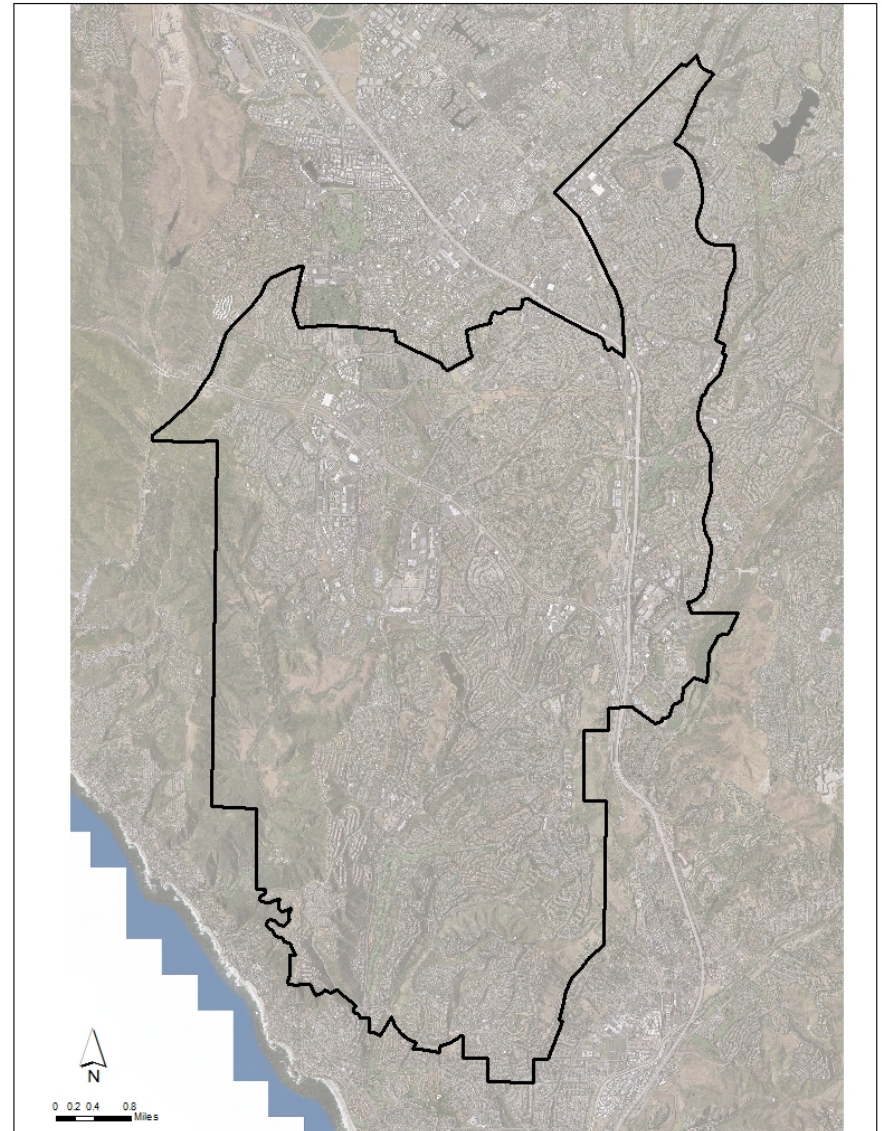
Project Description: Conduct a comprehensive cyber risk assessment and penetration test to identify the effectiveness and resiliency of the District including evaluating current cyber defense tactics. The project also includes identifying opportunities and initiatives for enhancing the District's cybersecurity 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: In Construction

Estimated Project Amount:

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



North Aliso Lift Station Reconstruction

Project No: 2019.007

System: Wastewater

Fund: 7

Project Location: North Aliso Lift Station, Mission Viejo

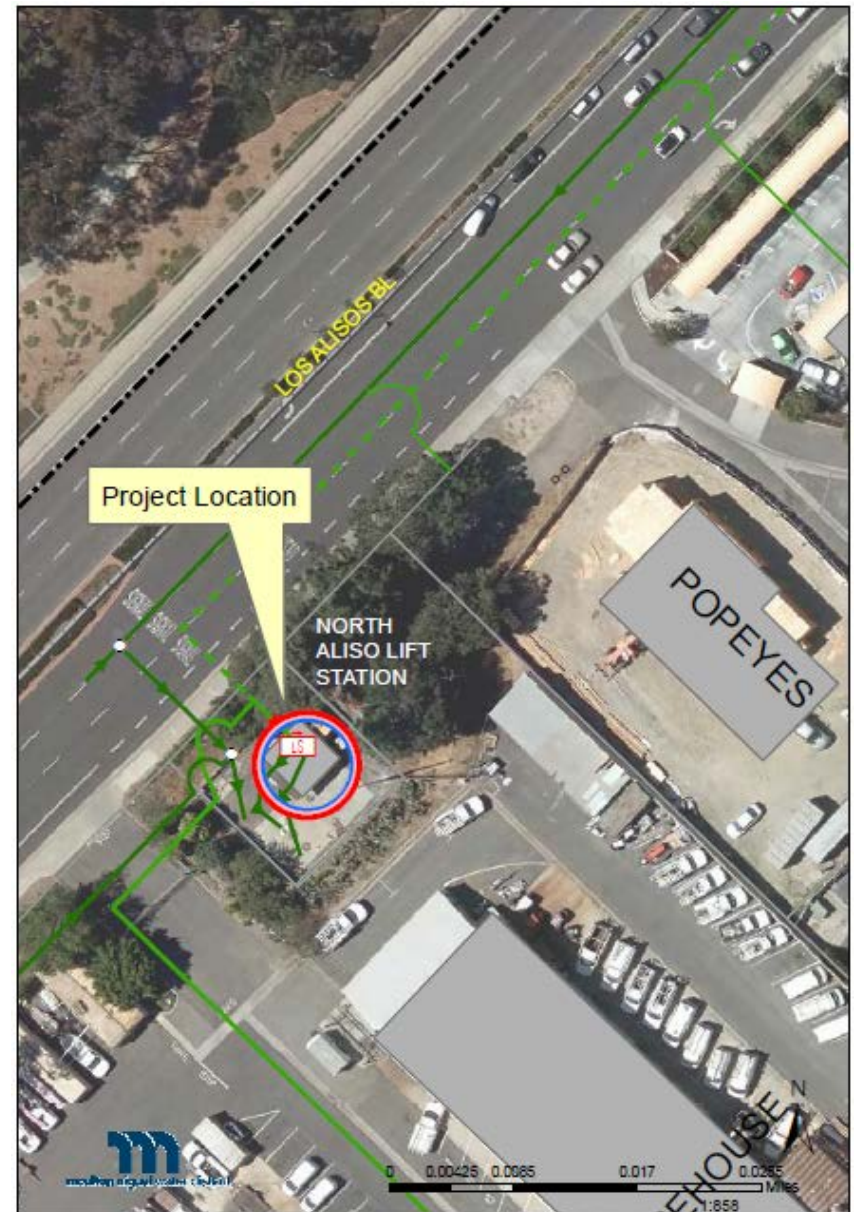
Project Description: Demolish and reconstruct the entire North Aliso Lift Station with a new adequately sized wet well with three (3) submersible pumps. The existing wet well will be repurposed as an overflow basin. The project will also include gravity sewer improvements, a new valve vault with flow 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	\$800,000
CEQA Compliance	Exempt
Construction Contract	\$6,500,000
Specialty Inspection	\$100,000
Inspection/Other	\$50,000
Total Project Budget	\$7,500,000



Reservoir Management System Replacement Phase 4

Project No: 2019.029

System: Potable

Fund: 7

Project Location: El Dorado, La Paz, Rancho Reservoirs, and Saddleback

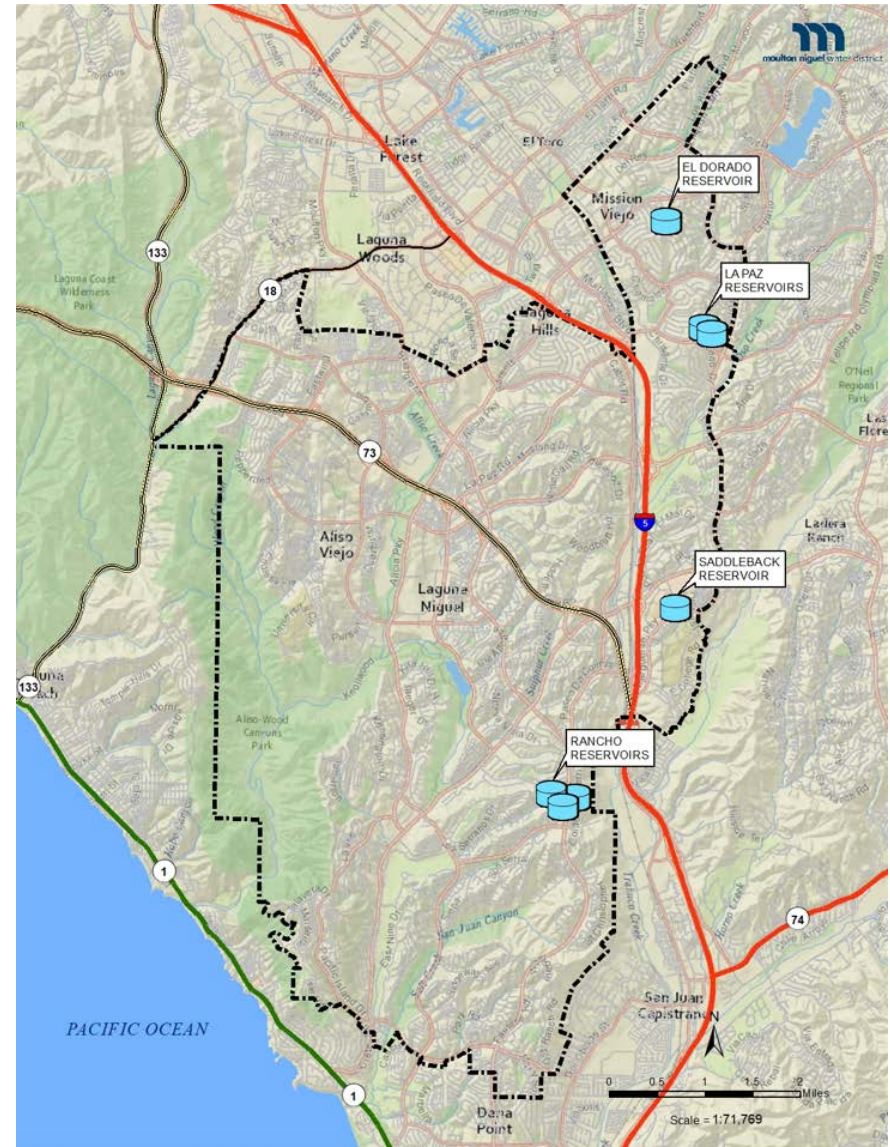
Project Description: Remove existing on-site generation water quality reservoir management systems and protective structures and replace with new water quality reservoir management systems and permanent style buildings. The work will include the installation of liquid sodium hypochlorite and ammonia 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	\$500,000
CEQA Compliance	Exempt
Construction Contract	\$7,600,000
Specialty Inspection	\$600,000
Legal/Permits/Other	\$70,000
Total Project Budget	\$8,770,000



Crown Valley Parkway Transmission Main Lower Reach Replacement

Project No: 2019.037

System: Potable

Fund: 7

Project Location: Crown Valley Parkway, Laguna Niguel

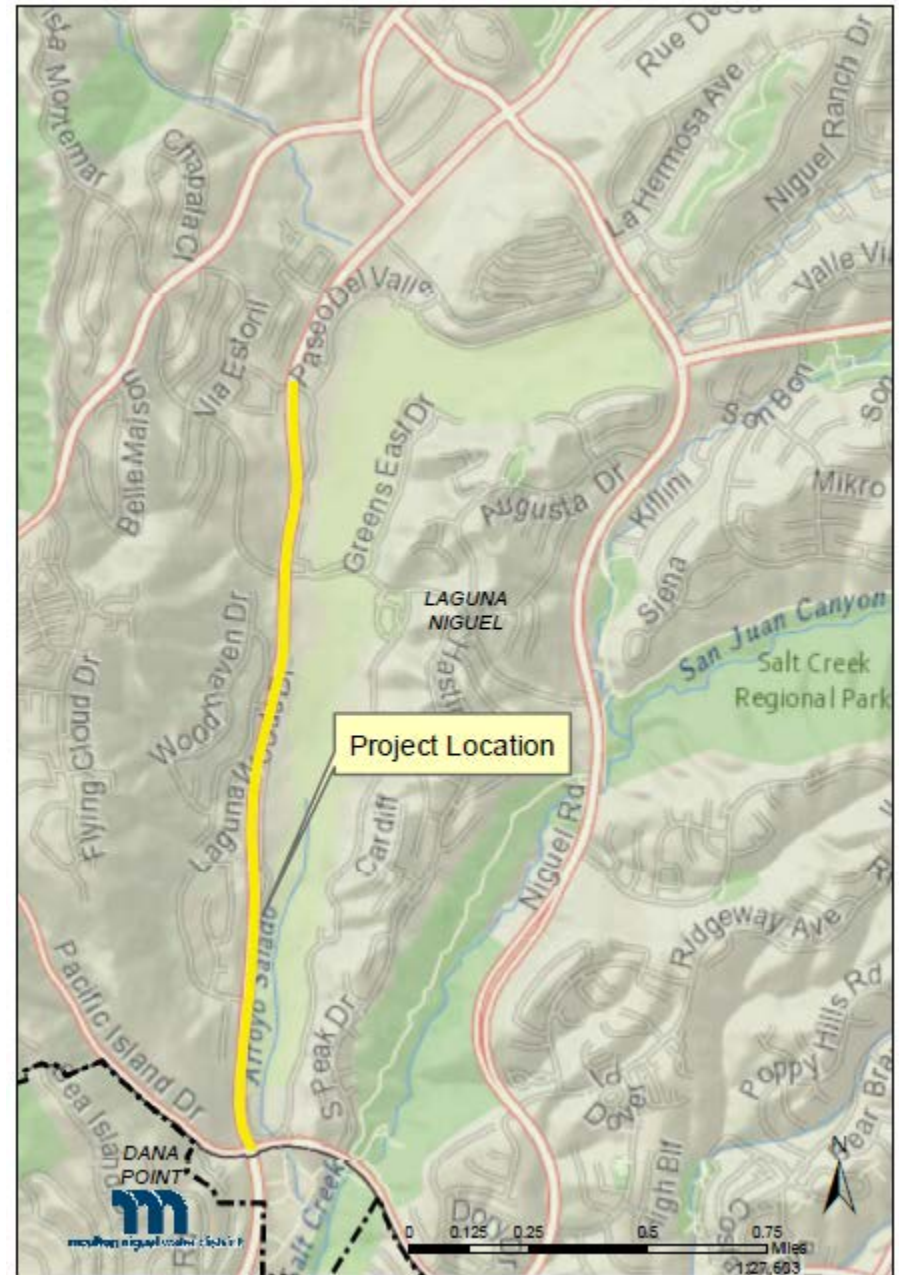
Project Description: Replace the existing 12-inch diameter concrete cylinder transmission main from Camino del Avion/Pacific Island Drive at the south end to approximately Paseo de Niguel at the north end.

Project Need: This 450 pressure zone potable water transmission main was constructed in the 1960s and has required multiple repairs.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$422,400
CEQA Compliance	Included
Construction Contract	\$4,594,954
CM and Inspection	\$342,432
Legal/Permits/Other	\$153,136
Total Project Budget	\$5,512,922



Plant 3A Subsidence Mitigation

Project No: 2019.301

System: Wastewater Treatment

Fund: 7

Project Location: Plant 3A, Mission Viejo

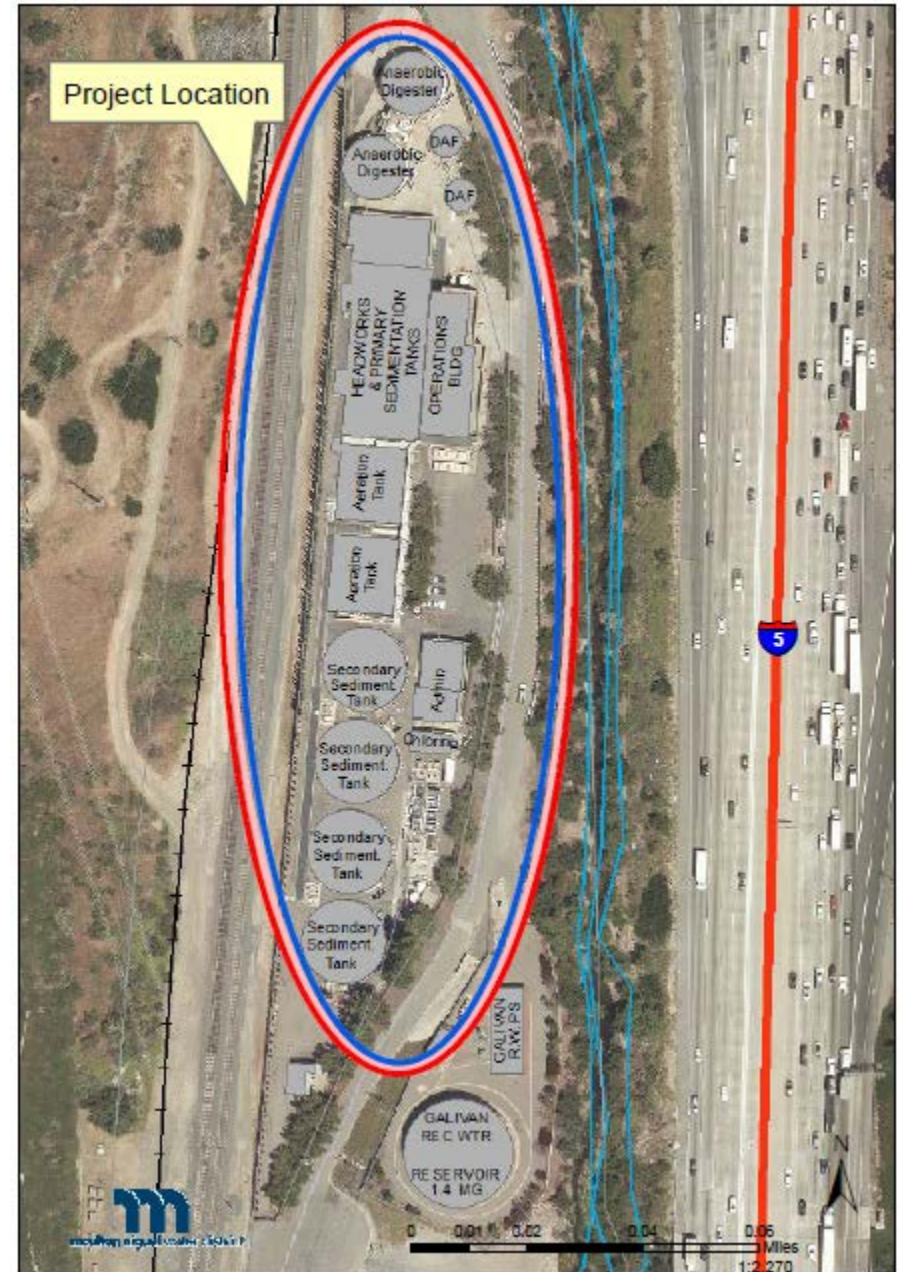
Project Description: Plant 3A requires soil stabilization, site grading, and stormwater drainage improvements for the long-term operation of the facility. This project will remediate backfill around deep structures, improve site drainage, and replace site paving. The project will also remove and replace 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	\$670,000
CEQA Compliance	Exempt
Construction Contract	\$4,250,000
Inspection/Other	\$430,000
Total Project Budget	\$5,350,000



Plant 3A Solids Handling Facilities Improvements

Project No: 2019.302

System: Wastewater Treatment

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	\$3,150,000
CEQA Compliance	Exempt
Construction Contract	\$38,800,000
Inspection/Other	\$3,500,000
Total Project Budget	\$45,450,000



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

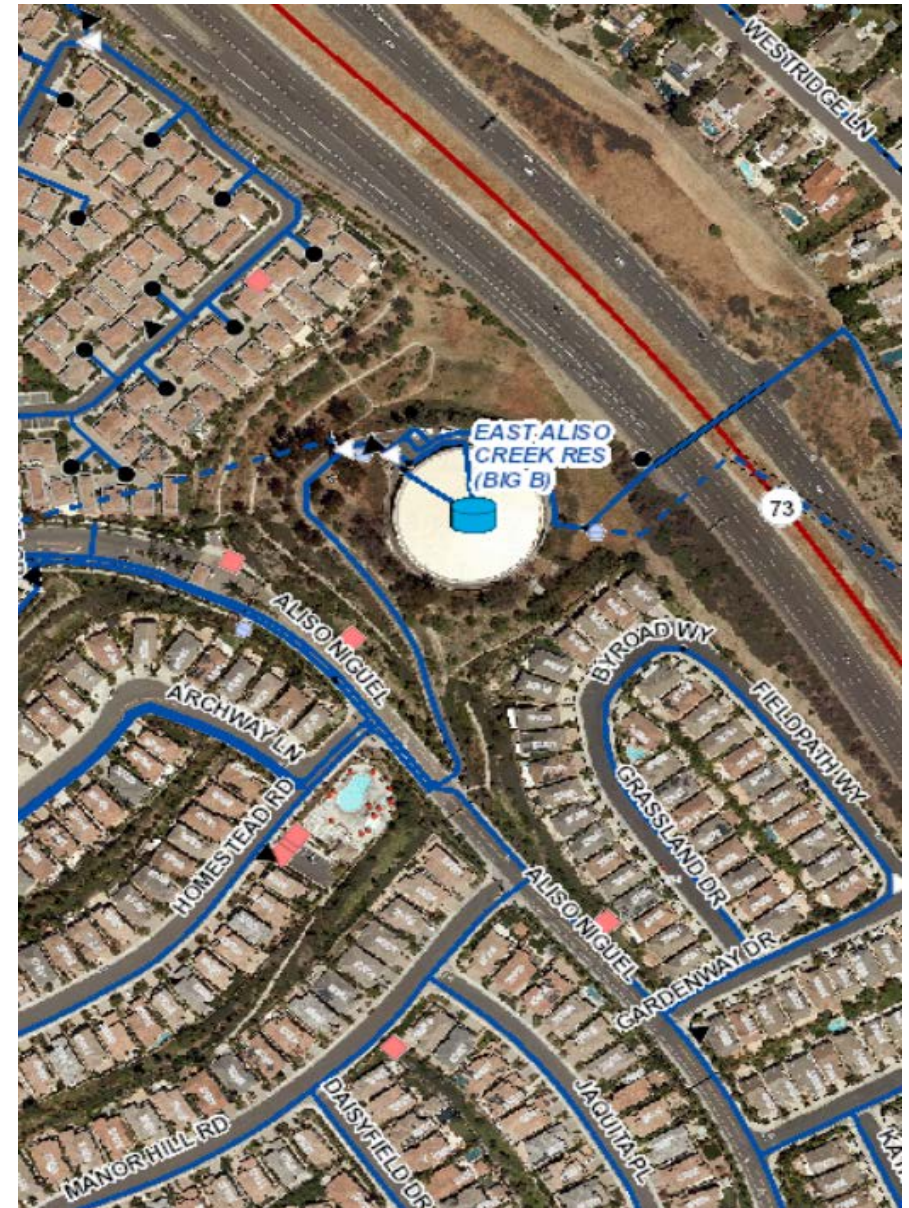
Project Description: Re-configure the inlet and outlet piping for East Aliso Creek Reservoir to include new flexible couplings, new tank isolation valves, shorter pipe runs leading up to the reservoir valve vault, new tank penetrations, and replacement of piping, valves, and appurtenances in the altitude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



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)

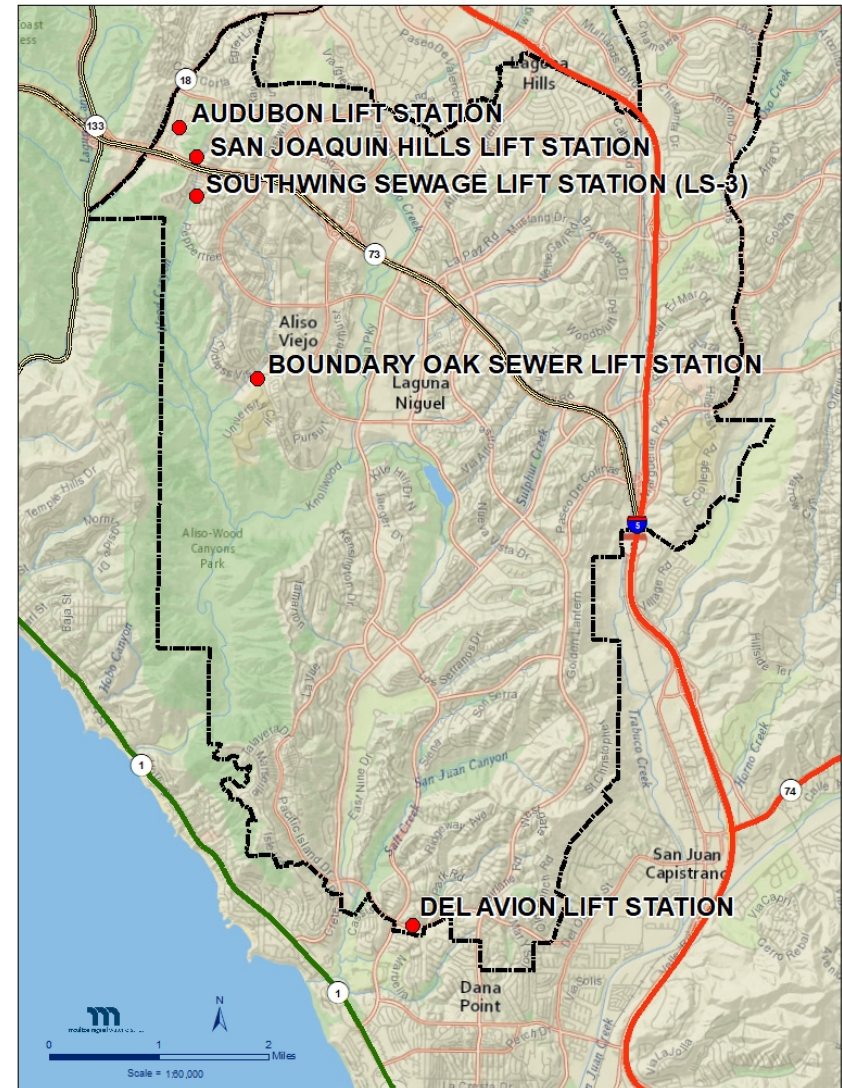
Project Description: Reconfigure and reconstruct the ventilation systems at five sewer lift stations to provide clean air and maintain safe atmospheric conditions within the equipment rooms of the sewage lift stations. New ductwork and ventilation fans are to be installed and configured with air intakes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

Estimated Project Amount:

Item	Estimated Cost
Design	\$100,000
CEQA Compliance	Exempt
Construction Contract	\$1,150,000
Inspection/Other	\$100,000
Total Project Budget	\$1,350,000



Rehabilitation of the Marguerite Reservoir

Project No: 2020.017

System: Potable

Fund: 7

Project Location: Marguerite Reservoir, Mission Viejo

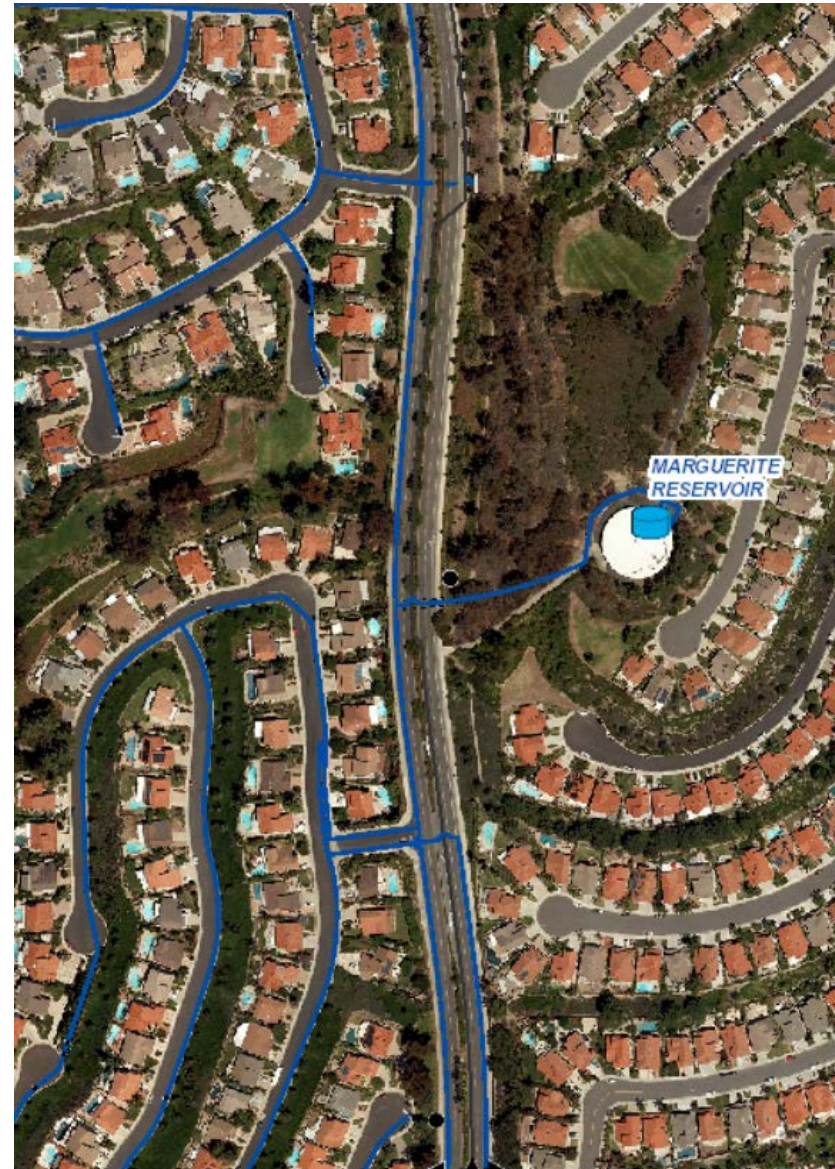
Project Description: Re-coat the interior and exterior of the Marguerite Reservoir. The project also includes structural and corrosion rehabilitation, tank operation and safety improvements, and installation of a cathodic protection system.

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

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$40,000
CEQA Compliance	Exempt
Construction Contract	\$900,000
Specialty Inspection	\$55,000
Legal/Permits/Other	\$5,000
Total Project Budget	\$1,000,000



Aliso Creek Lift Station Rehabilitation

Project No: 2021.011

System: Wastewater

Fund: 7

Project Location: Aliso Creek Lift Station, Aliso Viejo

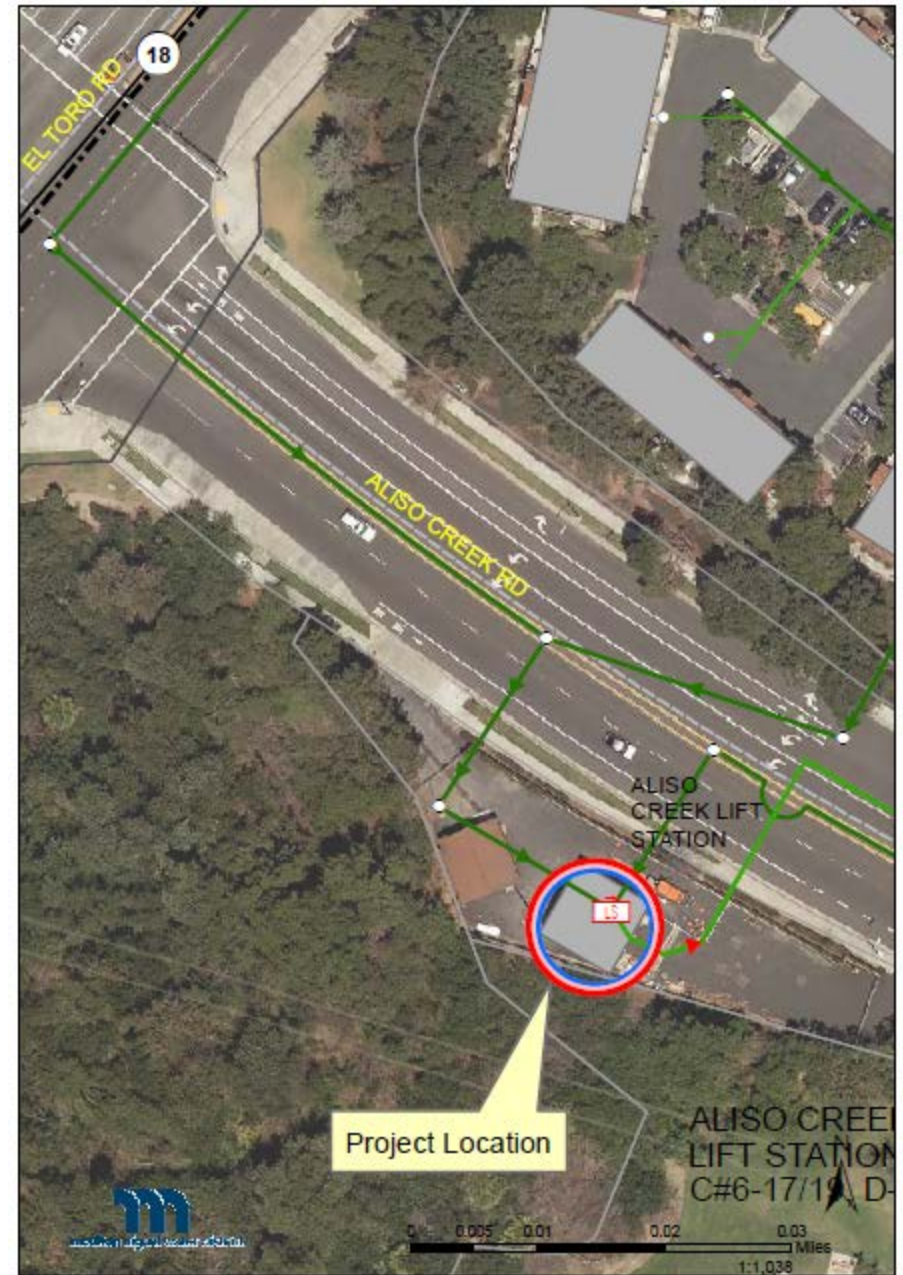
Project Description: Rehabilitate the Aliso Creek Lift Station in its entirety, including gravity sewer improvements to allow for isolation of the wet well; wet well rehabilitation, mechanical equipment replacements, electrical system replacements, instrumentation system replacements, and sitework restoration. 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	\$850,000
CEQA Compliance	Exempt
Construction Contract	\$5,500,000
CM and Specialty Inspection	\$100,000
Legal/Permit/Other	\$50,000
Total Project Budget	\$6,500,000



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)

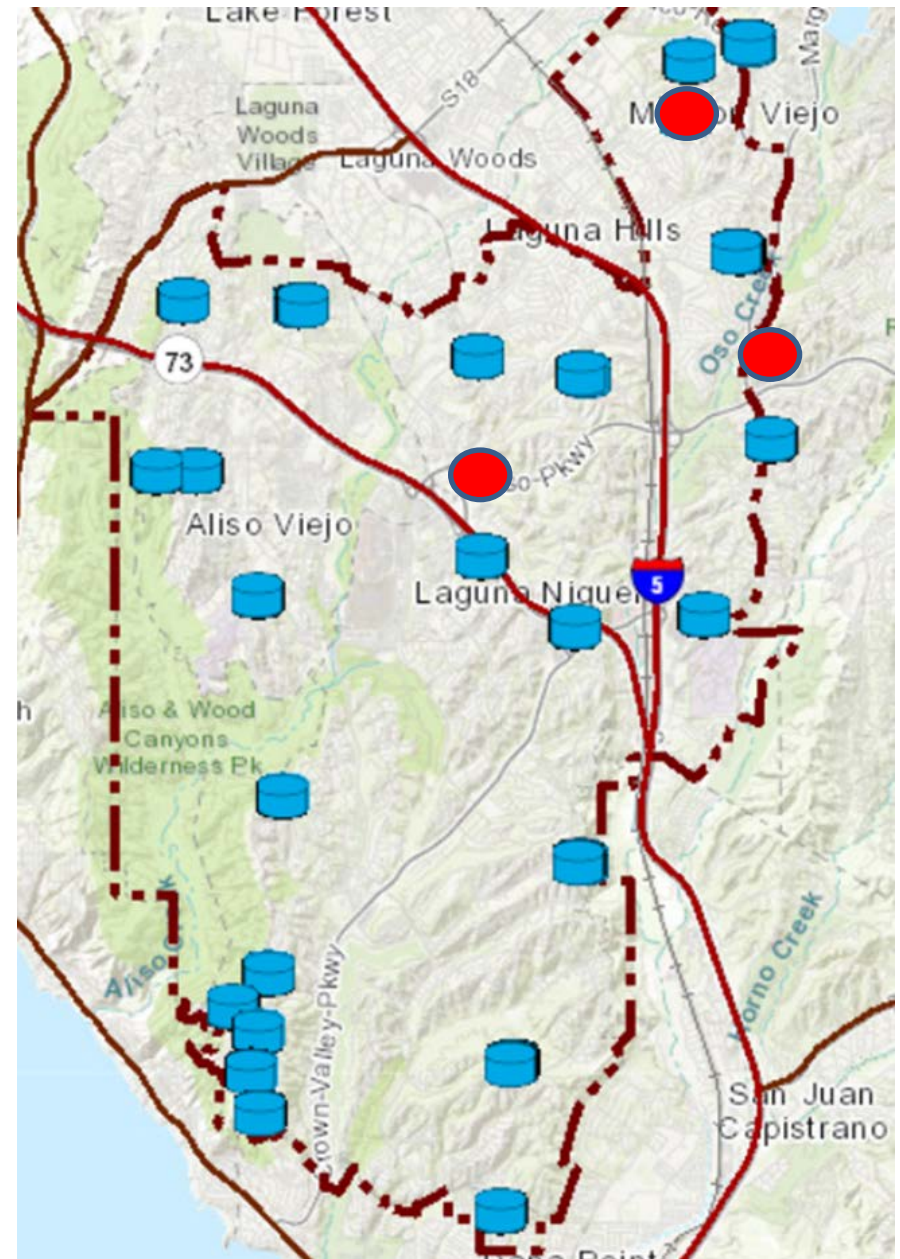
Project Description: Improve soils to prevent further subsidence at the sites.

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

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$140,000
CEQA IS/MND	Exempt
Construction Contract	\$260,000
Total Project Budget	\$400,000



Plant 3A Odor Control System Evaluation and Rehabilitation

Project No: 2021.301

System: Wastewater Treatment

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: In Design

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



2022-23 Valve Replacement – PW

Project No: 2022.001

System: Potable

Fund: 7

Project Location: Various

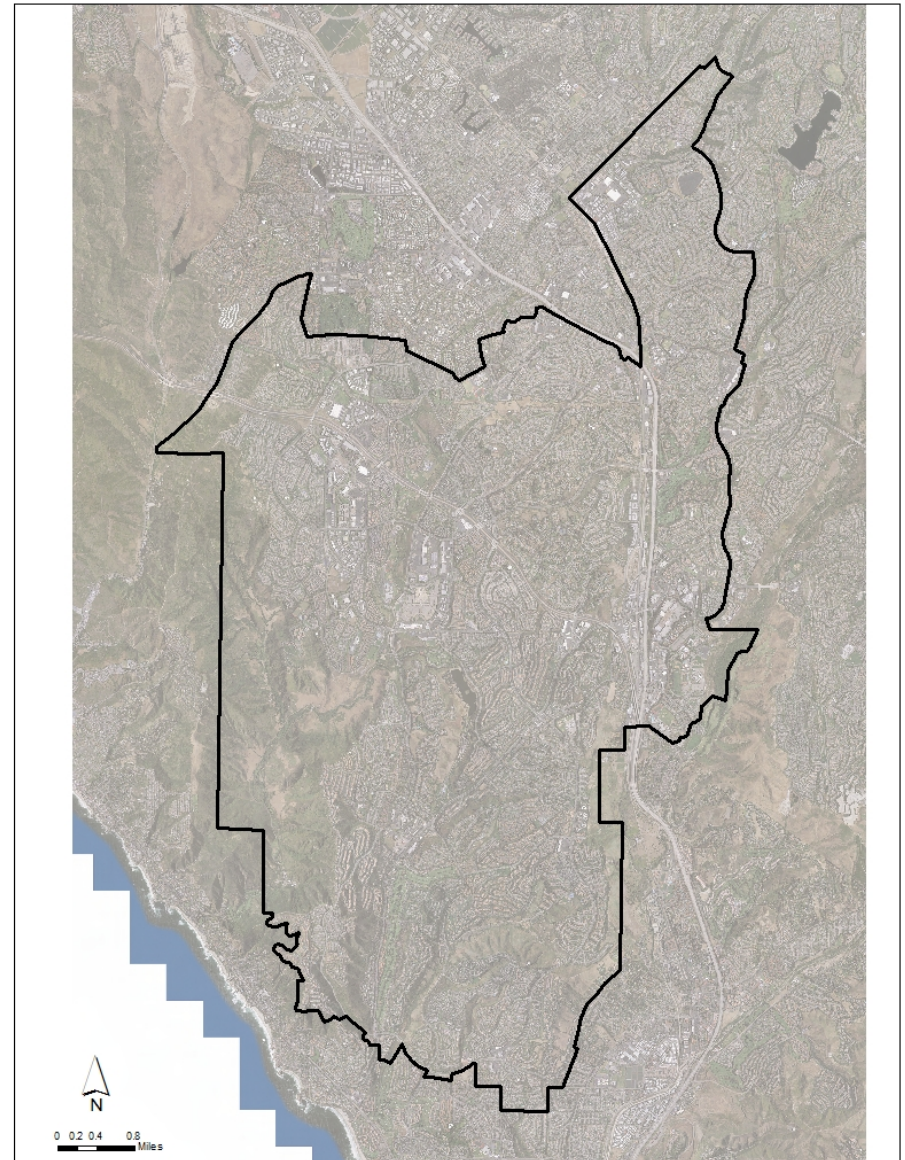
Project Description: Replace existing in-line valves.

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 Construction

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



2022-23 Pressure Reducing Station Rehabilitation – PW

Project No: 2022.010

System: Potable

Fund: 7

Project Location: Via Napoli, Laguna Niguel

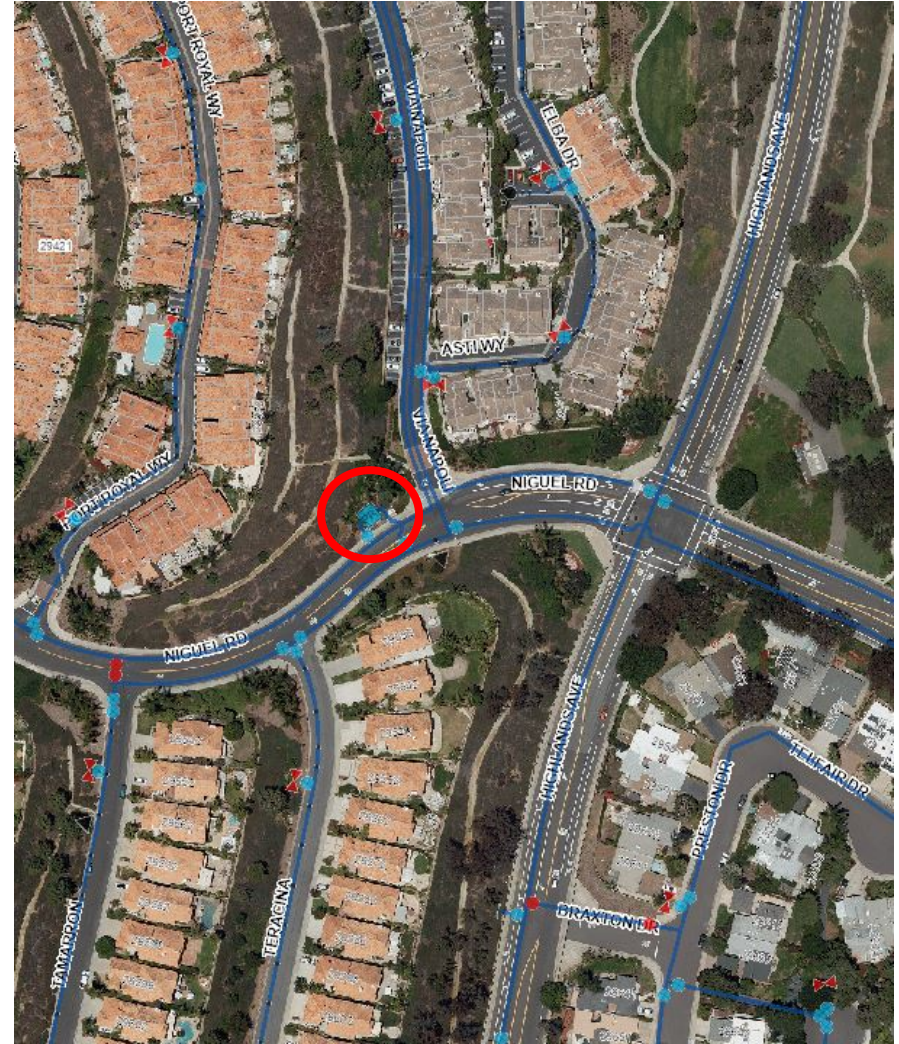
Project Description: Rehabilitate the structure as required and replace the pressure reducing station valves, mechanical equipment and appurtenances that have reached the end of their useful lives. Project will also include the abandonment of three (3) inactive pressure reducing stations (Catamaran,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

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 Pressure Reducing Station Rehabilitation – RW

Project No: 2022.011

System: Recycled

Fund: 7

Project Location: Los Alisos PRS, Mission Viejo

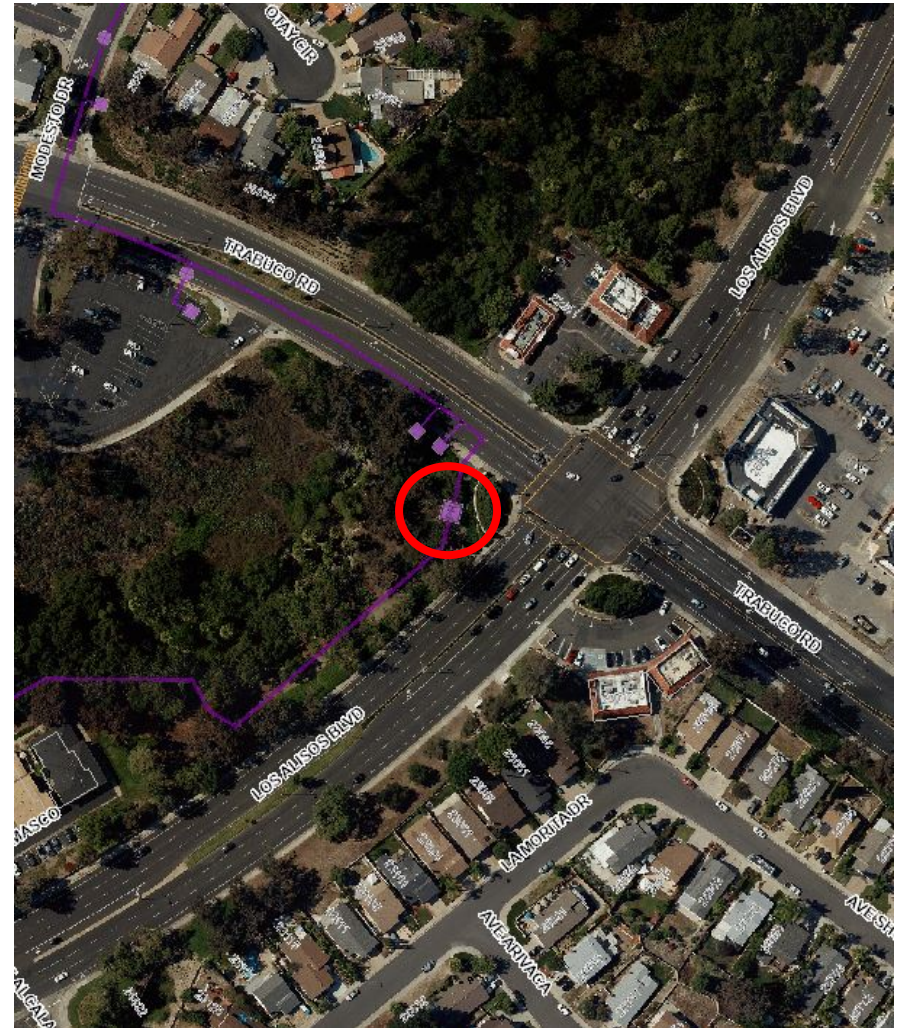
Project Description: Rehabilitate the structure as required and replace the pressure reducing station valves, mechanical equipment and appurtenances that have reached the end of their useful lives.

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: In Design

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



Billing System Upgrade

Project No: 2022.014

System: Multi-System

Fund: 7

Project Location: N/A

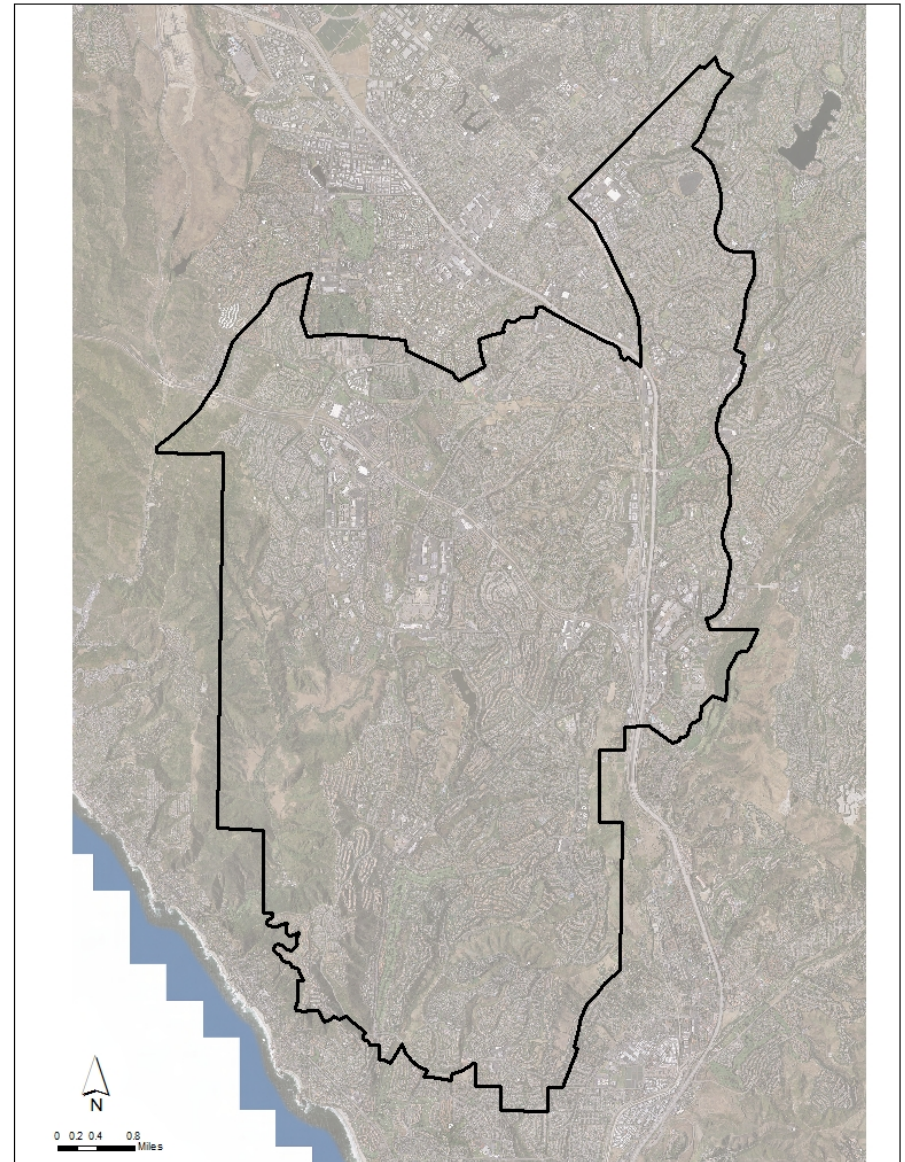
Project Description: Conduct a comprehensive analysis of the current billing system, review the District's billing needs and workflows related to billing, and propose a new solution that will meet the long-term needs of the District. The project includes an implementation phase for selecting, procuring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

Project Need: The District has been using Utiligy 360 from Denovo as its 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: In Design

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: 2022.015

System: Multi-System

Fund: 7

Project Location: N/A

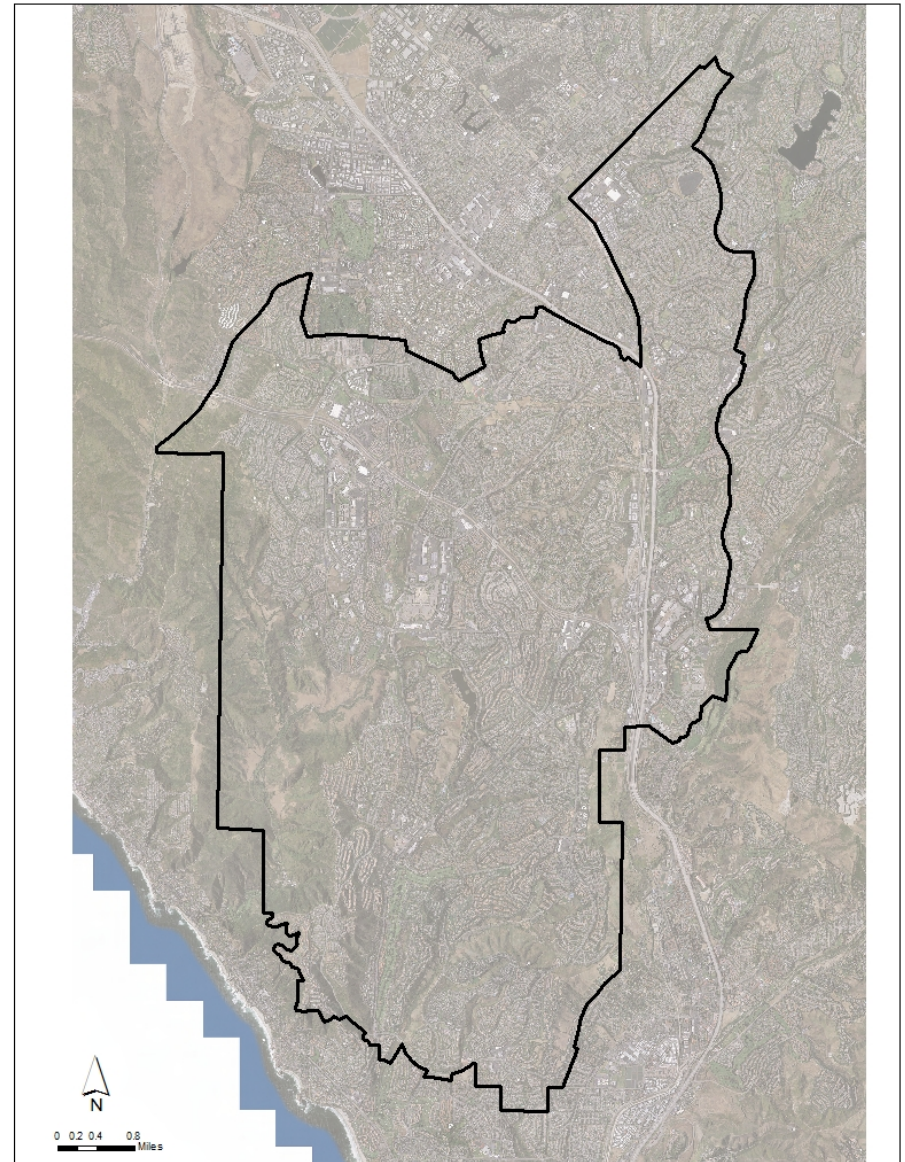
Project Description: Phase II of the Computerized Maintenance Management System (CMMS) Implementation with District workgroups, transitioning final workgroups to the new CMMS that will benefit from workorder management, and enable integrations with JDE to support these workflows.

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: In Construction

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance Implementation	Exempt \$313,750
Total Project Budget	\$313,750



SCADA Communications Pole Replacements

Project No: 2022.018

System: Multi-System

Fund: 7

Project Location: Various

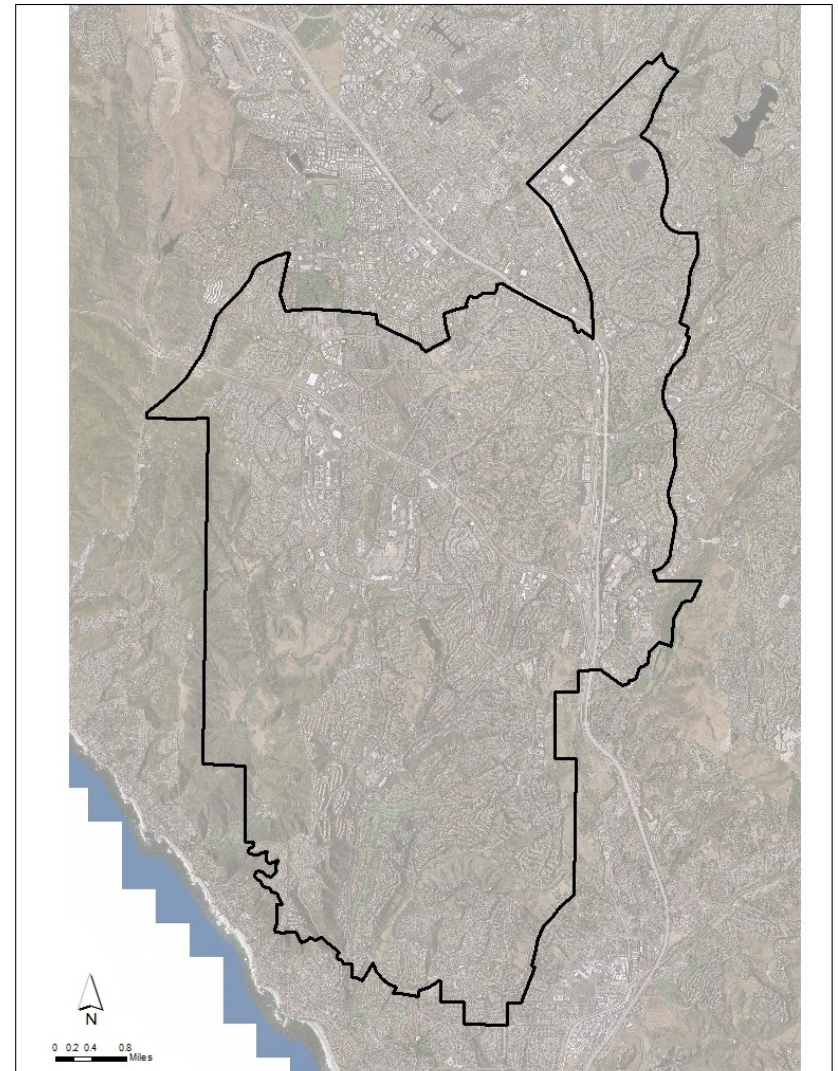
Project Description: Perform radio survey and install new monopoles at or near Big Niguel Pump Station, Del Avion Lift Station, Saddleback Recycled Pump Station, and Rancho Underground Pump Station. Relocate existing Rajant antennas to new monopoles.

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

Project Status: In Design

Estimated Project Amount:

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



Upper Boundary Oak Lift Station Auxiliary Generator Replacement

Project No: 2022.020

System: Wastewater

Fund: 7

Project Location: Upper Boundary Oak Lift Station, Aliso Viejo

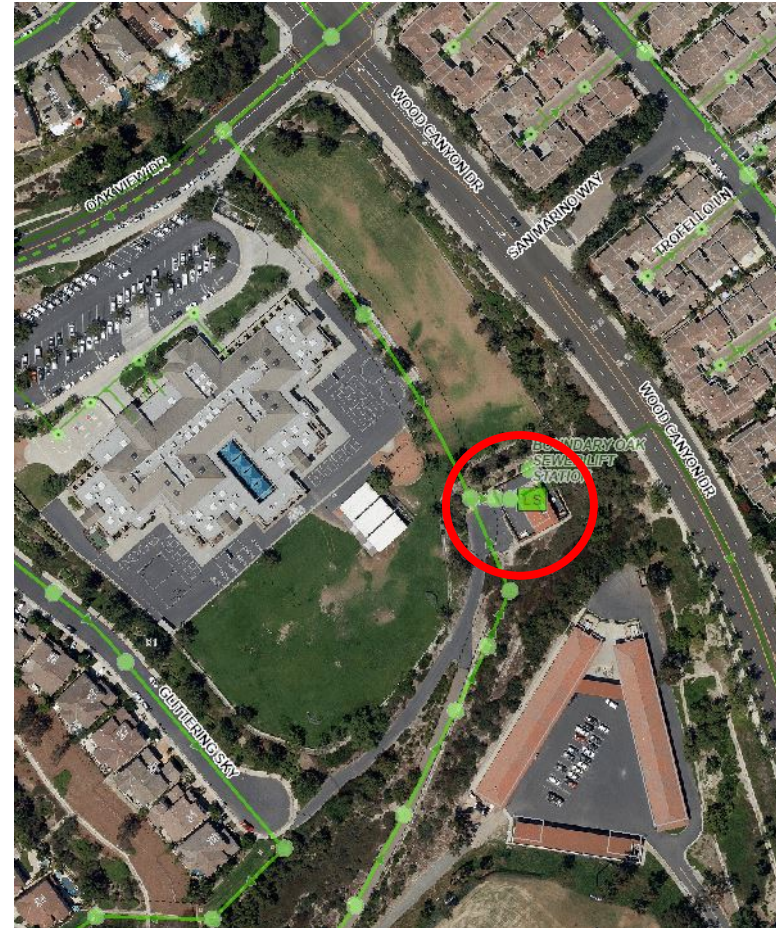
Project Description: Remove and replace the existing backup generator with a new auxiliary diesel generator.

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

Project Status: In Design

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



Broadmoor Pump Station Refurbishment

Project No: TBD

System: Potable

Fund: 7

Project Location: Broadmoor Pump Station, Laguna Niguel

Project Description: Refurbish the Broadmoor Pump Station in its entirety, including replacement of the mechanical equipment, electrical equipment, roof, stucco walls, door, and site fencing.

Project Need: The Broadmoor Pump Station is currently an inactive facility. The facility will be refurbished and placed back into service to provide additional operational redundancy and resiliency.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$40,000
CEQA Compliance	Exempt
Construction Contract	\$500,000
Inspection/Other	\$10,000
Total Project Budget	\$550,000



Plant 3A Liquids Handling Facilities Improvements

Project No: 2022.301

System: Wastewater Treatment

Fund: 7

Project Location: Plant 3A, Mission Viejo

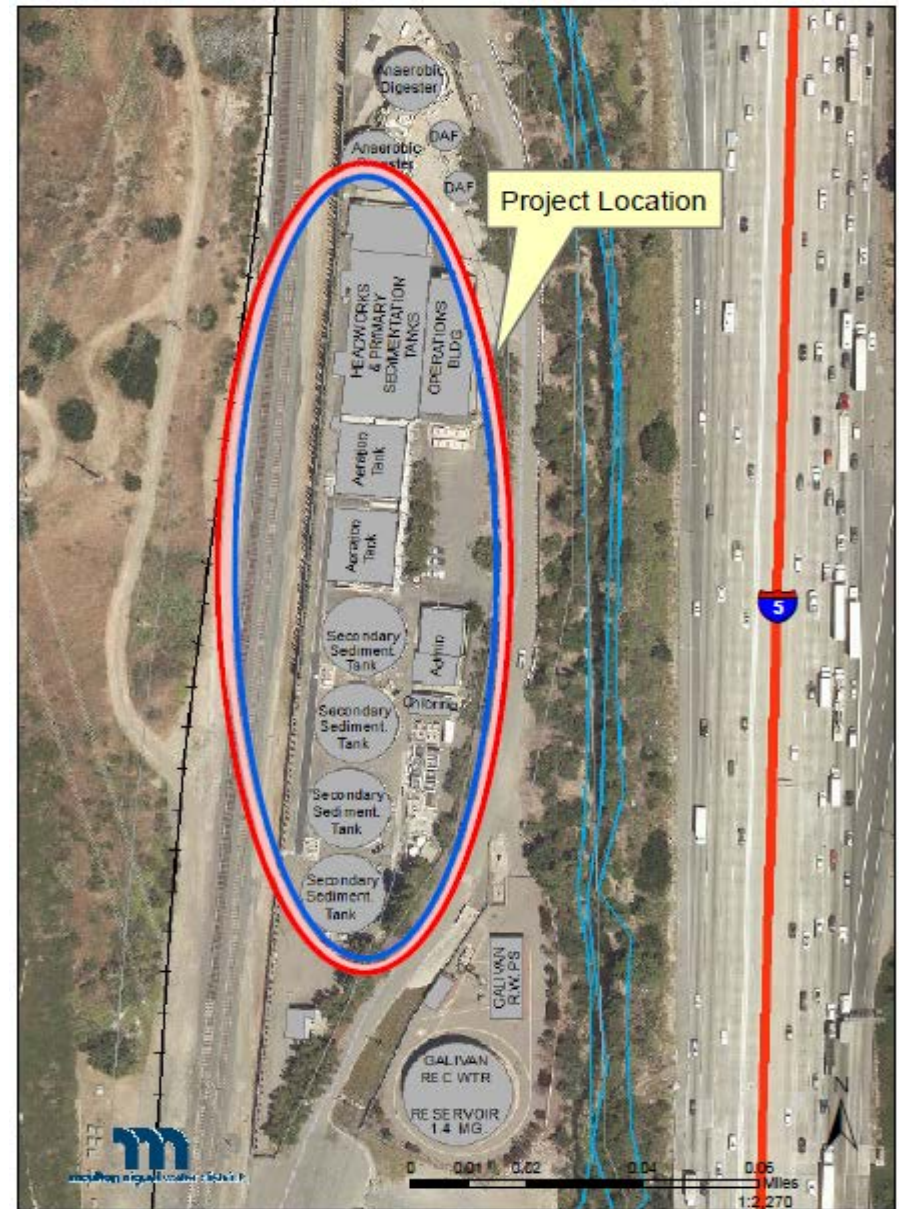
Project Description: This project will rehabilitate and re-establish the desired level of service and redundancy for the liquid stream treatment facilities, including: Headworks/Preliminary Treatment, Primary Treatment, Secondary Treatment, Tertiary Treatment, Salinity Control Facility, and Odor Control System. 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. In addition, high total dissolved solids in the recycled water requires salinity management.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$3,000,000
CEQA Compliance	Exempt
Construction Contract	\$19,000,000
Inspection/Other	\$2,500,000
Total Project Budget	\$24,500,000



Regional Treatment Plant AWT Filter System Improvements

Project No: 2022.501

System: Wastewater Treatment

Fund: 7

Project Location: Regional Treatment Plant (RTP), Laguna Niguel

Project Description: Complete a comprehensive rehabilitation of the existing filter system and retrofit the concrete filter basins with a modern disk-filter system. Install new backwash system pressure reducing valves and other new system valves, replace mud well pump system, replace chlorine contact chamber slide gates.

Project Need: The existing filter system at the Regional Treatment Plant (RTP) Advanced Water Treatment (AWT) facility was constructed in 1995. Many of the system components are corroded and in need of replacement. This project will make system improvements to ensure reliable production and availability of recycled water for the District's customers.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$250,000
CEQA Compliance	Exempt
Purchases and Installation	\$3,400,000
Inspection / Other	\$100,000
Total Project Budget	\$3,750,000



2023-24 Operations-Led Capital Improvements - Multi-System

Project No: 2023.000

System: Multi-System

Fund: 7

Project Location: Various

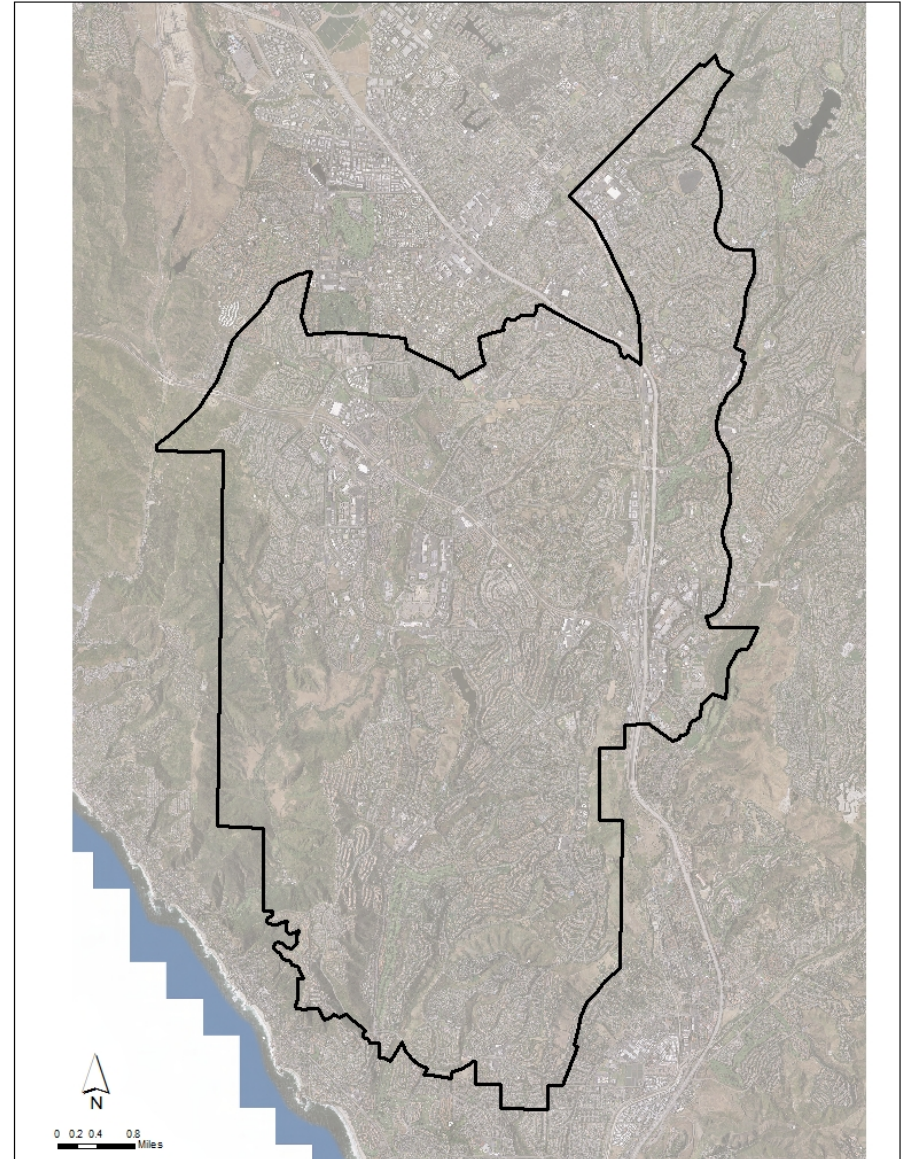
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, 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	\$300,000
Total Project Budget	\$300,000



2023-24 Valve Replacement – PW

Project No: 2023.001

System: Potable

Fund: 7

Project Location: Various

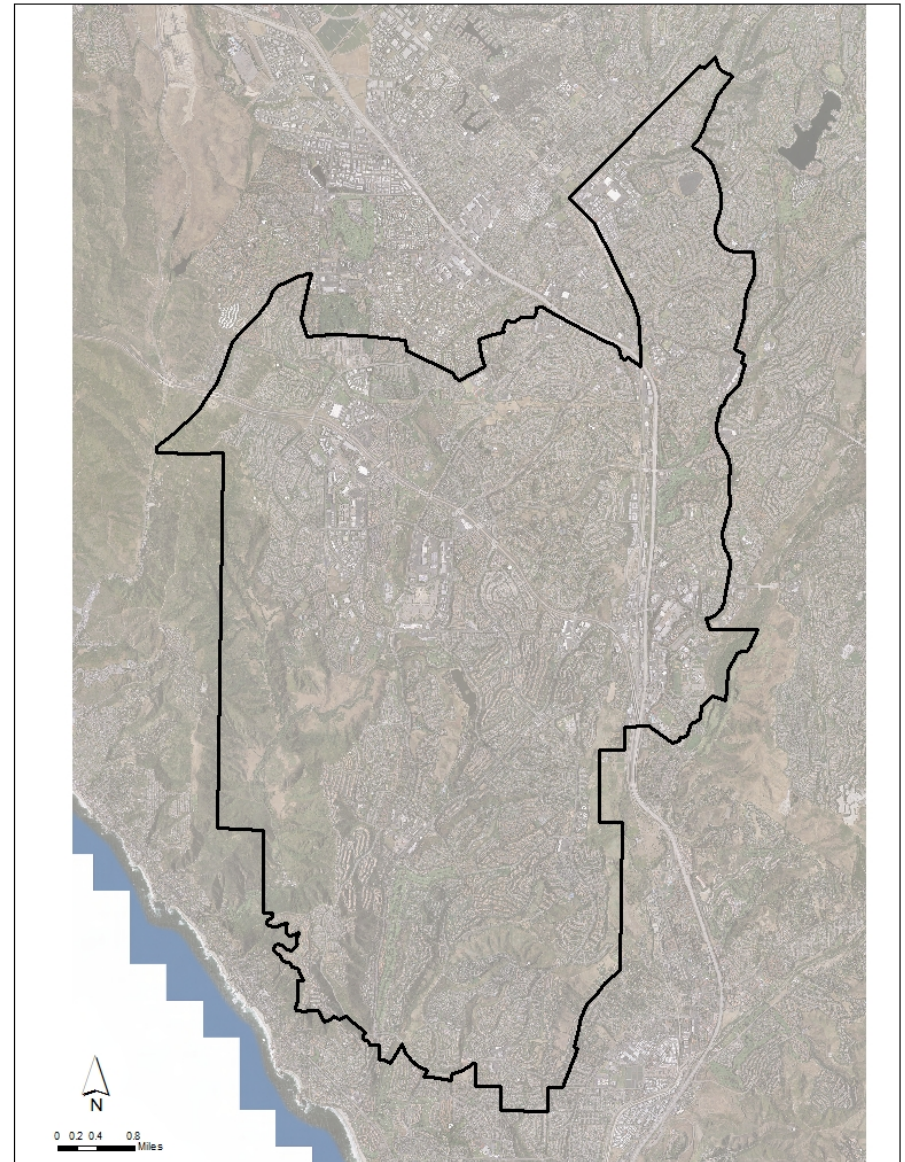
Project Description: Replace existing in-line valves.

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 Construction

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction by District	\$1,100,000
Total Project Budget	\$1,100,000



2023-24 Valve Replacement – RW

Project No: TBD
System: Recycled
Fund: 7

Project Location: Various

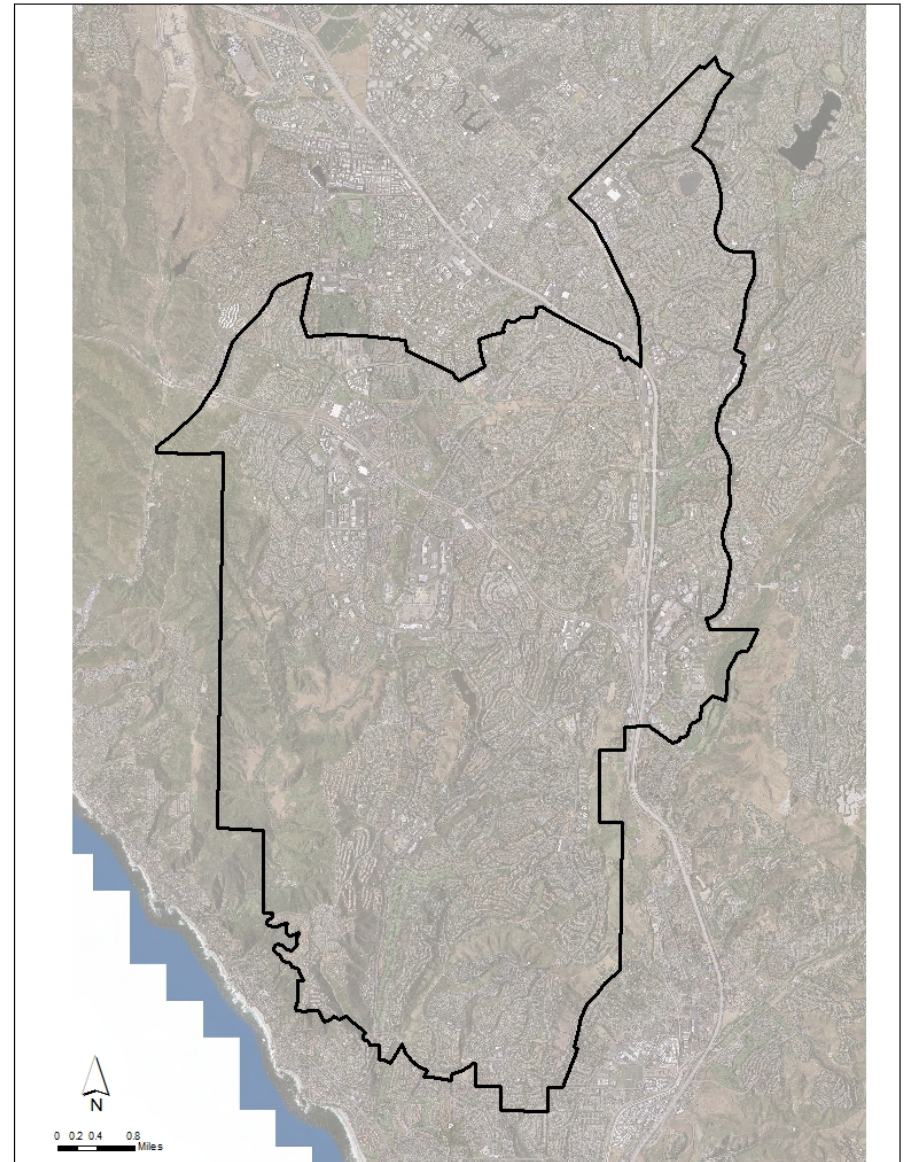
Project Description: Replace existing pipeline valves.

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



2023-24 Meter Replacement – PW

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

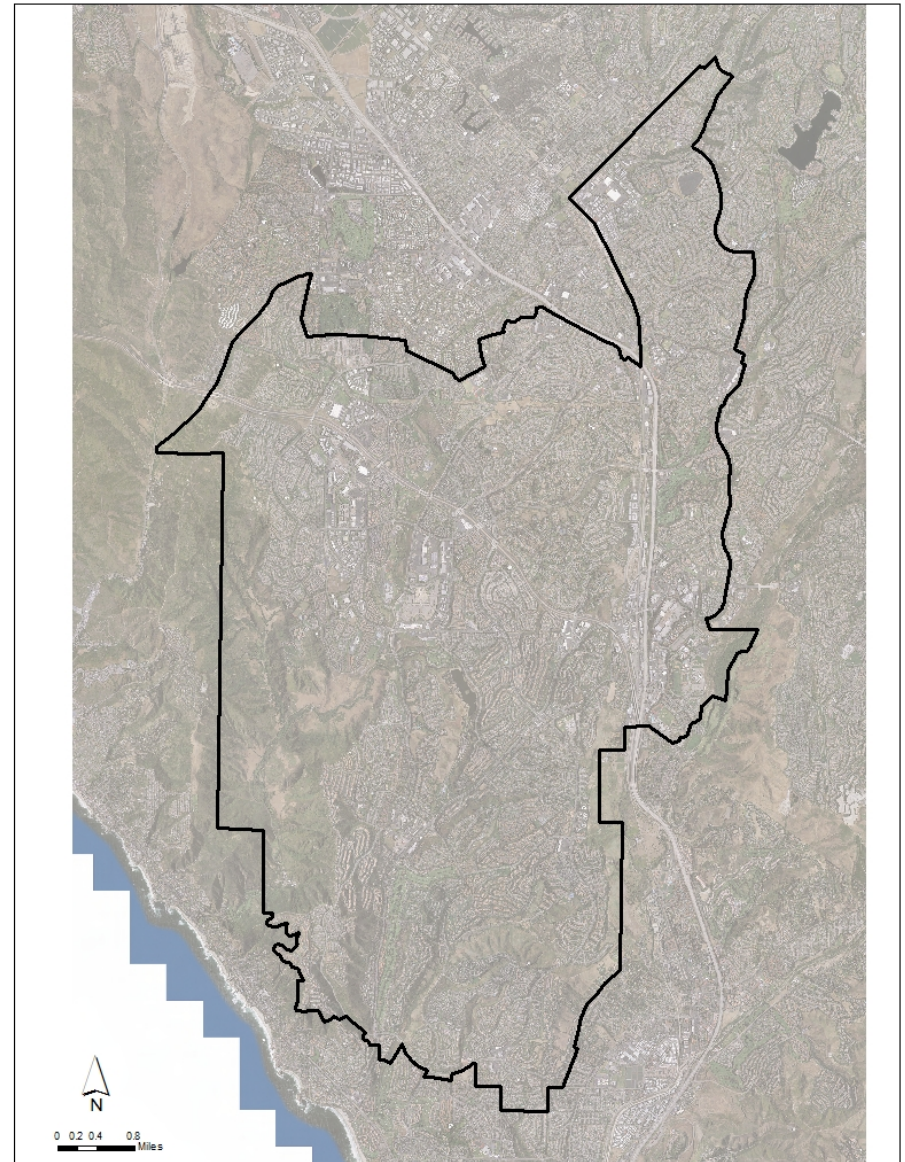
Project Description: Replace existing meters.

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	\$1,250,000
Total Project Budget	\$1,250,000



2023-24 Meter Replacement – RW

Project No: TBD
System: Recycled
Fund: 7

Project Location: Various

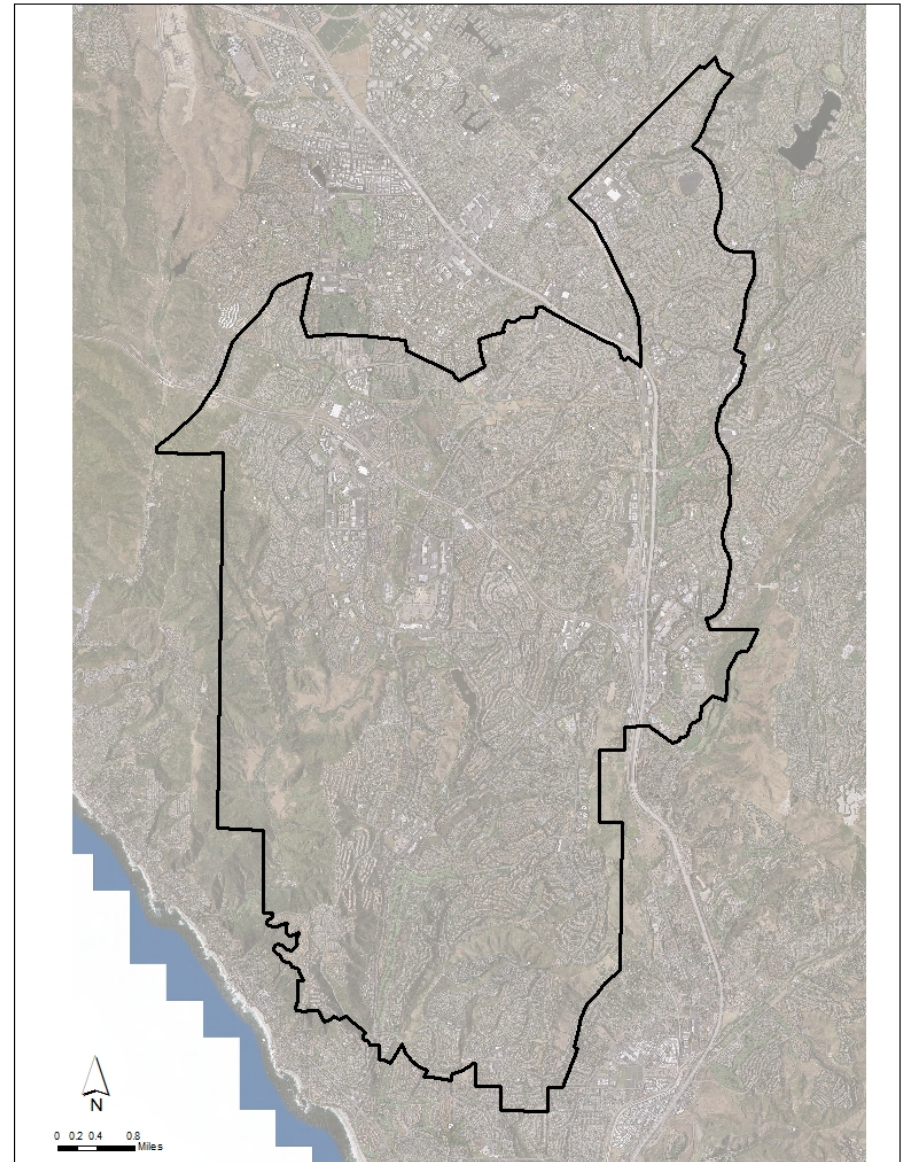
Project Description: Replace existing recycled water meters.

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



2023-24 Service Line Replacement – PW

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

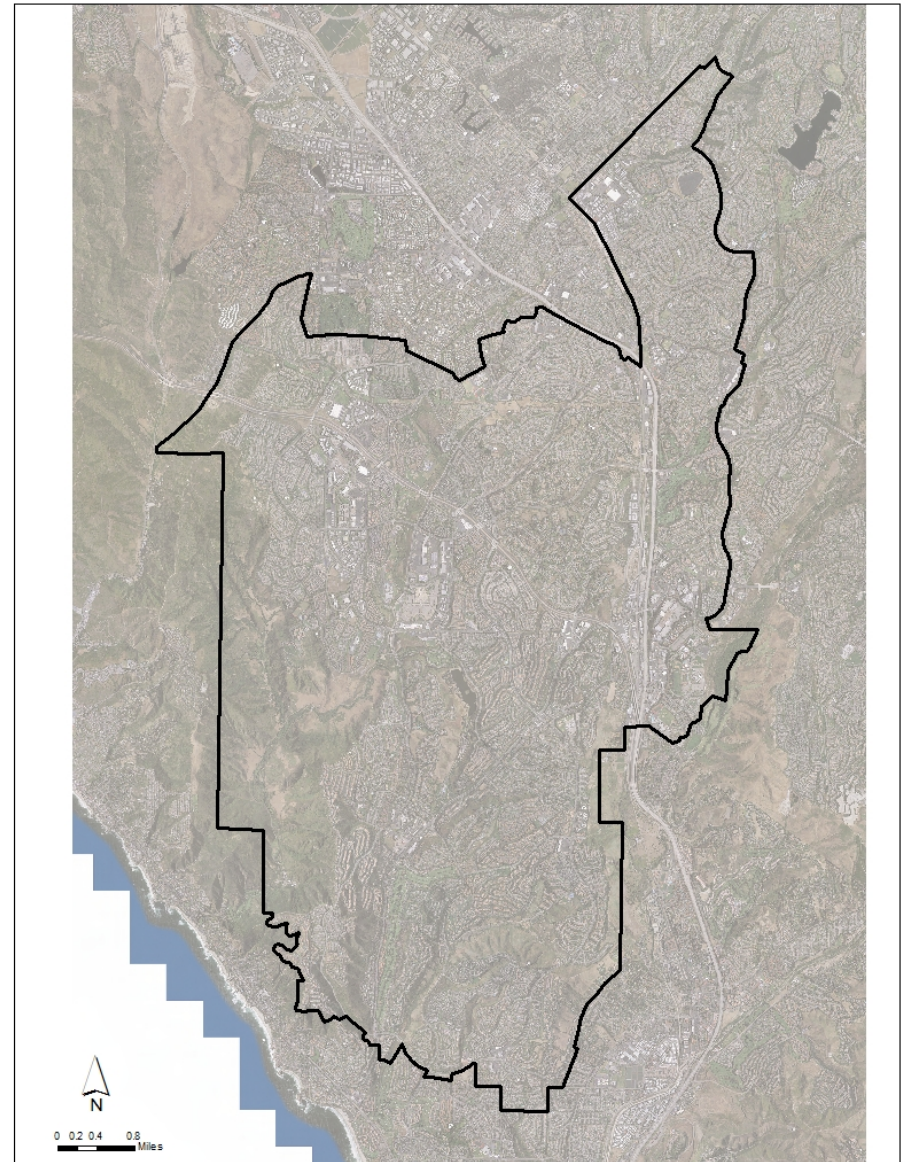
Project Description: Replace existing service lines.

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	\$1,000,000
Construction by District	\$1,500,000
Total Project Budget	\$2,500,000



2023-24 Service Line Replacement – RW

Project No: TBD
System: Recycled
Fund: 7

Project Location: Various

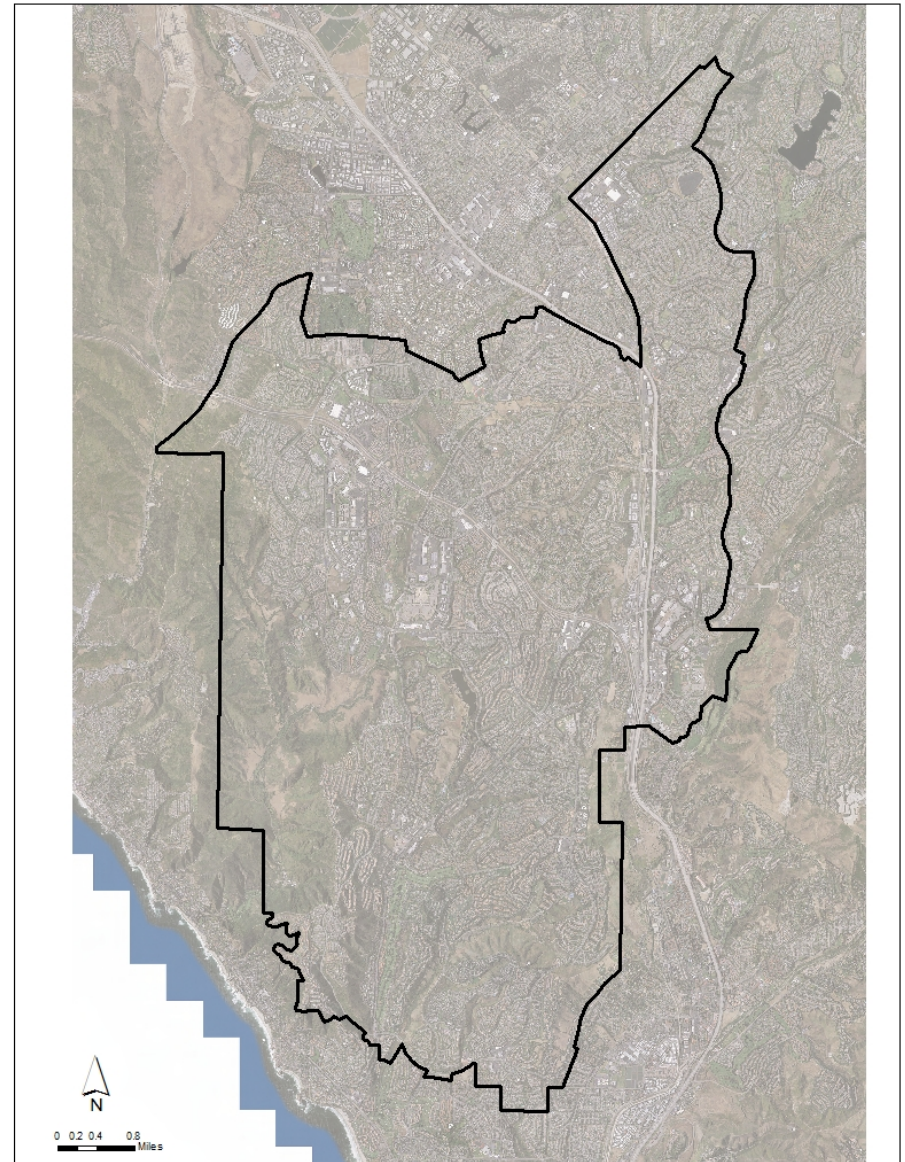
Project Description: Replace existing service lines.

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



2023-24 Fire Hydrant Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

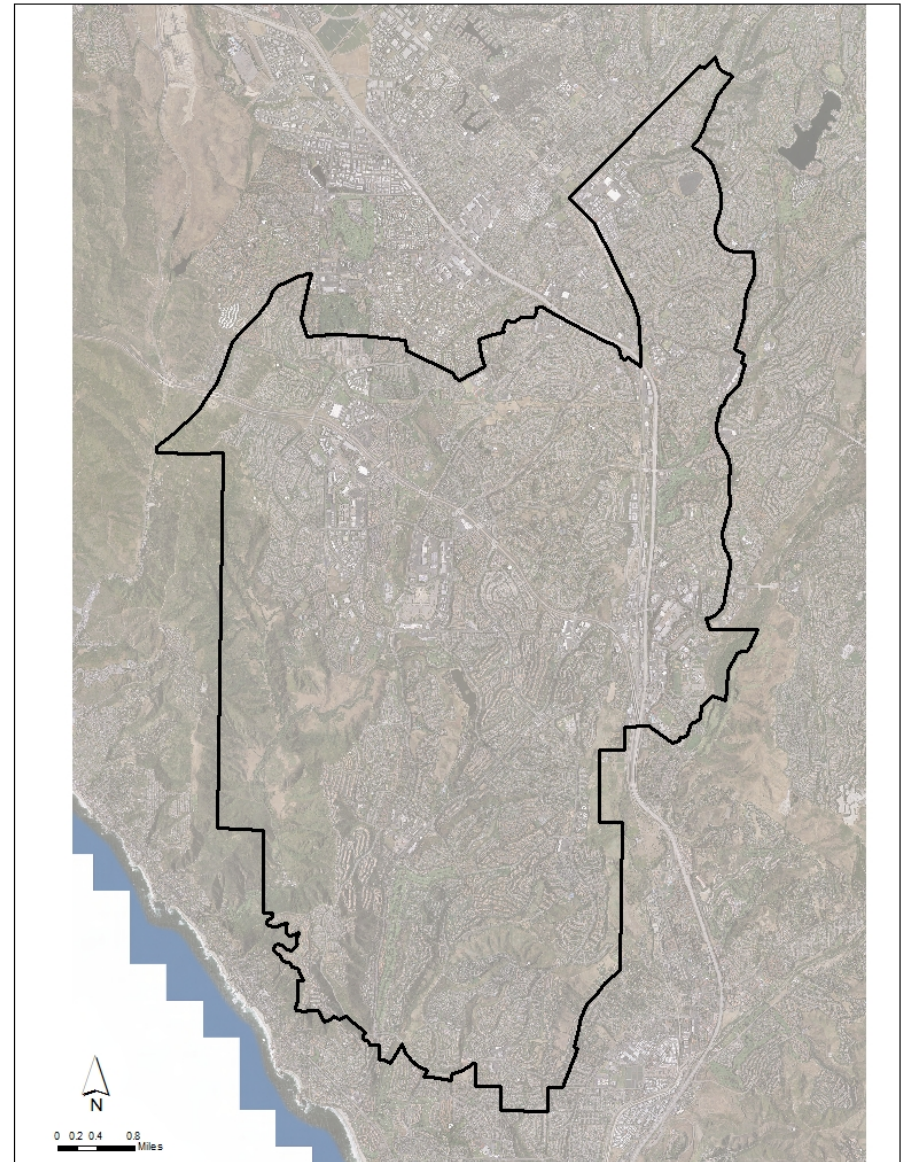
Project Description: Replace existing fire hydrants.

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



2023-24 Manhole Rehabilitation

Project No: TBD

System: Wastewater

Fund: 7

Project Location: Various

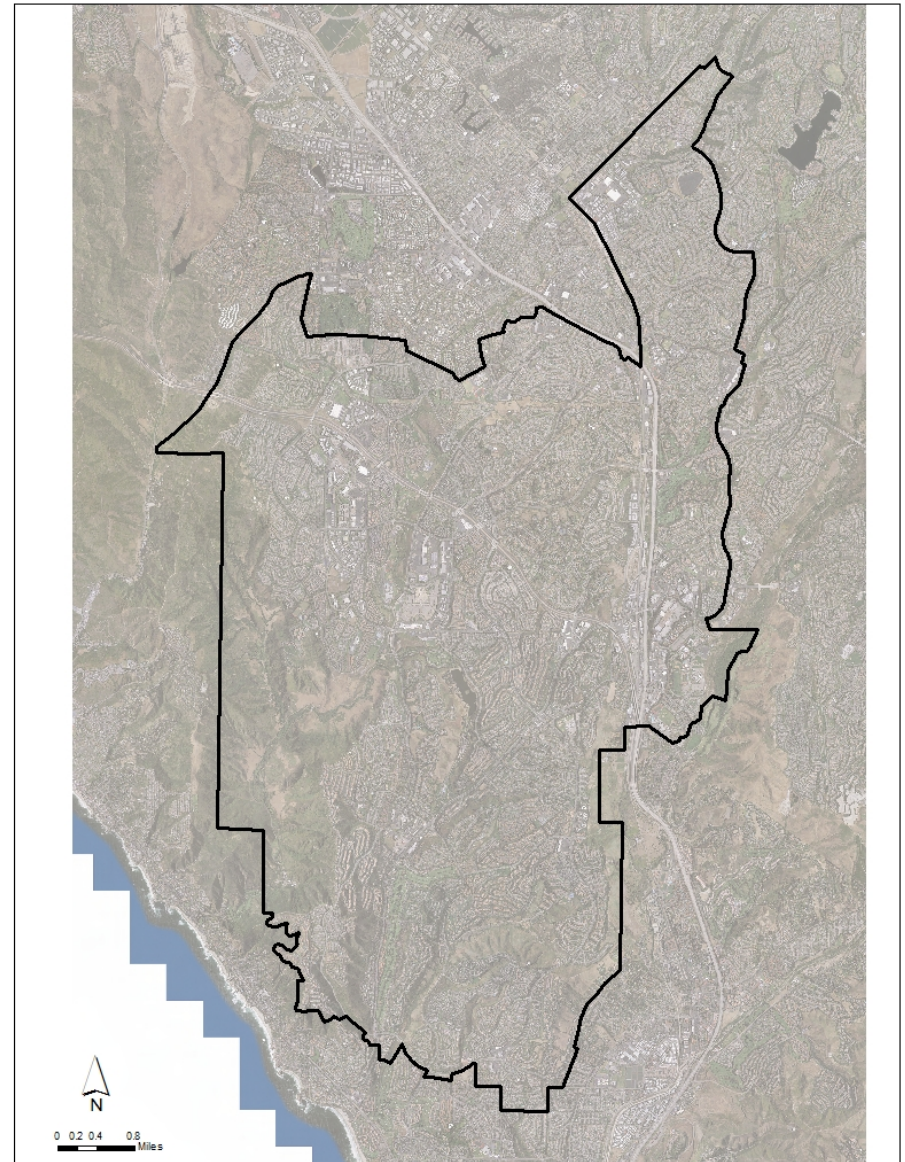
Project Description: Rehabilitate existing sewer manholes.

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



2023-24 Pressure Reducing Station Rehabilitation – RW

Project No: TBD
System: Recycled
Fund: 7

Project Location: El Niguel PRS, Laguna Niguel & Aliso Creek PRS, Aliso Viejo

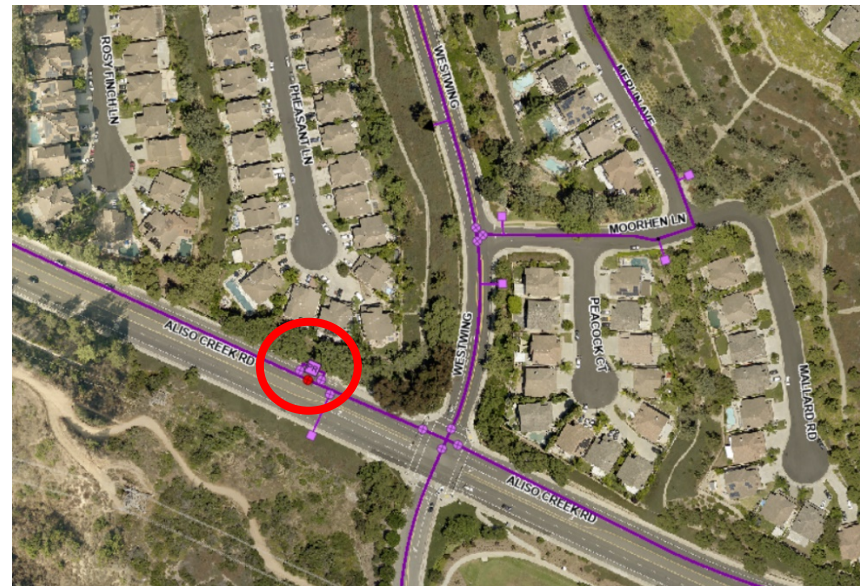
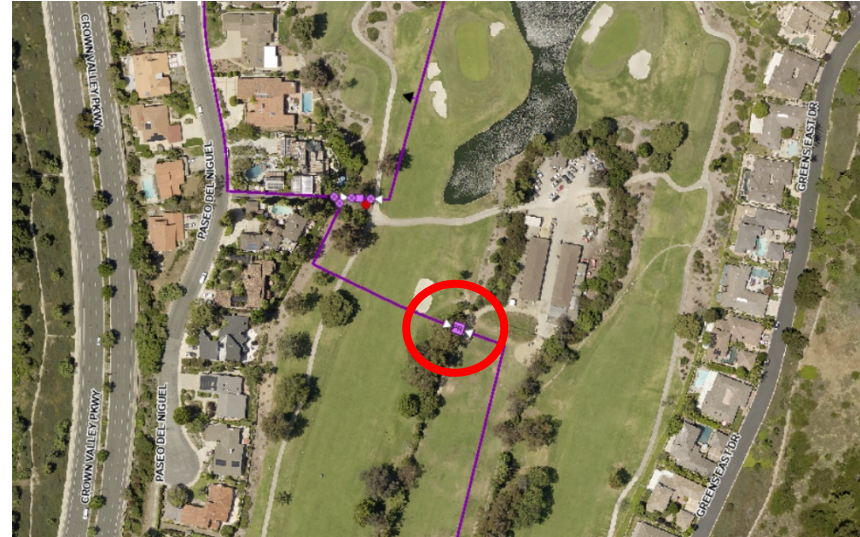
Project Description: Rehabilitate the structure as required and replace the pressure reducing station valves, mechanical equipment and appurtenances that have reached the end of their useful lives.

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

Project Status: Proposed Project

Estimated Project Amount:

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



2023-24 Easement Pipeline Rehabilitation – PW

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

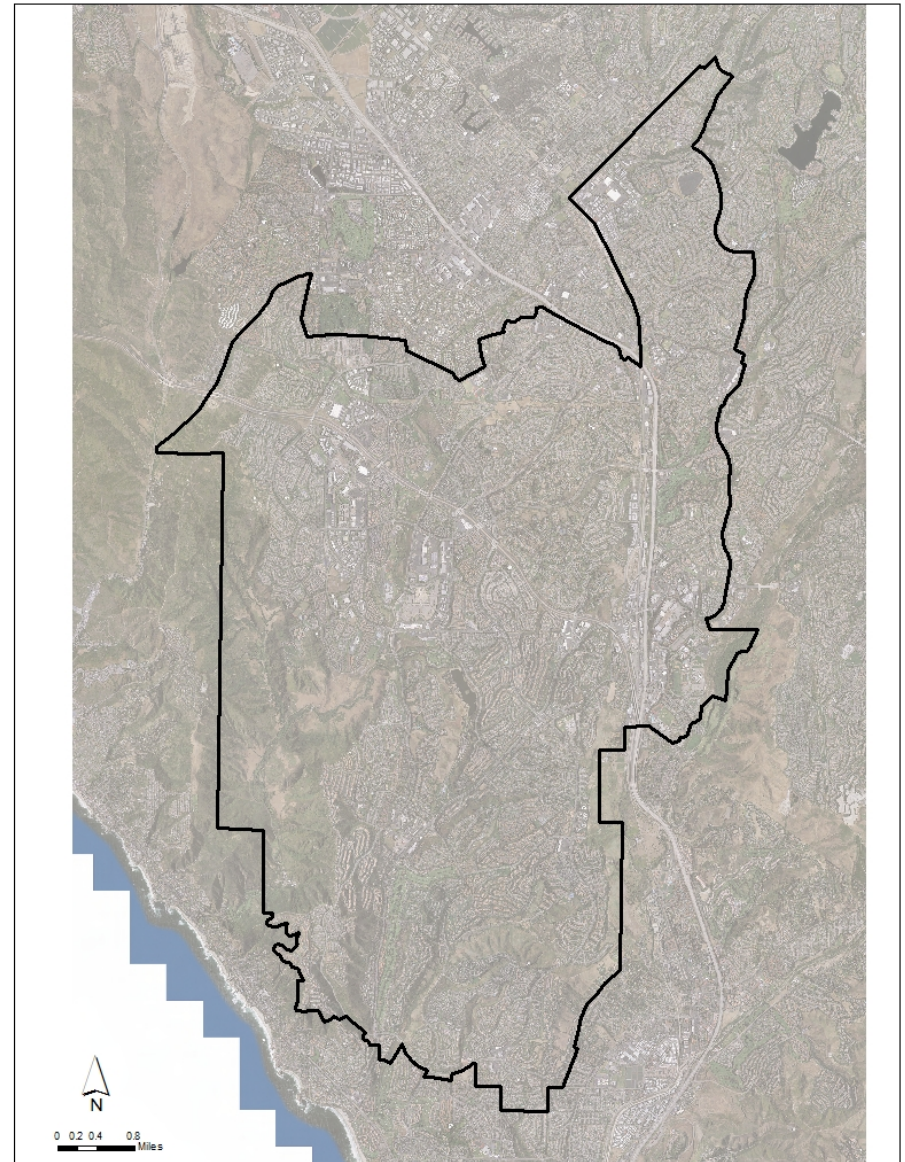
Project Description: Rehabilitate easement pipelines.

Project Need: This annual project will rehabilitate easement pipelines 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	\$500,000
Total Project Budget	\$500,000



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

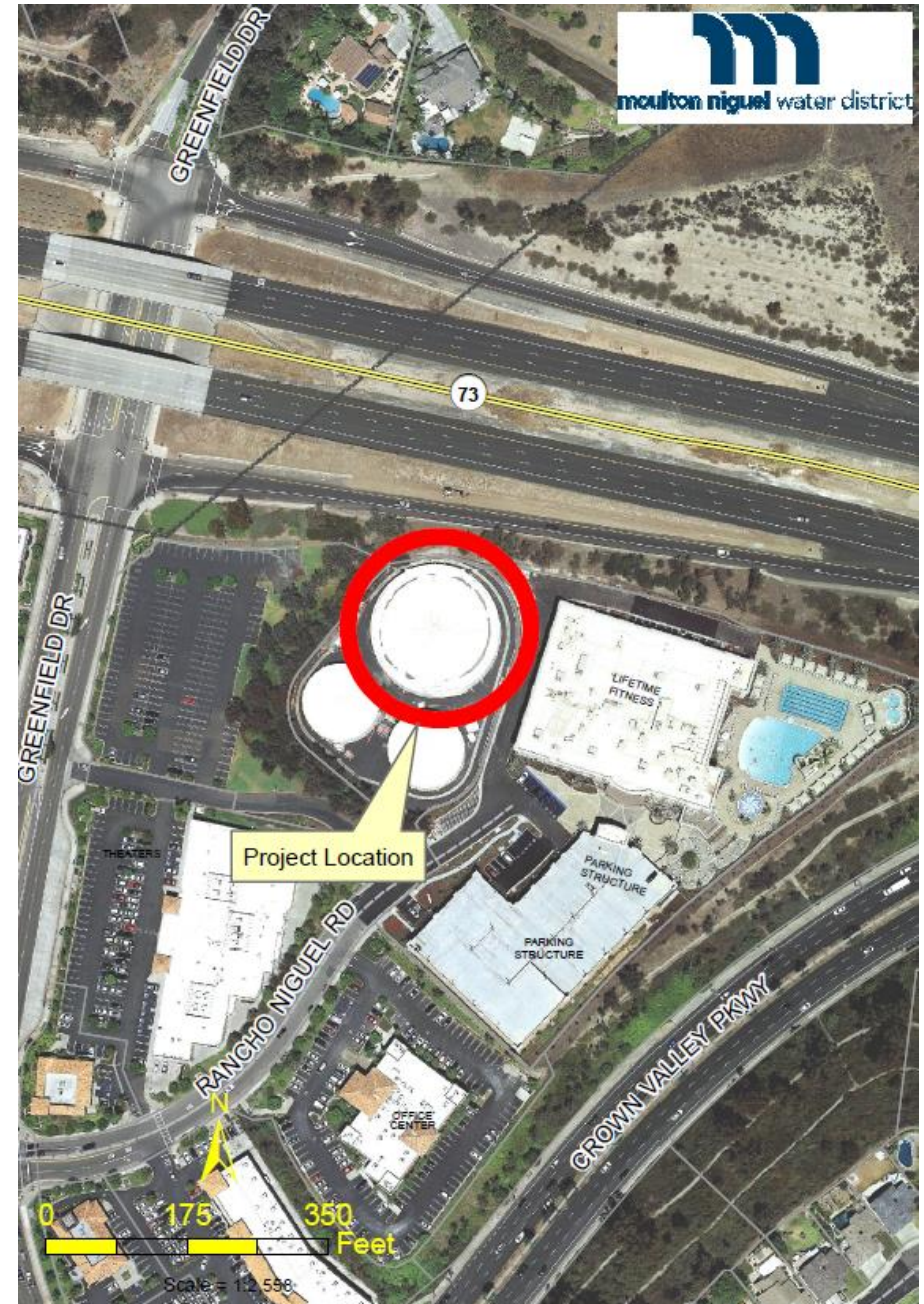
Project Description: The Crown Valley Reservoir No. 3 requires roof plate replacements, interior recoating and exterior roof paint.

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	\$40,000
CEQA Compliance	Exempt
Construction Contract	\$1,100,000
Specialty Inspection	\$95,000
Legal/Permits/Other	\$15,000
Total Project Budget	\$1,250,000



Beacon Hill Pump Station Rehabilitation

Project No: TBD

System: Potable

Fund: 7

Project Location: Beacon Hill Pump Station, Laguna Niguel

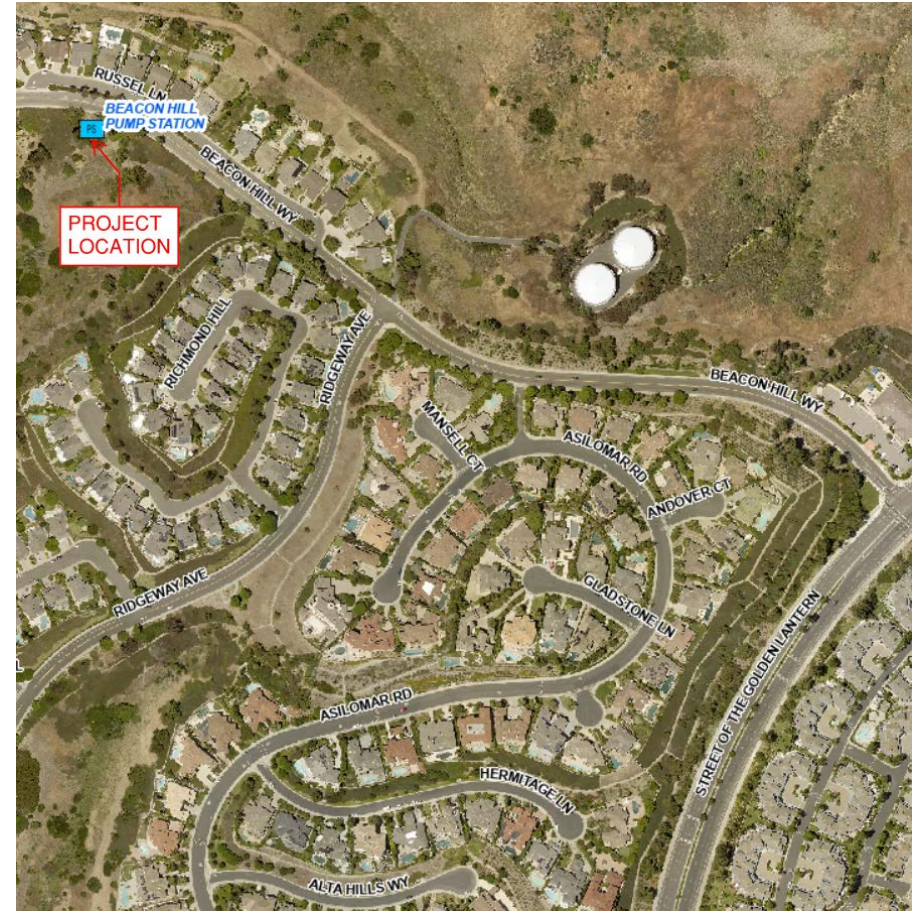
Project Description: Rehabilitate the Beacon Hill Pump Station in its entirety, including mechanical equipment replacements, electrical system replacements, instrumentation system replacements, and sitework restoration.

Project Need: Although periodic improvements have been made, much of the equipment is obsolete, requires increased maintenance, and needs replacement.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$400,000
CEQA Compliance	Exempt
Construction Contract	\$2,550,000
CM and Specialty Inspection	\$200,000
Legal/Permit/Other	\$50,000
Total Project Budget	\$3,200,000



Electrical System Improvements Phase 5 – PW

Project No: TBD

System: Potable

Fund: 7

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

Project Description: Remove and replace the main switchboard and MCC at the Rolling Hills Pump Station. 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; and install auxiliary generator connection at Rancho Pump Station. Remove and replace the main switchboard and MCC at Sheep Hills Pump Station. Install portable generator connections and manual transfer switches at Casa Del Oso, Highlands, and Marguerite Pump Stations.

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. Installing portable generator connections will improve reliability during power outages.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$300,000
CEQA Compliance	Exempt
Construction Contract	\$900,000
Inspection/Utility Fees/Other	\$50,000
Total Project Budget	\$1,250,000



Electrical System Improvements Phase 5 – 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



Lower Salada Lift Station Rehabilitation

Project No: TBD

System: Wastewater

Fund: 7

Project Location: Lower Salada Lift Station, Laguna Niguel

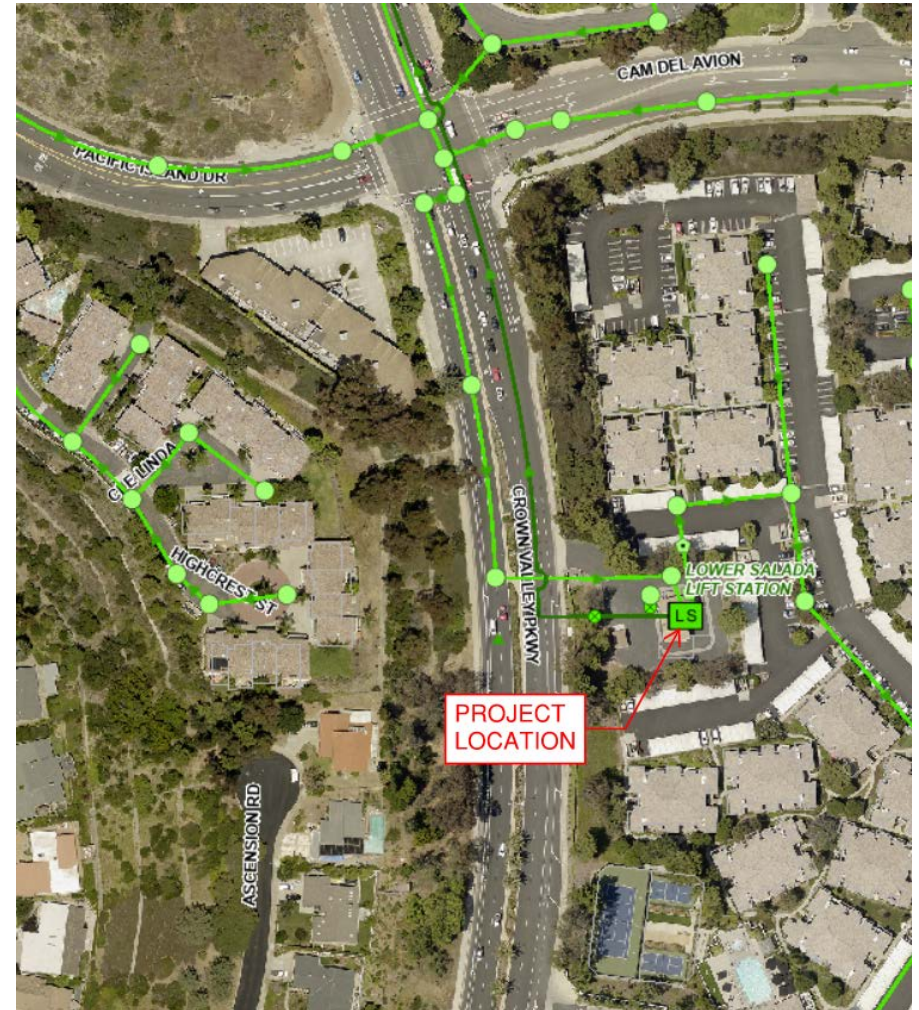
Project Description: Rehabilitate the Lower Salada Lift Station in its entirety, including wet well rehabilitation, mechanical equipment replacements, electrical system replacements, instrumentation system replacements, and sitework restoration. The project will require an extensive bypass pumping system.

Project Need: Although periodic improvements have been made, much of the equipment is obsolete, requires increased maintenance, and needs replacement.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$600,000
CEQA Compliance	Exempt
Construction Contract	\$4,500,000
CM and Specialty Inspection	\$250,000
Legal/Permit/Other	\$50,000
Total Project Budget	\$5,400,000



Moulton Peak Reservoir Site Paving Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Moulton Peak Reservoir, Aliso Viejo

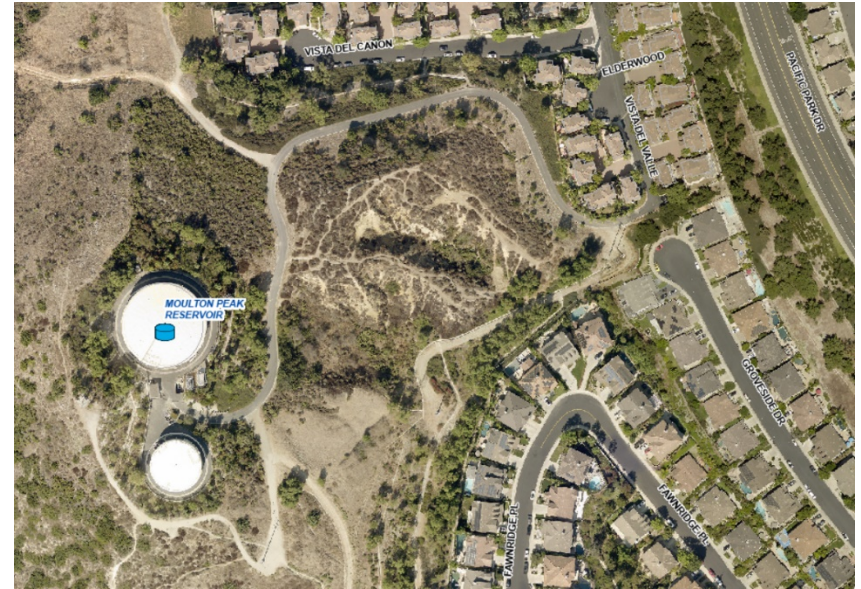
Project Description: Remove existing asphalt paving and replace with new 4-inch asphalt paving over existing base.

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	\$150,000
Total Project Budget	\$150,000



Northern Transmission Main Rehabilitation

Project No: TBD

System: Potable

Fund: 7

Project Location: Northern Transmission Main, Mission Viejo

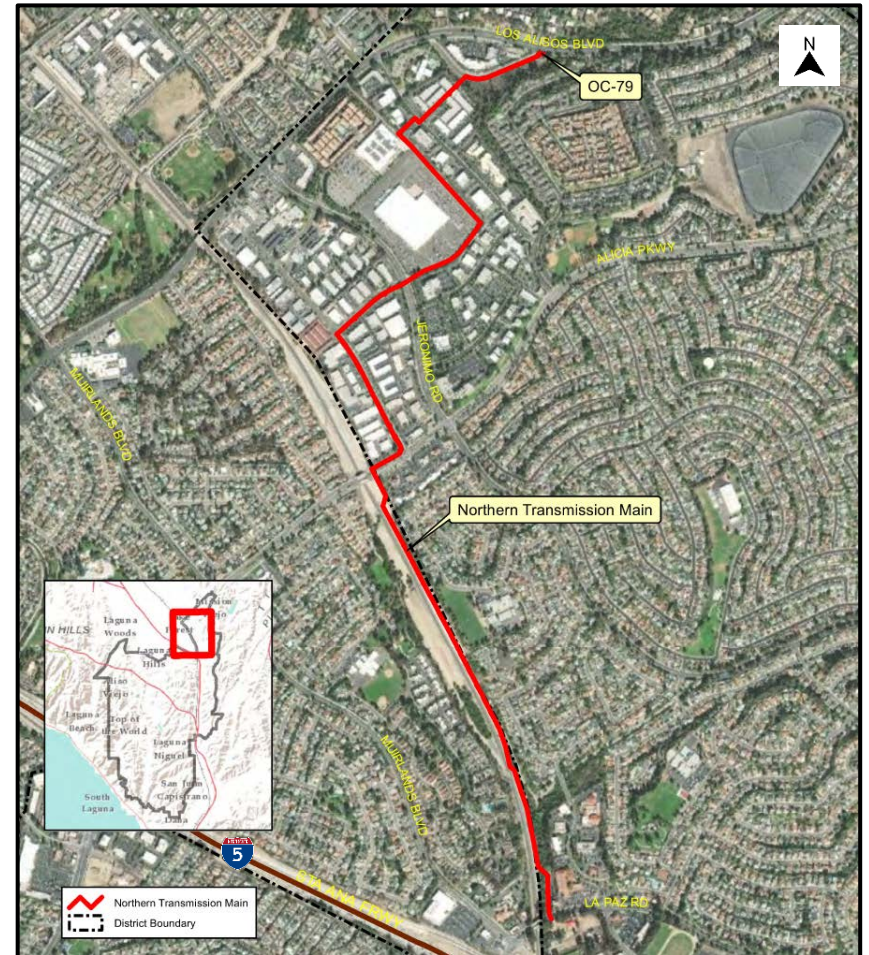
Project Description: Rehabilitate the existing 30-inch and 36-inch transmission main.

Project Need: A condition assessment was completed in April 2023. 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	\$1,450,000
Legal/Permits/Other	\$50,000
Total Project Budget	\$1,500,000



Pacific Park Reservoir Site Paving Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Pacific Park Reservoir, Aliso Viejo

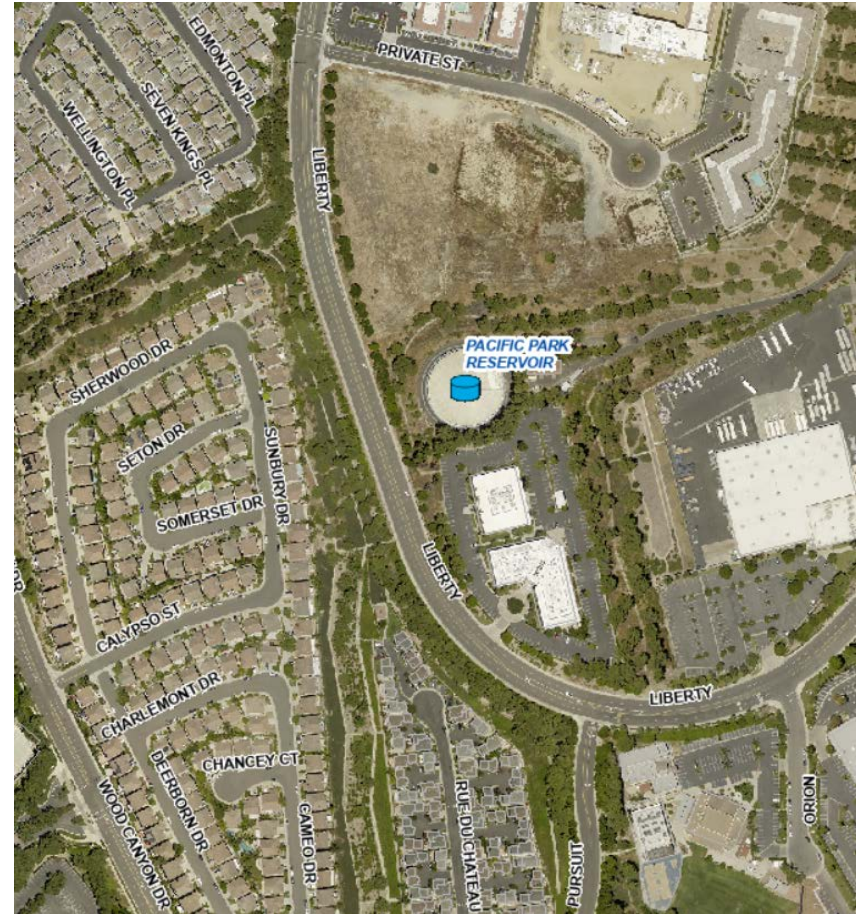
Project Description: Remove existing asphalt paving and replace with new 4-inch asphalt paving over existing base.

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

Project Status: Proposed Project

Estimated Project Amount:

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



Seville Reservoir Site Paving Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Seville Reservoir, Mission Viejo

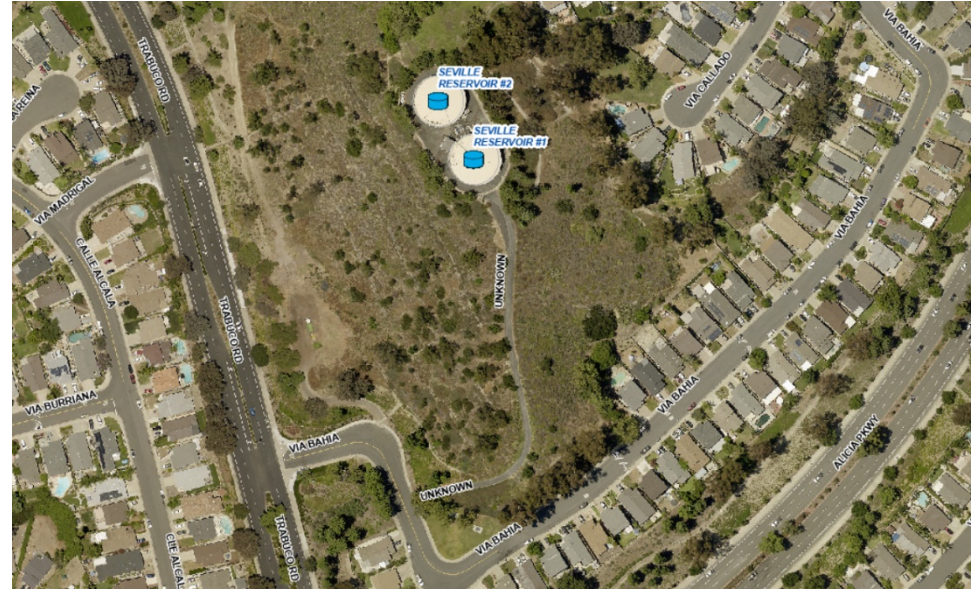
Project Description: Remove existing asphalt paving and replace with new 4-inch asphalt paving over existing base.

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
Total Project Budget	\$100,000



2023-24 Operations-Led Capital Improvements – PW

Project No: 2023.100

System: Potable

Fund: 7

Project Location: Various

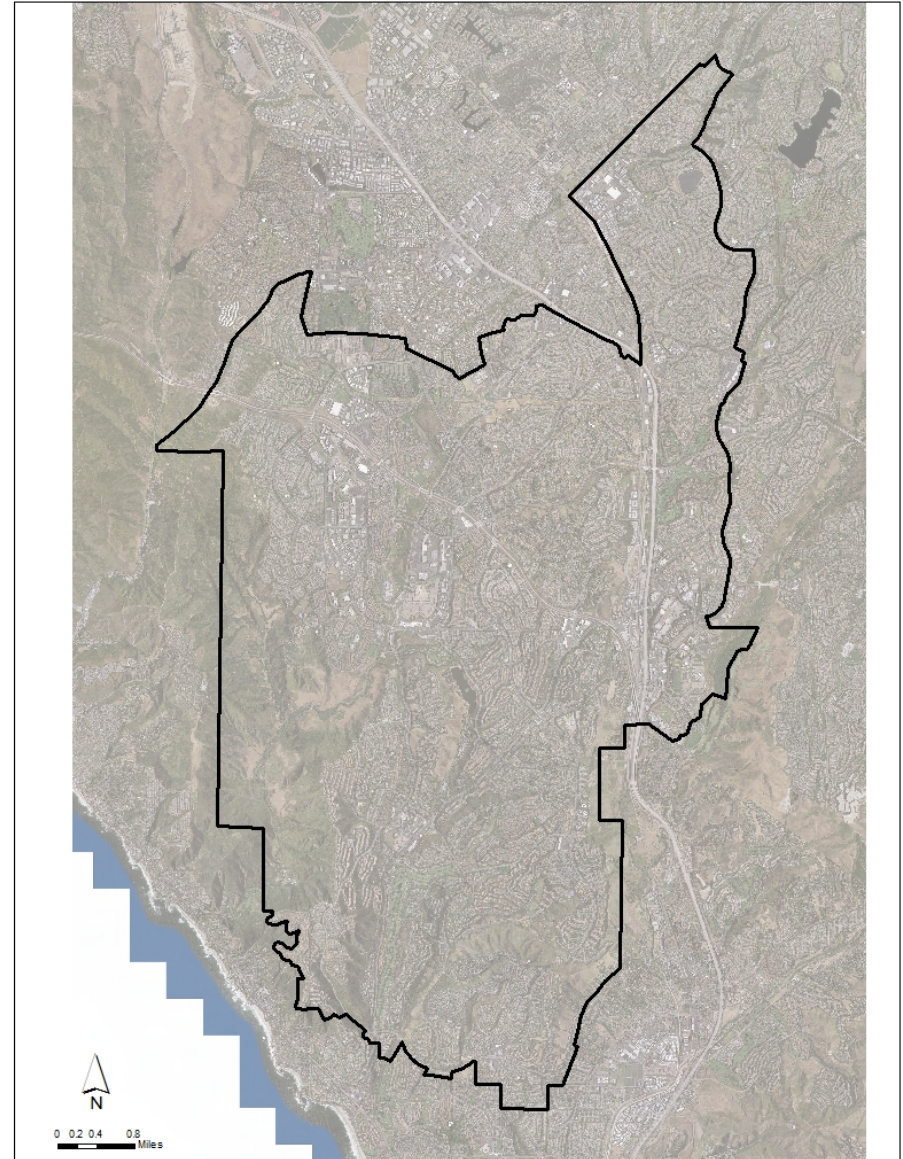
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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



2023-24 Operations-Led Capital Improvements – RW

Project No: 2023.200

System: Recycled

Fund: 7

Project Location: Various

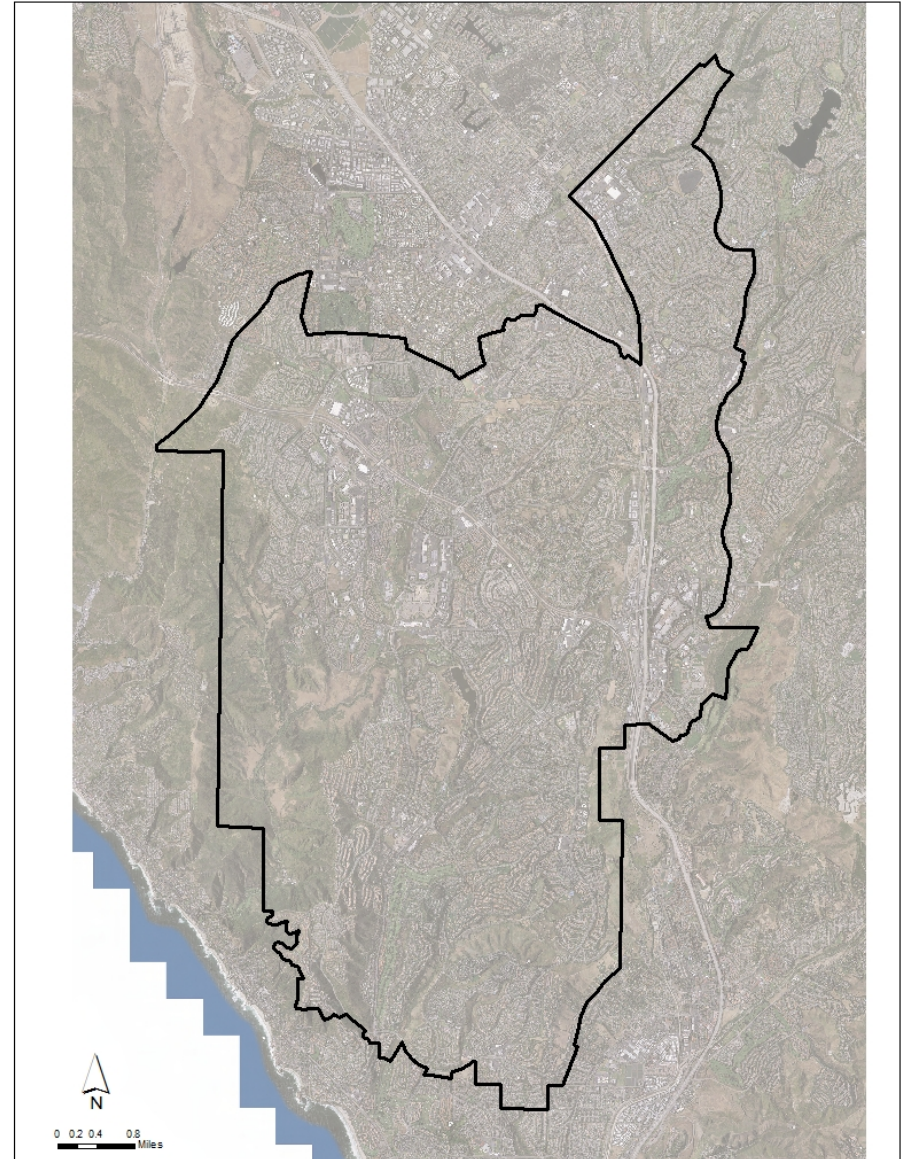
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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



2023-24 Operations-Led Capital Improvements – WW

Project No: 2023.300

System: Wastewater

Fund: 7

Project Location: Various

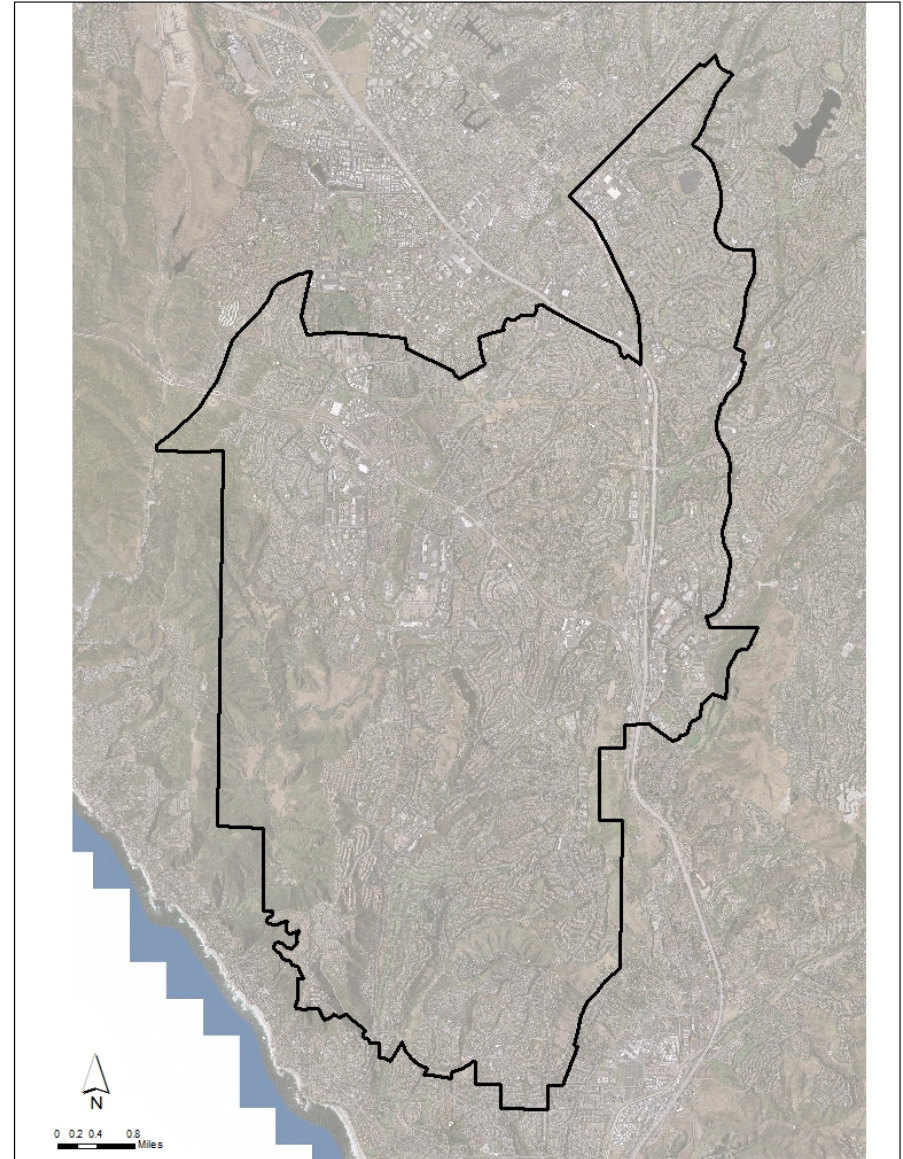
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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



2023-24 Operations-Led Capital Improvements – 3A

Project No: 2023.400

System: Wastewater Treatment

Fund: 7

Project Location: Plant 3A, Mission Viejo

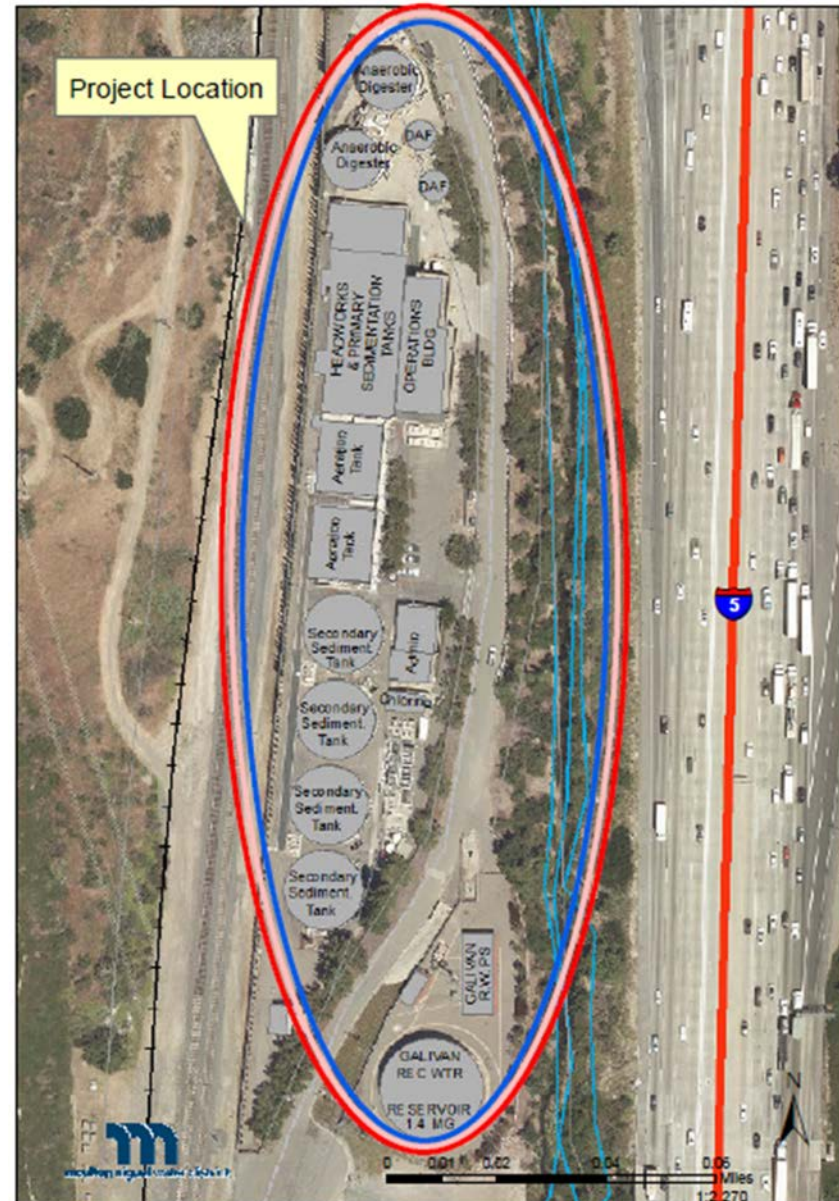
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, 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	\$600,000
Total Project Budget	\$600,000



2023-24 Operations-Led Capital Improvements – RTPAWT

Project No: 2023.500

System: Wastewater Treatment

Fund: 7

Project Location: Regional Treatment Plant, Laguna Niguel

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	\$400,000
Total Project Budget	\$400,000



2024-25 Valve Replacement – PW

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

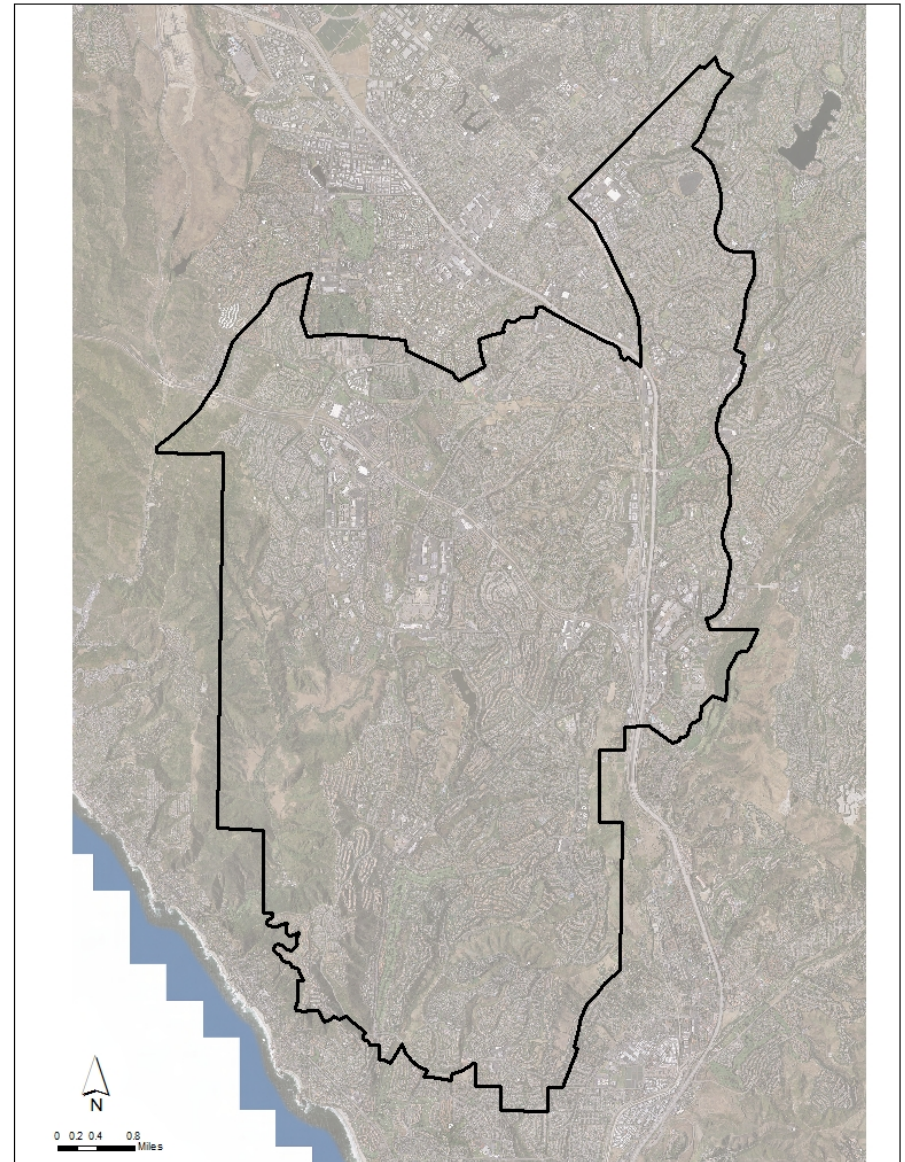
Project Description: Replace existing in-line valves.

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	\$150,000
Construction by District	\$1,000,000
Total Project Budget	\$3,250,000



El Toro Water District R6 Reservoir Cover and Liner Replacement

Project No: ETWD

System: External (Potable)

Fund: 7

Project Location: R6 Reservoir

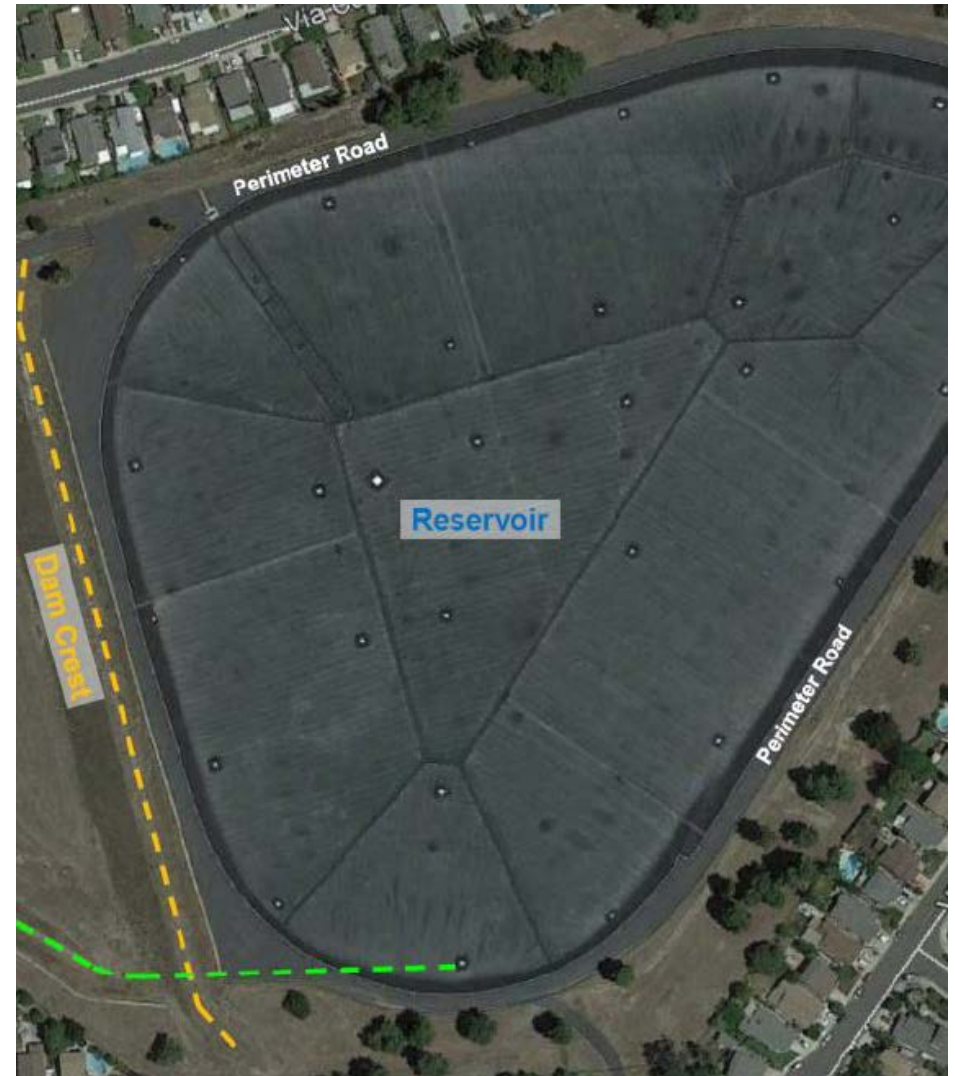
Project Description: Replace the existing flexible geomembrane reinforced polypropylene (RPP) floating cover and liner with a new chlorosulfonated polyethylene (CPSE) floating cover and liner.

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: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$36,000
CEQA Compliance	Exempt
Construction Contract	\$1,094,000
Inspection/Other	\$88,000
Total Project Budget	\$1,218,000



El Toro Water District R6 Reservoir Perimeter Road Replacement

Project No: ETWD

System: External (Potable)

Fund: 7

Project Location: R6 Reservoir

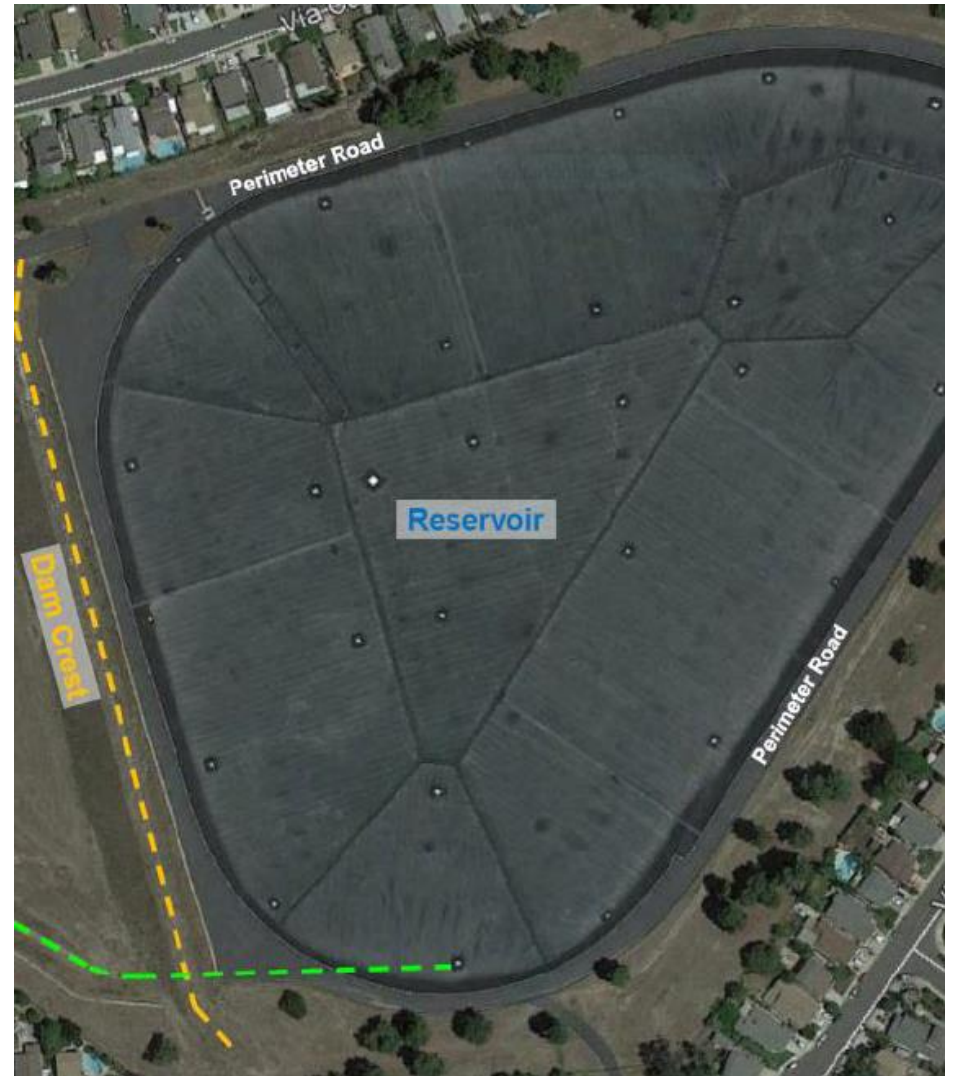
Project Description: Reconstruct the perimeter road around the reservoir.

Project Need: The perimeter road around the reservoir is at the end of its useful life. A full road reconstruction 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
CEQA Compliance	Exempt
Construction Contract	\$125,000
Total Project Budget	\$125,000



IRWD Baker Water Treatment Plant Capital Projects

Project No: IRWD

System: External (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: External (Potable)

Fund: 7

Project Location: Joint Transmission Main

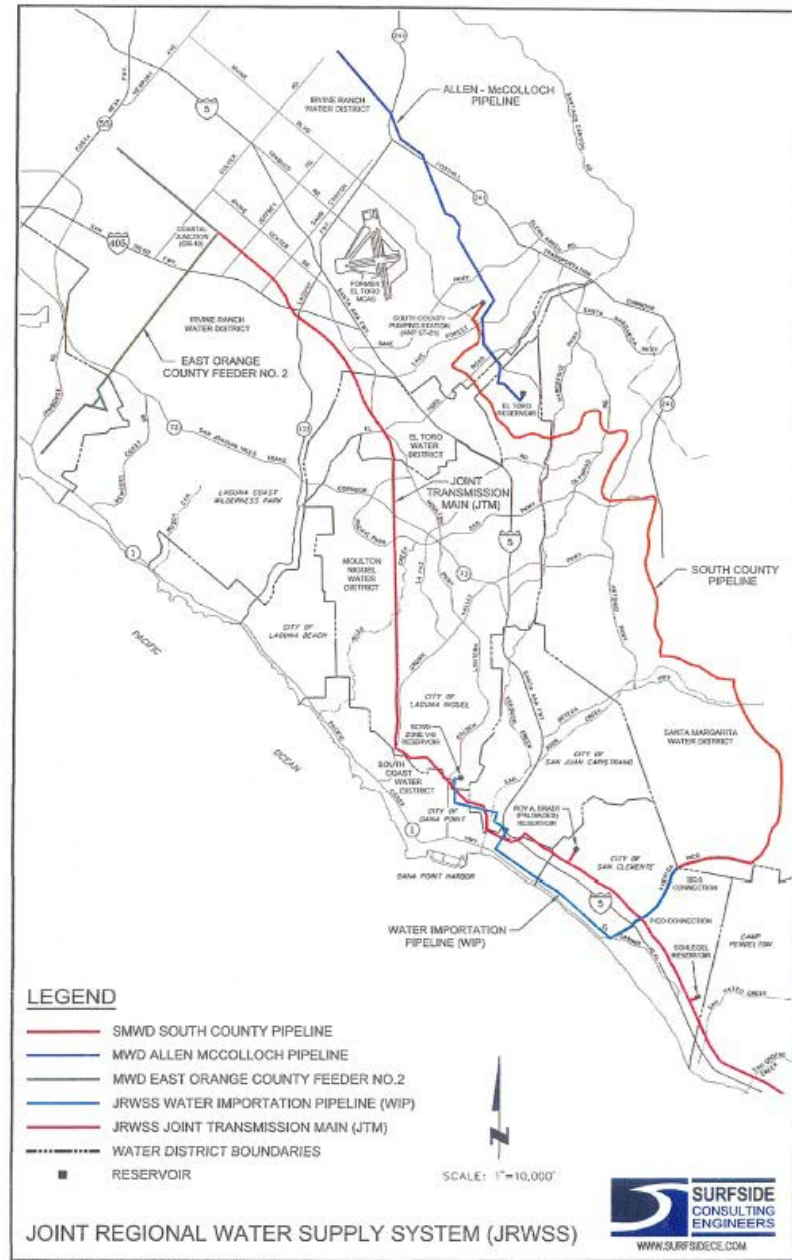
Project Description: Perform capital improvements to the Joint Transmission Main (JTM).

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	\$7,311,867



SMWD Capital Projects – Joint Facilities

Project No: SMWD

System: External (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	\$2,603,987



SOCWA Capital Project Committee 2

Project No: SOCWA

System: External (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	\$17,302,826



SOCWA Capital Project Committee 5

Project No: SOCWA

System: External (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	\$400,043

SOCWA Capital Project Committee 15

Project No: SOCWA

System: External (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	\$9,613,696



SOCWA Capital Project Committee 17

Project No: SOCWA

System: External (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	\$60,642,447



SOCWA Capital Project Committee 21

Project No: SOCWA

System: External (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	\$259,087

SOCWA Capital Project Committee 24

Project No: SOCWA

System: External (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	\$1,404,022

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
Labor/Permits/Other	\$50,000
Total Project Budget	\$10,200,000



OCWD Basin Emergency Interconnection

Project No: OCWD001

System: Potable

Fund: 12

Project Location: Various

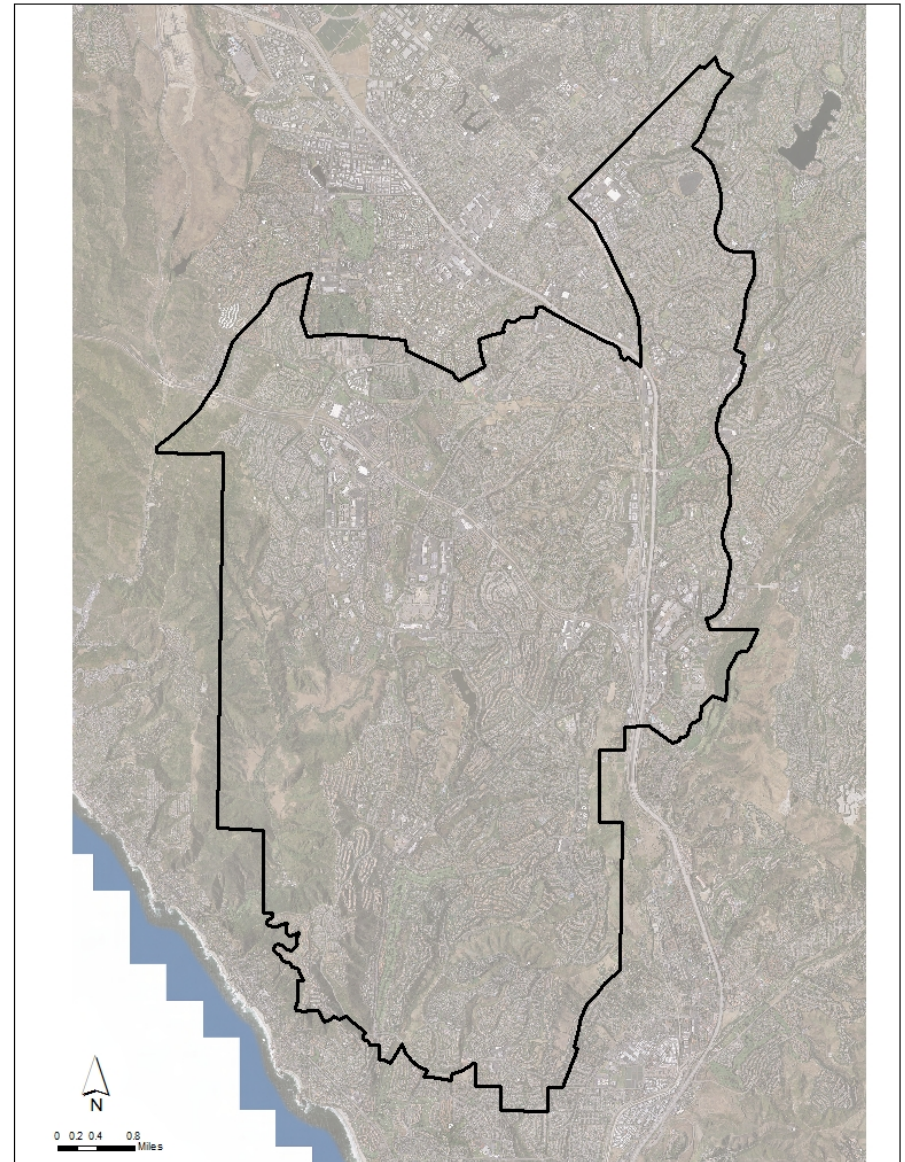
Project Description: Infrastructure improvements to provide an emergency interconnection to the OCWD groundwater basin.

Project Need: Water supply reliability.

Project Status: In Design

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



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

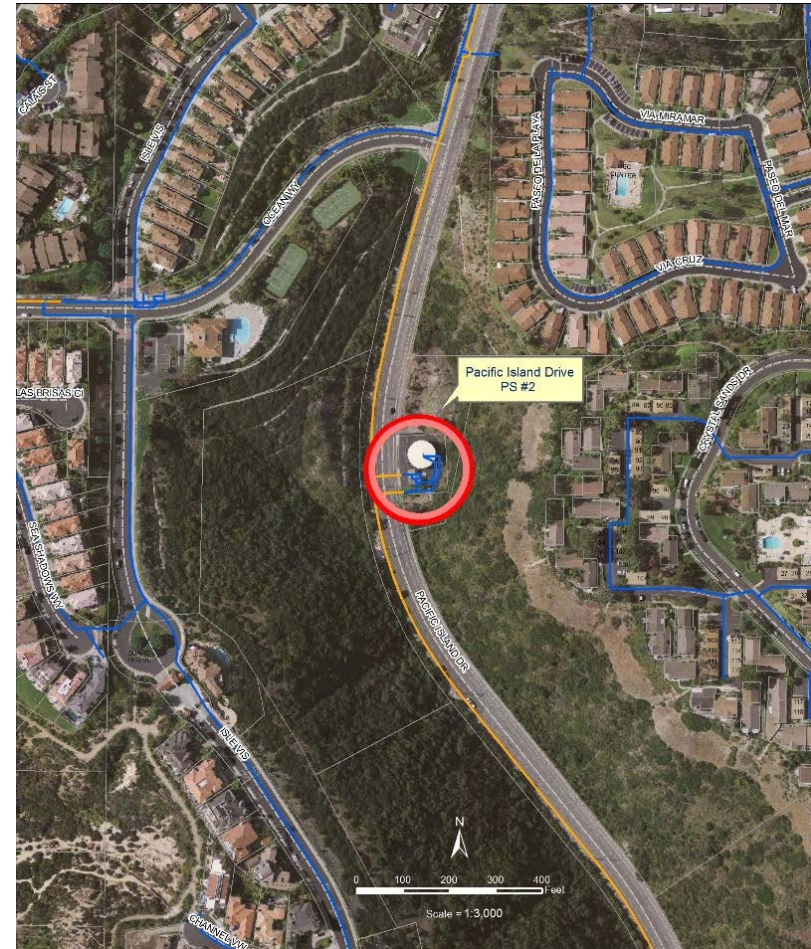
Project Description: Install approximately 2,000 feet of 12-inch diameter pipe. Construct a standalone, back-up pump station at PID Pump Station No. 2 site.

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	\$500,000
CEQA Compliance	\$50,000
Construction Contract	\$7,300,000
Specialty Inspection	\$500,000
Labor/Other	\$65,000
Total Project Budget	\$8,500,000



Video Site Surveillance System

Project No: 2021.019

System: Multi-System

Fund: 14

Project Location: Various

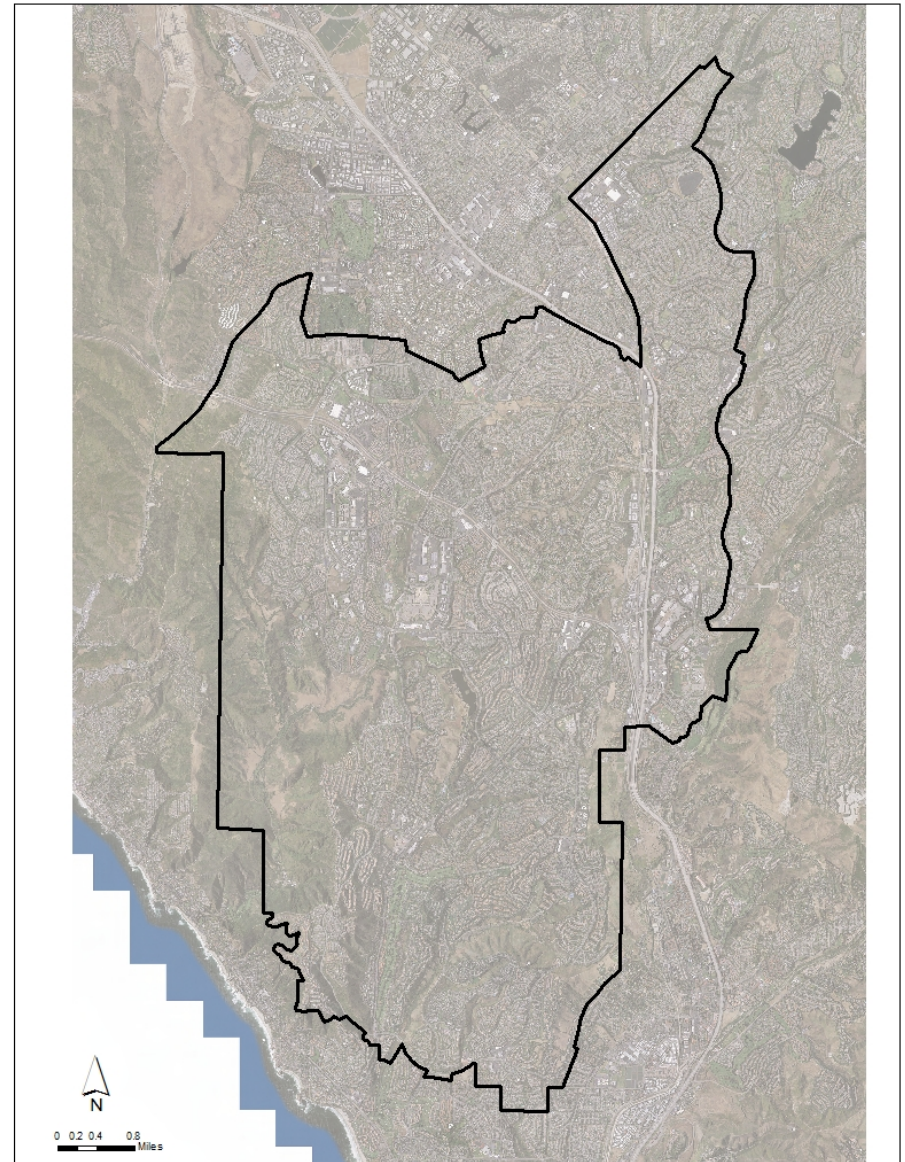
Project Description: The installation of video surveillance at various District facilities and the installation of additional data storage capacity at Plant 2A.

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 wastewater lift stations to monitor for overflows.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	\$300,000
Total Project Budget	\$300,000



Plant 3A Solids Loadout Facility

Project No: 2021.303

System: Wastewater Treatment

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.

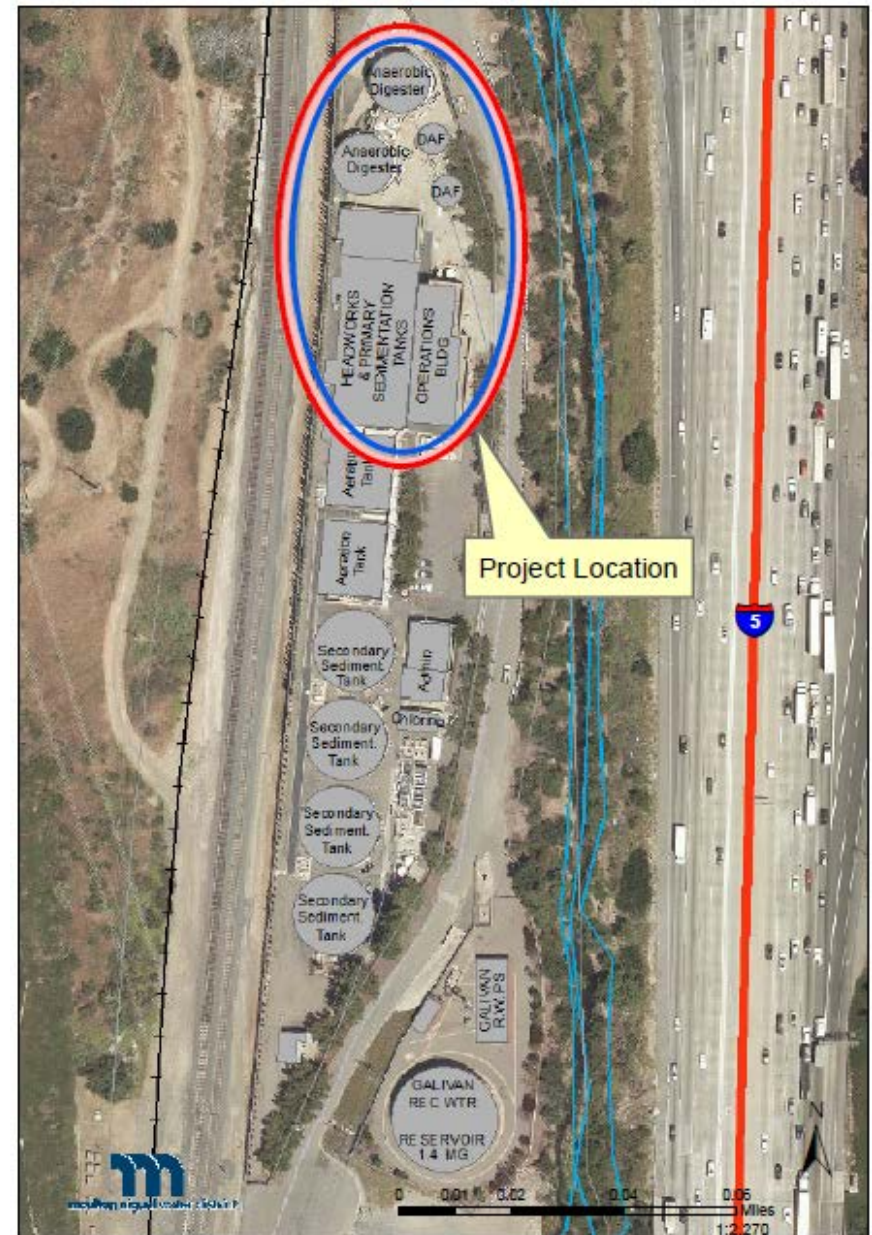
Project Need: The solids produced during the treatment process at Plant 3A are currently disposed through a series of 20-yard roll-off style bins, which are retrieved by a contracted service company for disposal.

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	\$100,000
Construction Contract	\$7,800,000
Inspection/Other	\$350,000
Total Project Budget	\$8,300,000



Wastewater Trunk Main Replacement- 3A Subbasin Phase 1

Project No: 2022.023

System: Wastewater

Fund: 14

Project Location: Mission Viejo High School, Mission Viejo

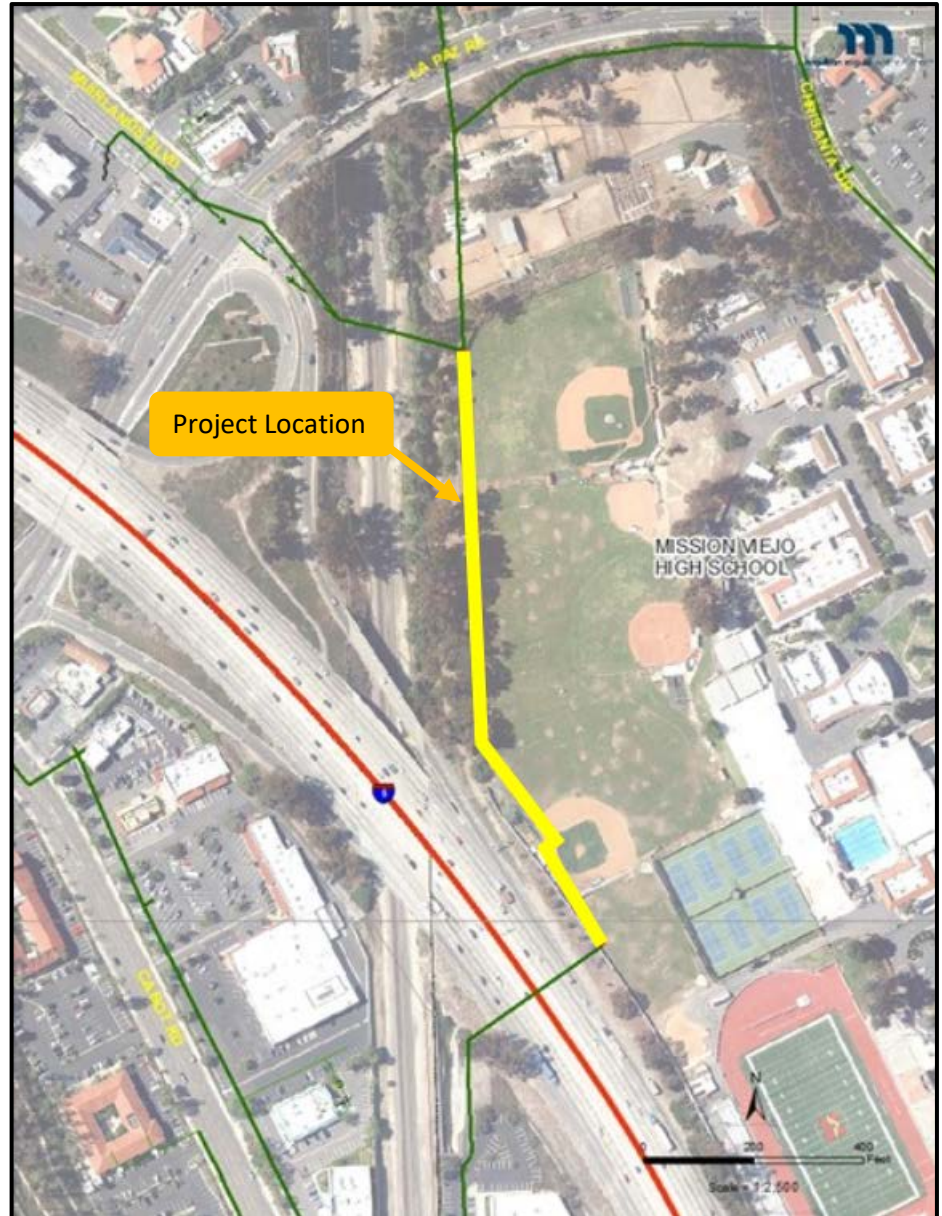
Project Description: Install approximately 1,500 feet of 18-inch diameter pipelines, in the same alignment as existing 15-inch diameter pipelines. The project will likely require temporary sewer bypass pumping during construction.

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

Project Status: In Design

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: 2022.024

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: In Design

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



Micro-Hydro Turbine at Bridlewood Flow Control Facility

Project No: 2022.029

System: Potable

Fund: 14

Project Location: Bridlewood Flow Control Facility, Laguna Hills

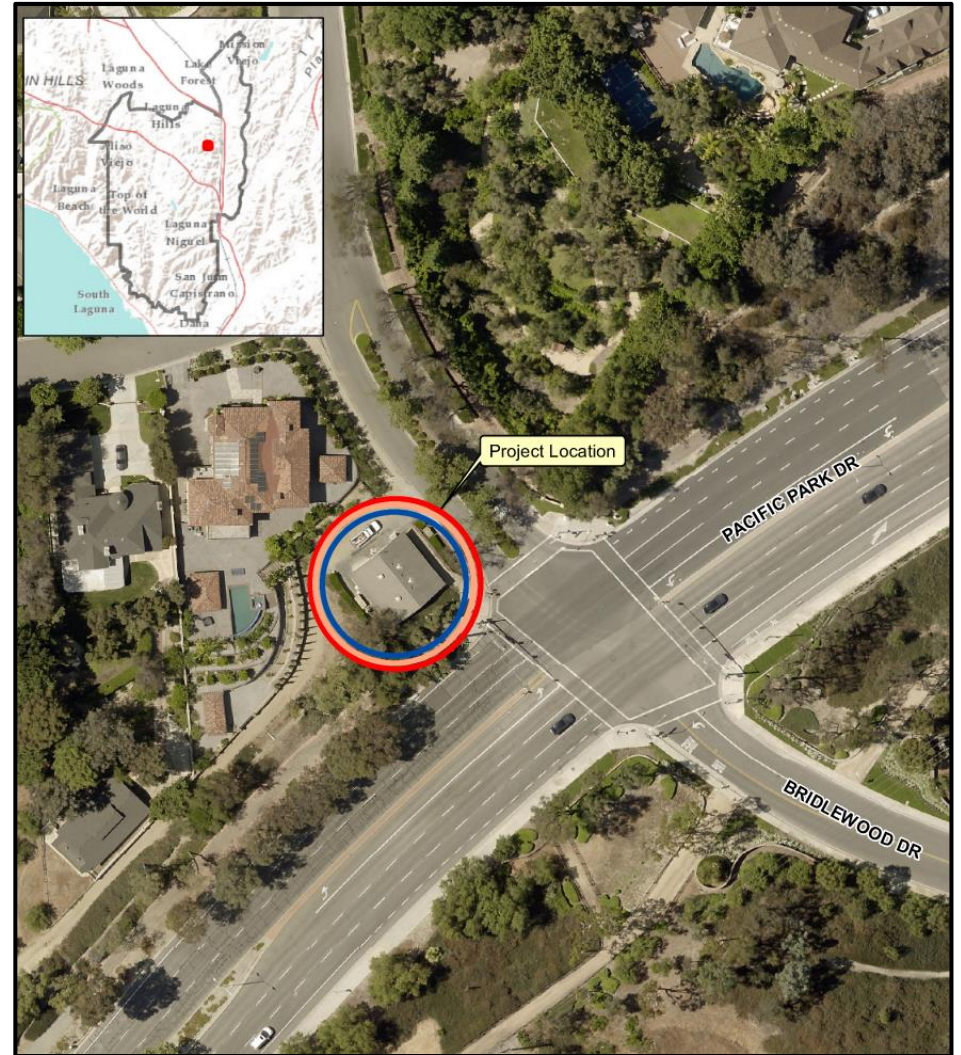
Project Description: Install new HydroXS energy recovery system at the Bridlewood Flow Control Facility. This system is designed to use a micro-hydro turbine to convert excess pressure into renewable energy.

Project Need: The District will reduce operating costs by generating revenue from the energy recovery system.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$130,000
CEQA Compliance	Exempt
Construction Contract	\$560,000
Legal/Permits/Other	\$10,000
Total Project Budget	\$700,000



EV Charging Stations and Solar Panels at Headquarters

Project No: TBD

System: Multi-System

Fund: 14

Project Location: Headquarters, Laguna Hills

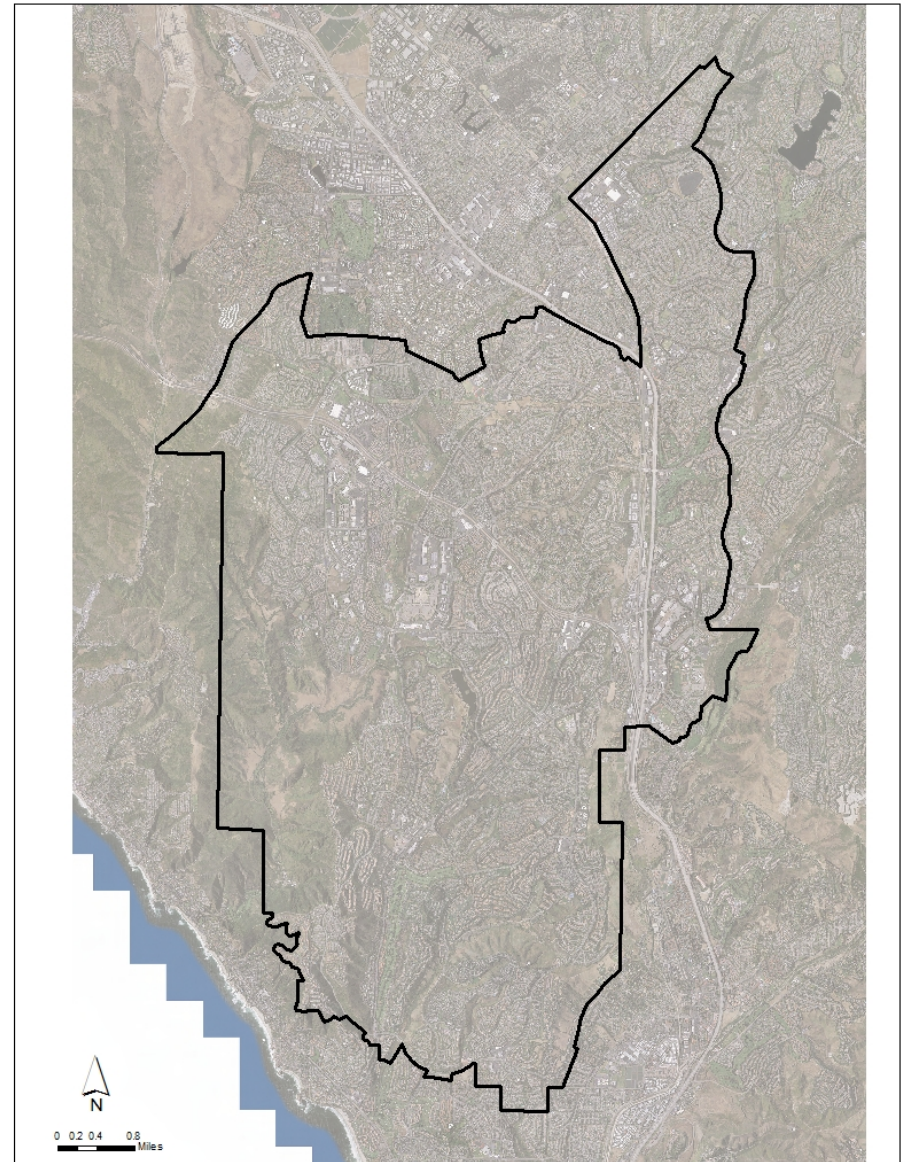
Project Description: Install twelve (12) electrical vehicle charging stations and associated electrical conduits. The project also includes construction of two (2) additional parking canopies with solar panels. The project also includes installation of solar panels on the existing parking canopies and associated electrical work.

Project Need: This project is needed to comply with upcoming regulatory requirements and will be partially grant funded.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	\$1,980,000
Legal/Permits/Other	\$20,000
Total Project Budget	\$2,000,000



Plant 3A Network Cabling Improvements

Project No: 2022.302

System: Wastewater Treatment

Fund: 14

Project Location: Plant 3A, Mission Viejo

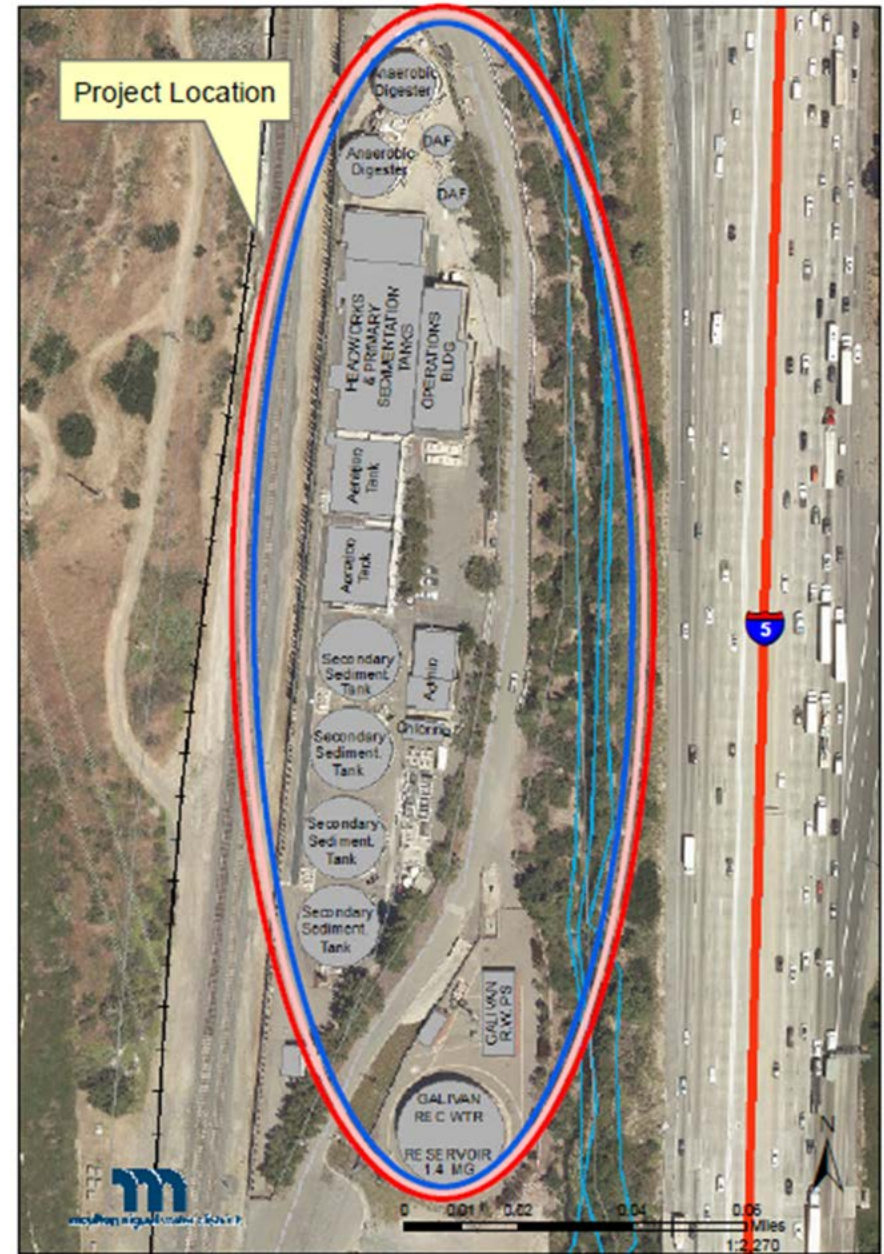
Project Description: Install new network cabling, patch panels, and related conduit and/or equipment throughout Plant 3A to support existing and future SCADA and business networks.

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

Project Status: In Construction

Estimated Project Amount:

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



Regional Treatment Plant AWT Salinity Management

Project No: 2022.502

System: Wastewater Treatment

Fund: 14

Project Location: Regional Treatment Plant (RTP), Laguna Niguel

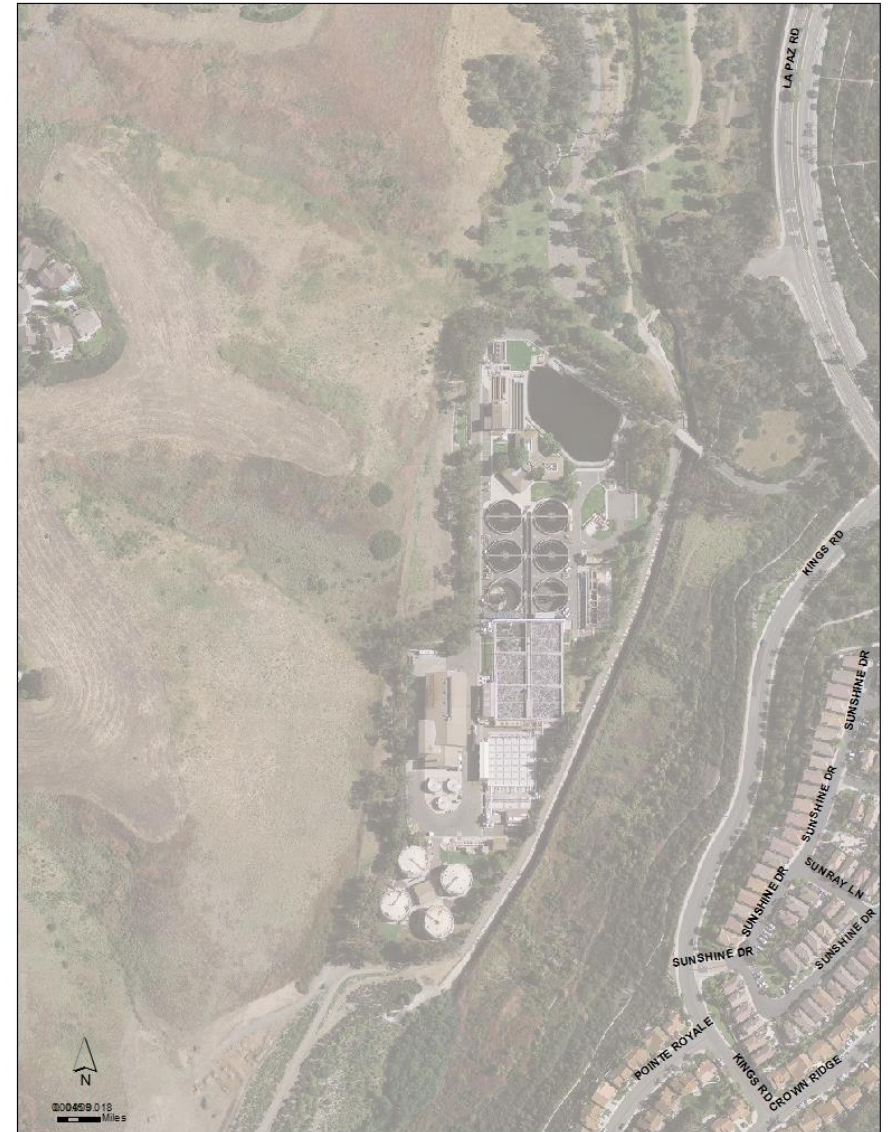
Project Description: Complete the design and construction of a side-stream Reverse-Osmosis treatment system, including pretreatment and clean-in-place systems to produce final recycled water effluent of approximately 600 mg/L of Total Dissolved Solids (TDS). Preliminary sizing is for 3.0 MGD facility.

Project Need: The limit for TDS of recycled water is established by the governing permits. Over time, TDS levels have increased and have varied with drought conditions. The current TDS levels in recycled water produced by the RTP Advanced Water Treatment (AWT) facilities require salinity management.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Owners Representative Services	\$250,000
CEQA Compliance	\$100,000
Progressive Design Build Services	\$25,000,000
Inspection / Other	\$150,000
Total Project Budget	\$25,500,000



2023-24 New System Valves

Project No: TBD

System: Potable

Fund: 14

Project Location: Various

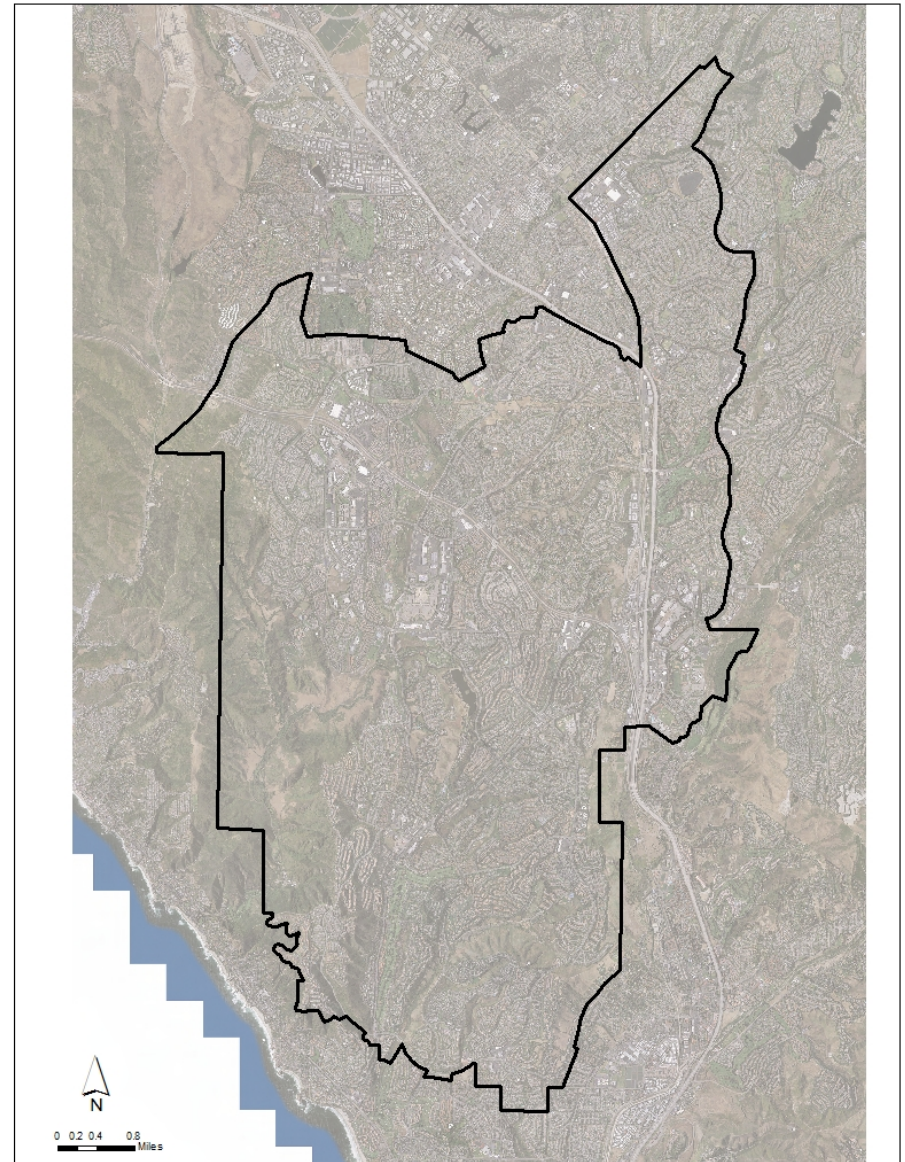
Project Description: Install new system valves where required.

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



SCADA Communications Monopole at Mandeville Park

Project No: TBD

System: Multi-System

Fund: 14

Project Location: Mandeville Park, Laguna Hills

Project Description: Perform radio survey and install a new monopole with antennas at the Mandeville Park in Laguna Hills. The new monopole will serve as an additional pathway for SCADA communications.

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



SCADA Historian Database and Dashboard

Project No: TBD

System: Multi-System

Fund: 14

Project Location: Headquarters, Laguna Hills

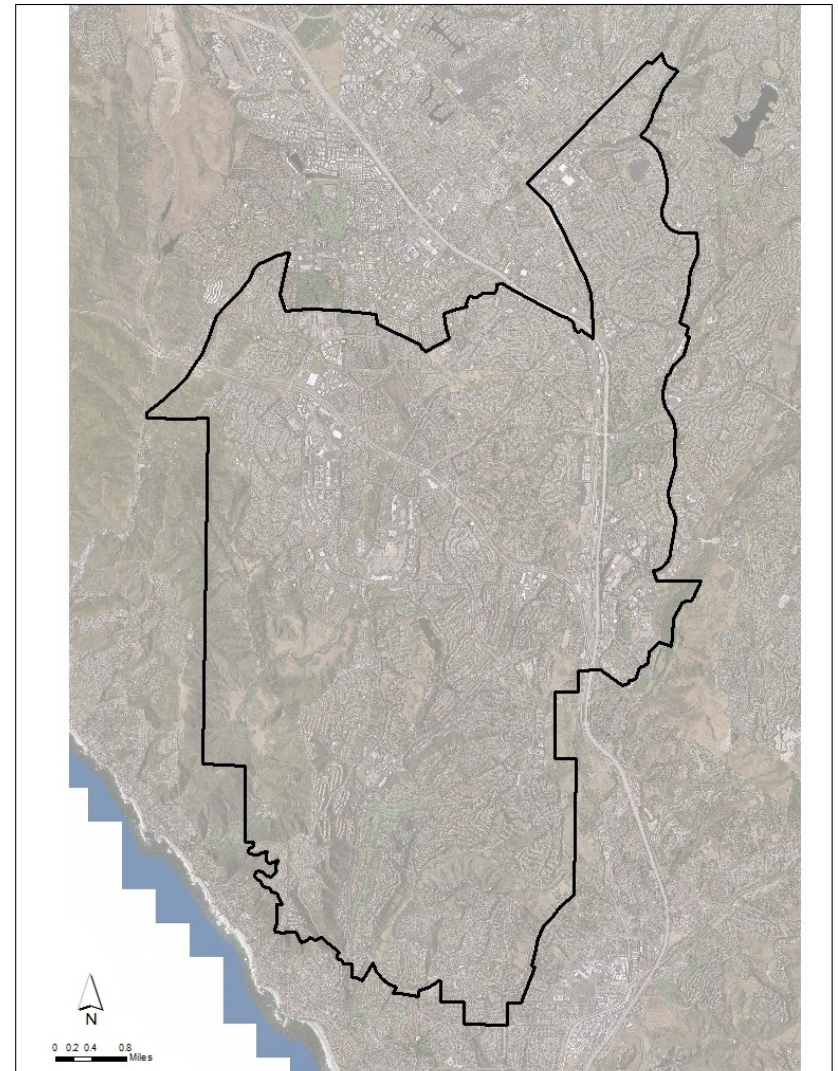
Project Description: To build out a centralized data warehouse to house historical SCADA data, water usage data, and energy usage data. The work would entail implementing necessary automated workflows for importing and exporting the data. A user-friendly dashboard would be developed for browsing and querying the data.

Project Need: The SCADA Historian Database would be the core repository for analytics, applications, queries, and dashboards to support ongoing and future business needs including reporting to regulatory bodies, identifying operational efficiencies, and capital planning.

Project Status: Proposed Project

Estimated Project Amount:

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



Risk and Resiliency Assessment and Enhancement

Project No: 2019.004

System: Multi-System

Fund: 7

Project Location: All offices and remote locations.

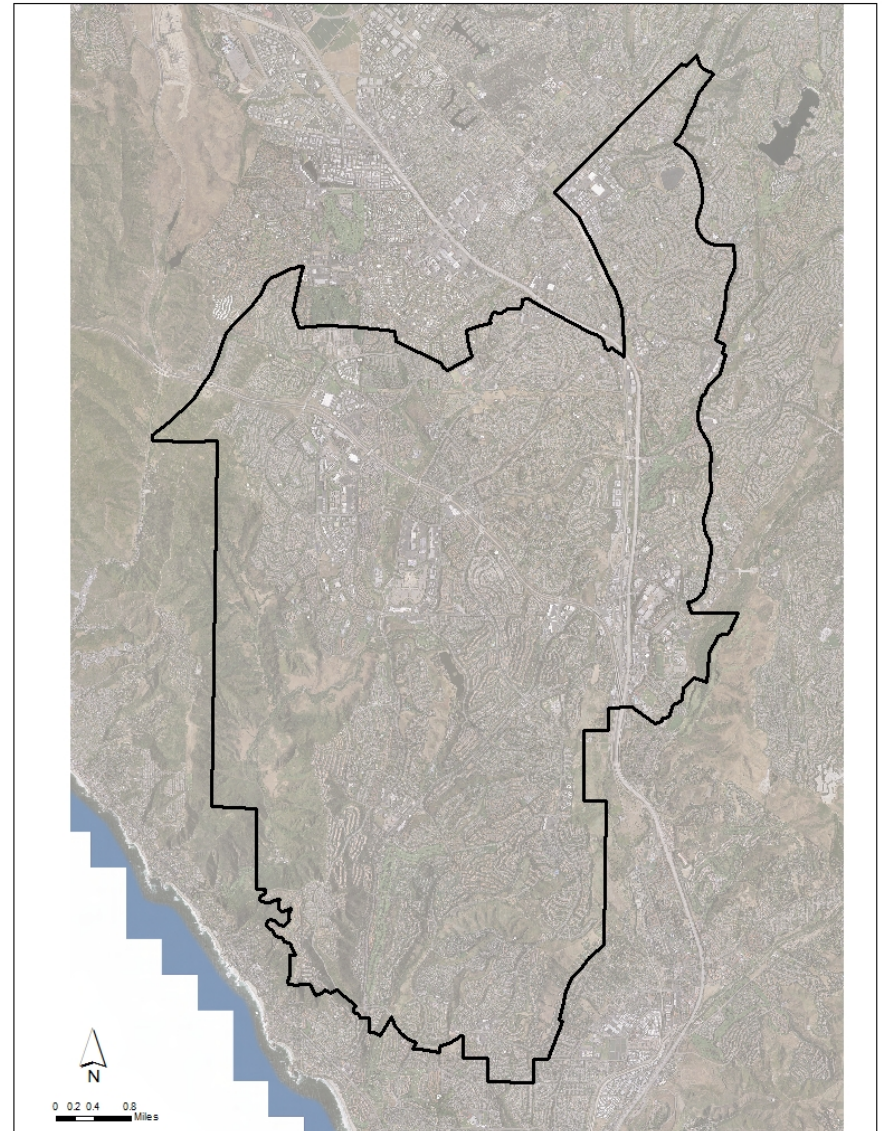
Project Description: Conduct a comprehensive cyber risk assessment and penetration test to identify the effectiveness and resiliency of the District including evaluating current cyber defense tactics. The project also includes identifying opportunities and initiatives for enhancing the District's cybersecurity 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: In Construction

Estimated Project Amount:

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



CMMS Phase II Implementation/Integration

Project No: 2022.015

System: Multi-System

Fund: 7

Project Location: N/A

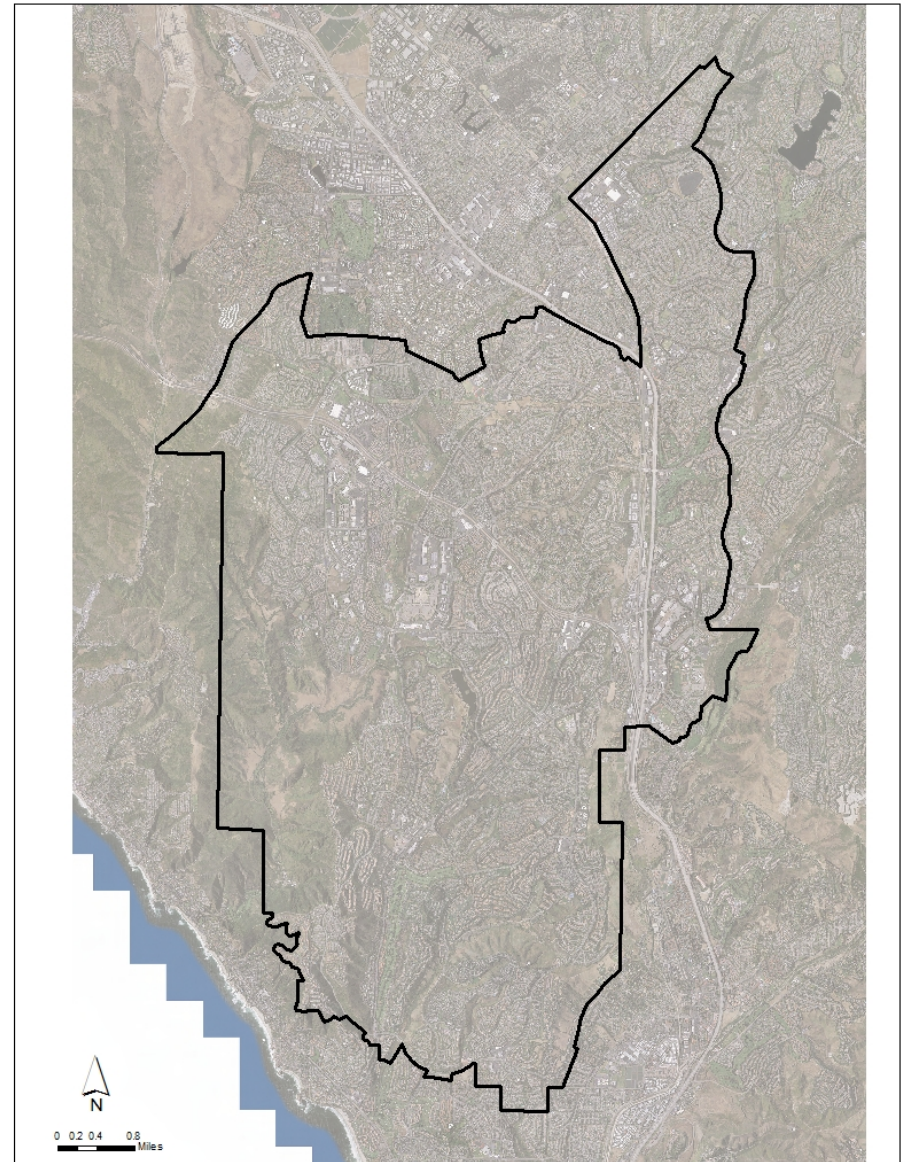
Project Description: Phase II of the Computerized Maintenance Management System (CMMS) Implementation with District workgroups, transitioning final workgroups to the new CMMS that will benefit from workorder management, and enable integrations with JDE to support these workflows.

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: In Construction

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance Implementation	Exempt \$313,750
Total Project Budget	\$313,750



Document Management System Upgrade

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

Project Location: N/A

Project Description:

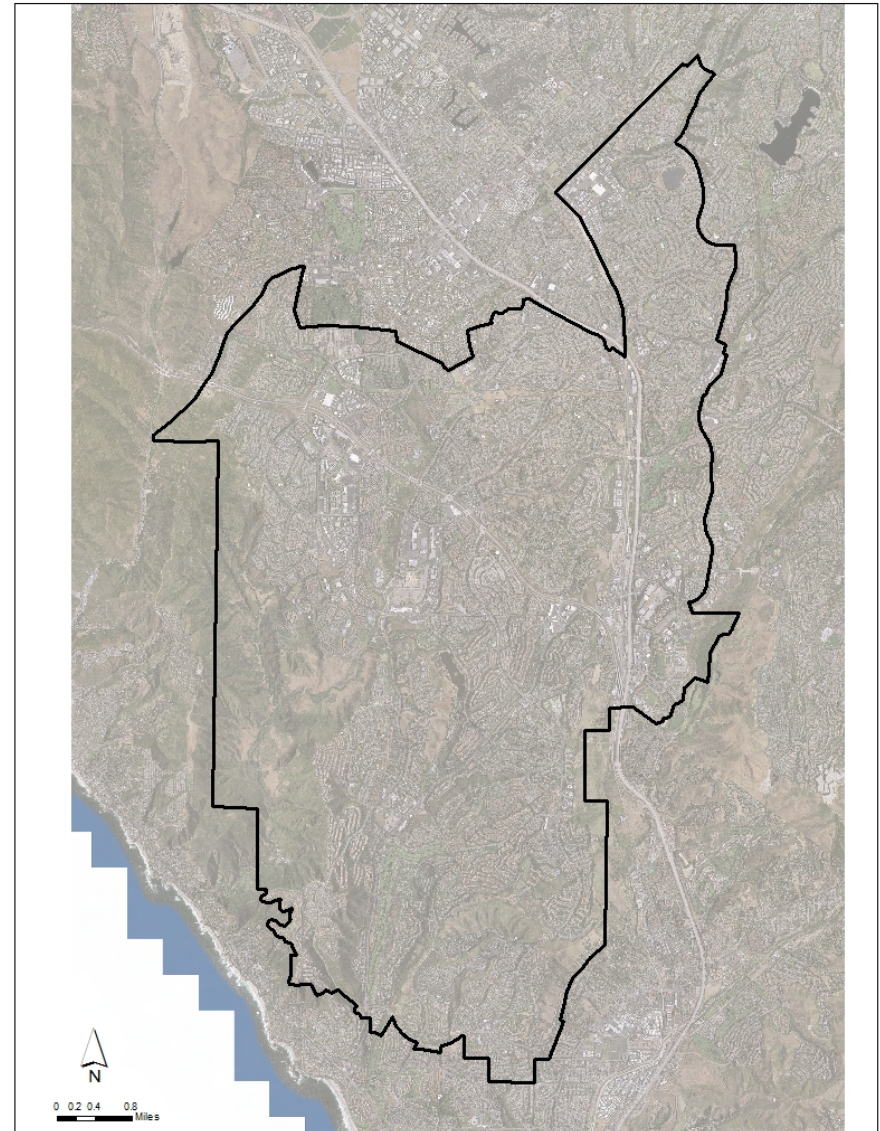
- Select and procure document management solution for storage of District’s records and documents.
- Migrate all historical digital records from legacy system to new document management solution.
- Identify and streamline workflows related to capturing digital records including drawings, agreements, 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	Exempt
Implementation	\$389,000
Total Project Budget	\$389,000



Billing System Upgrade

Project No: 2022.014
System: Multi-System
Fund: 7

Project Location: N/A

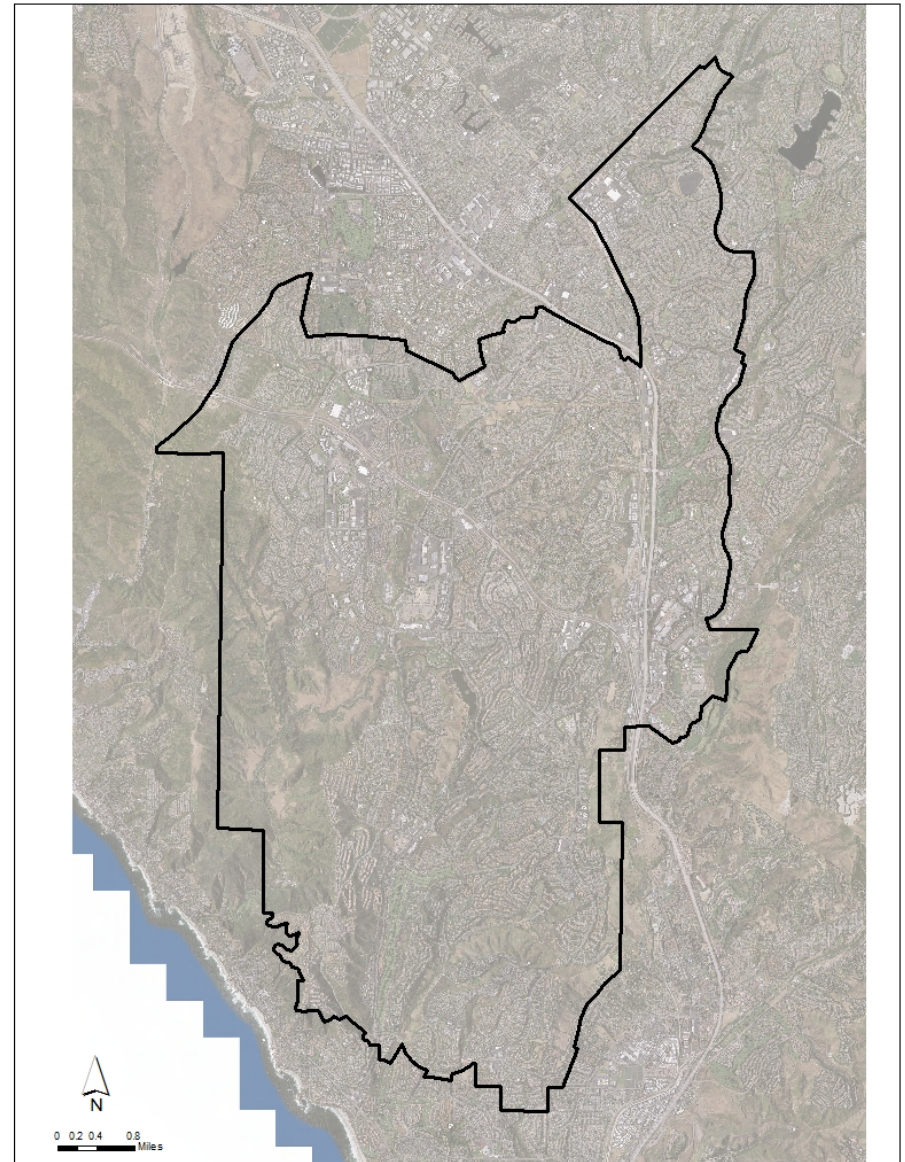
Project Description: Conduct a comprehensive analysis of the current billing system, review the District's billing needs and workflows related to billing, and propose a new solution that will meet the long-term needs of the District. The project includes an implementation phase for selecting, procuring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

Project Need: The District has been using Utiligy 360 from Denovo as its 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: In Design

Estimated Project Amount:

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



SCADA Communications Pole Replacements

Project No: 2022.018

System: Multi-System

Fund: 7

Project Location: Various

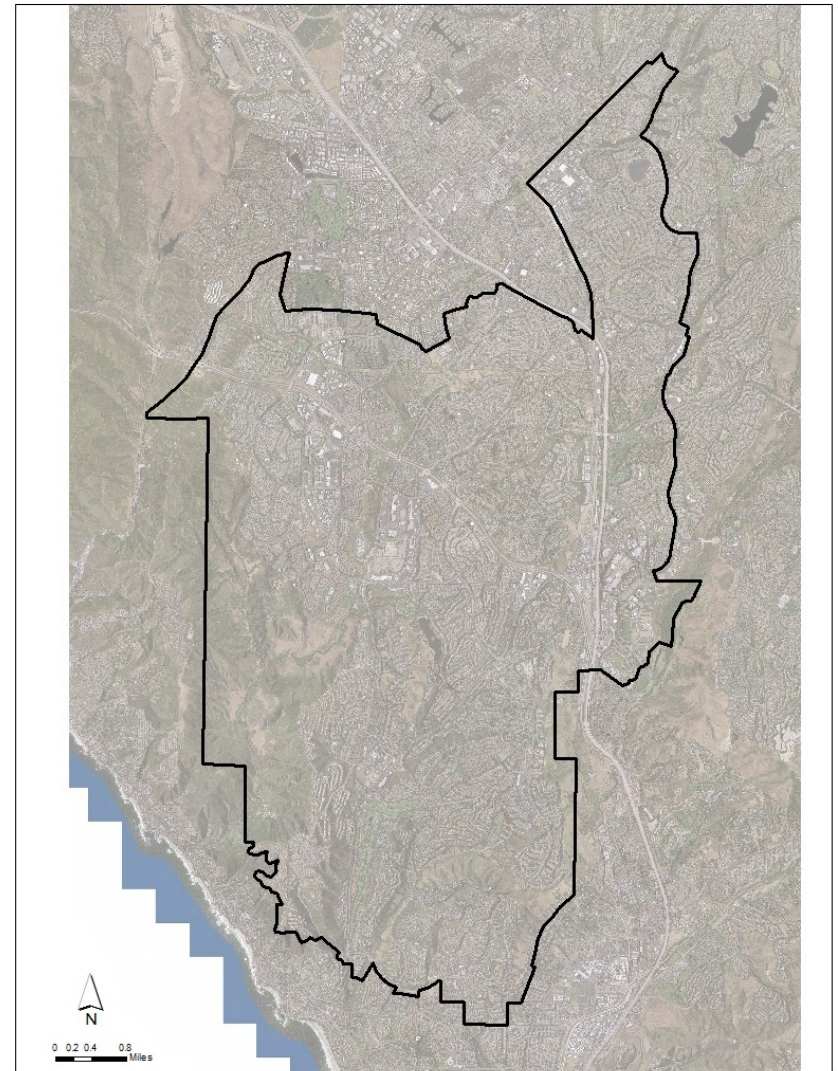
Project Description: Perform radio survey and install new monopoles at or near Big Niguel Pump Station, Del Avion Lift Station, Saddleback Recycled Pump Station, and Rancho Underground Pump Station. Relocate existing Rajant antennas to new monopoles.

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

Project Status: In Design

Estimated Project Amount:

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



Capital Outlays – Fund 1

Project No: Annual Program

System: Multi-System

Fund: 1

Project Location: Various

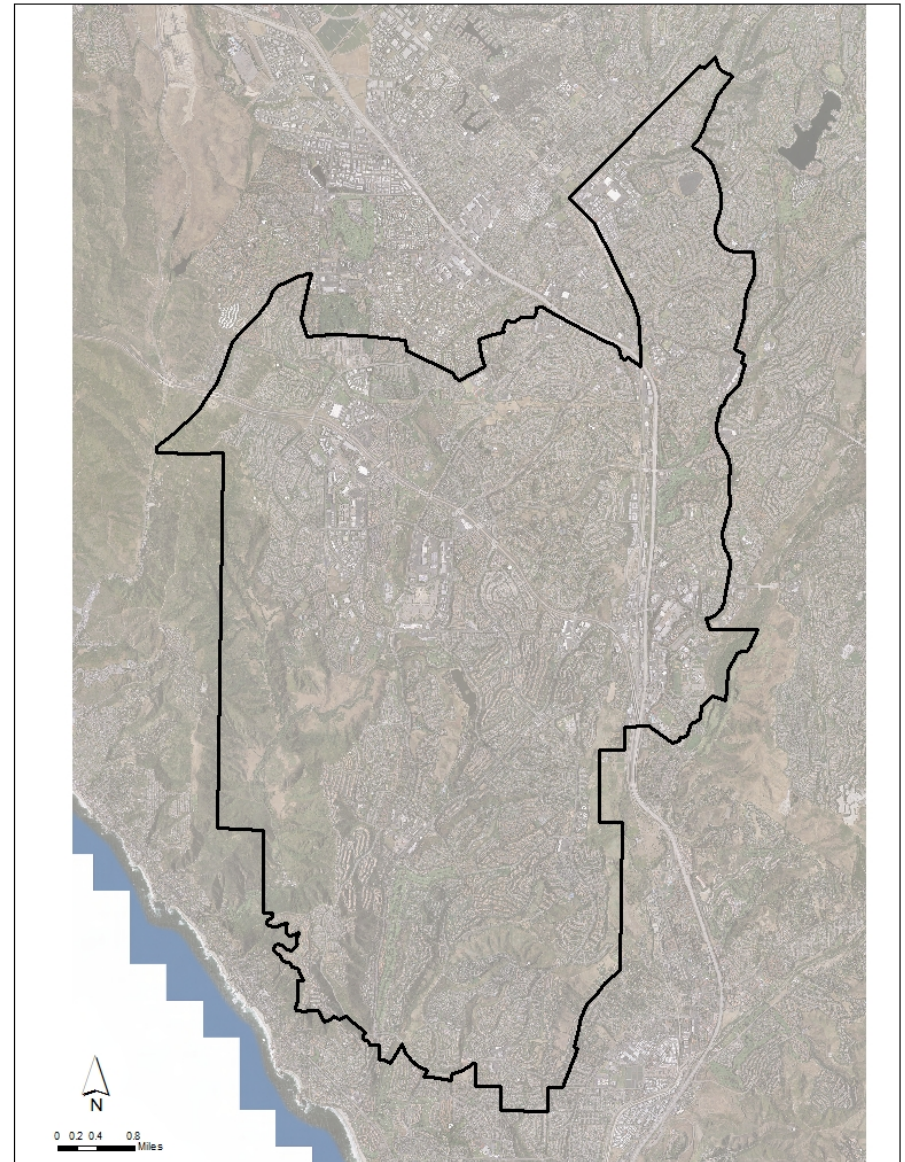
Project Description: Capital equipment and parts purchases, including fleet vehicles, heavy equipment, other rolling stock, and technology.

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

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

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Purchases	\$5,600,000
Total Project Budget	\$5,600,000



Operations-Led Capital Improvements – Multi-System

Project No: Annual Program

System: Multi-System

Fund: 7

Project Location: Various

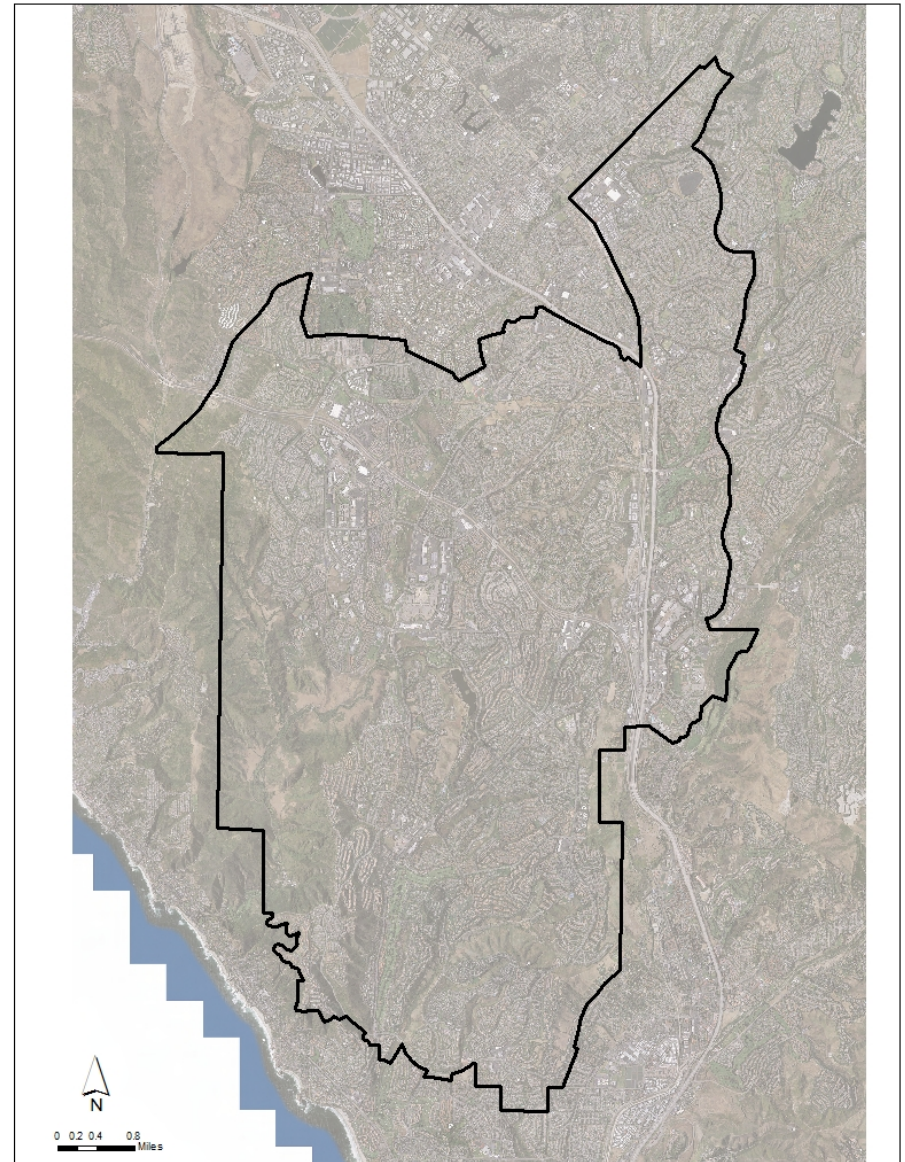
Project Description: This program covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, 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	\$450,000
Total Project Budget	\$450,000



Building E Rehabilitation

Project No: 2021.014

System: Multi-System

Fund: 7

Project Location: Operations Center, Building E, Laguna Hills

Project Description: Rehabilitate or replace facility roofing, electrical, and HVAC equipment to restore functionality of the building. Replace interior lighting. Install modern security system and door hardware to match the balance of the Operations Center facilities.

Project Need: Building E was originally constructed in 1997 and has been in continuous occupancy since that time. Many of the mechanical, electrical, structural, and architectural components of the facility have become obsolete, with replacement parts being difficult to locate.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$150,000
CEQA Compliance	Exempt
Construction	\$1,750,000
Legal/Permit/Other	\$100,000
Total Project Budget	\$2,000,000



Video Site Surveillance System

Project No: 2021.019

System: Multi-System

Fund: 14

Project Location: Various

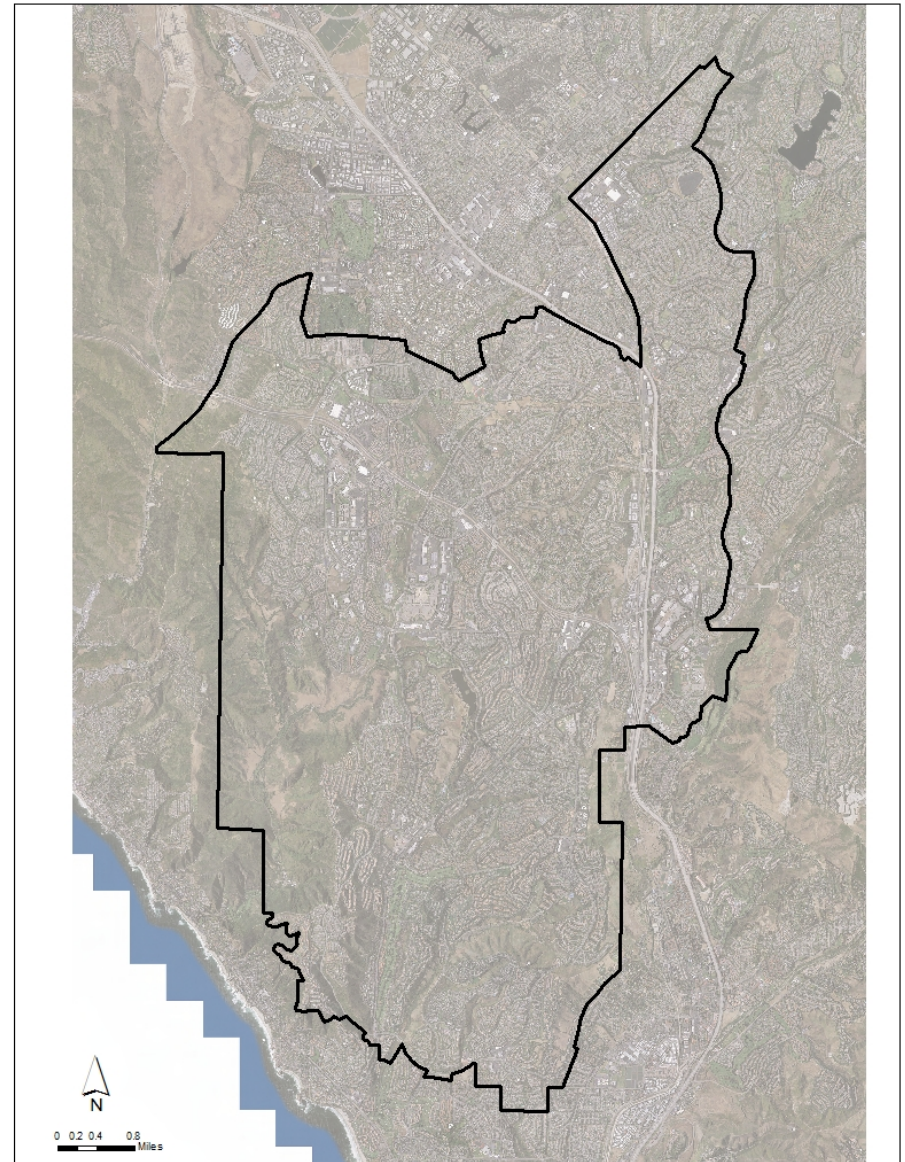
Project Description: The installation of video surveillance at various District facilities and the installation of additional data storage capacity at Plant 2A.

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 wastewater lift stations to monitor for overflows.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	\$300,000
Total Project Budget	\$300,000



2023-24 Operations-Led Capital Improvements - Multi-System

Project No: 2023.000

System: Multi-System

Fund: 7

Project Location: Various

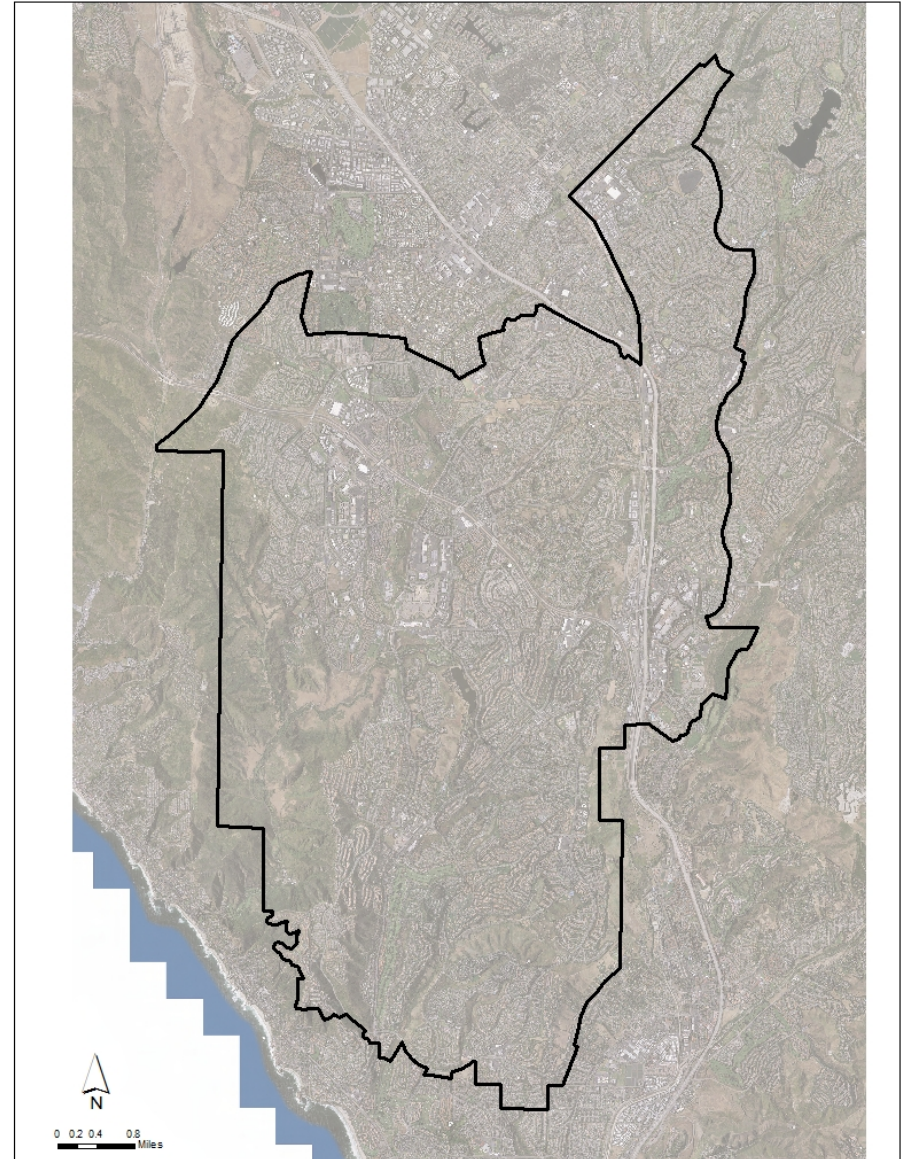
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, 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	\$300,000
Total Project Budget	\$300,000



EV Charging Stations and Solar Panels at Headquarters

Project No: TBD

System: Multi-System

Fund: 14

Project Location: Headquarters, Laguna Hills

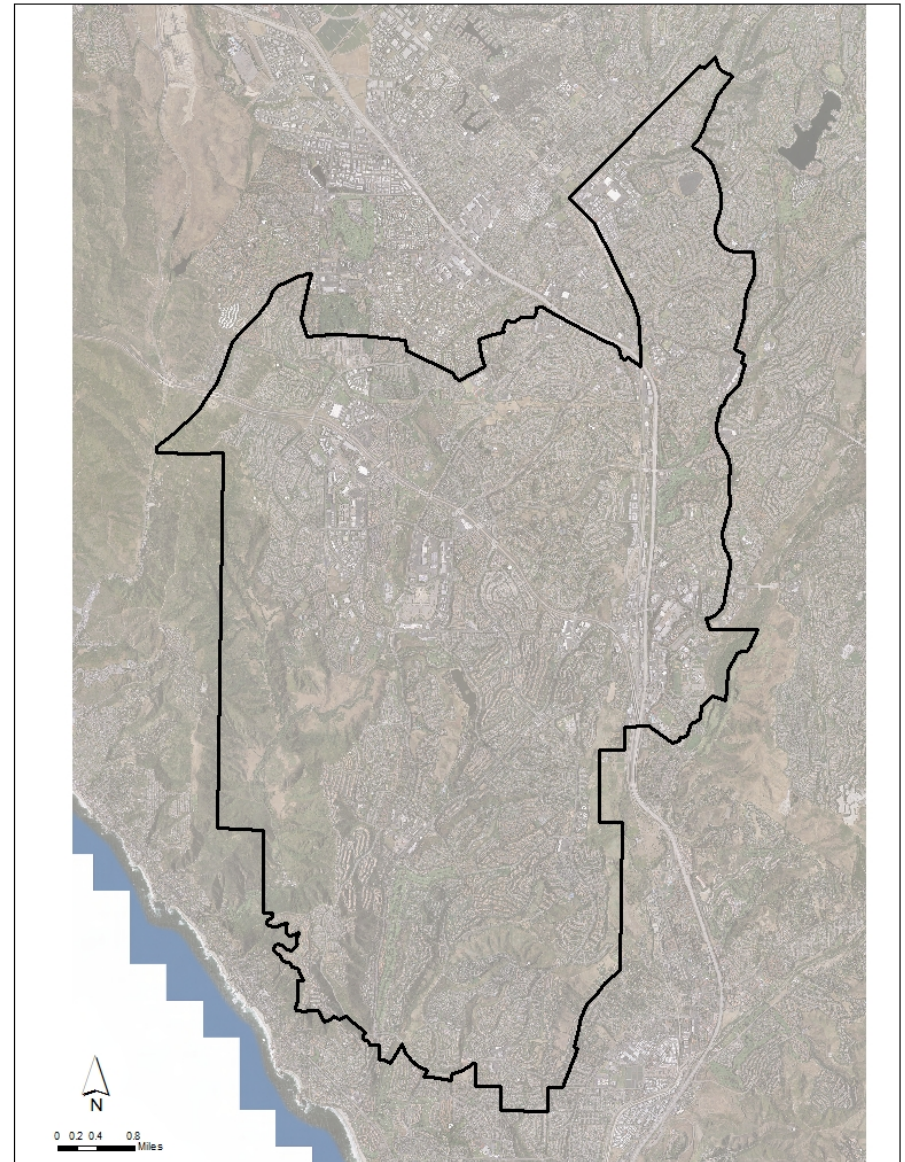
Project Description: Install twelve (12) electrical vehicle charging stations and associated electrical conduits. The project also includes construction of two (2) additional parking canopies with solar panels. The project also includes installation of solar panels on the existing parking canopies and associated electrical work.

Project Need: This project is needed to comply with upcoming regulatory requirements and will be partially grant funded.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	\$1,980,000
Legal/Permits/Other	\$20,000
Total Project Budget	\$2,000,000



SCADA Communications Monopole at Mandeville Park

Project No: TBD

System: Multi-System

Fund: 14

Project Location: Mandeville Park, Laguna Hills

Project Description: Perform radio survey and install a new monopole with antennas at the Mandeville Park in Laguna Hills. The new monopole will serve as an additional pathway for SCADA communications.

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



SCADA Historian Database and Dashboard

Project No: TBD

System: Multi-System

Fund: 14

Project Location: Headquarters, Laguna Hills

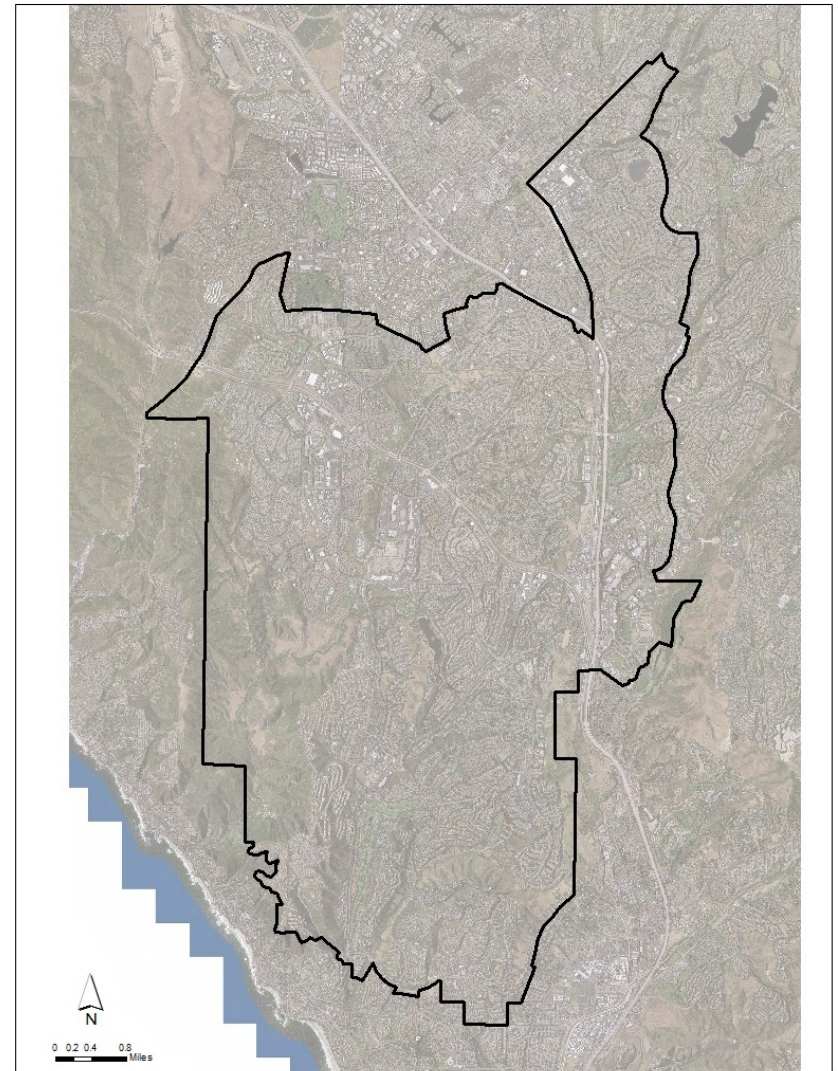
Project Description: To build out a centralized data warehouse to house historical SCADA data, water usage data, and energy usage data. The work would entail implementing necessary automated workflows for importing and exporting the data. A user-friendly dashboard would be developed for browsing and querying the data.

Project Need: The SCADA Historian Database would be the core repository for analytics, applications, queries, and dashboards to support ongoing and future business needs including reporting to regulatory bodies, identifying operational efficiencies, and capital planning.

Project Status: Proposed Project

Estimated Project Amount:

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



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

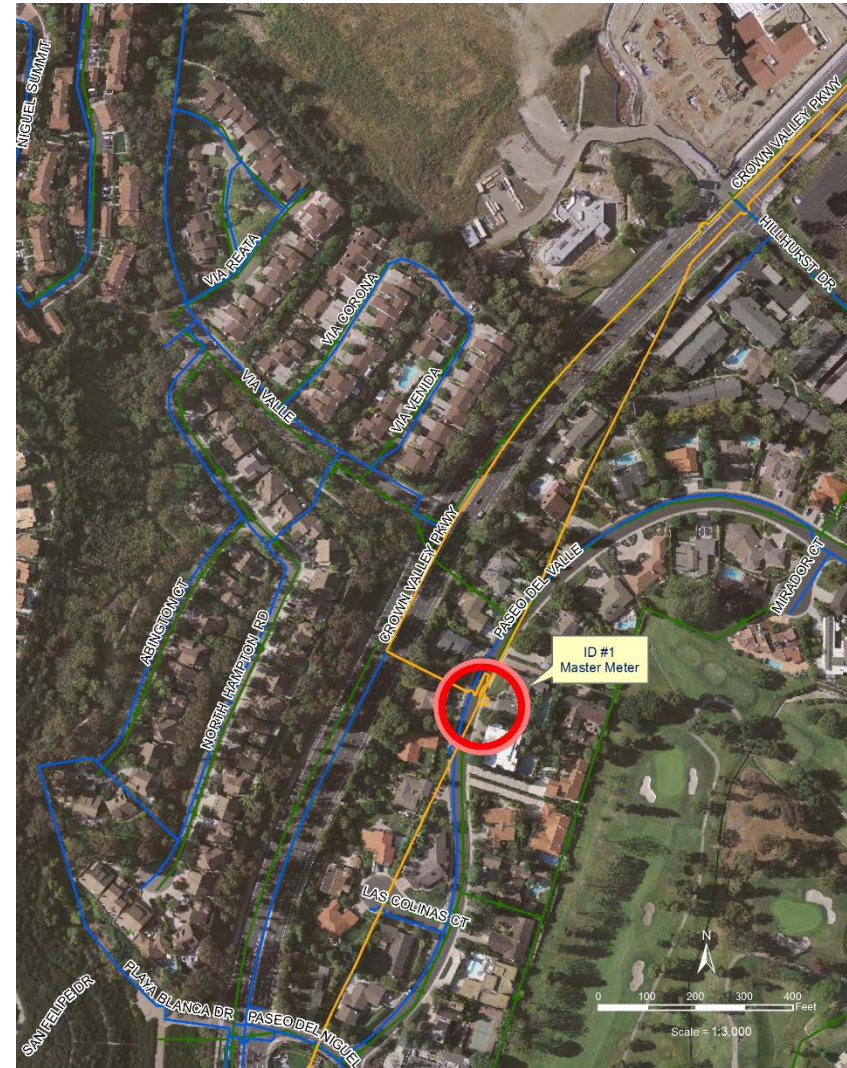
Project Description: Construct new master meter vault and associated piping.

Project Need: SCWD/JRWSS will be relocating approximately 0.5-mile of the Joint Transmission Main (JTM) out of the housing track along Paseo Del Valle and into Crown Valley Parkway. The I.D. No. 1 Master Meter needs to be relocated and reconnected to the JTM at a different location. SCWD/JRWSS plans to perform the JTM relocation work in FY 2023-24.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$403,700
CEQA Compliance	Included
Construction Contract	\$1,662,018
CM and Inspection	\$119,774
Legal/Permits/Other	\$53,563
Total Project Budget	\$2,239,055



Crown Valley Parkway Transmission Main Lower Reach Replacement

Project No: 2019.037

System: Potable

Fund: 7

Project Location: Crown Valley Parkway, Laguna Niguel

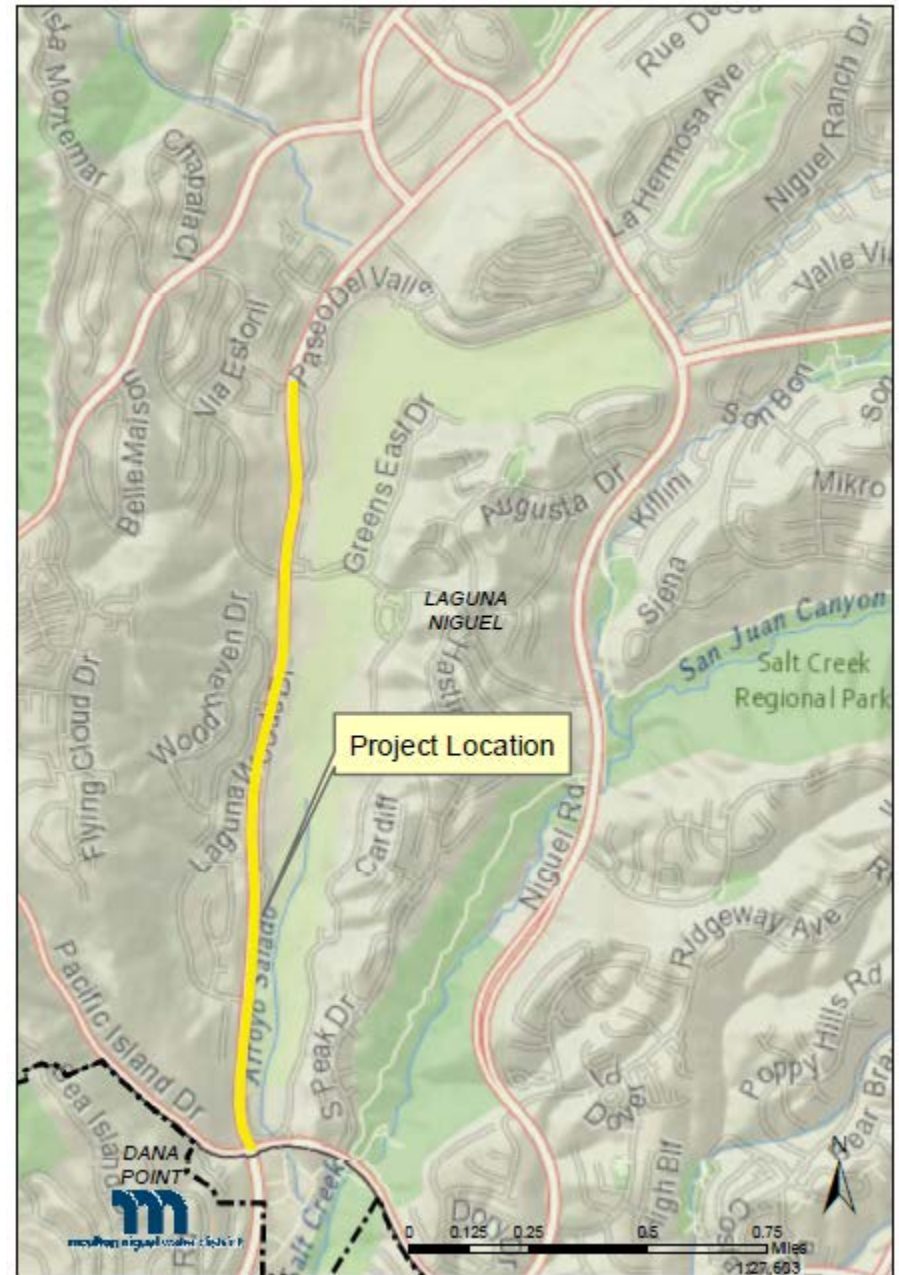
Project Description: Replace the existing 12-inch diameter concrete cylinder transmission main from Camino del Avion/Pacific Island Drive at the south end to approximately Paseo de Niguel at the north end.

Project Need: This 450 pressure zone potable water transmission main was constructed in the 1960s and has required multiple repairs.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$422,400
CEQA Compliance	Included
Construction Contract	\$4,594,954
CM and Inspection	\$342,432
Legal/Permits/Other	\$153,136
Total Project Budget	\$5,512,922



2022-23 Valve Replacement – PW

Project No: 2022.001

System: Potable

Fund: 7

Project Location: Various

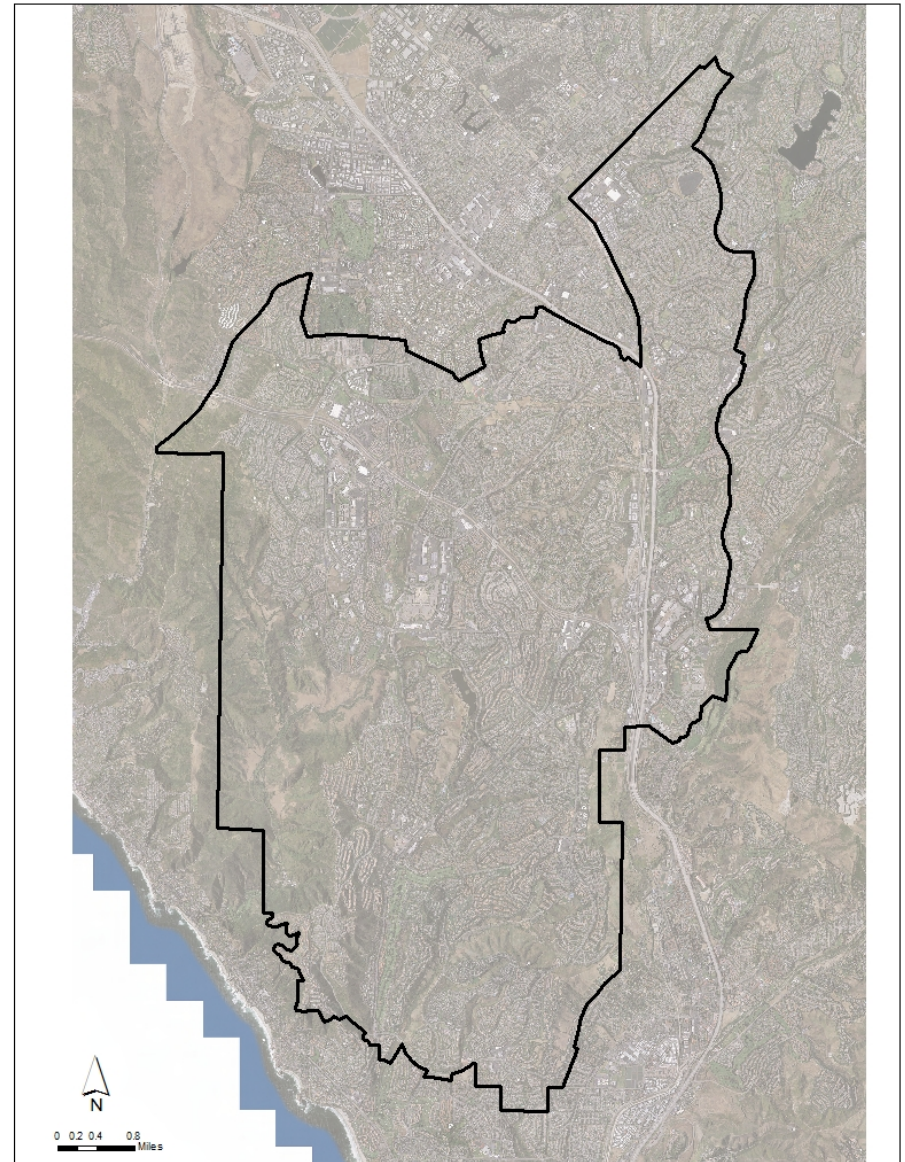
Project Description: Replace existing in-line valves.

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 Construction

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



Low Resolution Meter Replacement

Project No: 2022.013

System: Potable

Fund: 6

Project Location: District-wide

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: In Construction

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



2023-24 Valve Replacement – PW

Project No: 2023.001

System: Potable

Fund: 7

Project Location: Various

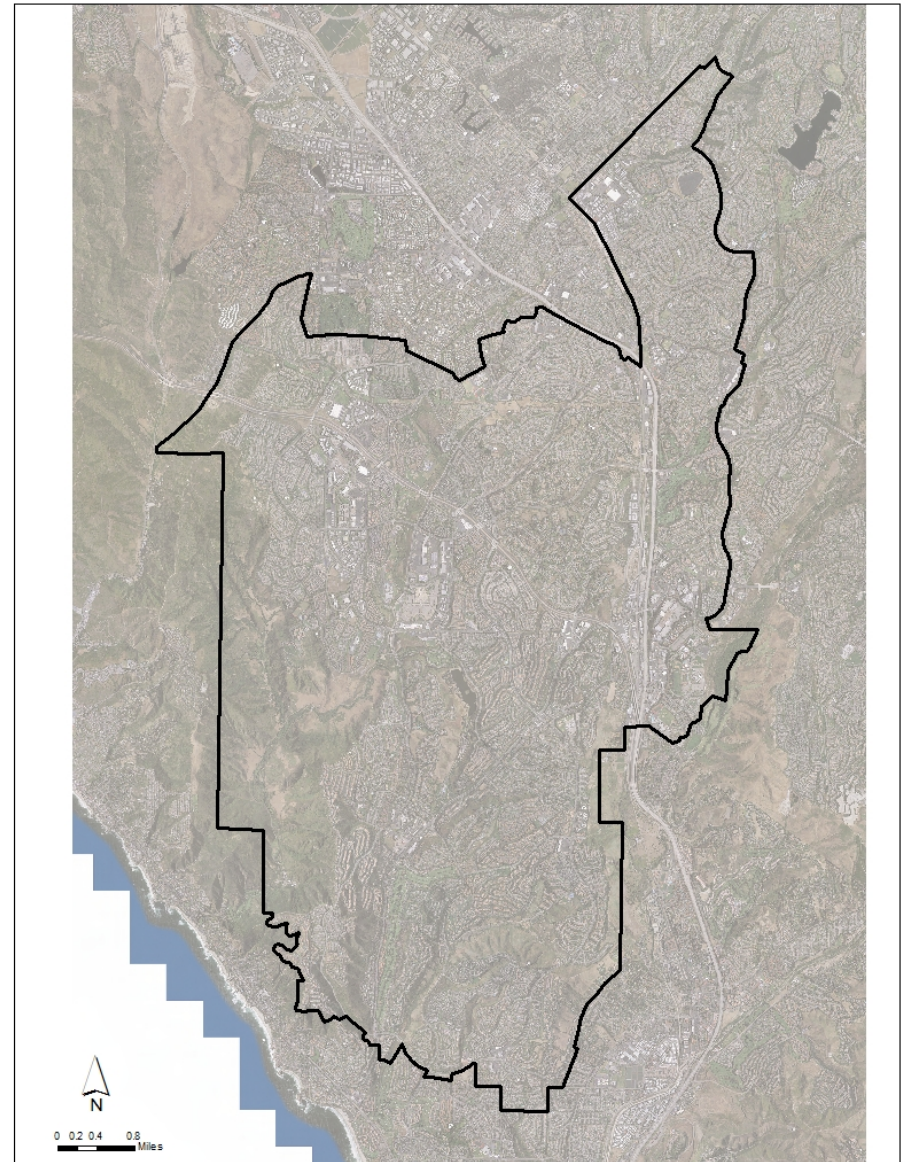
Project Description: Replace existing in-line valves.

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 Construction

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction by District	\$1,100,000
Total Project Budget	\$1,100,000



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
Labor/Permits/Other	\$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

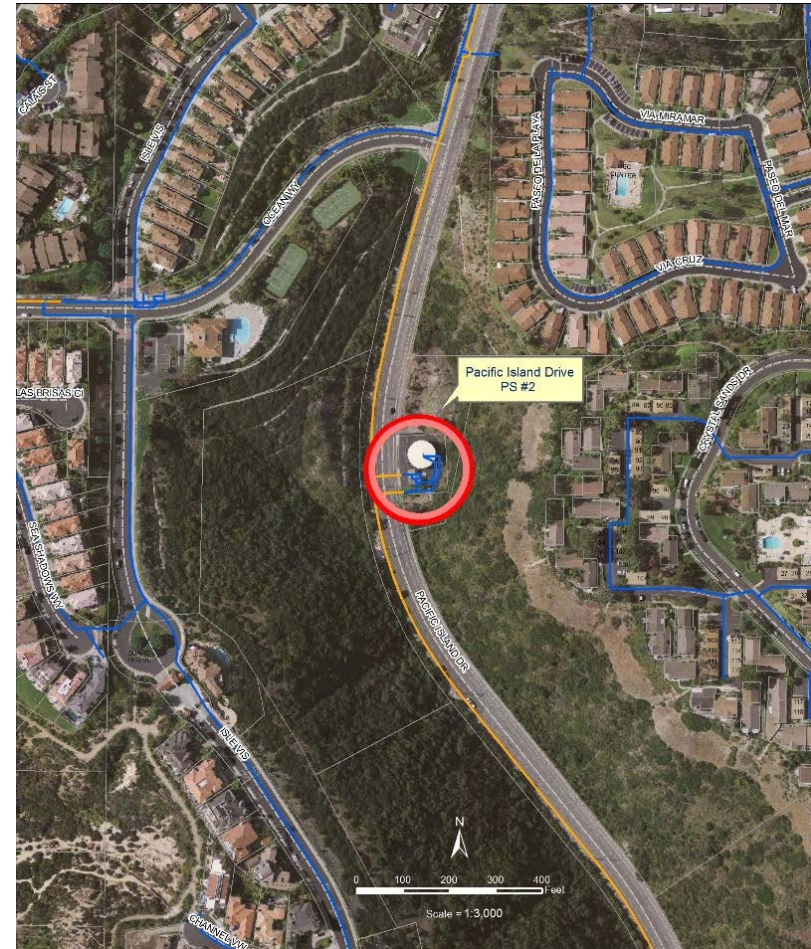
Project Description: Install approximately 2,000 feet of 12-inch diameter pipe. Construct a standalone, back-up pump station at PID Pump Station No. 2 site.

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	\$500,000
CEQA Compliance	\$50,000
Construction Contract	\$7,300,000
Specialty Inspection	\$500,000
Labor/Other	\$65,000
Total Project Budget	\$8,500,000



Electrical System Improvements Phase 4 – PW

Project No: 2018.004

System: Potable

Fund: 7

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

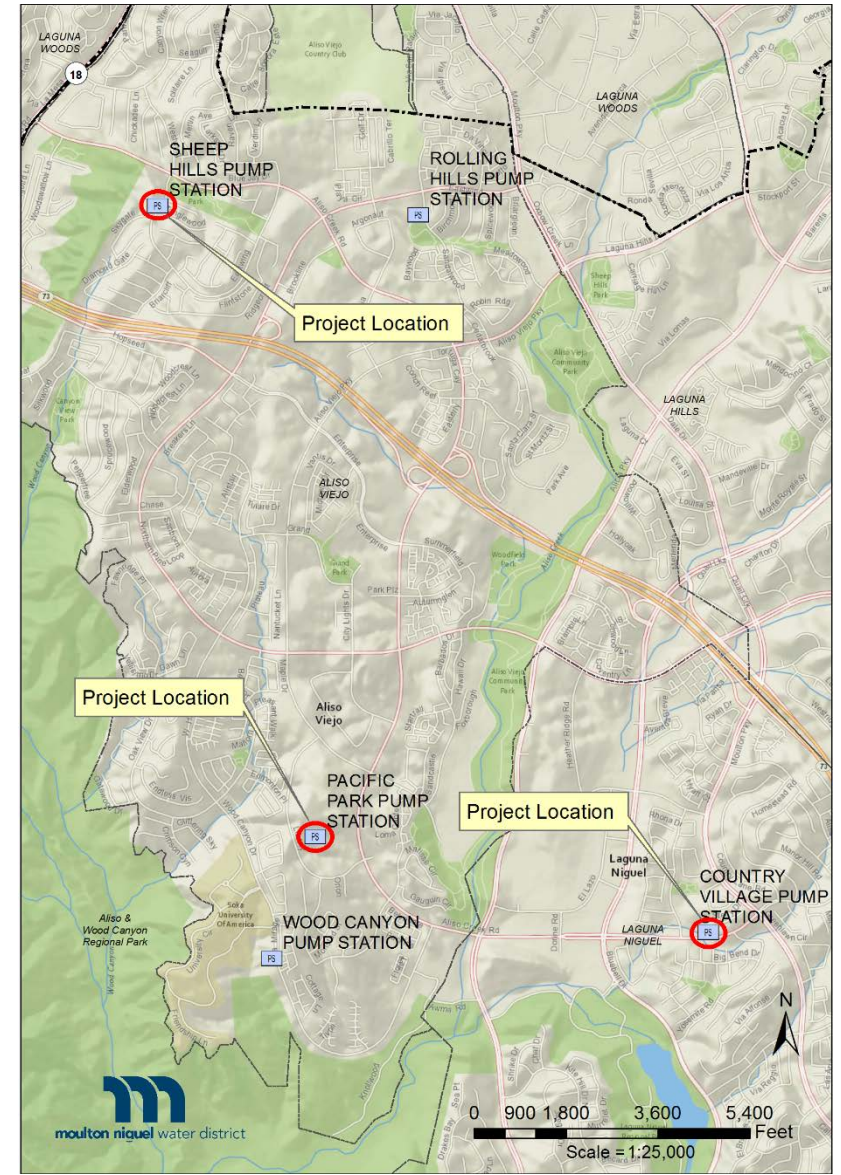
Project Description: Replace 1600A MCC, 600A E-MCC, and Load Bank Circuit Breaker at Country Village PS. Temporary switchgear will be required to maintain operation during construction. Replace Meter/Main Section; remove the fire pump and natural gas engine; and install a new portable generator connection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

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: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$200,000
CEQA Compliance	Exempt
Construction Contract	\$1,400,000
Inspection/Utility Fees/Other	\$100,000
Total Project Budget	\$1,700,000



Reservoir Management System Replacement Phase 4

Project No: 2019.029

System: Potable

Fund: 7

Project Location: El Dorado, La Paz, Rancho Reservoirs, and Saddleback

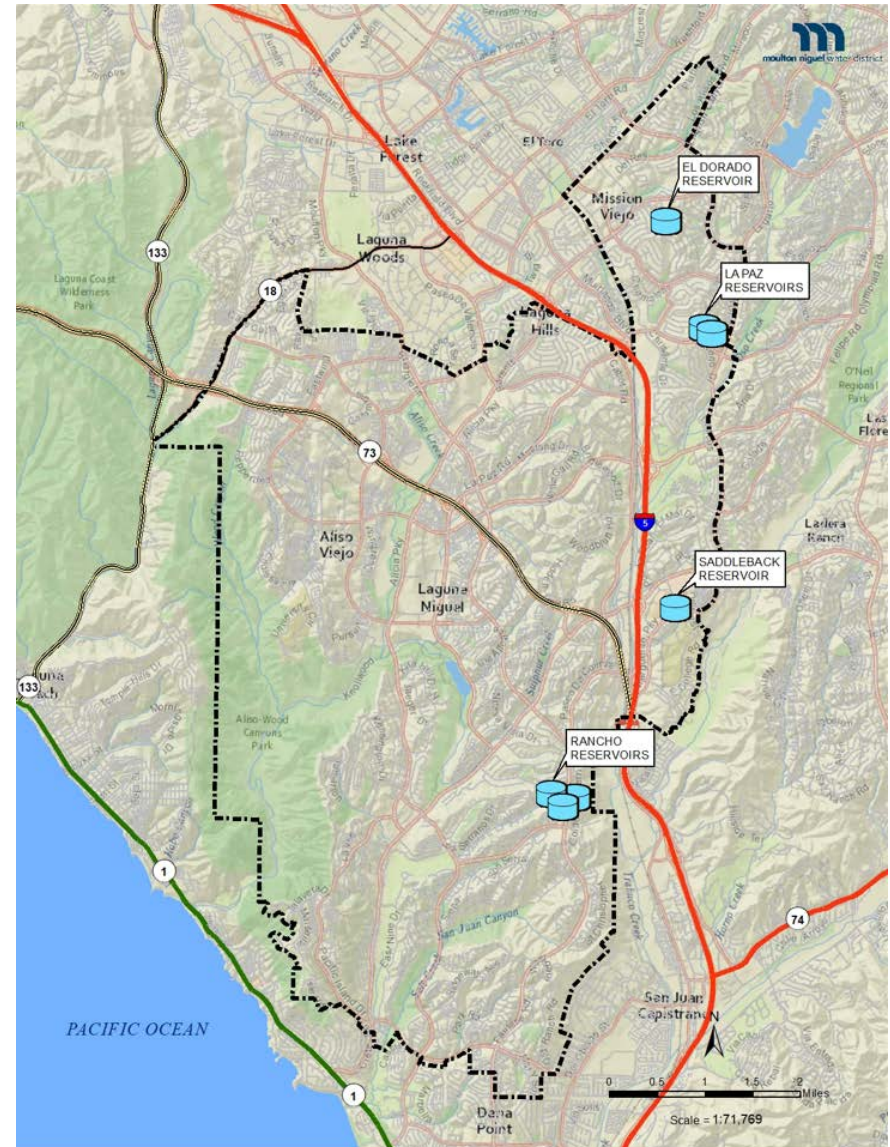
Project Description: Remove existing on-site generation water quality reservoir management systems and protective structures and replace with new water quality reservoir management systems and permanent style buildings. The work will include the installation of liquid sodium hypochlorite and ammonia 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	\$500,000
CEQA Compliance	Exempt
Construction Contract	\$7,600,000
Specialty Inspection	\$600,000
Legal/Permits/Other	\$70,000
Total Project Budget	\$8,770,000



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

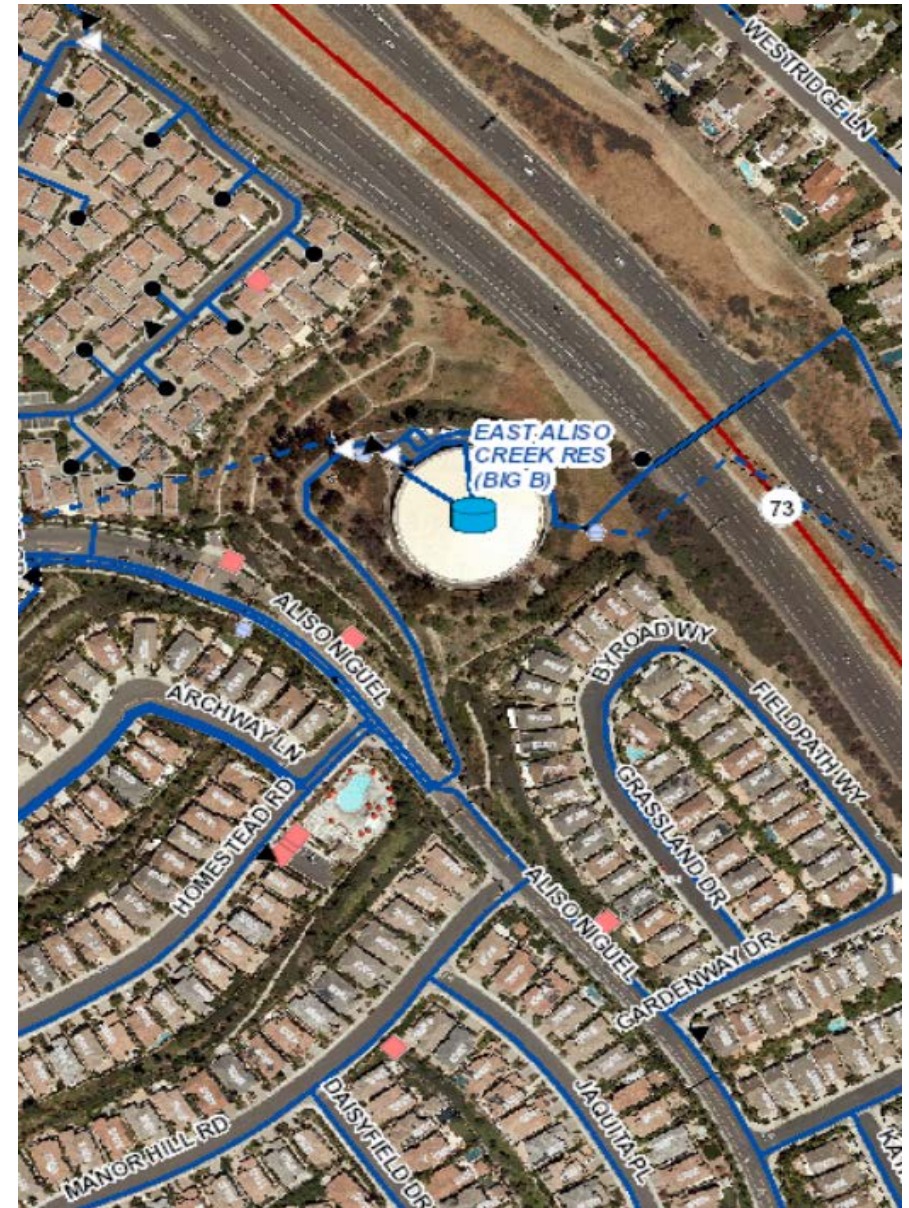
Project Description: Re-configure the inlet and outlet piping for East Aliso Creek Reservoir to include new flexible couplings, new tank isolation valves, shorter pipe runs leading up to the reservoir valve vault, new tank penetrations, and replacement of piping, valves, and appurtenances in the altitude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



Rehabilitation of the Marguerite Reservoir

Project No: 2020.017

System: Potable

Fund: 7

Project Location: Marguerite Reservoir, Mission Viejo

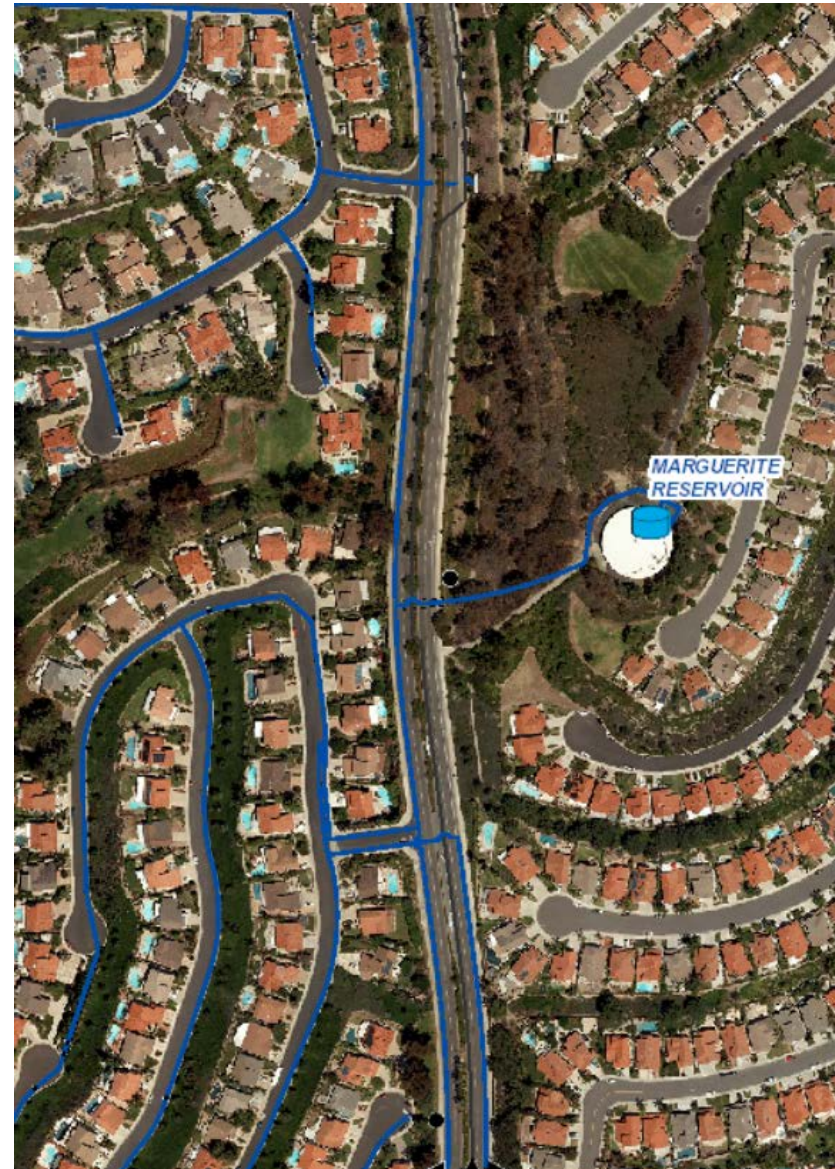
Project Description: Re-coat the interior and exterior of the Marguerite Reservoir. The project also includes structural and corrosion rehabilitation, tank operation and safety improvements, and installation of a cathodic protection system.

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

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$40,000
CEQA Compliance	Exempt
Construction Contract	\$900,000
Specialty Inspection	\$55,000
Legal/Permits/Other	\$5,000
Total Project Budget	\$1,000,000



Reservoir Management System Replacement Phase 5

Project No: 2020.018

System: Potable

Fund: 7

Project Location: PID1, PID2, Laguna Sur, and Wood Canyon

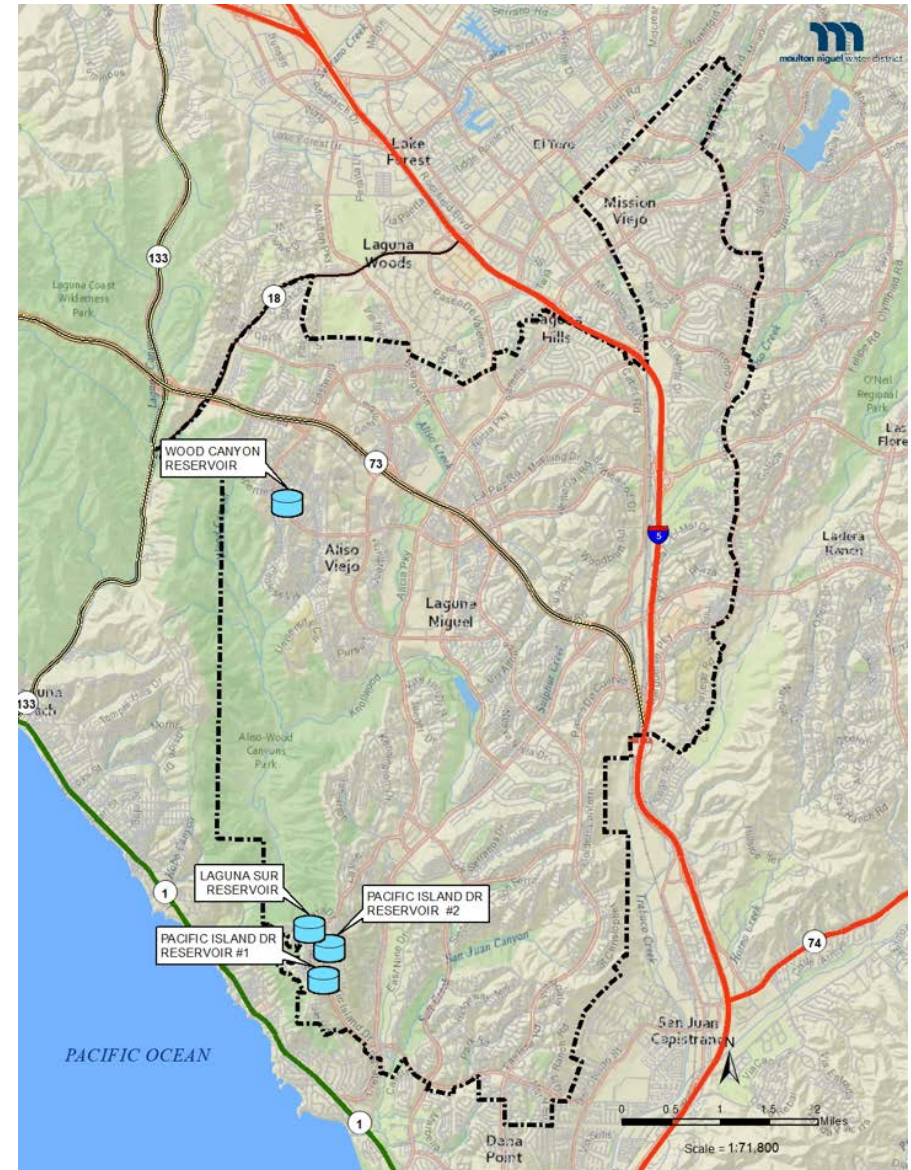
Project Description: Remove existing on-site generation water quality reservoir management systems and protective structures and replace with new water quality reservoir management systems and permanent style buildings. The work will include the installation of liquid sodium hypochlorite and ammonia 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	\$600,000
CEQA Compliance	Exempt
Construction Contract	\$7,600,000
Specialty Inspection	\$620,000
Legal/Permits/Other	\$60,000
Total Project Budget	\$8,880,000



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)

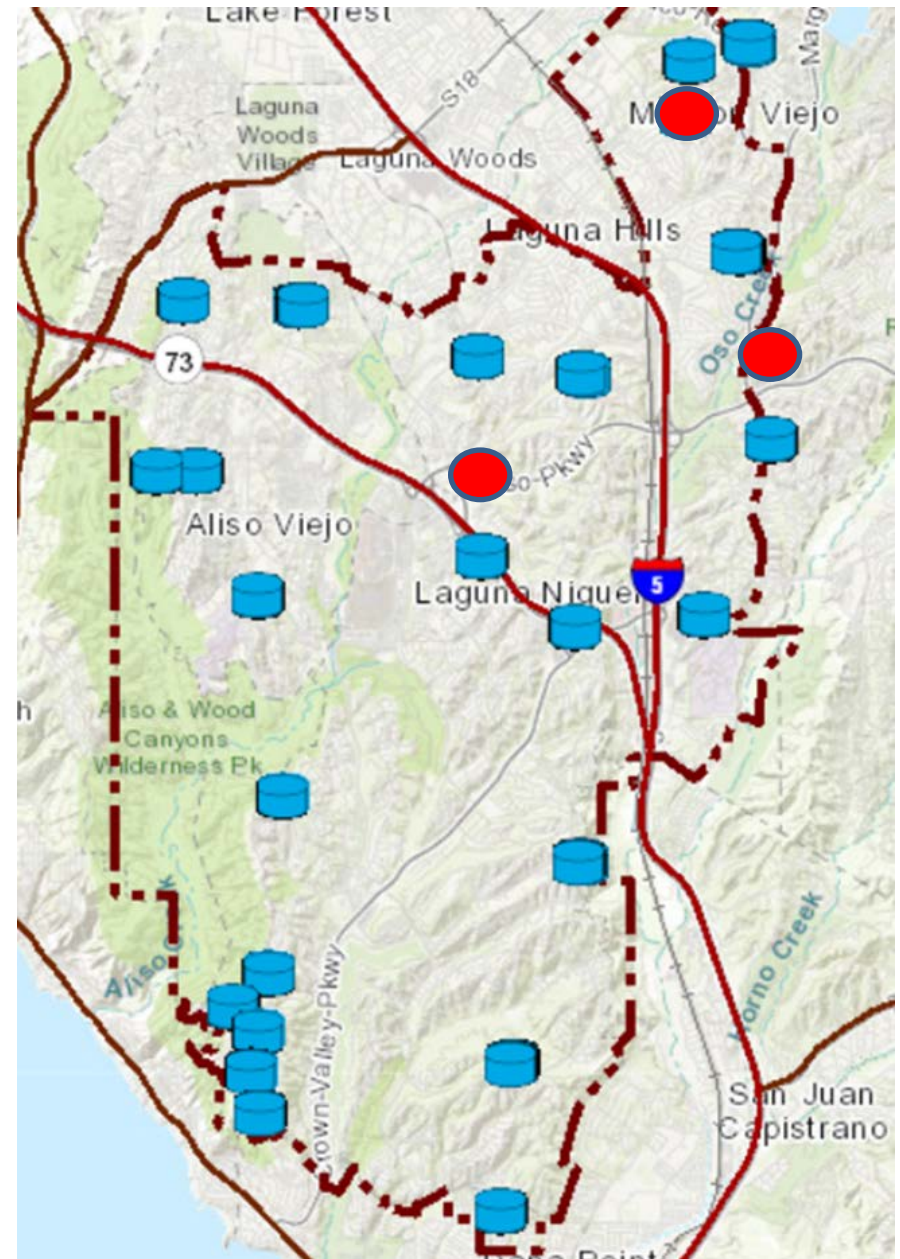
Project Description: Improve soils to prevent further subsidence at the sites.

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

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$140,000
CEQA IS/MND	Exempt
Construction Contract	\$260,000
Total Project Budget	\$400,000



2022-23 Pressure Reducing Station Rehabilitation – PW

Project No: 2022.010

System: Potable

Fund: 7

Project Location: Via Napoli, Laguna Niguel

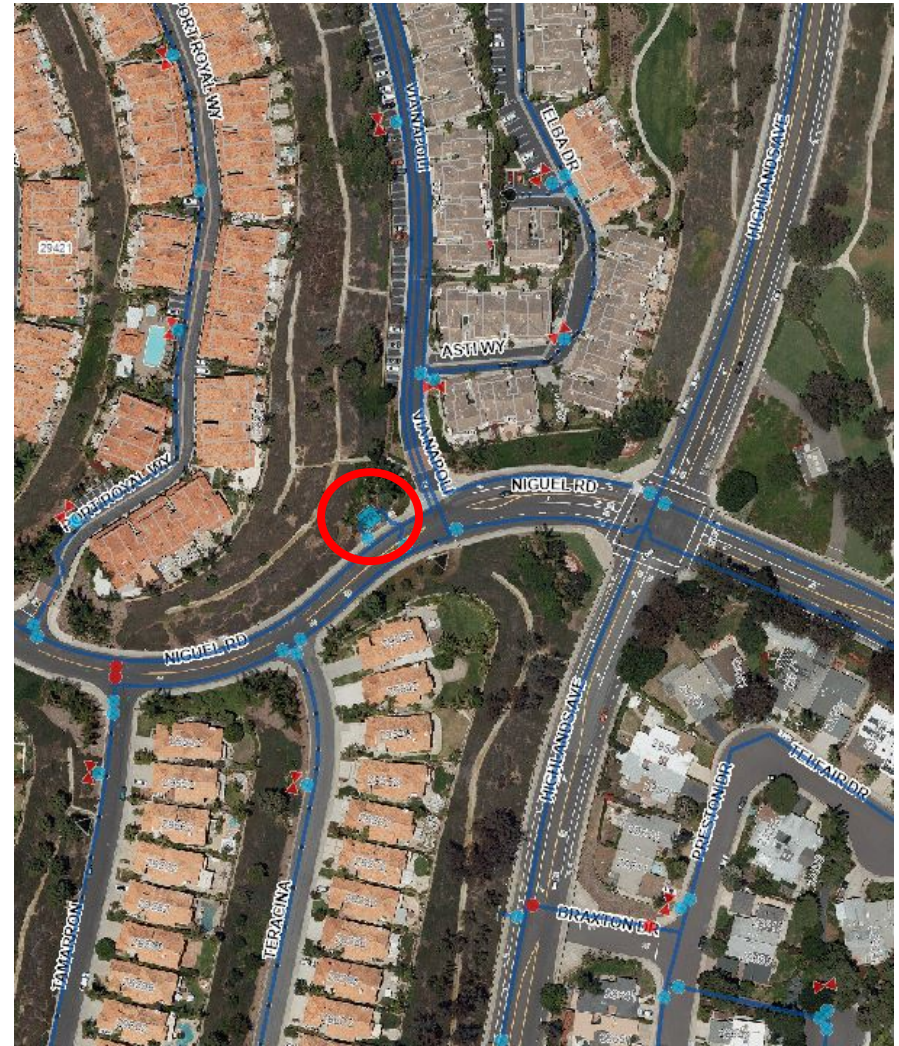
Project Description: Rehabilitate the structure as required and replace the pressure reducing station valves, mechanical equipment and appurtenances that have reached the end of their useful lives. Project will also include the abandonment of three (3) inactive pressure reducing stations (Catamaran,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

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



Eastern Transmission Main Rehabilitation

Project No: 2022.016

System: Potable

Fund: 7

Project Location: Eastern Transmission Main

Project Description: Replace existing 30-inch and 33-inch steel pipe sections and rehabilitate vaults.

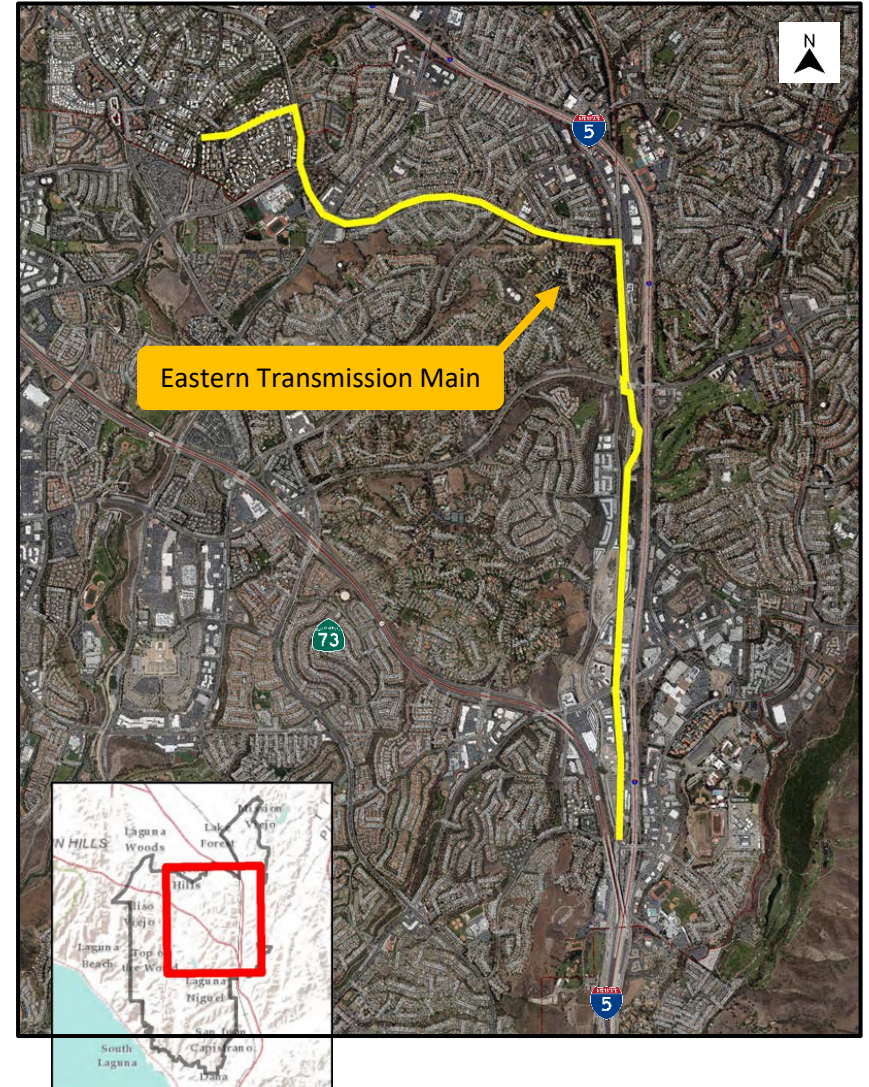
Project Need: A condition assessment was completed in April 2022. Results of the condition assessment identified specific pipe sections and vaults in need of rehabilitation.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
CEQA Compliance	Exempt
Construction Contract	\$1,980,000
Legal/Permit/Other	\$20,000
Total Project Budget	\$2,000,000

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



Micro-Hydro Turbine at Bridlewood Flow Control Facility

Project No: 2022.029

System: Potable

Fund: 14

Project Location: Bridlewood Flow Control Facility, Laguna Hills

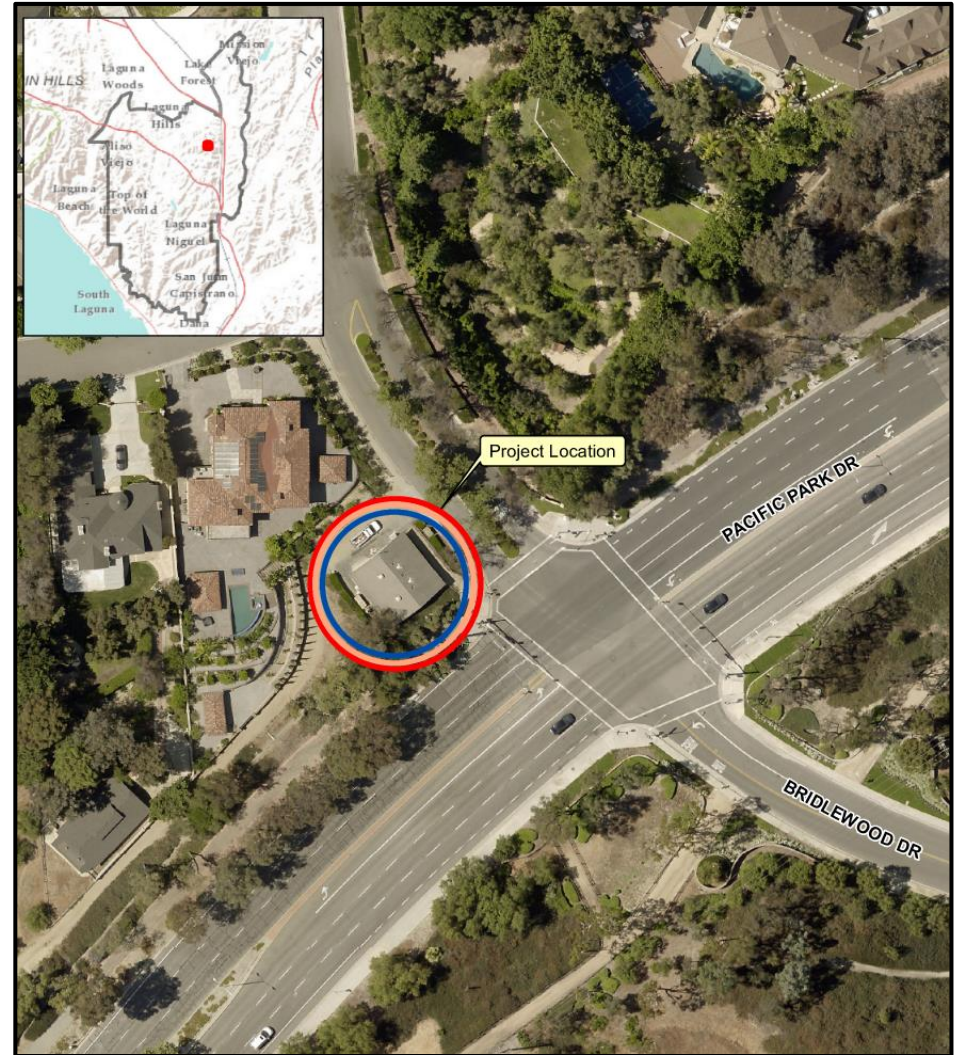
Project Description: Install new HydroXS energy recovery system at the Bridlewood Flow Control Facility. This system is designed to use a micro-hydro turbine to convert excess pressure into renewable energy.

Project Need: The District will reduce operating costs by generating revenue from the energy recovery system.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Design	\$130,000
CEQA Compliance	Exempt
Construction Contract	\$560,000
Legal/Permits/Other	\$10,000
Total Project Budget	\$700,000



OCWD Basin Emergency Interconnection

Project No: OCWD001

System: Potable

Fund: 12

Project Location: Various

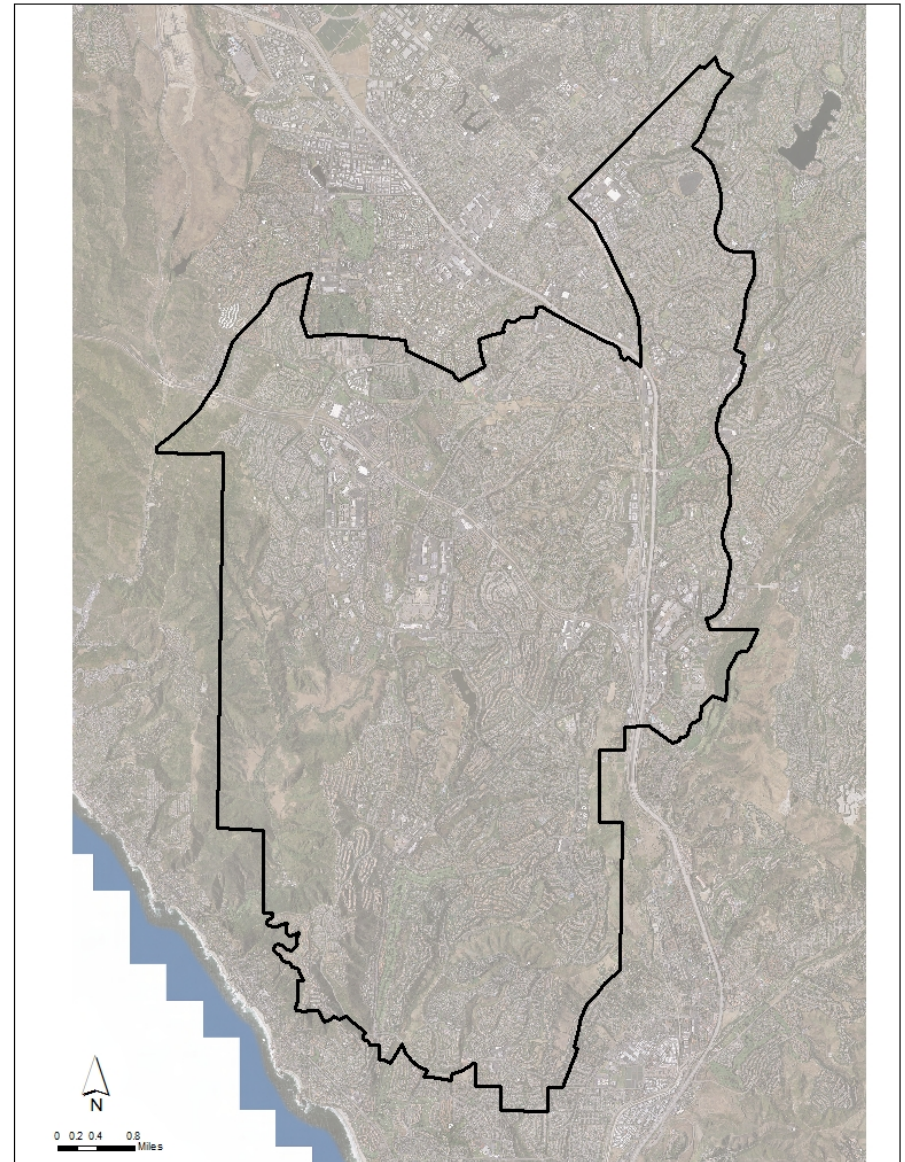
Project Description: Infrastructure improvements to provide an emergency interconnection to the OCWD groundwater basin.

Project Need: Water supply reliability.

Project Status: In Design

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



Fire Hydrant Replacement Program

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

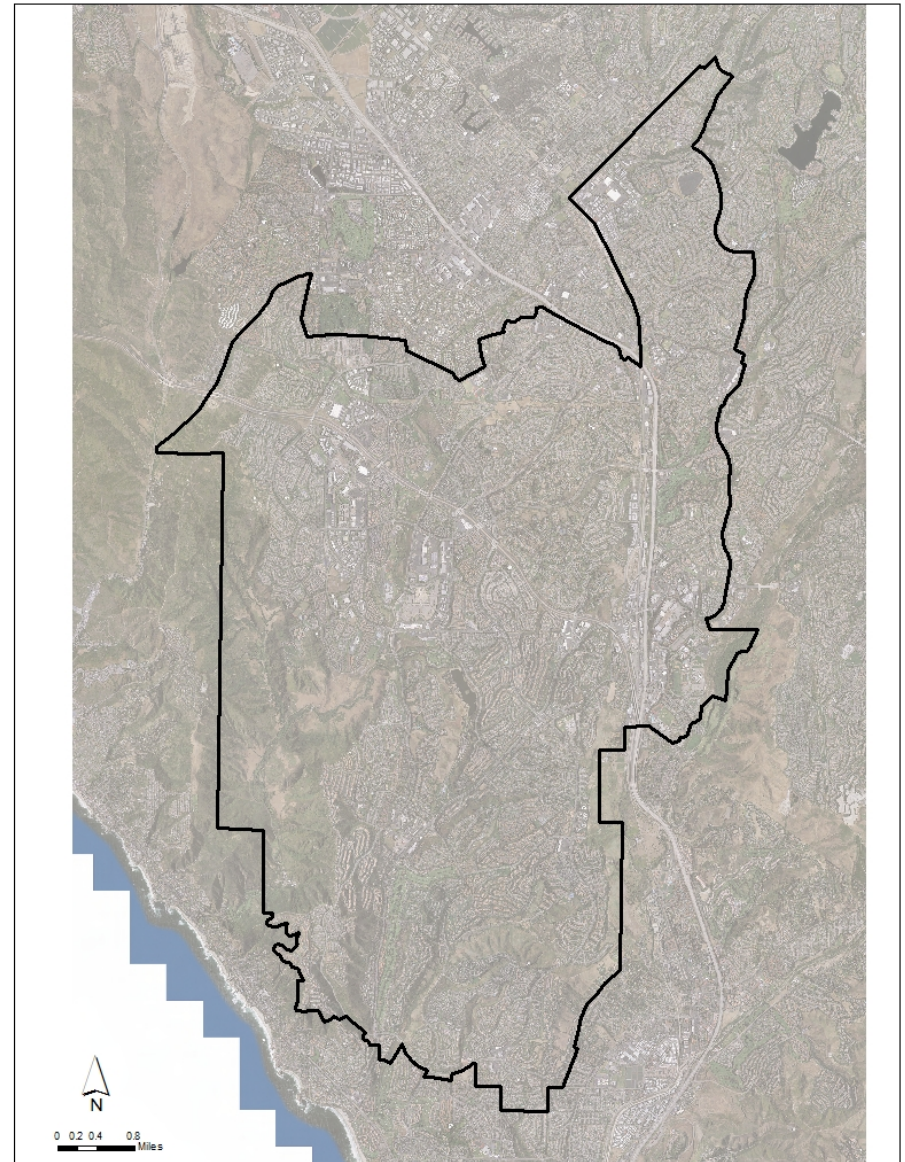
Project Description: Replace existing fire hydrants.

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



Meter Replacement Program – PW

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

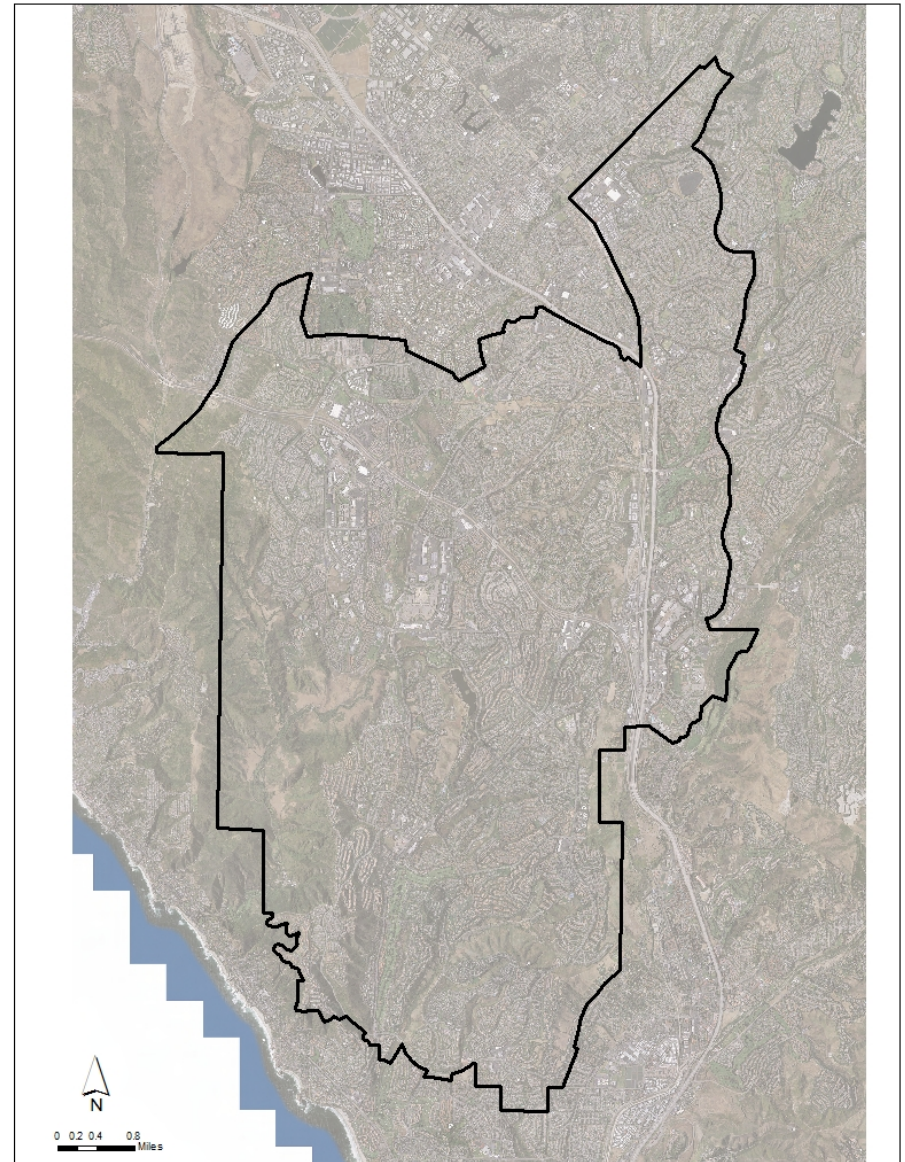
Project Description: Replace existing meters.

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	\$11,250,000
Total Project Budget	\$11,250,000



Operations-Led Capital Improvements – PW

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

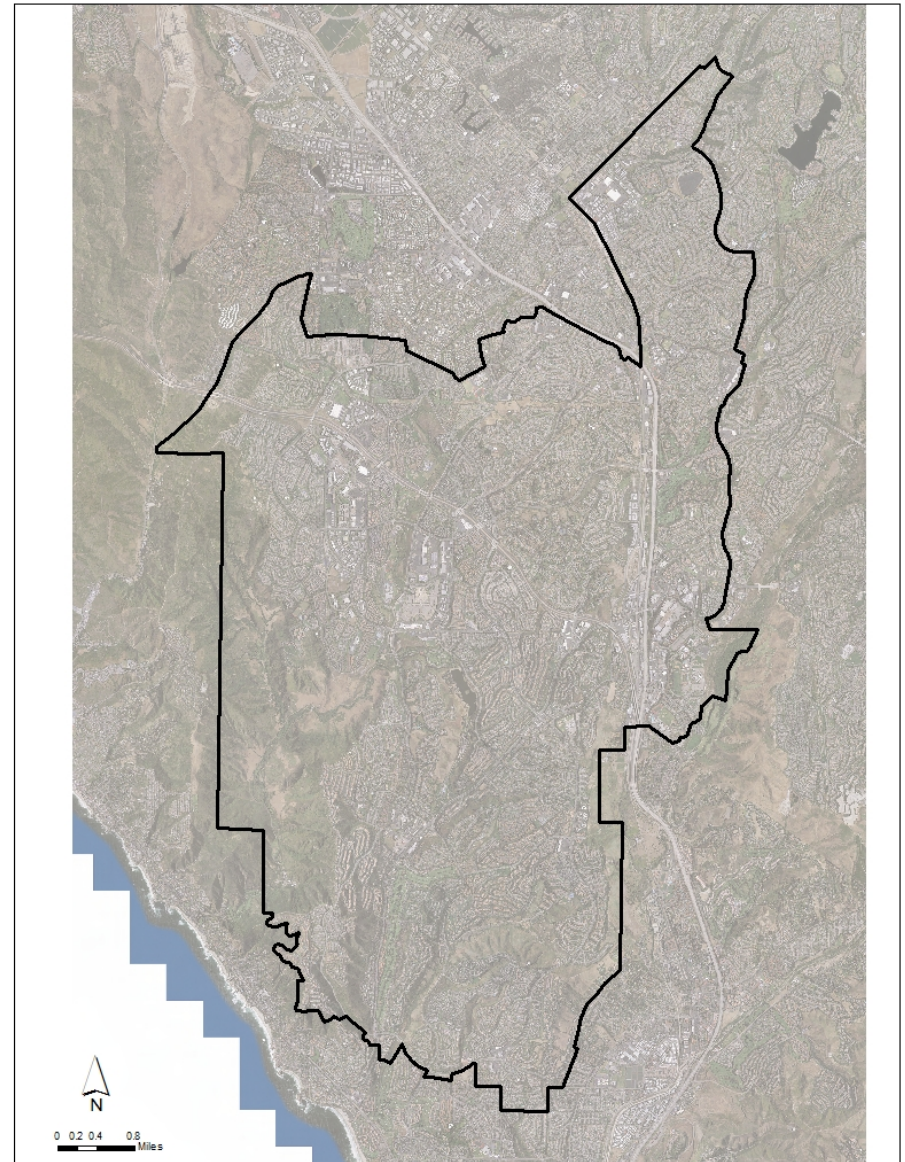
Project Description: This program covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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

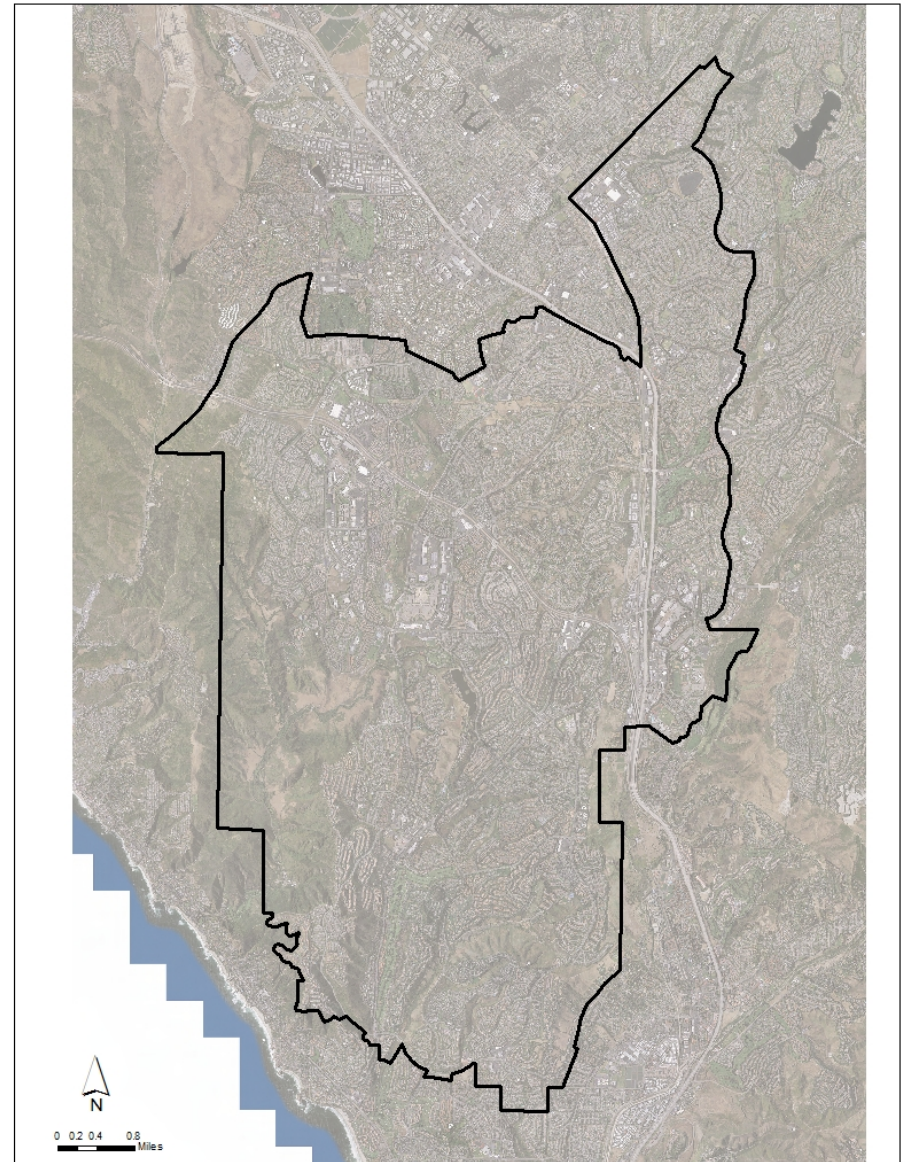
Project Description: Rehabilitate or replace pipelines that have reached the end of their useful lives. An analysis was performed using information contained in the District’s Geographic Information System (GIS) to prioritize potable water pipelines for rehabilitation and replacement.

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	\$15,000,000
CEQA Compliance	Exempt
Construction Contract	\$80,000,000
Inspection/Other	\$5,000,000
Total Project Budget	\$100,000,000



Reservoir Recoating Program – PW

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

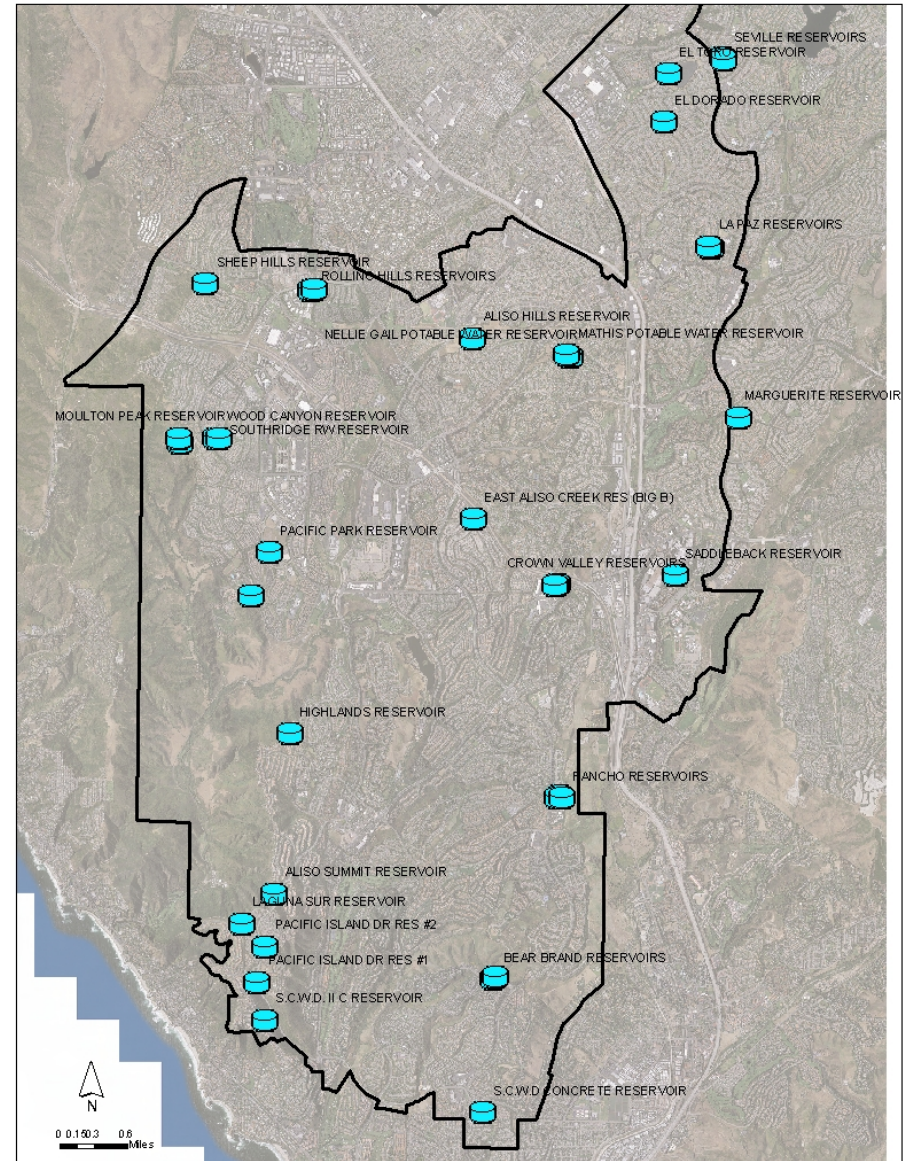
Project Description: Recoat the interior and exterior of steel reservoirs in the potable system.

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

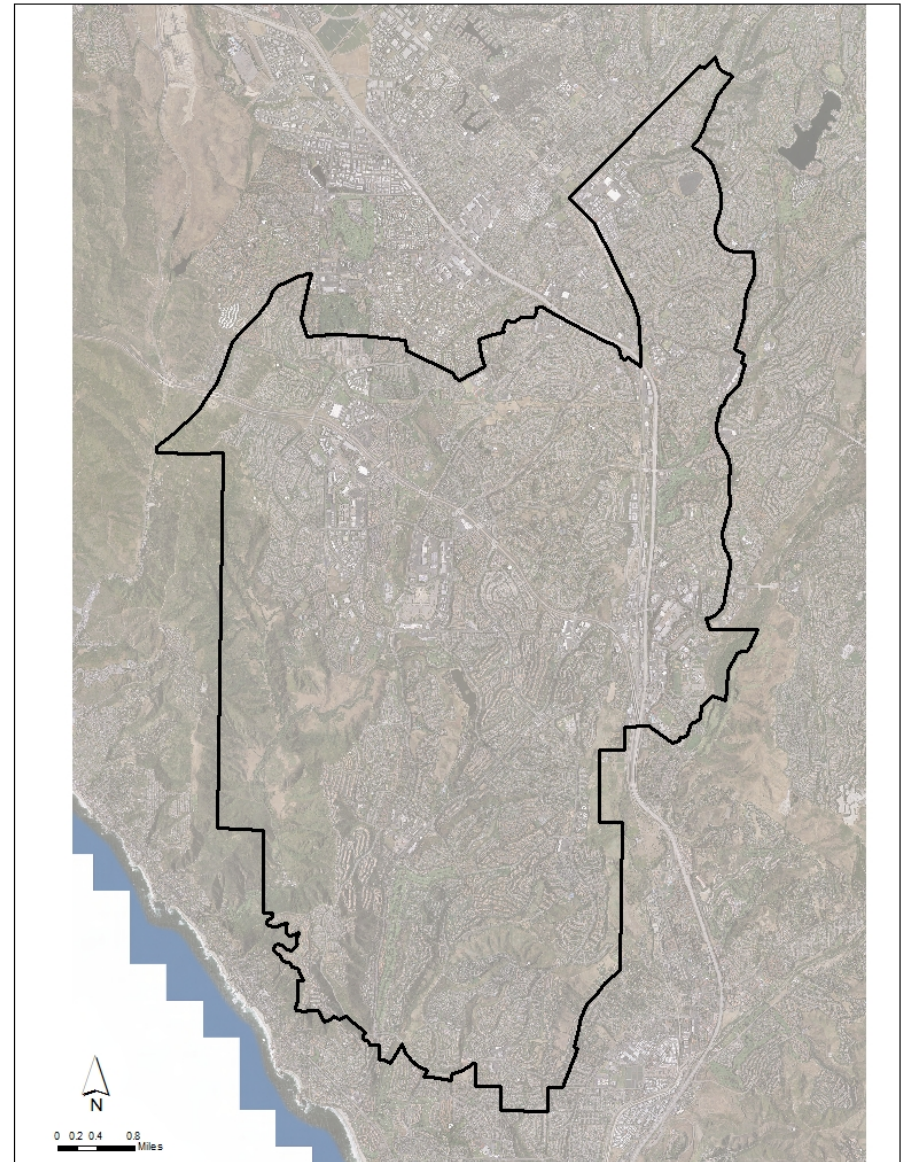
Project Description: Replace existing service lines.

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	\$9,000,000
Construction by District	\$13,500,000
Total Project Budget	\$22,500,000



Valve Replacement Program – PW

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

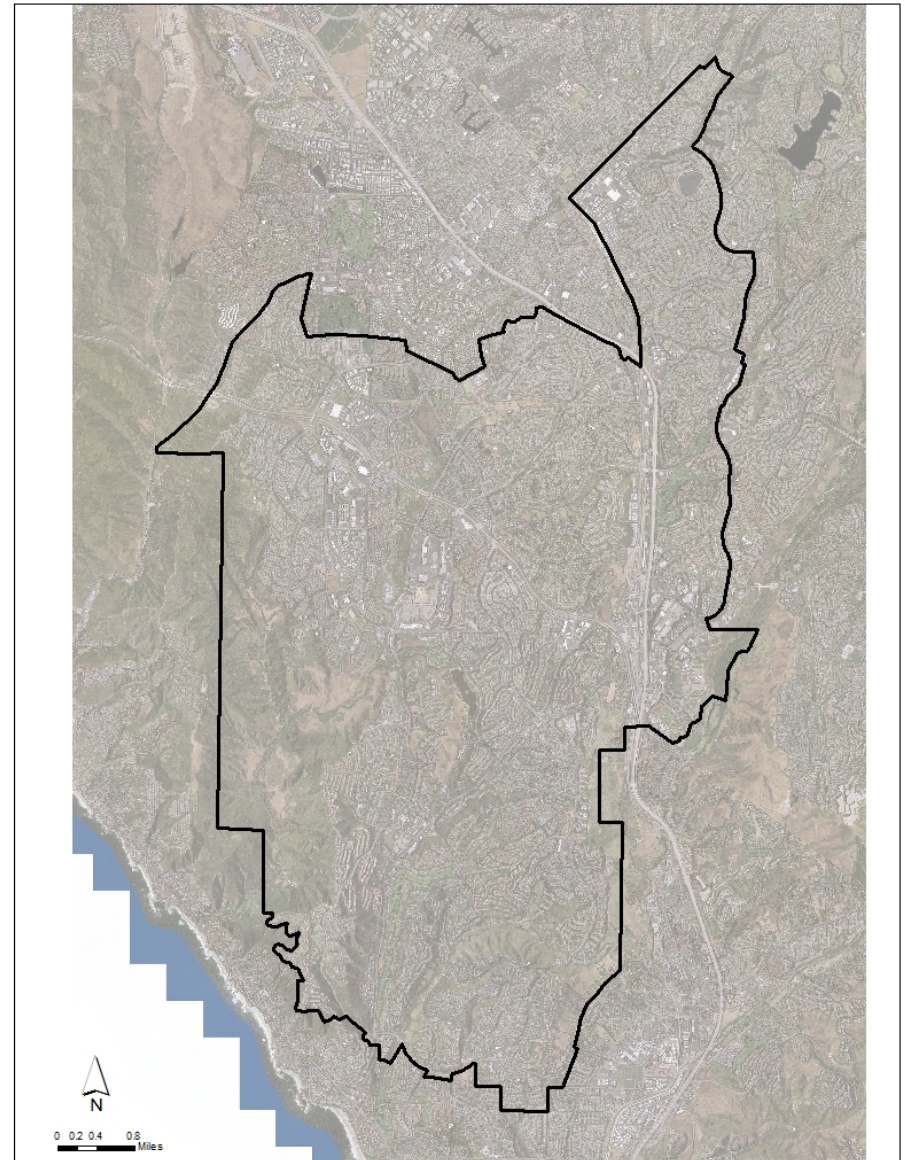
Project Description: Replace pipeline valves.

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	\$800,000
CEQA Compliance	Exempt
Construction Contract	\$15,500,000
Inspection/Other	\$700,000
Construction by District	\$9,000,000
Total Project Budget	\$26,000,000



Vertical Assets Rehabilitation and Replacement Program – PW

Project No: Annual Program

System: Potable

Fund: 7

Project Location: Various

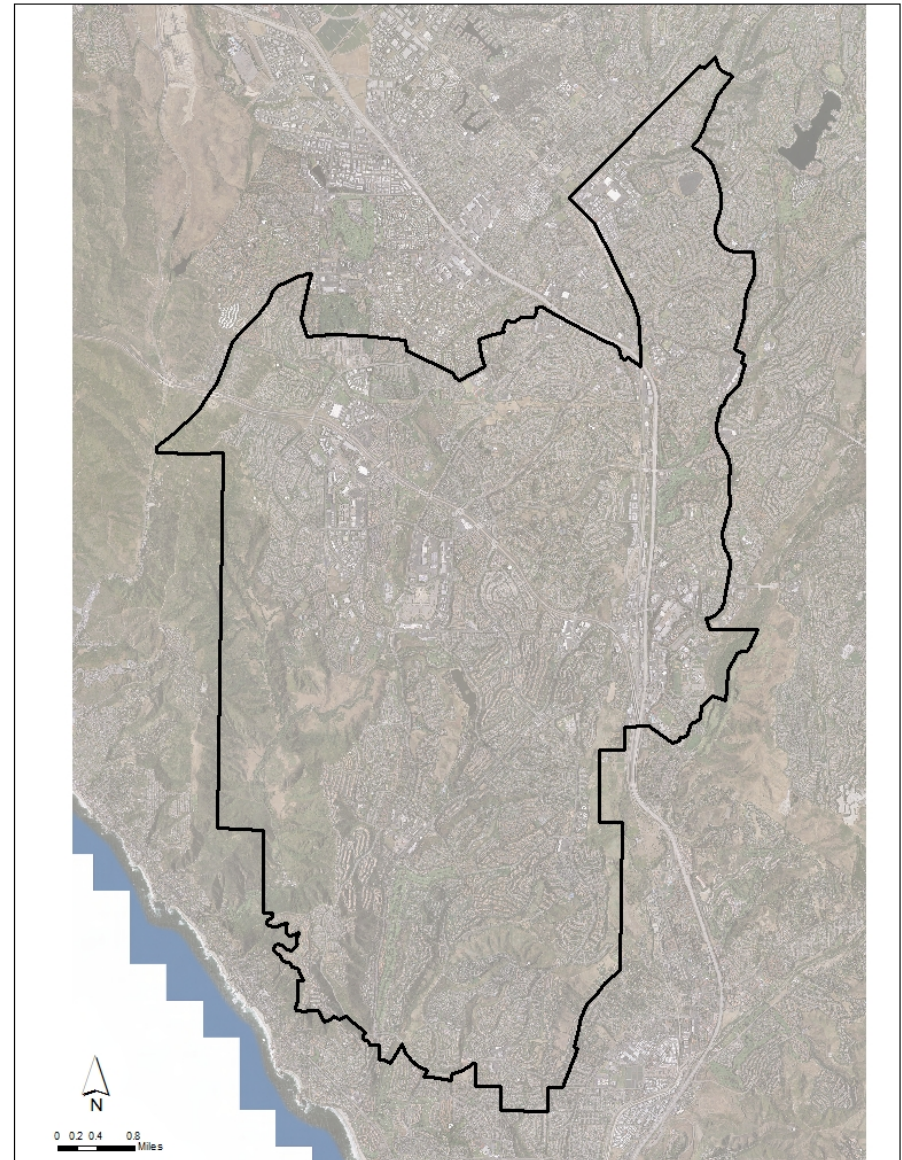
Project Description: Rehabilitate or replace structures and equipment at pump station, flow control and pressure reducing stations that have reached the end of their useful lives. An analysis was performed by staff to prioritize the methodical rehabilitation or replacement of vertical assets within the 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	\$2,000,000
CEQA Compliance	Exempt
Construction Contract	\$7,400,000
Inspection/Other	\$1,000,000
Total Project Budget	\$10,400,000



Appurtenance Adjustments For Crown Valley Parkway Widening

Project No: 2018.014

System: Potable

Fund: 7

Project Location: Crown Valley Parkway and Forbes Road, Laguna Niguel

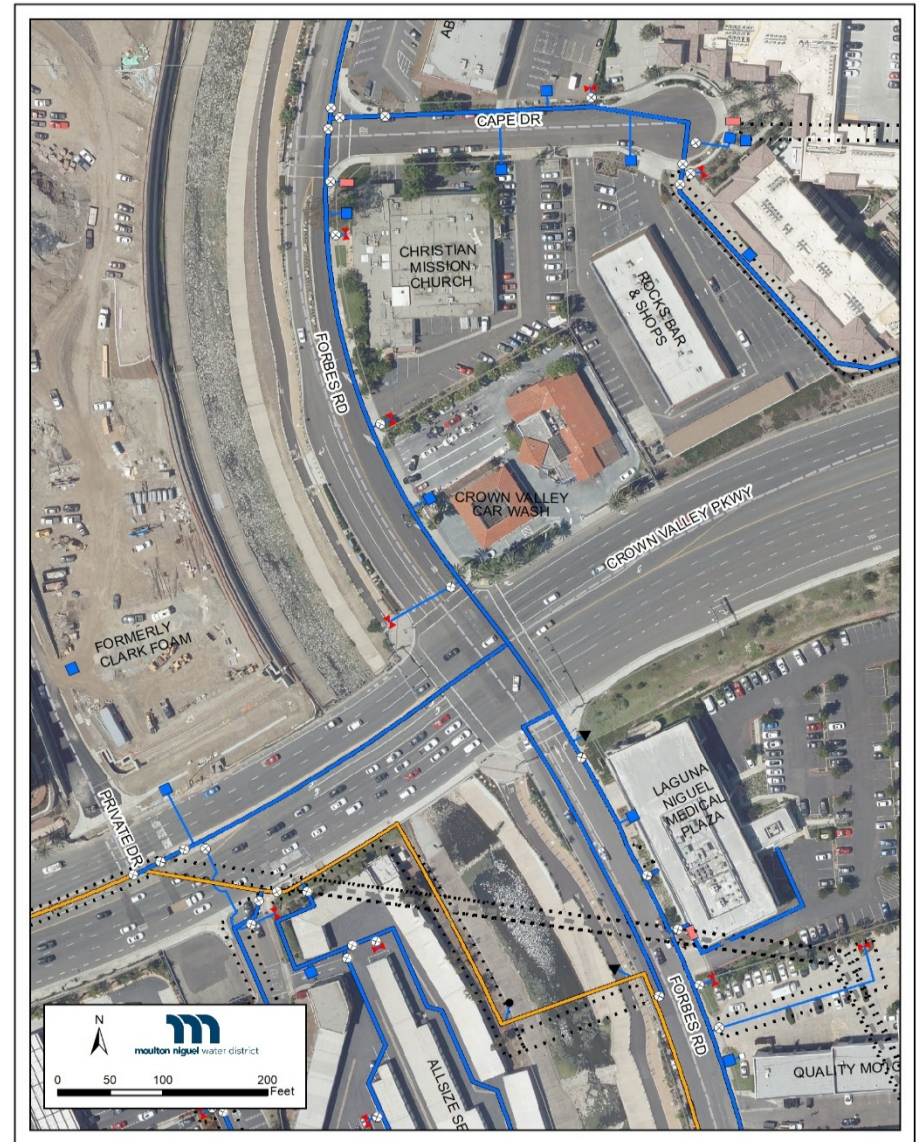
Project Description: Relocate numerous appurtenances in Forbes Road to relocate behind new curb face alignment, as part of the City of Laguna Niguel's Crown Valley Parkway widening project.

Project Need: The City of Laguna Niguel is performing roadway improvements in Crown Valley Parkway and Forbes Road, 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 be protected-in-place.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$40,000
CEQA Compliance/Legal	Exempt
Construction Contract	\$150,000
Inspection/Permits/Other	\$10,000
Total Project Budget	\$200,000



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

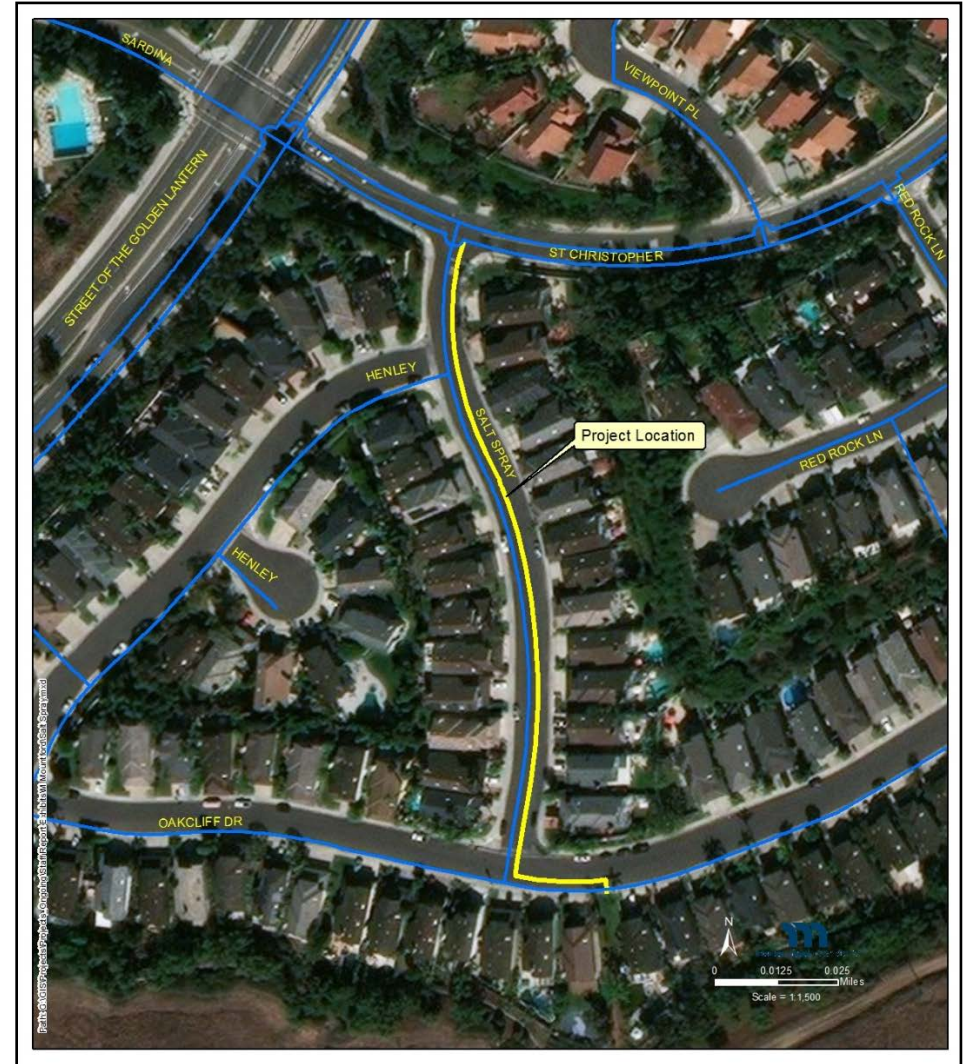
Project Description: Install approximately 800 feet of new 12-inch diameter potable water main pipeline at Salt Spray Drive.

Project Need: The pipeline will provide additional redundancy in the 750 pressure. The 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



750-Zone Beacon-Rancho Improvements

Project No: TBD

System: Potable

Fund: 14

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

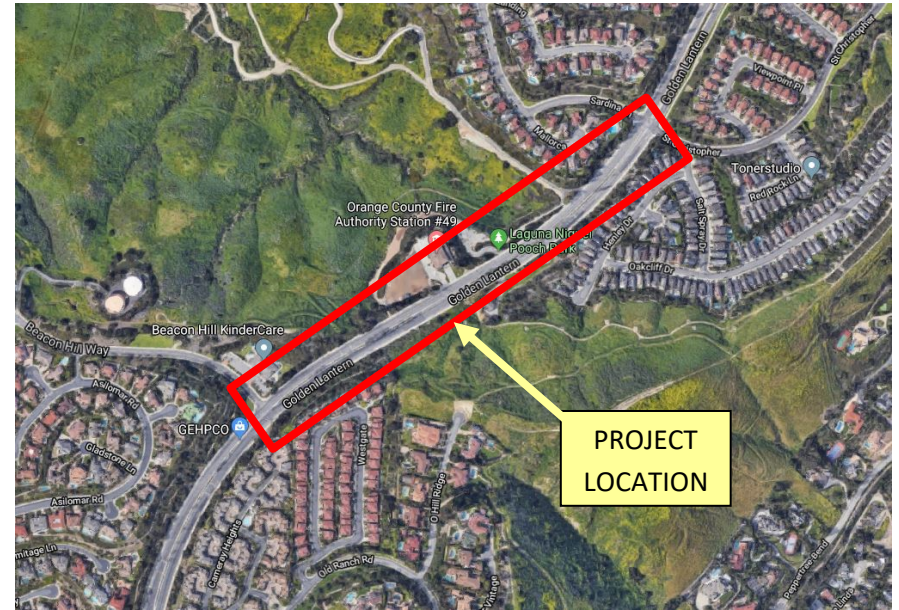
Project Description: Install approximately 2,600 feet of new 12-inch diameter pipeline within Golden Lantern from Sardina/St. Christopher to Beacon Hill Way. Alternatively, upsize the existing 12-inch diameter pipeline. Project alternatives and pipeline size selections to be determined by modeling during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



Aliso Viejo MOV Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Aliso Viejo

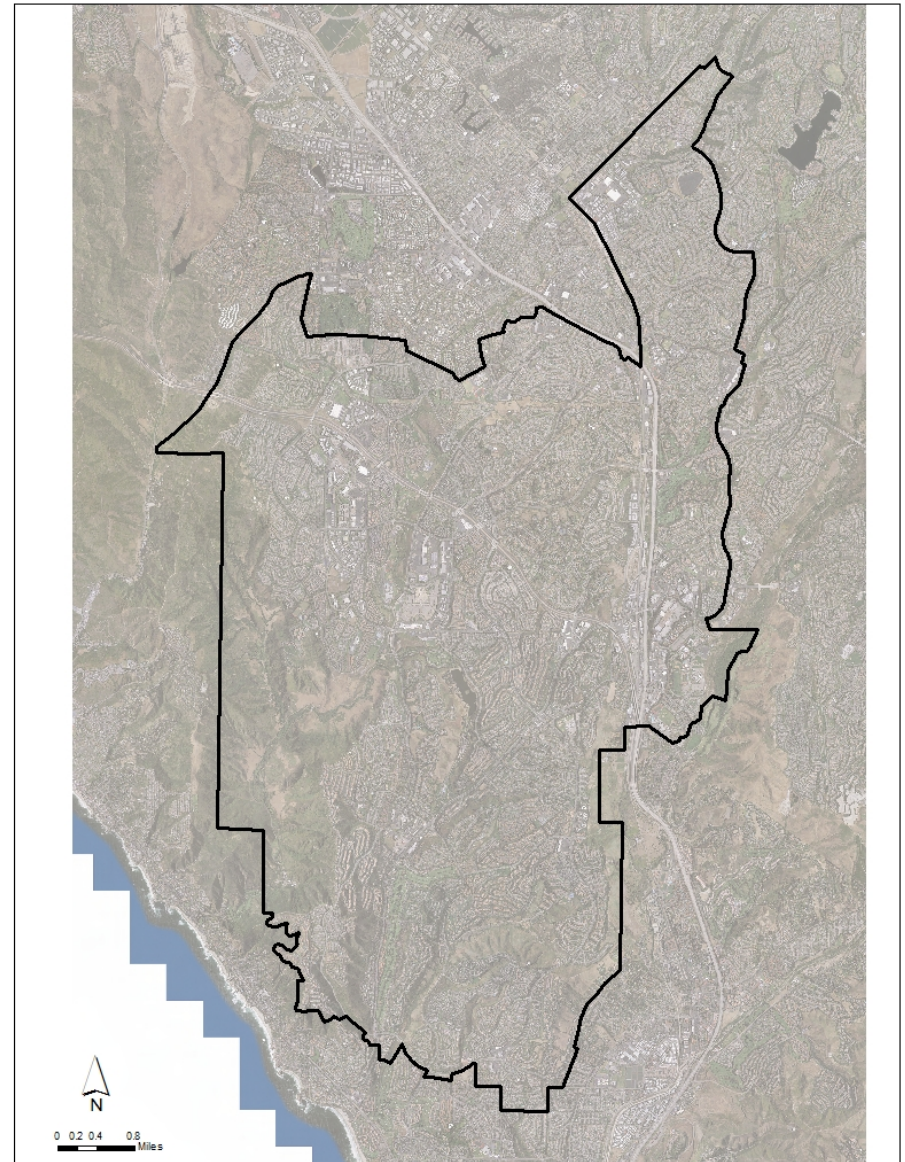
Project Description: Replace nine (9) motor operated valves (MOV) with manual valves, remove electrical services, and abandon existing vaults.

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



Bear Brand Pump Station Pump Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Bear Brand Pump Station, Dana Point

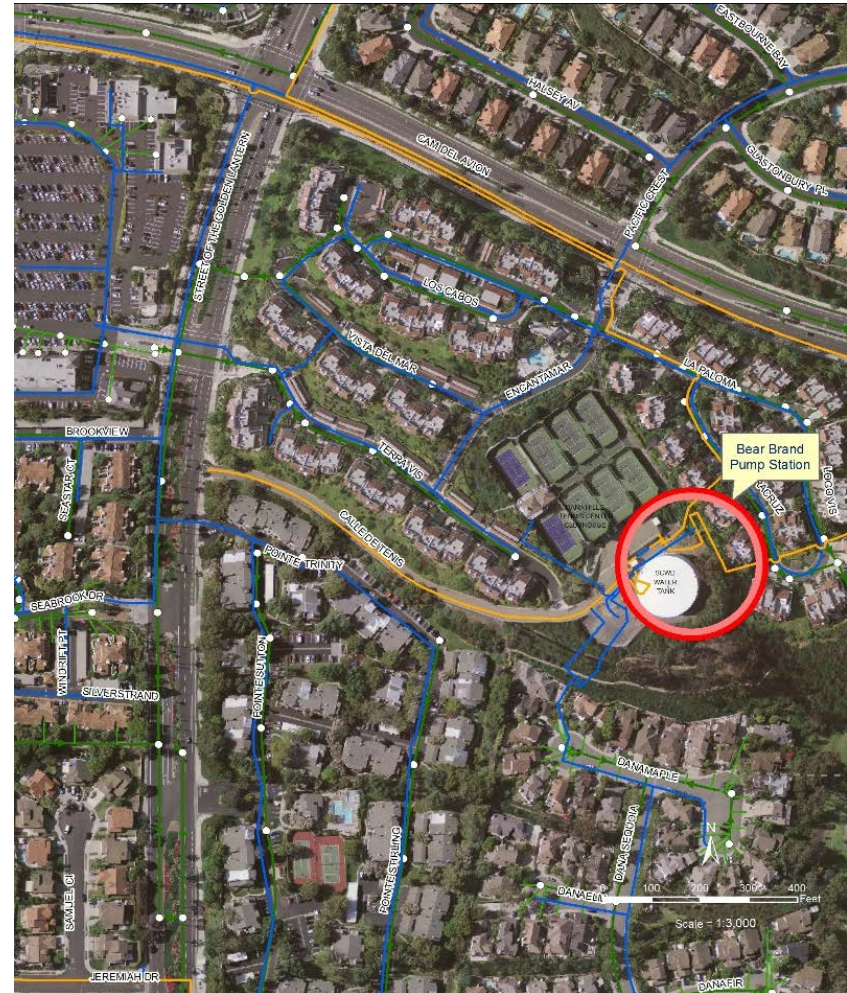
Project Description: Replace two existing pumps and motors, select piping and valves. A hydraulic analysis using District's water model may be required to verify final design.

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



Casa Del Oso Pump Station Auxiliary Generator Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Casa Del Oso Pump Station, Laguna Hills

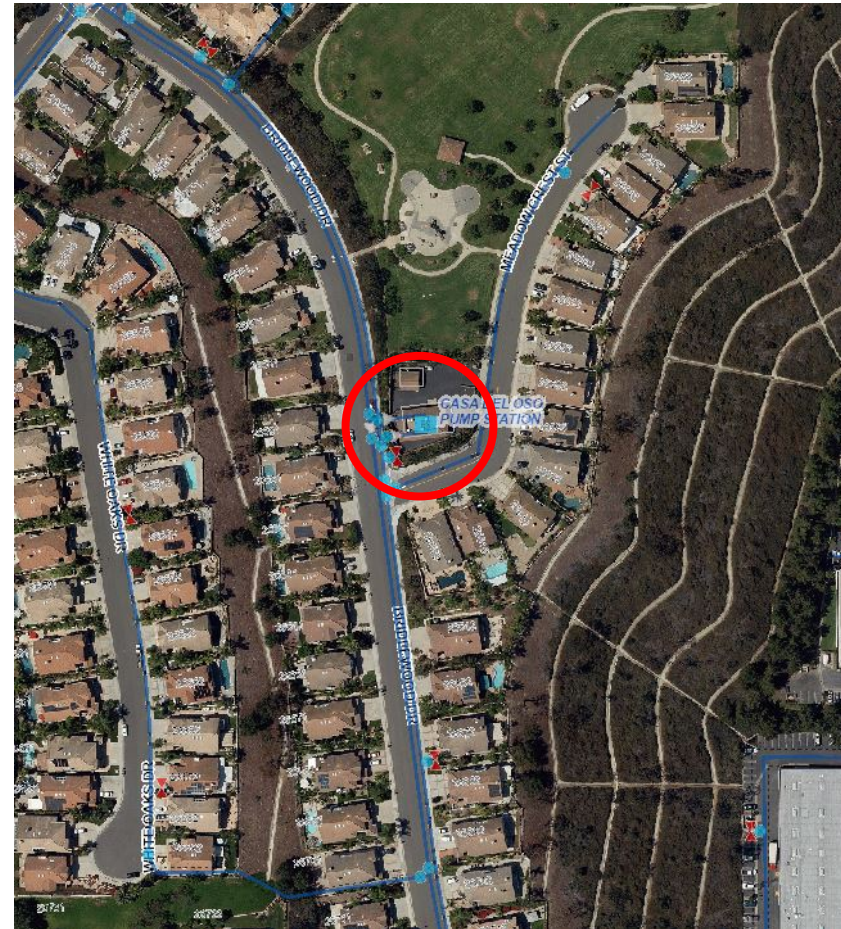
Project Description: Remove and replace the existing backup generator with a new auxiliary diesel generator.

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



CIP Takeout Facility at Marguerite Pump Station

Project No: TBD

System: Potable

Fund: 12

Project Location: Marguerite Pump Station, Mission Viejo

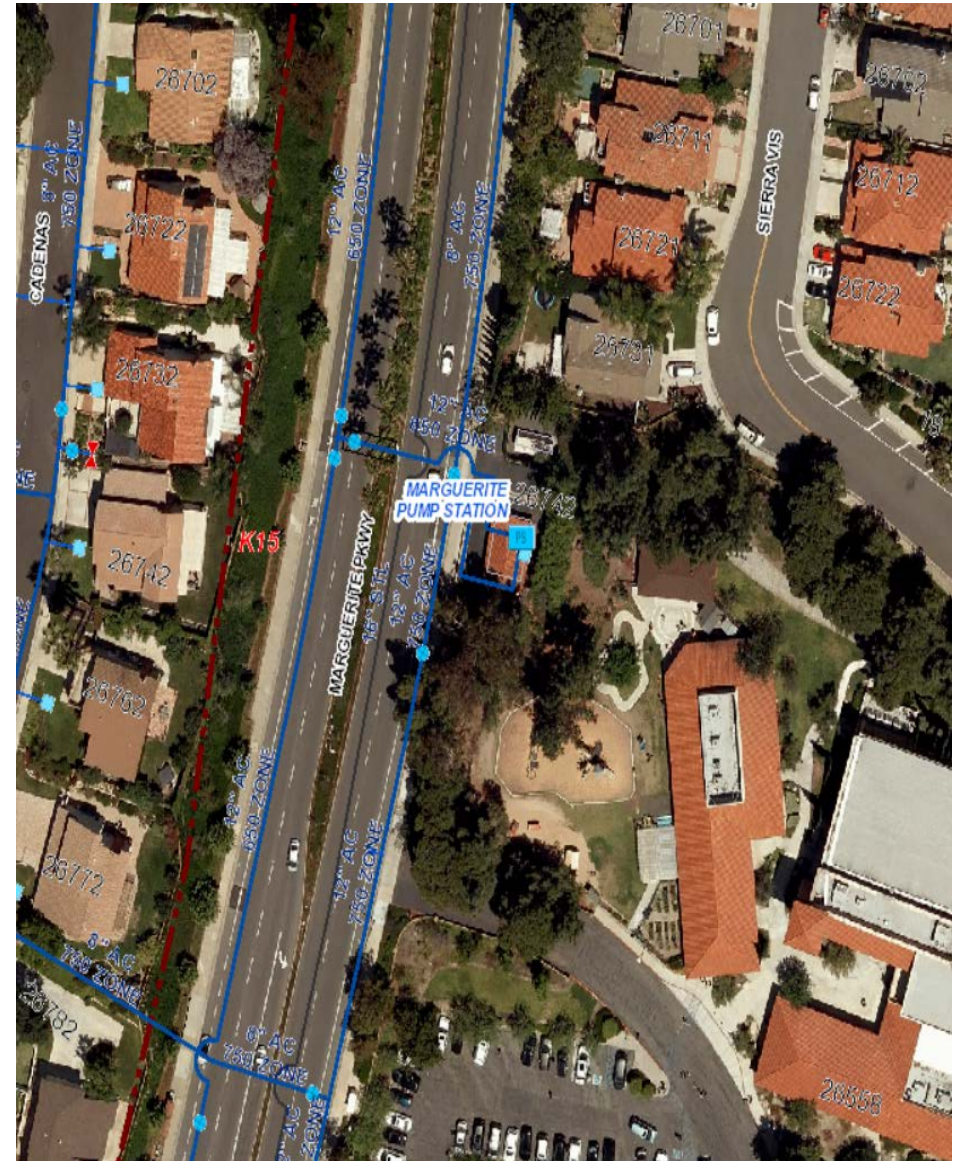
Project Description: Construct a flow control facility from the Central Intertie Pipeline (CIP) to the 650 & 750 pressure zones via Marguerite Pump Station. Project scope will include construction of approximately 3,700 linear feet of 16-inch steel pipe, a 15 foot building extension, three flow-control 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



Country Village Pump Station Auxiliary Generator Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Country Village Pump Station, Laguna Niguel

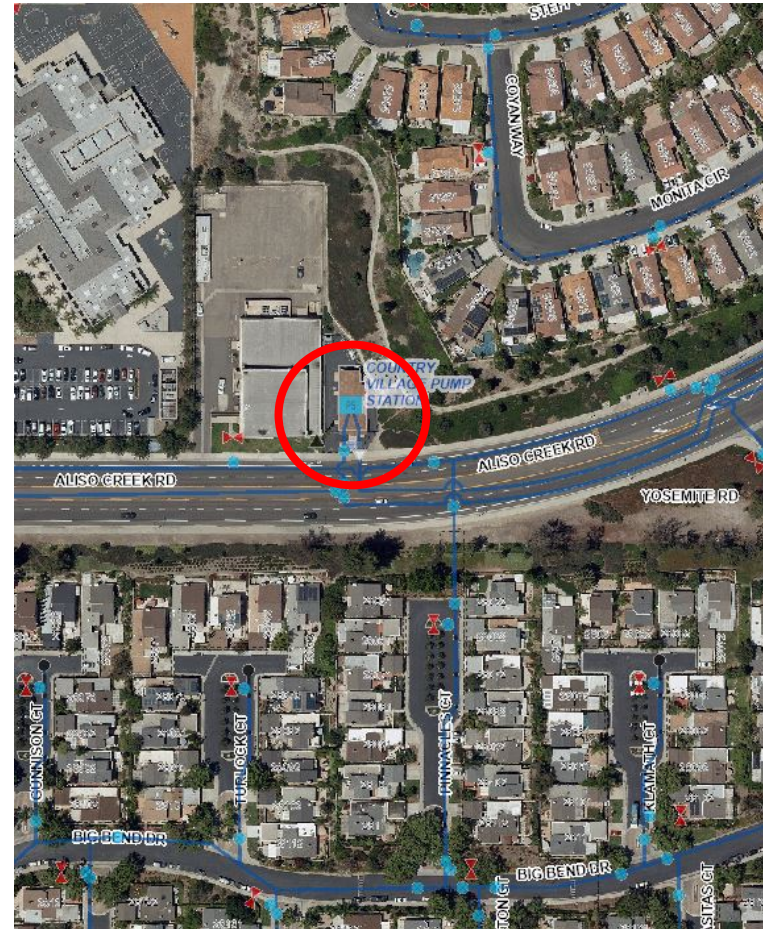
Project Description: Remove and replace the existing backup generator with a new auxiliary diesel generator.

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



Crown Valley Parkway Transmission Main Upper Reach Rehabilitation

Project No: TBD

System: Potable

Fund: 7

Project Location: Crown Valley Parkway, Laguna Niguel

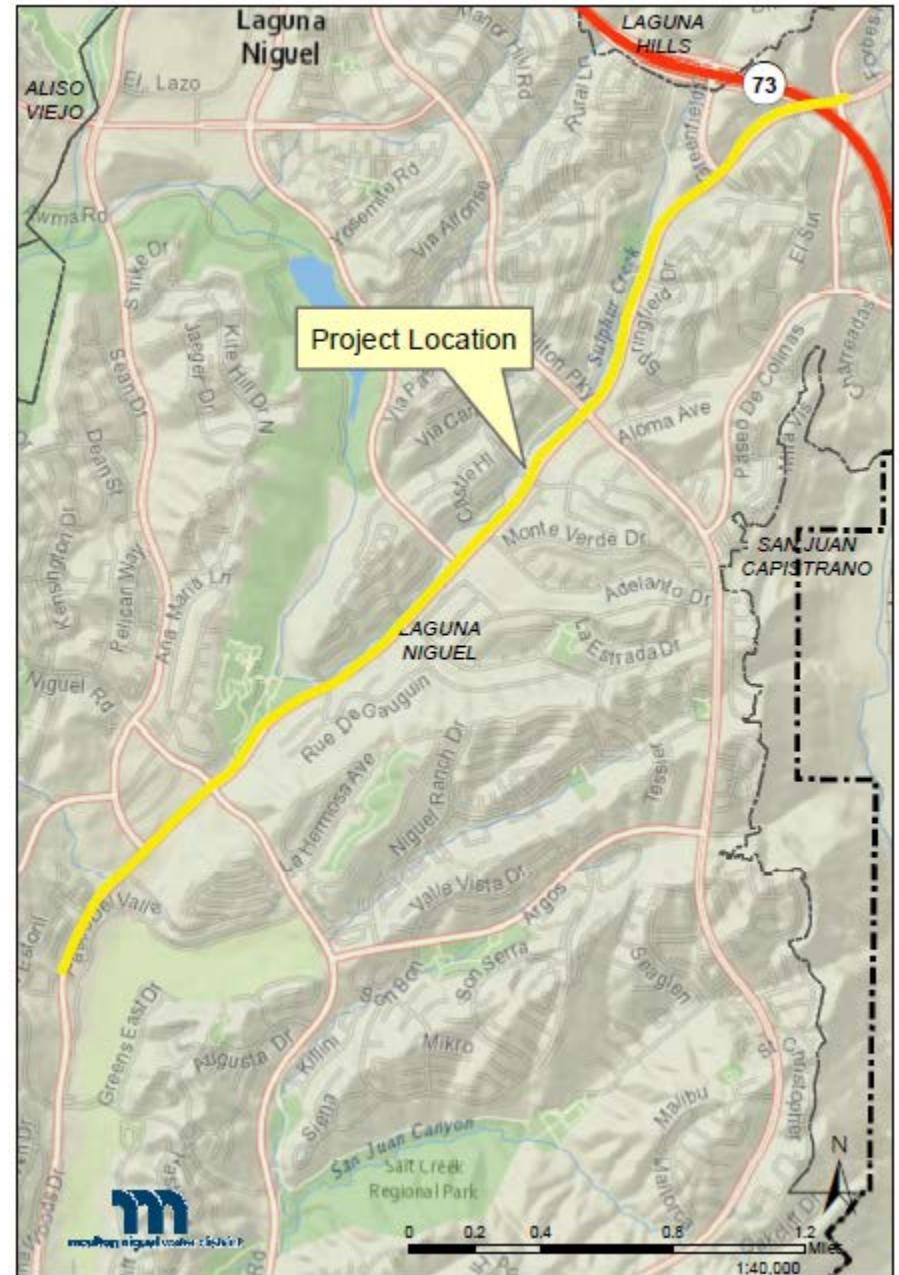
Project Description: Rehabilitate the existing 16-inch diameter CML&C steel transmission main from near Paseo de Niguel at the south end to approximately Cabot Road at the north end. The majority of this 3.5 mile segment of pipeline is currently located beneath the landscaped center median along Crown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

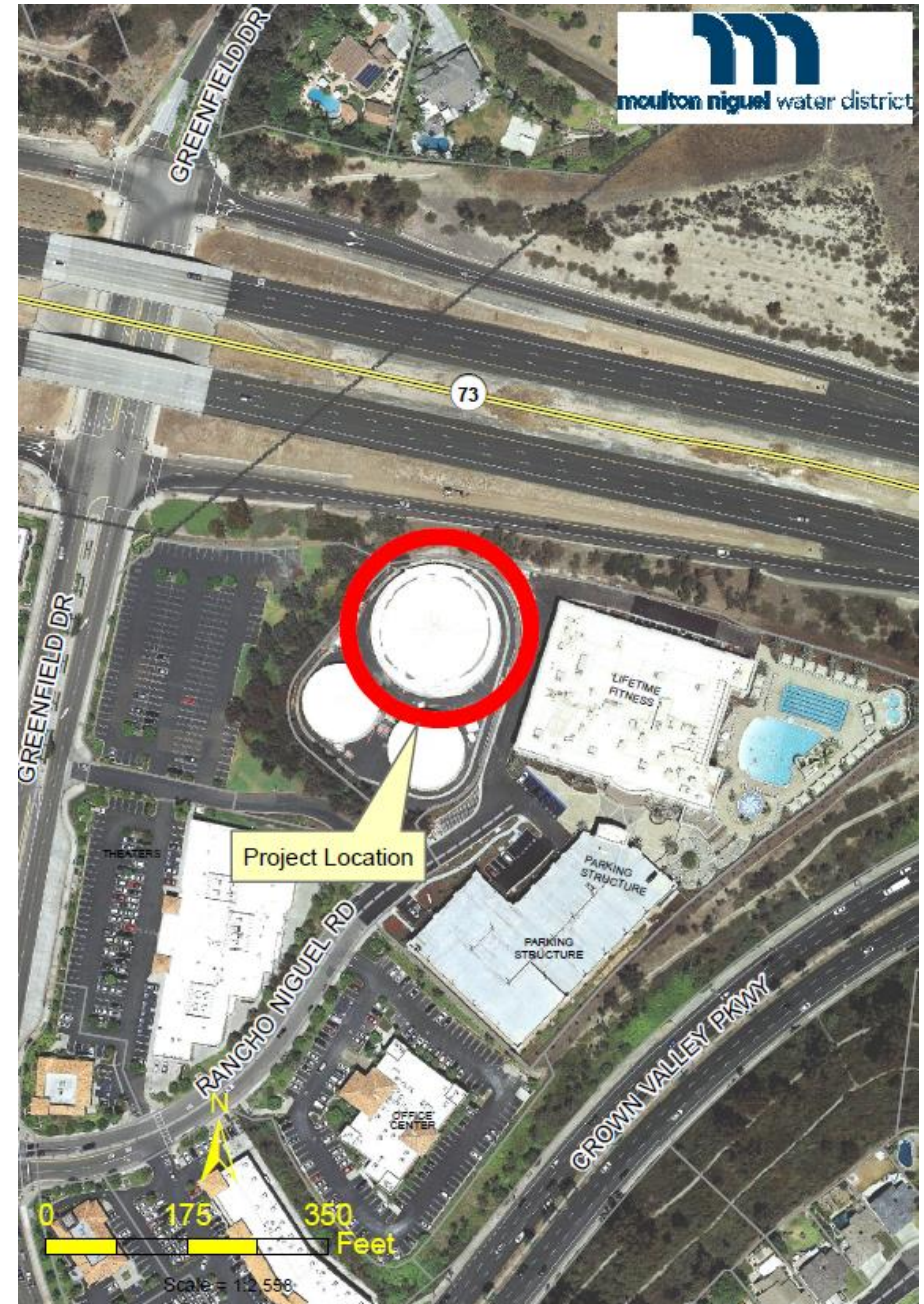
Project Description: The Crown Valley Reservoir No. 3 requires roof plate replacements, interior recoating and exterior roof paint.

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	\$40,000
CEQA Compliance	Exempt
Construction Contract	\$1,100,000
Specialty Inspection	\$95,000
Legal/Permits/Other	\$15,000
Total Project Budget	\$1,250,000



Electrical System Improvements Phase 5 – PW

Project No: TBD

System: Potable

Fund: 7

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

Project Description: Remove and replace the main switchboard and MCC at the Rolling Hills Pump Station. 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; and install auxiliary generator connection at Rancho Pump Station. Remove and replace the main switchboard and MCC at Sheep Hills Pump Station. Install portable generator connections and manual transfer switches at Casa Del Oso, Highlands, and Marguerite Pump Stations.

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. Installing portable generator connections will improve reliability during power outages.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$300,000
CEQA Compliance	Exempt
Construction Contract	\$900,000
Inspection/Utility Fees/Other	\$50,000
Total Project Budget	\$1,250,000



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



High-Low Valve Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

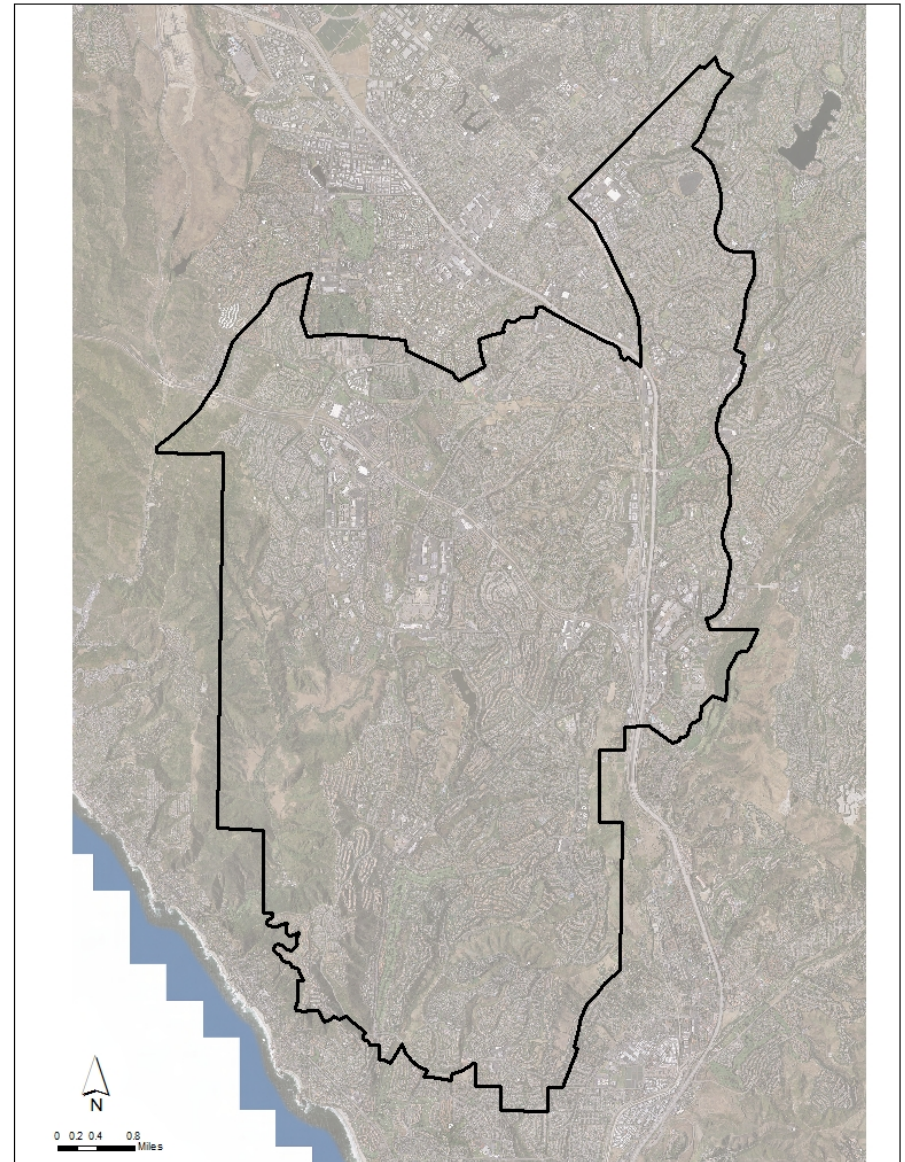
Project Description: Replace single high-low valves at sixteen (16) pressure zone interconnections with double valves.

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

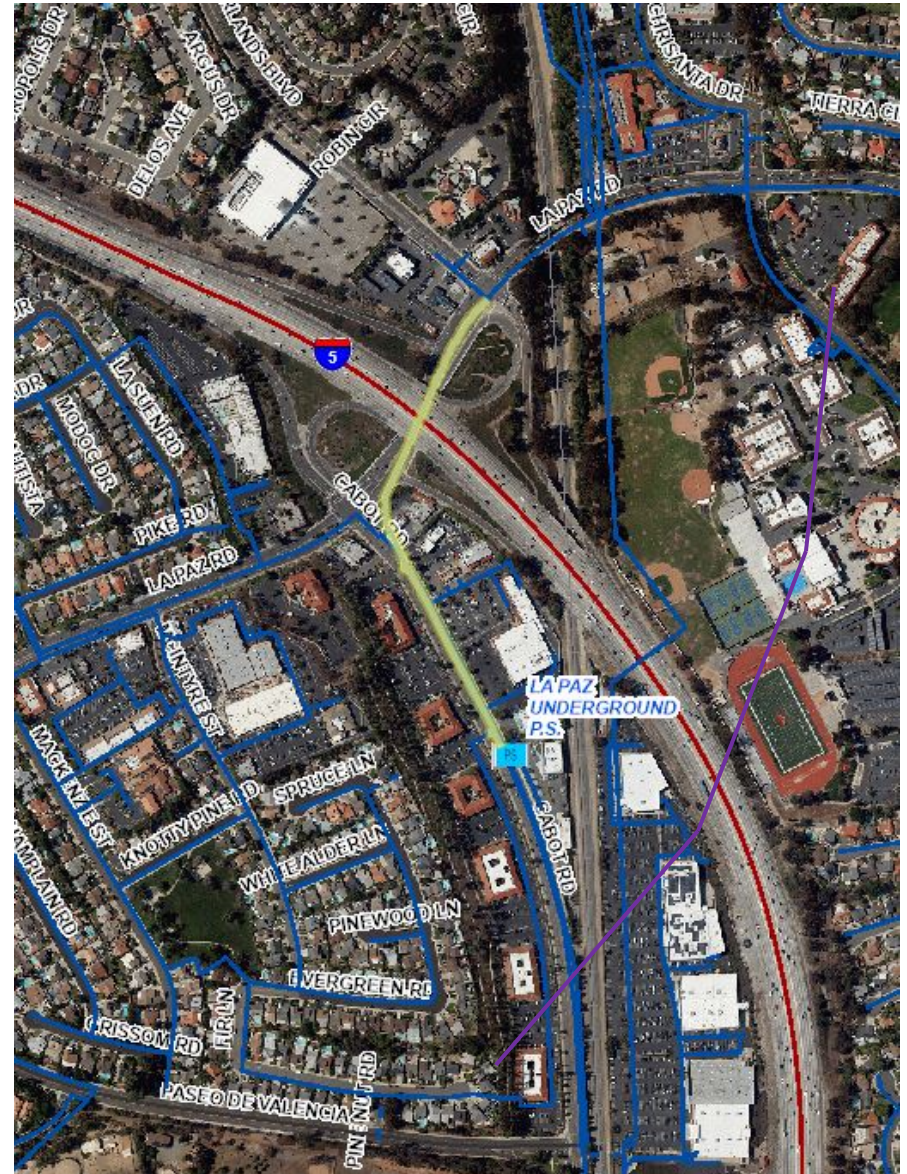
Project Description: The project will remove and replace approximately 2,100 feet of 21-inch diameter steel pipeline. An electrical main is near the current alignment, which will likely require the pipeline to be replaced in a new alignment. The project will also replace all valves along the pipeline.

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



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

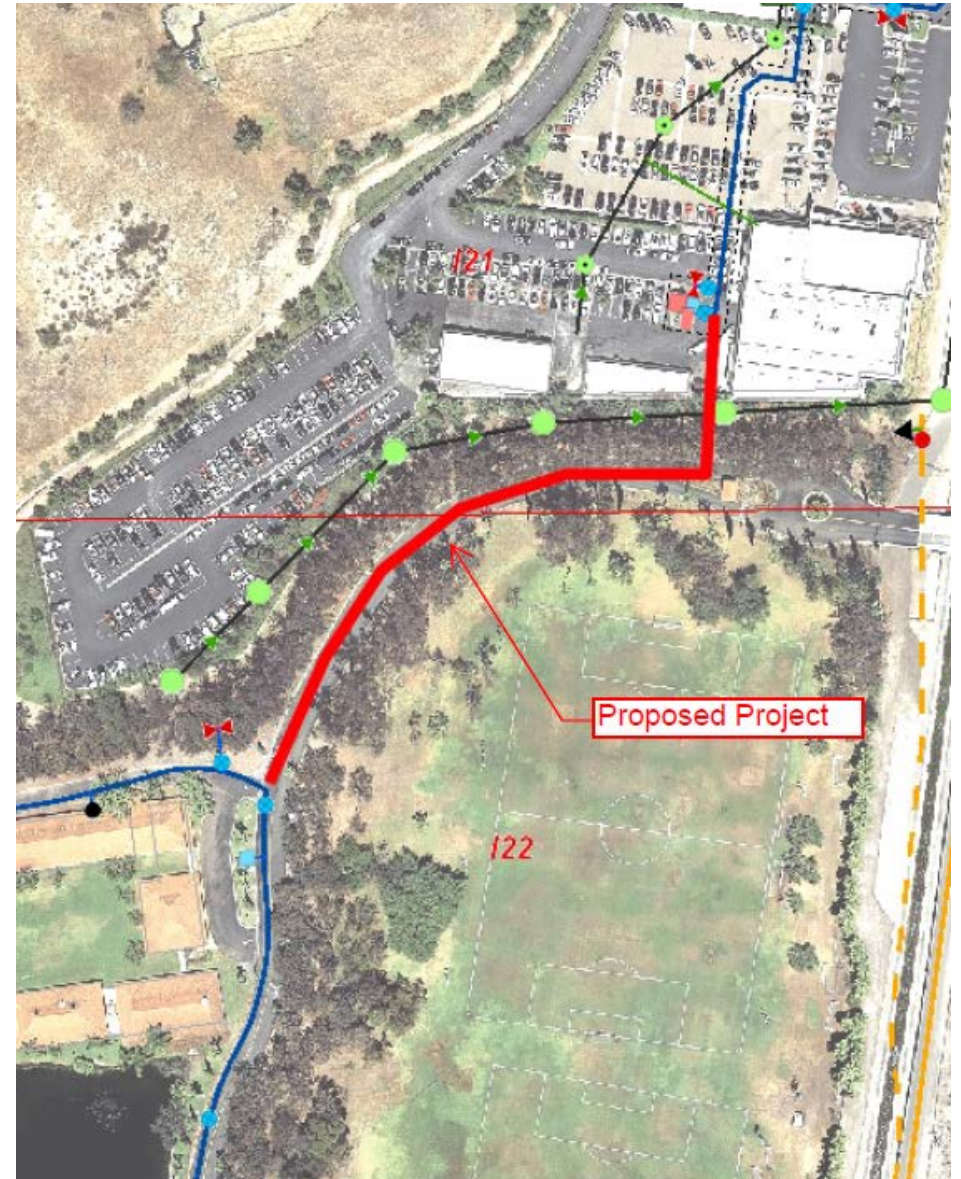
Project Description: Install approximately 650 feet of 8-inch diameter pipeline from the Mercedes dealership to Rancho Capistrano. Install a high-low double valve and blow-off at the connection to the existing loop at Rancho Capistrano. Hydraulic modeling will be required to verify fire flows from the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

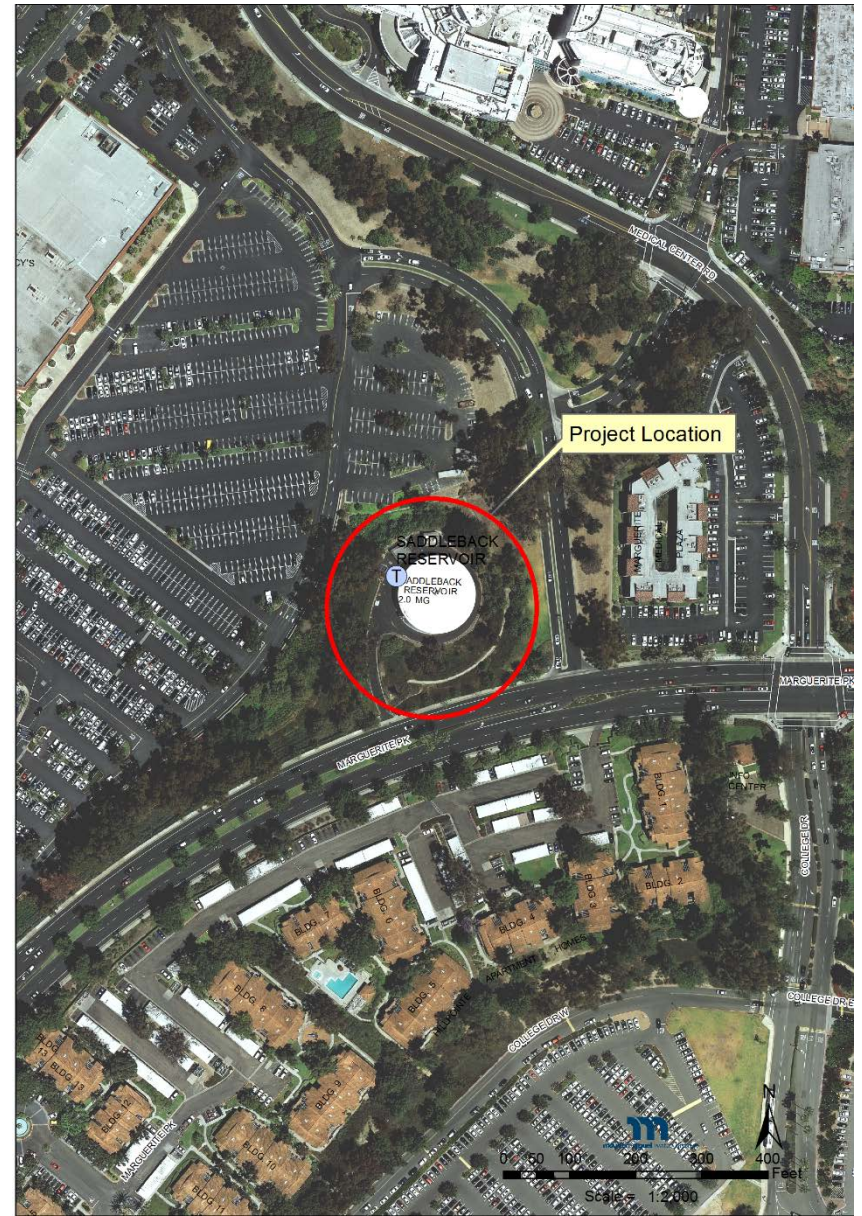
Project Description: Remove approximately 12,000 square feet of existing asphalt paving and replace with new 4-inch asphalt paving over existing base. Remove and replace approximately 400 feet of asphalt curb.

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 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 Need: This 650 pressure zone potable water transmission main was constructed in the 1970s and has required multiple repairs.

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



2023-24 Easement Pipeline Rehabilitation – PW

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

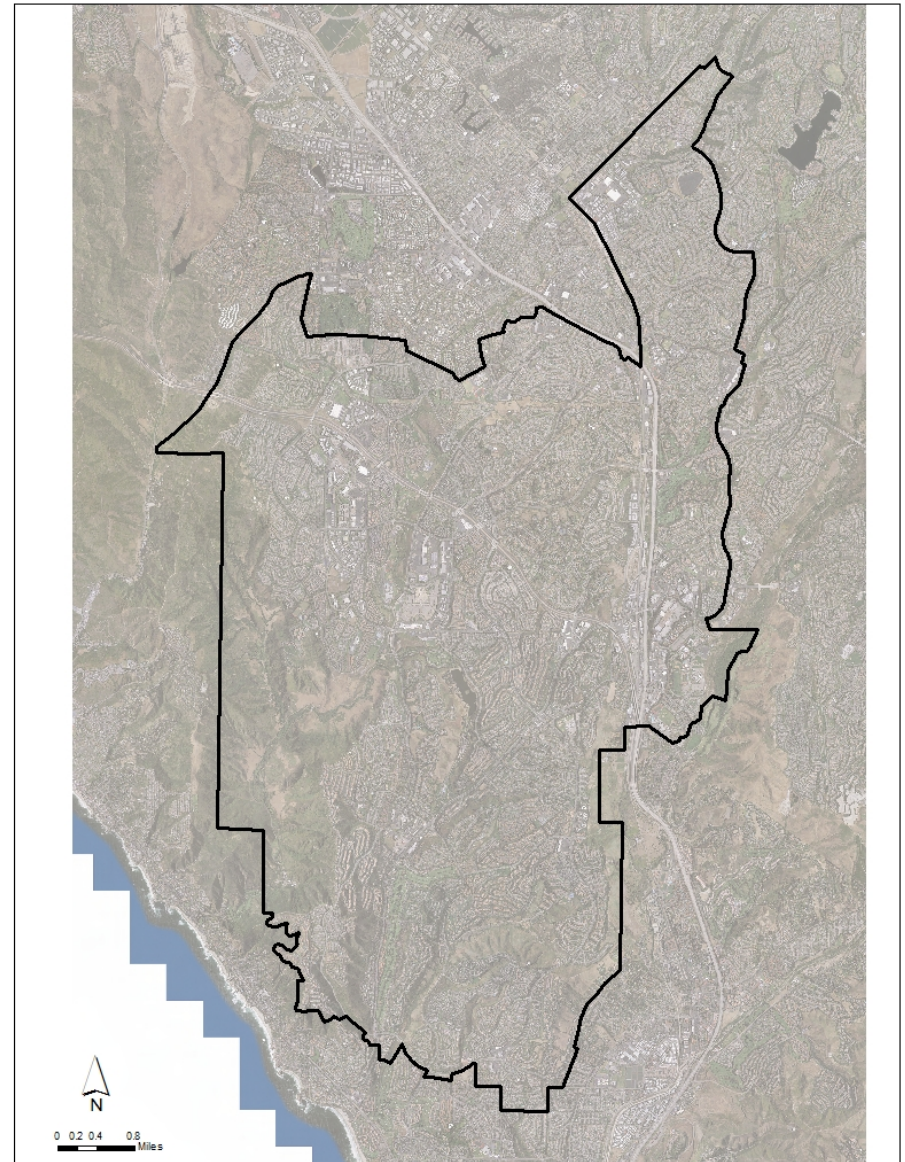
Project Description: Rehabilitate easement pipelines.

Project Need: This annual project will rehabilitate easement pipelines 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	\$500,000
Total Project Budget	\$500,000



2023-24 Fire Hydrant Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

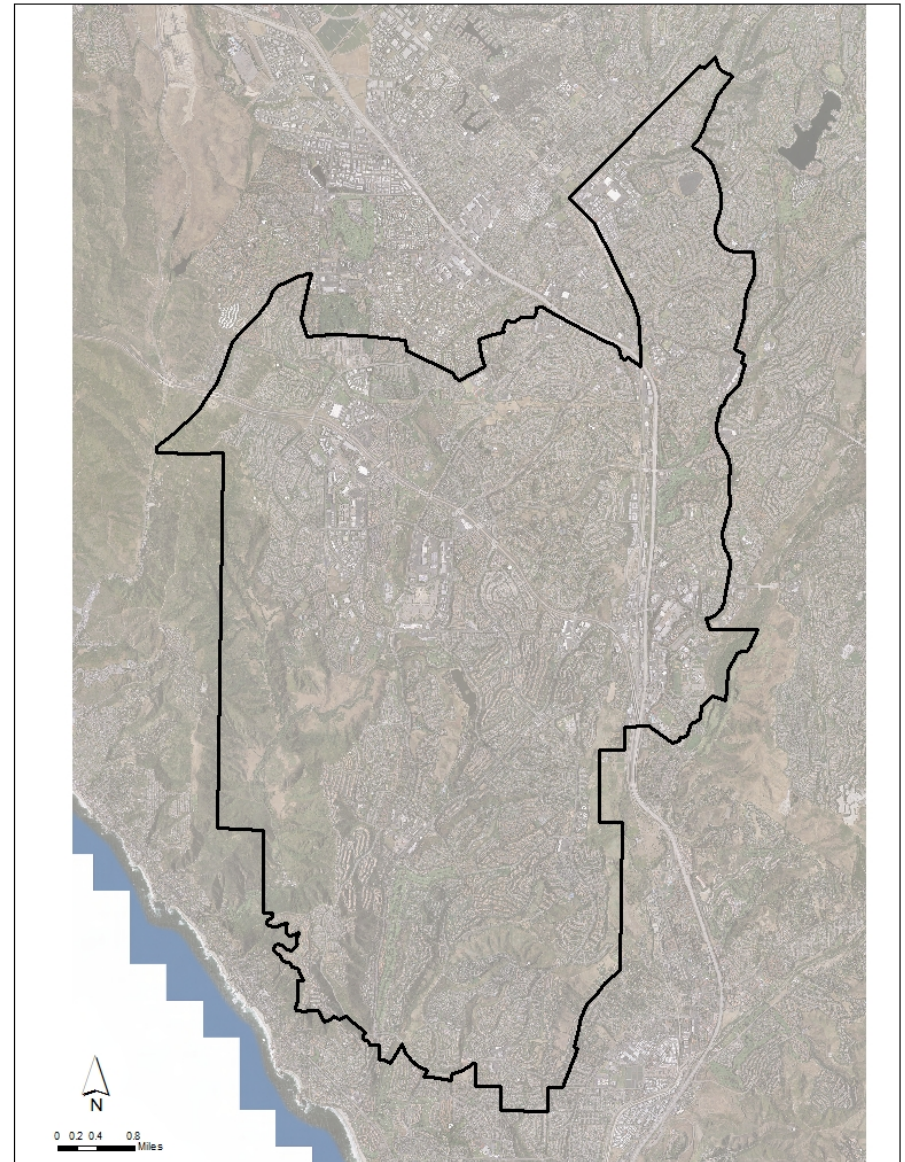
Project Description: Replace existing fire hydrants.

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



2023-24 Meter Replacement – PW

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

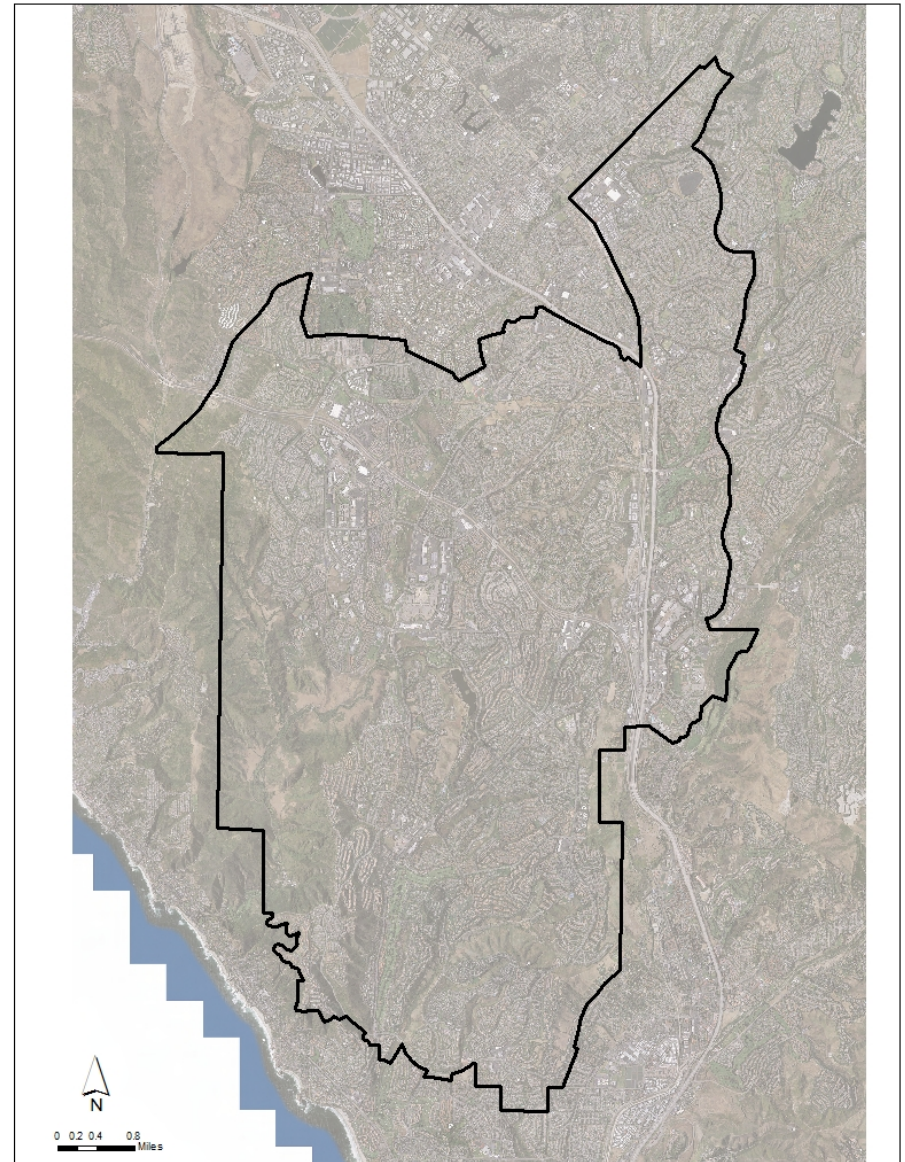
Project Description: Replace existing meters.

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	\$1,250,000
Total Project Budget	\$1,250,000



2023-24 New System Valves

Project No: TBD

System: Potable

Fund: 14

Project Location: Various

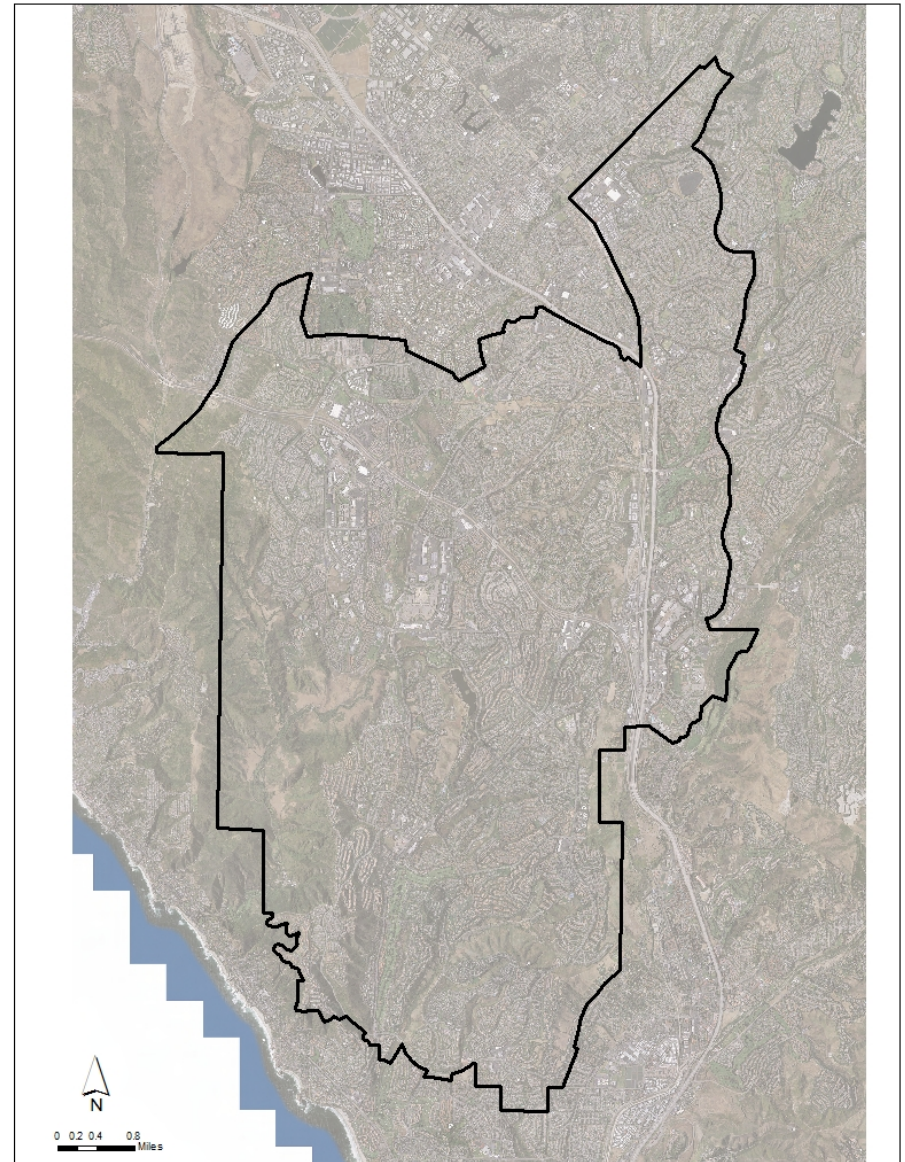
Project Description: Install new system valves where required.

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



2023-24 Operations-Led Capital Improvements – PW

Project No: 2023.100

System: Potable

Fund: 7

Project Location: Various

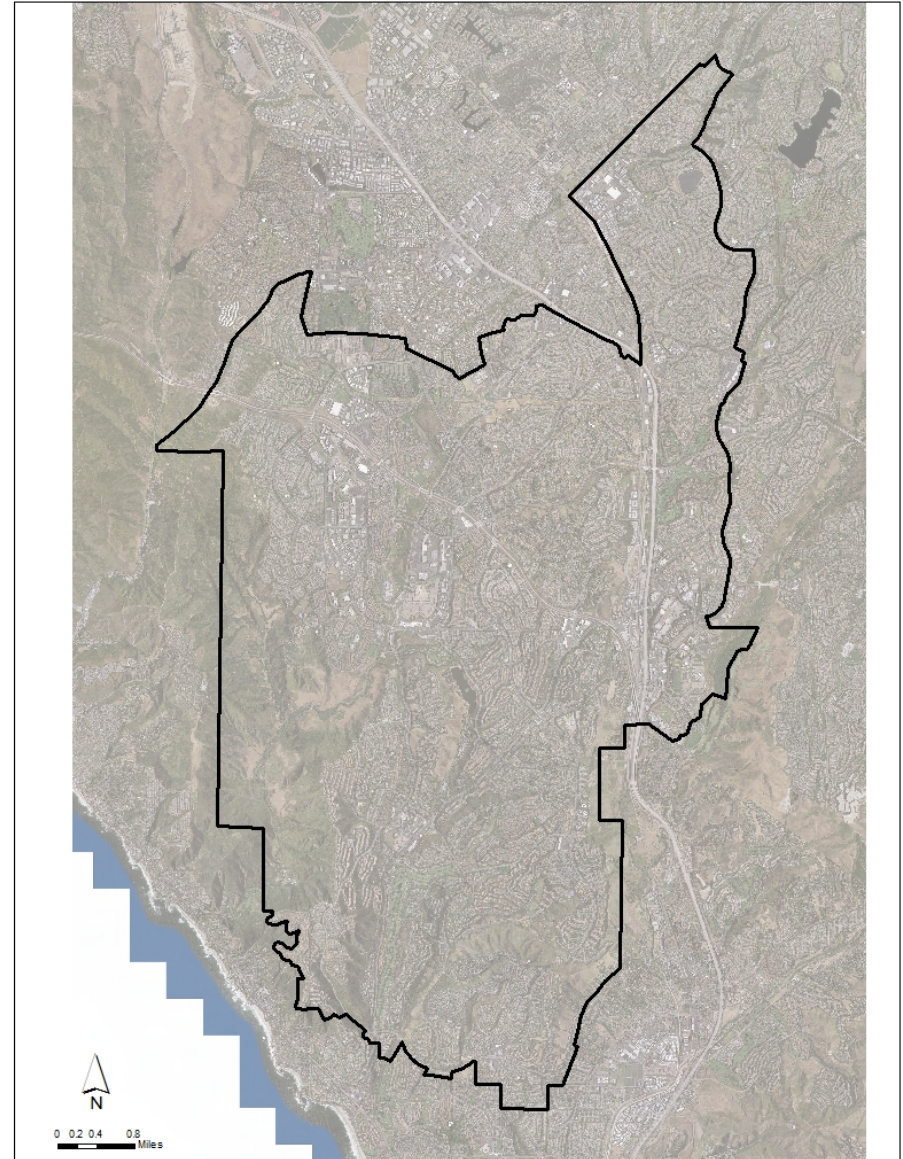
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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



2023-24 Service Line Replacement – PW

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

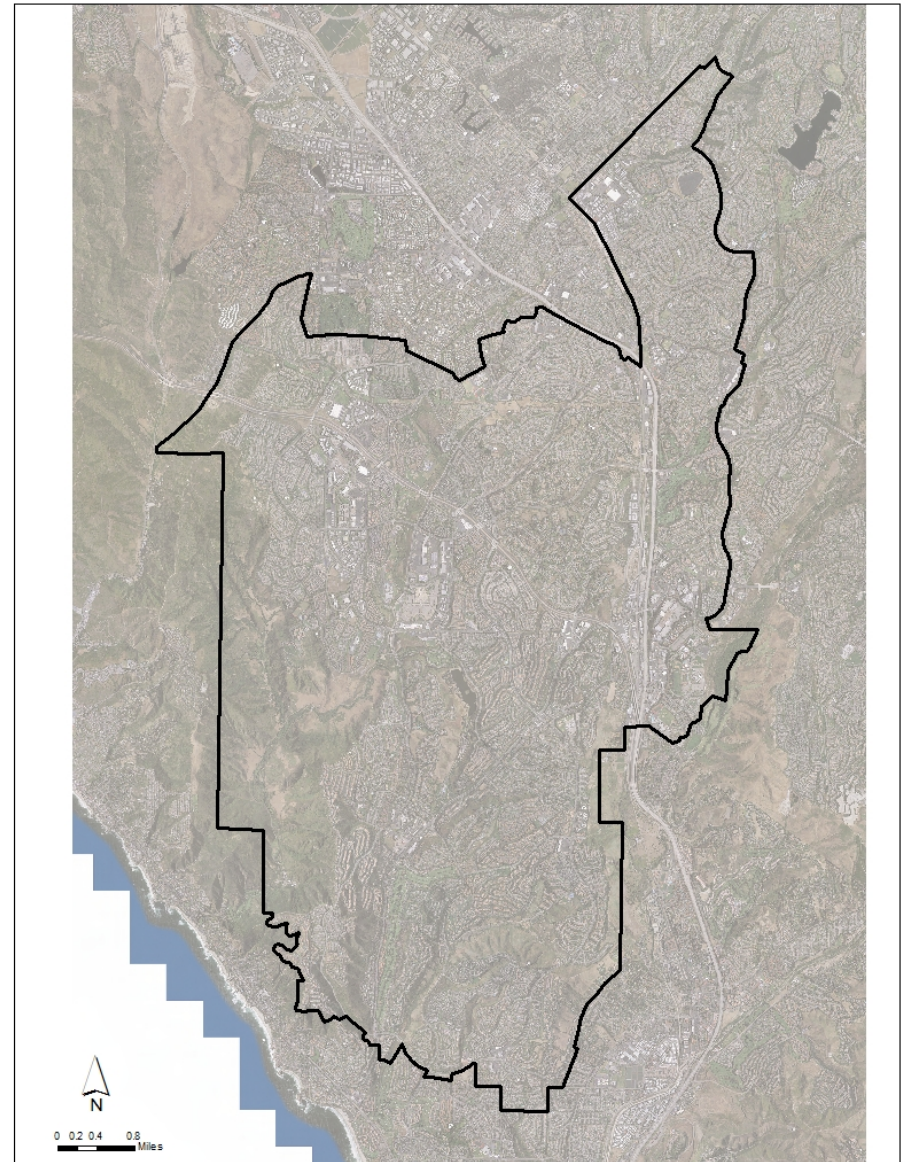
Project Description: Replace existing service lines.

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	\$1,000,000
Construction by District	\$1,500,000
Total Project Budget	\$2,500,000



2024-25 Valve Replacement – PW

Project No: TBD

System: Potable

Fund: 7

Project Location: Various

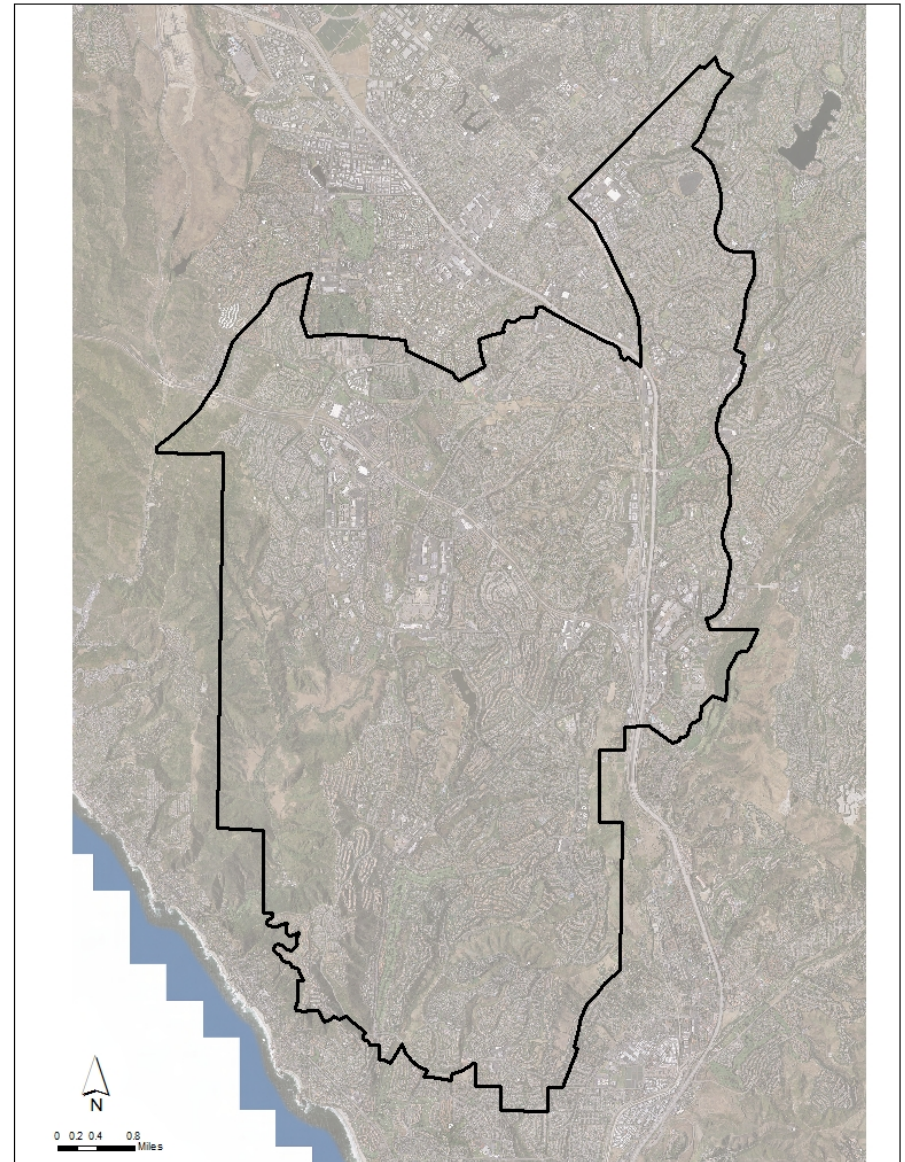
Project Description: Replace existing in-line valves.

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	\$150,000
Construction by District	\$1,000,000
Total Project Budget	\$3,250,000



Beacon Hill Pump Station Rehabilitation

Project No: TBD

System: Potable

Fund: 7

Project Location: Beacon Hill Pump Station, Laguna Niguel

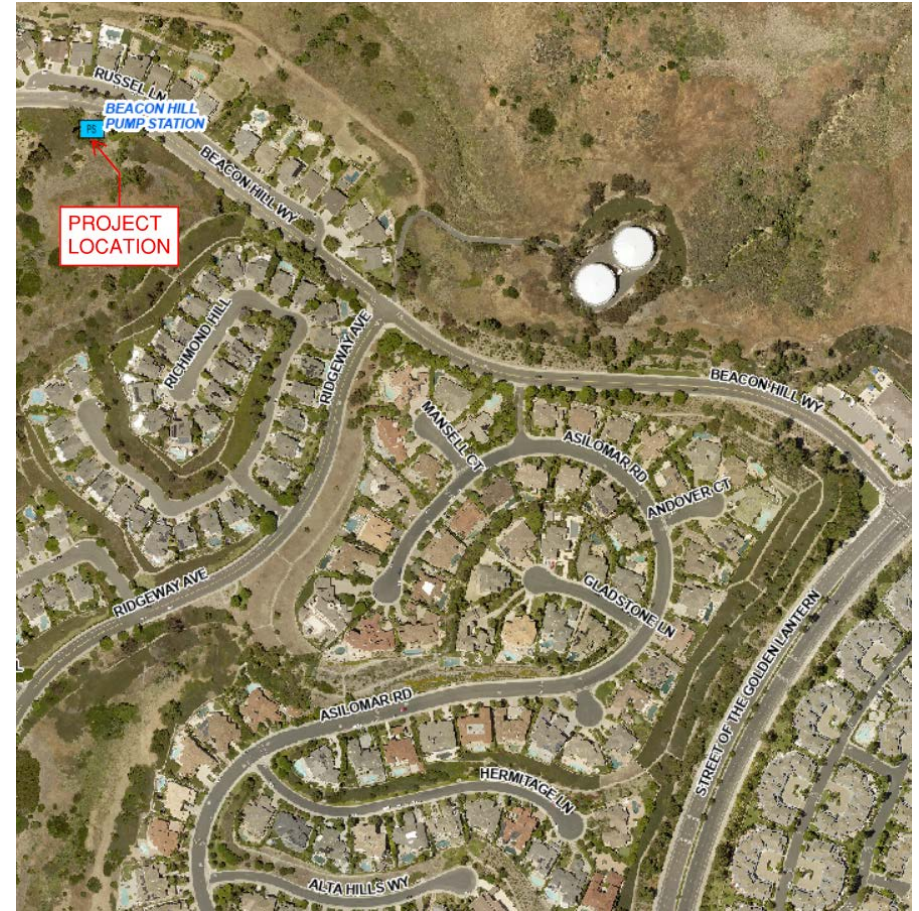
Project Description: Rehabilitate the Beacon Hill Pump Station in its entirety, including mechanical equipment replacements, electrical system replacements, instrumentation system replacements, and sitework restoration.

Project Need: Although periodic improvements have been made, much of the equipment is obsolete, requires increased maintenance, and needs replacement.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$400,000
CEQA Compliance	Exempt
Construction Contract	\$2,550,000
CM and Specialty Inspection	\$200,000
Legal/Permit/Other	\$50,000
Total Project Budget	\$3,200,000



Broadmoor Pump Station Refurbishment

Project No: TBD

System: Potable

Fund: 7

Project Location: Broadmoor Pump Station, Laguna Niguel

Project Description: Refurbish the Broadmoor Pump Station in its entirety, including replacement of the mechanical equipment, electrical equipment, roof, stucco walls, door, and site fencing.

Project Need: The Broadmoor Pump Station is currently an inactive facility. The facility will be refurbished and placed back into service to provide additional operational redundancy and resiliency.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$40,000
CEQA Compliance	Exempt
Construction Contract	\$500,000
Inspection/Other	\$10,000
Total Project Budget	\$550,000



Crown Valley Parkway and Forbes Road PW Pipeline Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Crown Valley Parkway and Forbes Road, Laguna Niguel

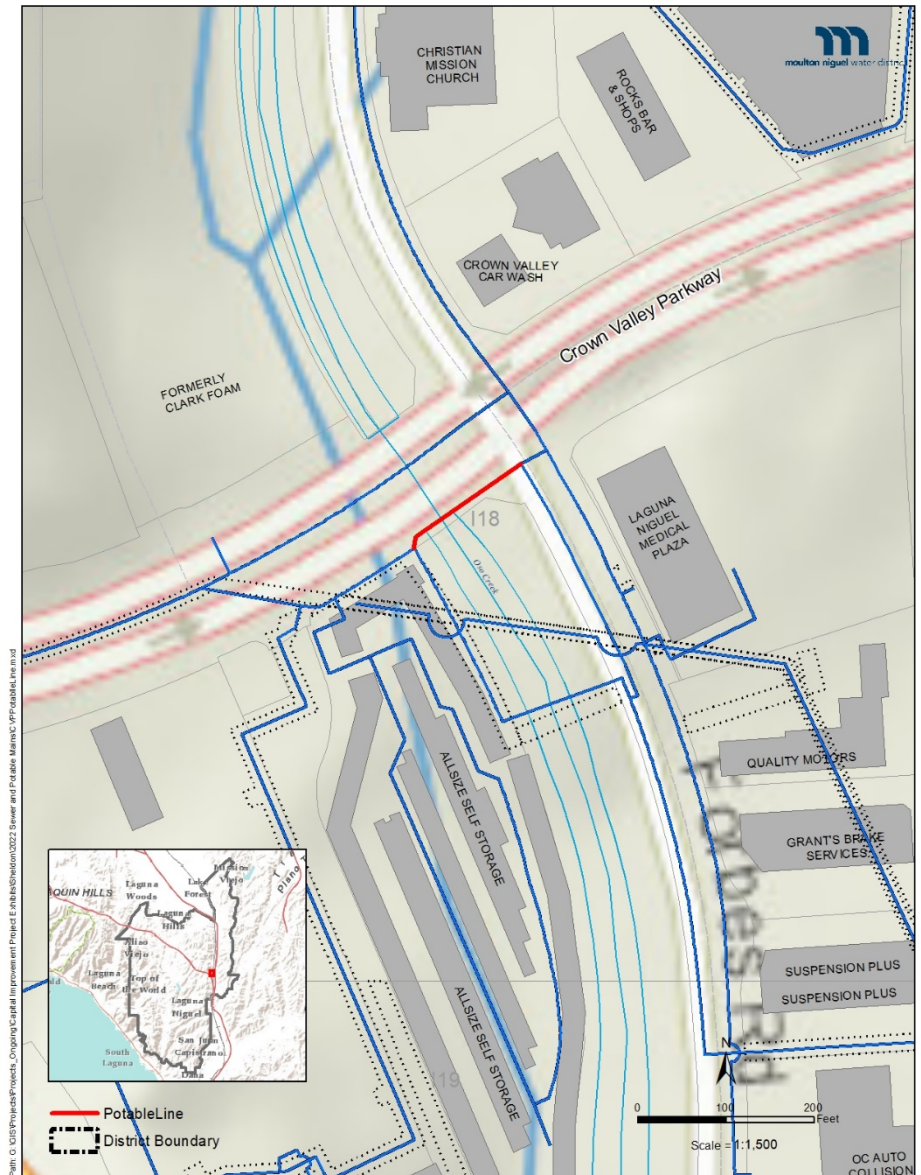
Project Description: Construct approximately 450 feet of new 16-inch potable water line (450 pressure zone) along Crown Valley Parkway and Forbes Road, and abandon the existing water main within County of Orange right-of-way.

Project Need: The potable water system at the location requires improved distribution for better reliability and redundancy.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$150,000
CEQA Compliance	\$25,000
Construction Contract	\$250,000
Inspection/Permit	\$175,000
Total Project Budget	\$600,000



Highlands Pump Station Improvements

Project No: TBD

System: Potable

Fund: 14

Project Location: Highlands Pump Station, Laguna Niguel

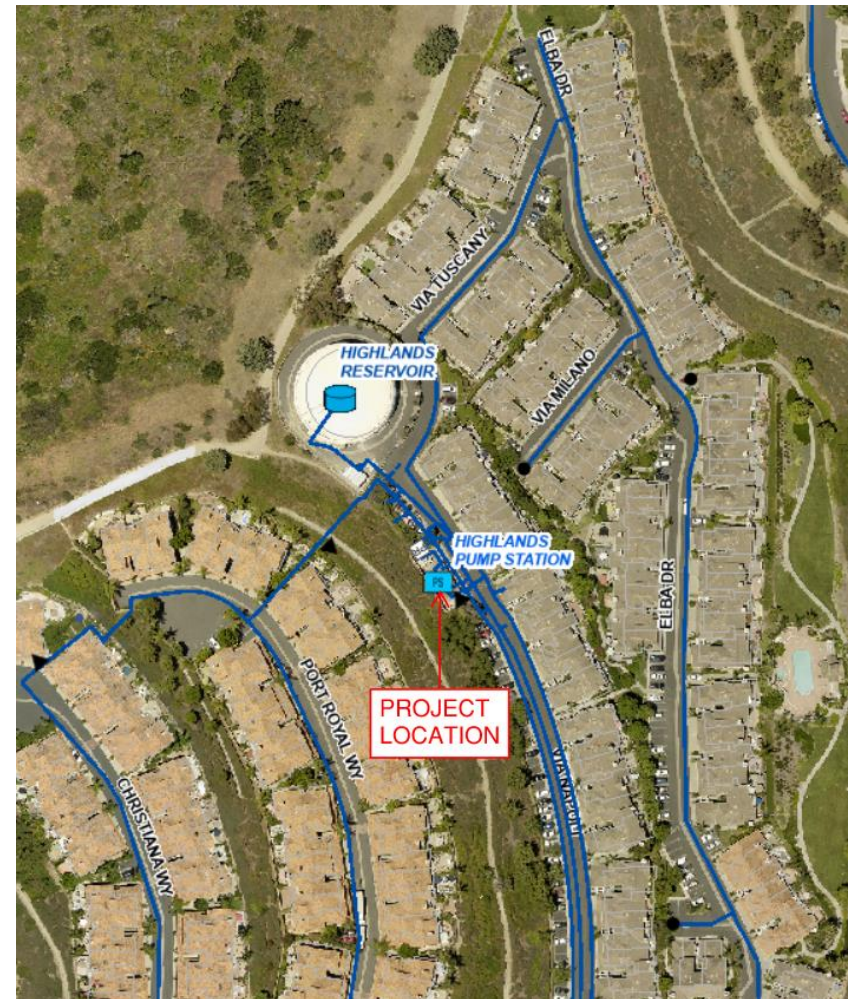
Project Description: Replace the existing 8-inch suction pipeline with a larger pipeline to increase pumping capacity at the facility. The project also includes associated electrical improvements, including potentially upsizing the service entrance.

Project Need: These improvements are needed for operational flexibility and reliability.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$30,000
CEQA Compliance	Exempt
Construction Contract	\$110,000
Inspection/Other	\$10,000
Total Project Budget	\$150,000



Moulton Peak Reservoir Site Paving Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Moulton Peak Reservoir, Aliso Viejo

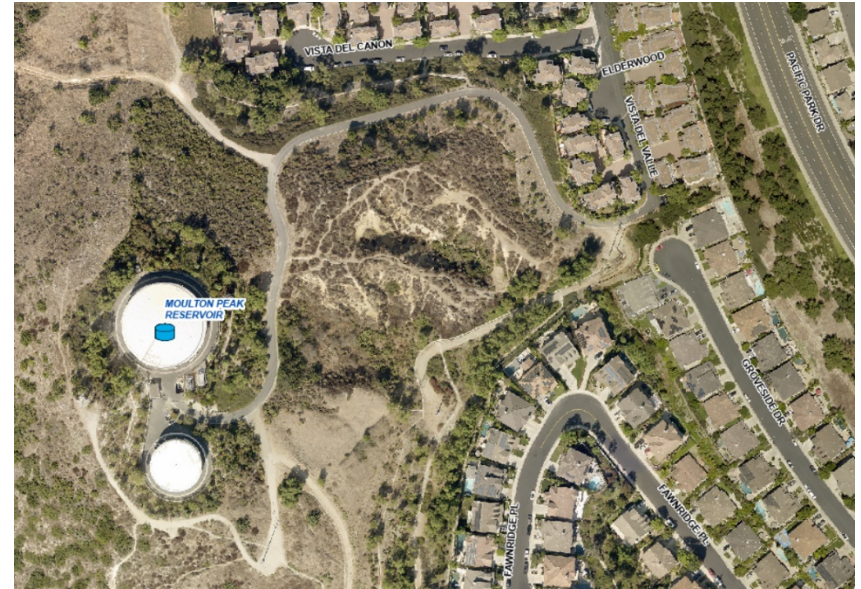
Project Description: Remove existing asphalt paving and replace with new 4-inch asphalt paving over existing base.

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	\$150,000
Total Project Budget	\$150,000



Northern Transmission Main Rehabilitation

Project No: TBD

System: Potable

Fund: 7

Project Location: Northern Transmission Main, Mission Viejo

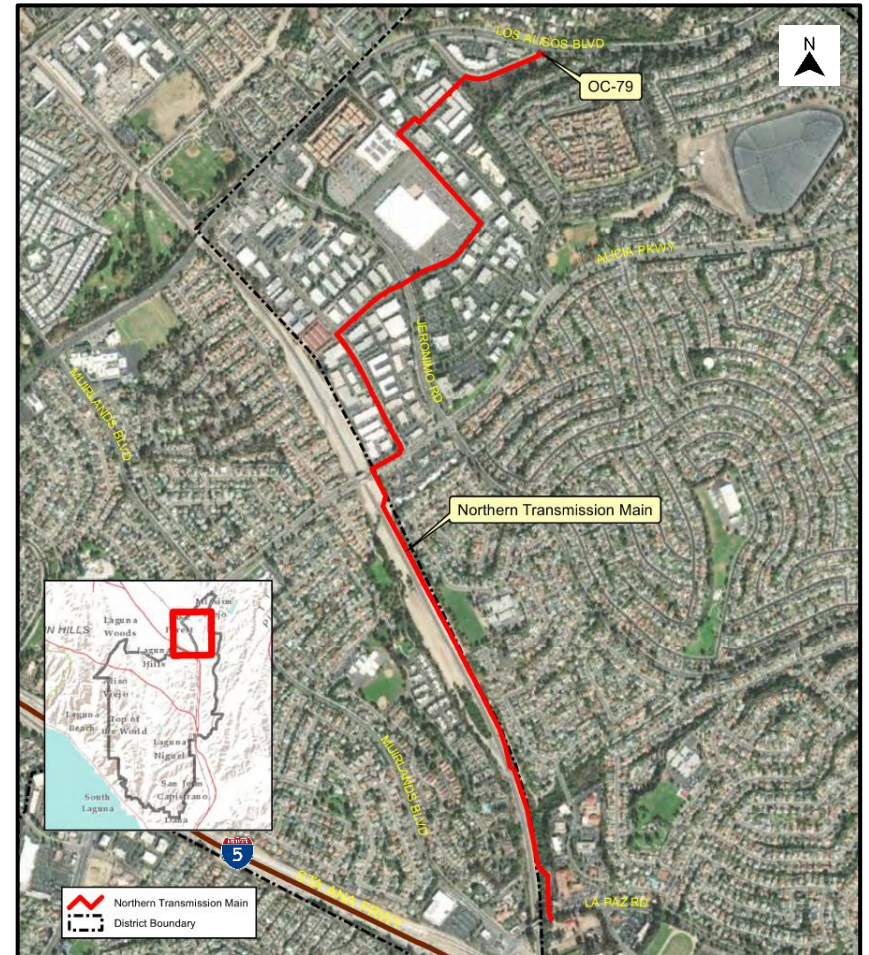
Project Description: Rehabilitate the existing 30-inch and 36-inch transmission main.

Project Need: A condition assessment was completed in April 2023. 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	\$1,450,000
Legal/Permits/Other	\$50,000
Total Project Budget	\$1,500,000



Pacific Park Reservoir Site Paving Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Pacific Park Reservoir, Aliso Viejo

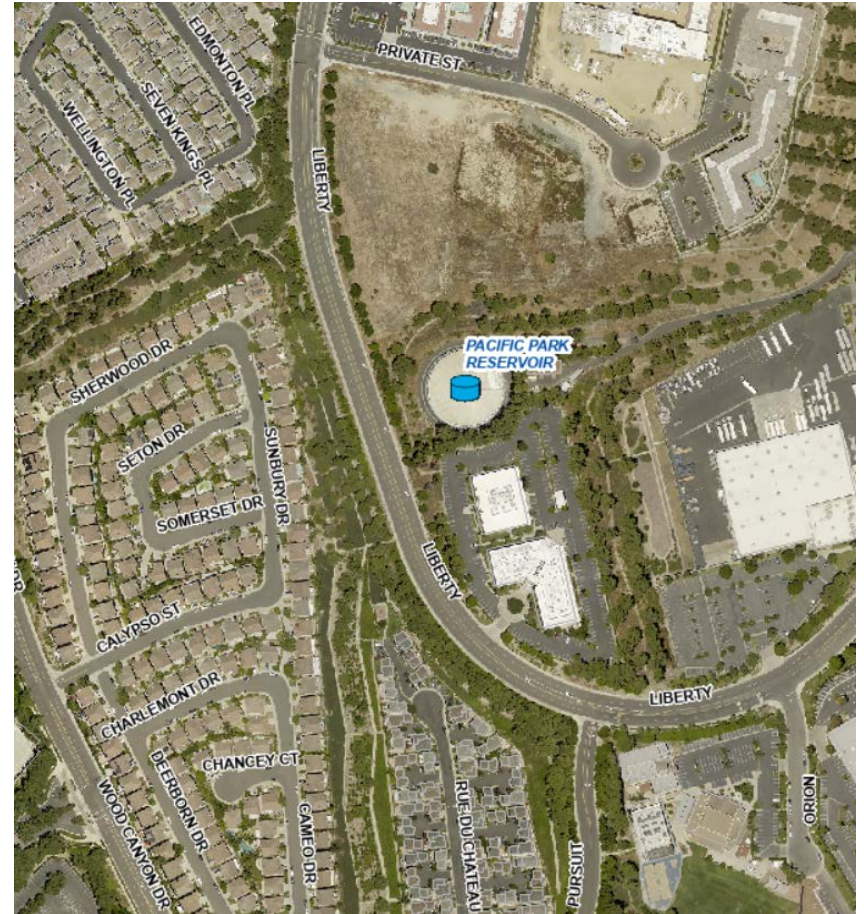
Project Description: Remove existing asphalt paving and replace with new 4-inch asphalt paving over existing base.

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

Project Status: Proposed Project

Estimated Project Amount:

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



Seville Reservoir Site Paving Replacement

Project No: TBD

System: Potable

Fund: 7

Project Location: Seville Reservoir, Mission Viejo

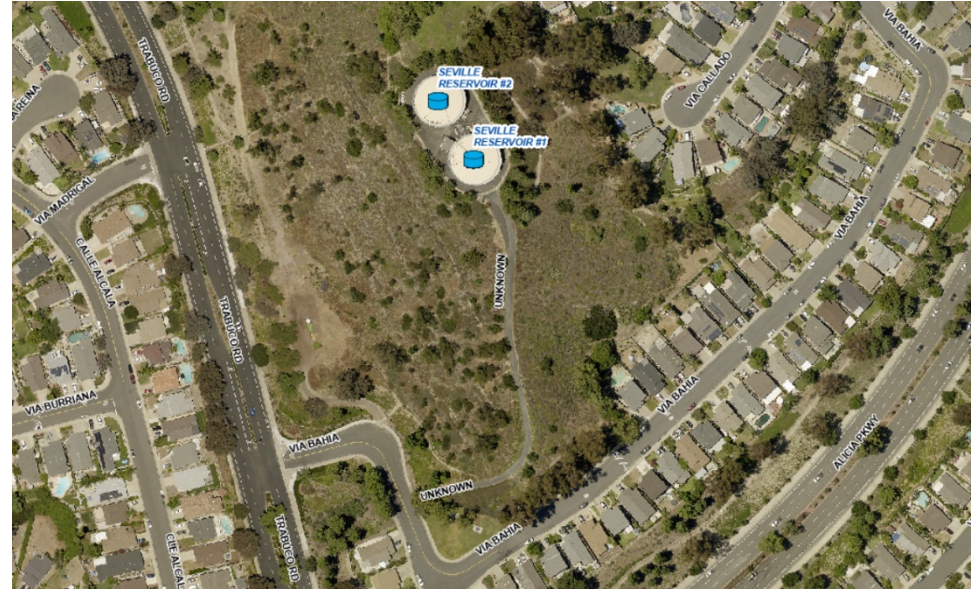
Project Description: Remove existing asphalt paving and replace with new 4-inch asphalt paving over existing base.

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
Total Project Budget	\$100,000



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

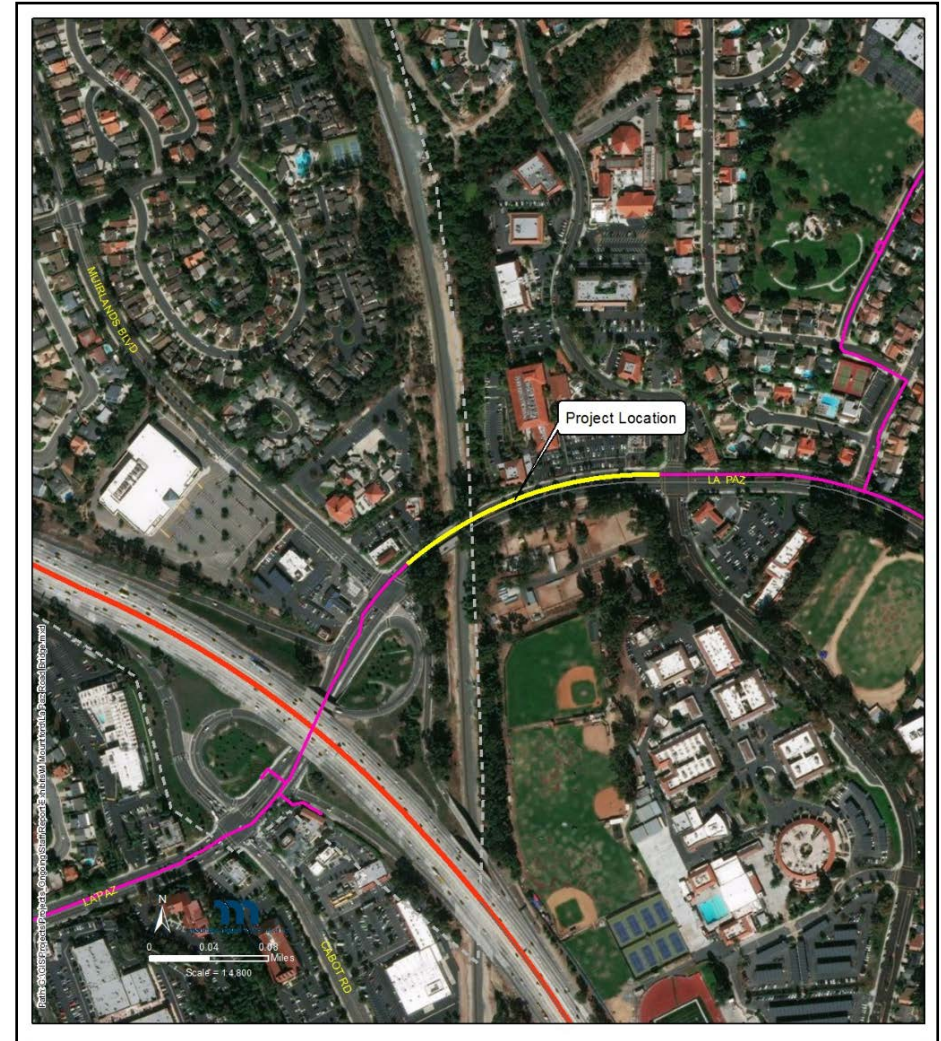
Project Description: Construct approximately 1,200 feet of 12-inch diameter recycled water main in La Paz Road while the City of Mission Viejo is constructing its widening of the La Paz Road Bridge.

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	\$40,000
Total Project Budget	\$743,034



Electrical System Improvements Phase 4 – RW

Project No: 2018.005

System: Recycled

Fund: 7

Project Location: Alicia Recycled Water Pump Station, Laguna Niguel; Aliso Viejo Recycled Water Pump Station, Aliso Viejo; and Galivan Recycled Water Pump Station, Mission Viejo

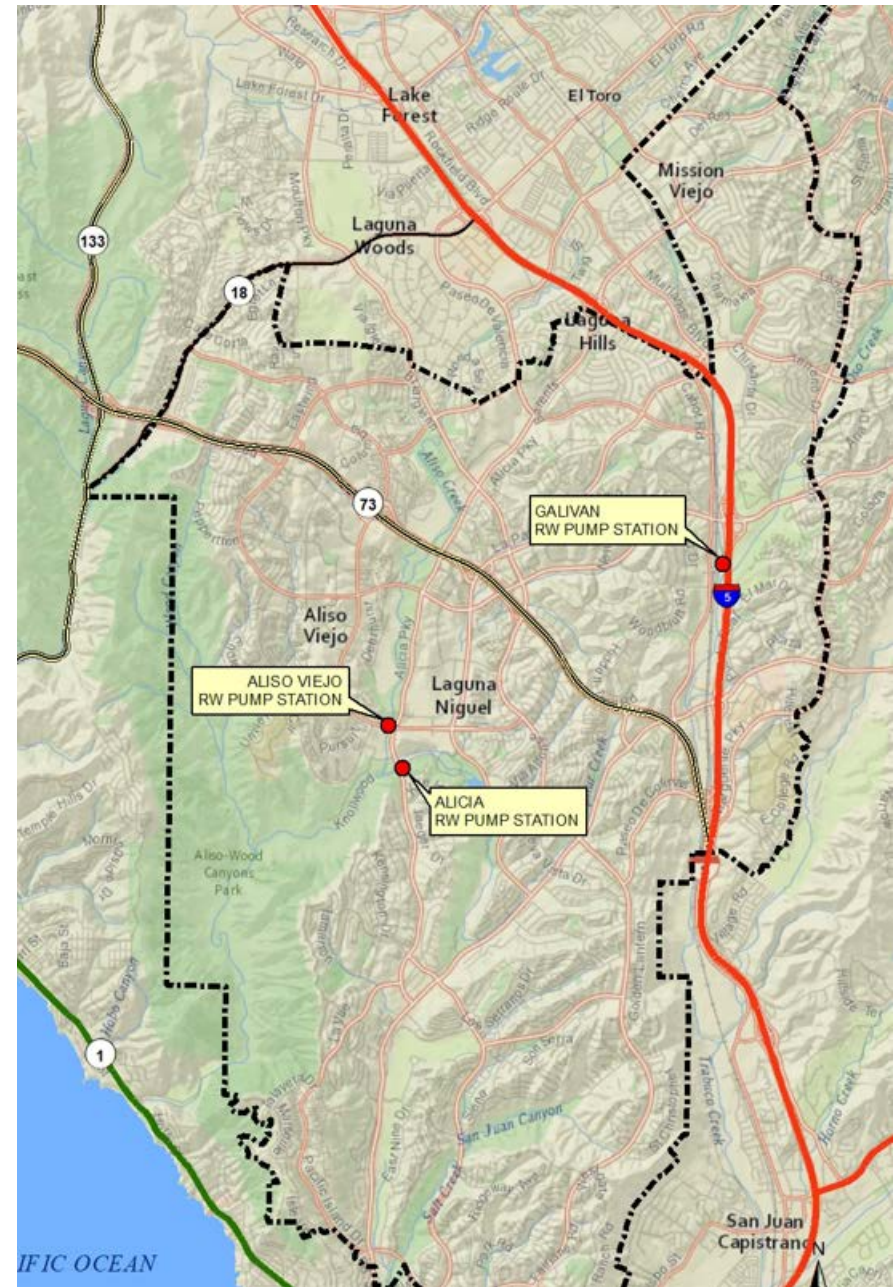
Project Description: Replace meter/main section and MCCs at Alicia, Aliso Viejo, and Galivan Recycled Water Pump Stations. Temporary switchgear for Alicia Recycled Water Pump Station will be required to maintain operation during construction. Variable frequency drives (VFDs) will be installed on pump nos. 1, 2 & 3 at Galivan Recycled Water Pump Station.

Project Need: The noted electrical equipment at these facilities 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	\$300,000
CEQA Compliance	Exempt
Construction Contract	\$1,800,000
Inspection/Utility Fees/Other	\$200,000
Total Project Budget	\$2,300,000



2022-23 Pressure Reducing Station Rehabilitation – RW

Project No: 2022.011

System: Recycled

Fund: 7

Project Location: Los Alisos PRS, Mission Viejo

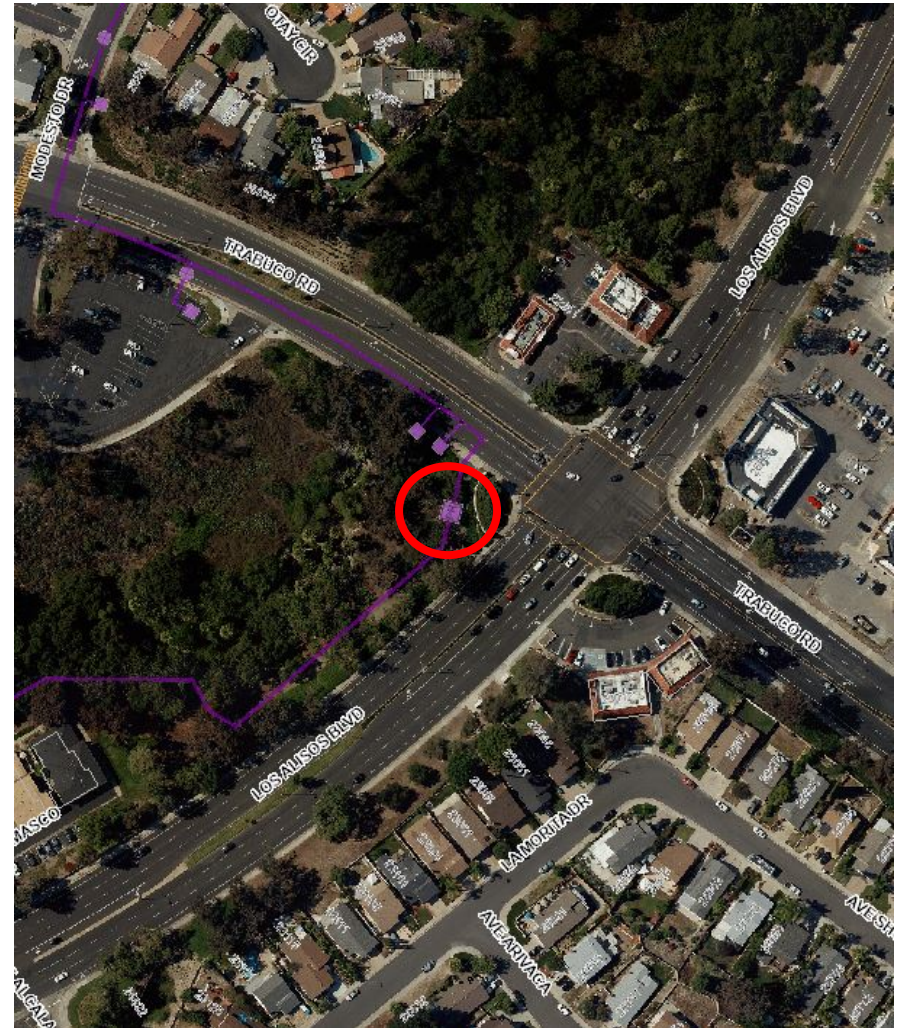
Project Description: Rehabilitate the structure as required and replace the pressure reducing station valves, mechanical equipment and appurtenances that have reached the end of their useful lives.

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: In Design

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



Meter Replacement Program – RW

Project No: Annual Program

System: Recycled

Fund: 7

Project Location: Various

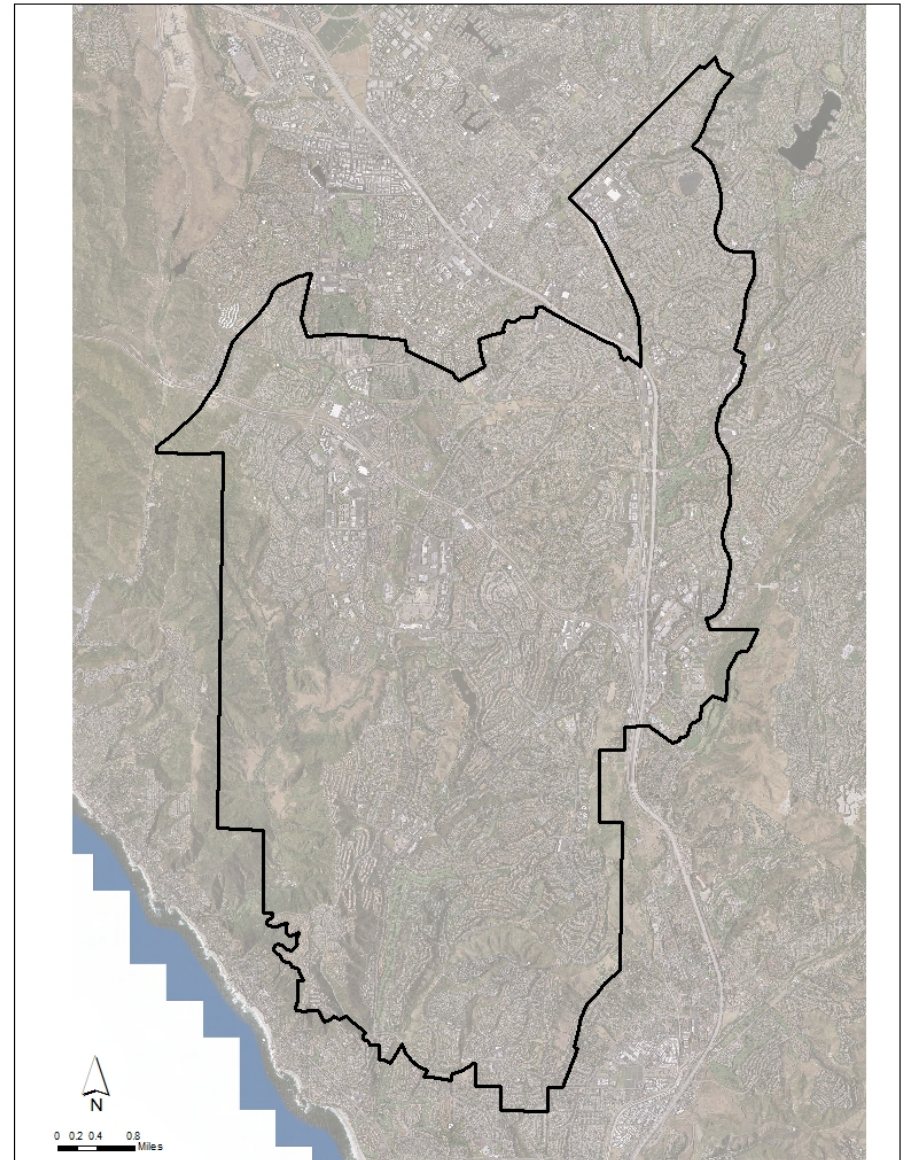
Project Description: Replace existing meters.

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	\$1,125,000
Total Project Budget	\$1,125,000



Operations-Led Capital Improvements – RW

Project No: Annual Program

System: Recycled

Fund: 7

Project Location: Various

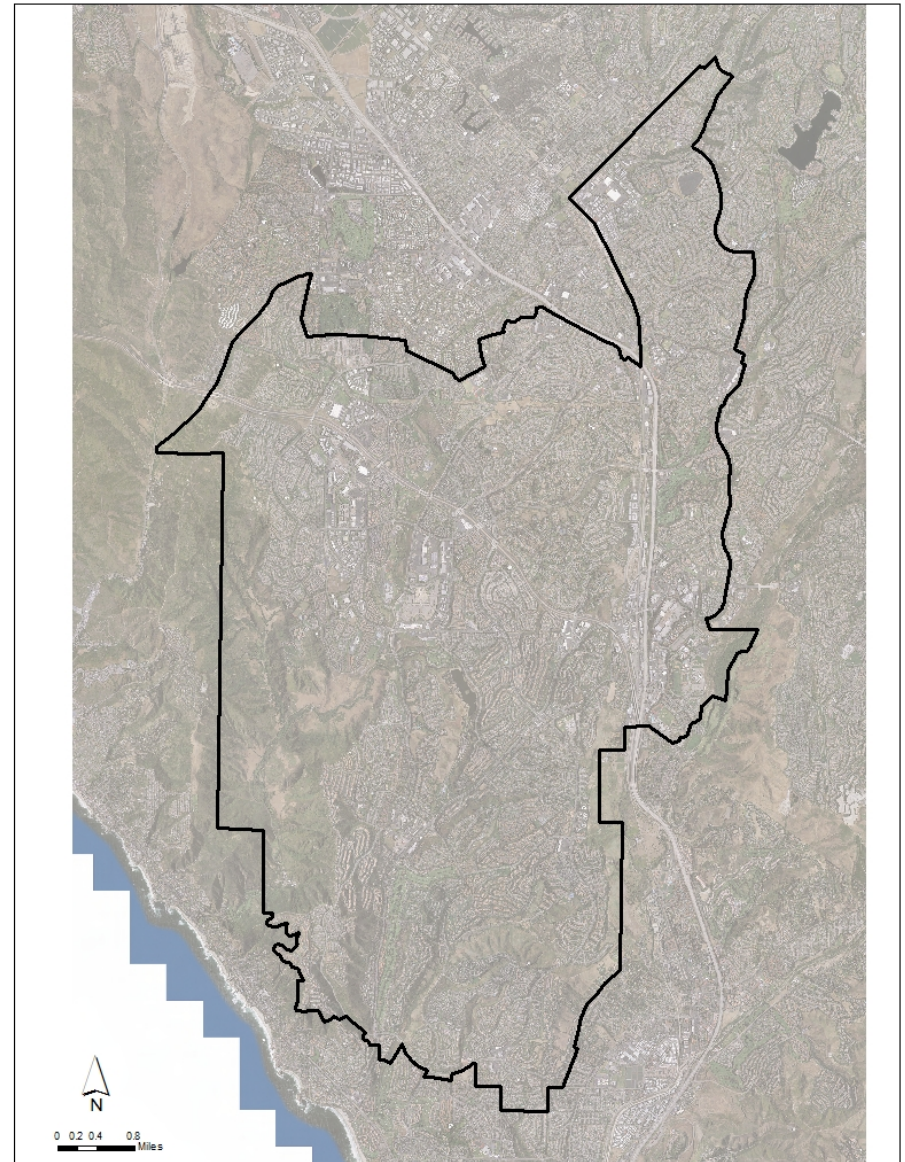
Project Description: This program covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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

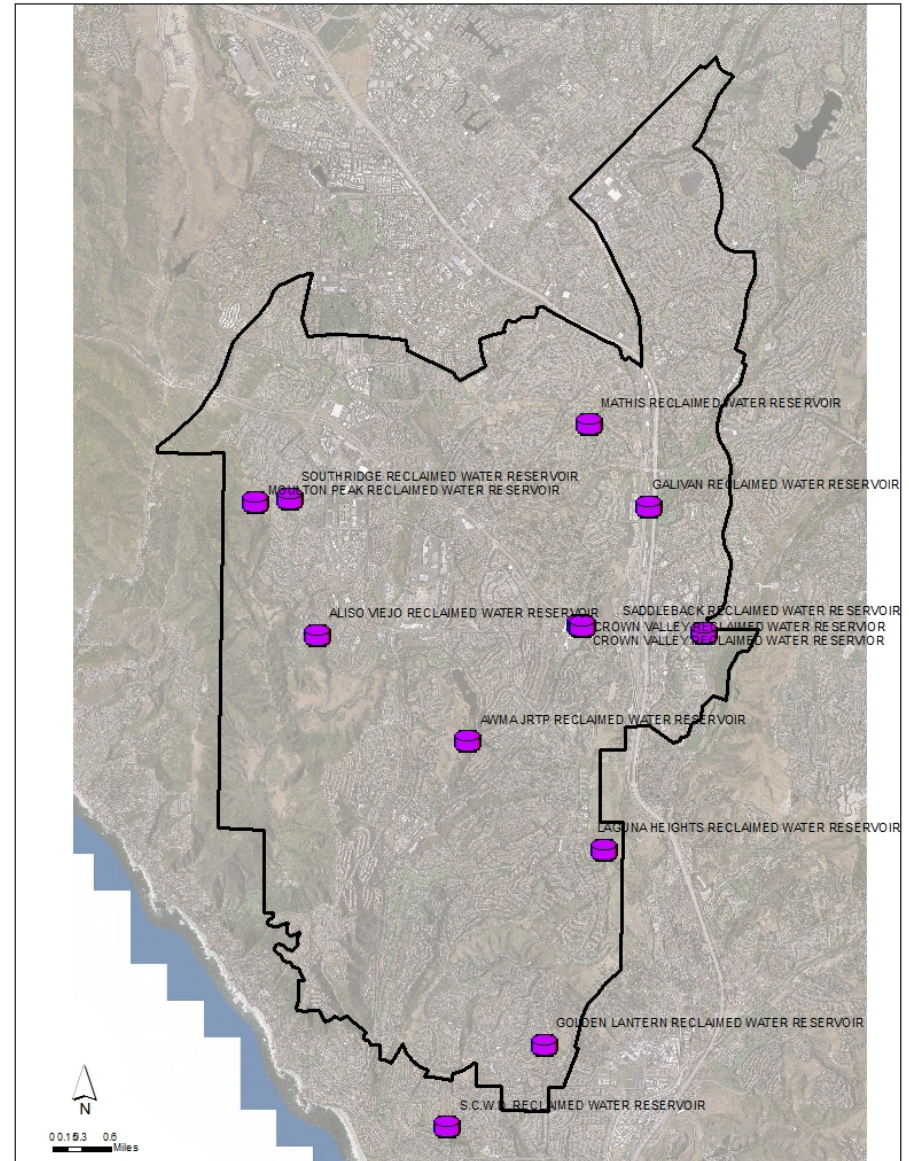
Project Description: Recoat the interior and exterior of steel reservoirs in the recycled system.

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	\$150,000
CEQA Compliance	Exempt
Construction Contract	\$2,600,000
Inspection	\$400,000
Total Project Budget	\$3,150,000



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

Project No: Annual Program

System: Recycled

Fund: 6

Project Location: Various

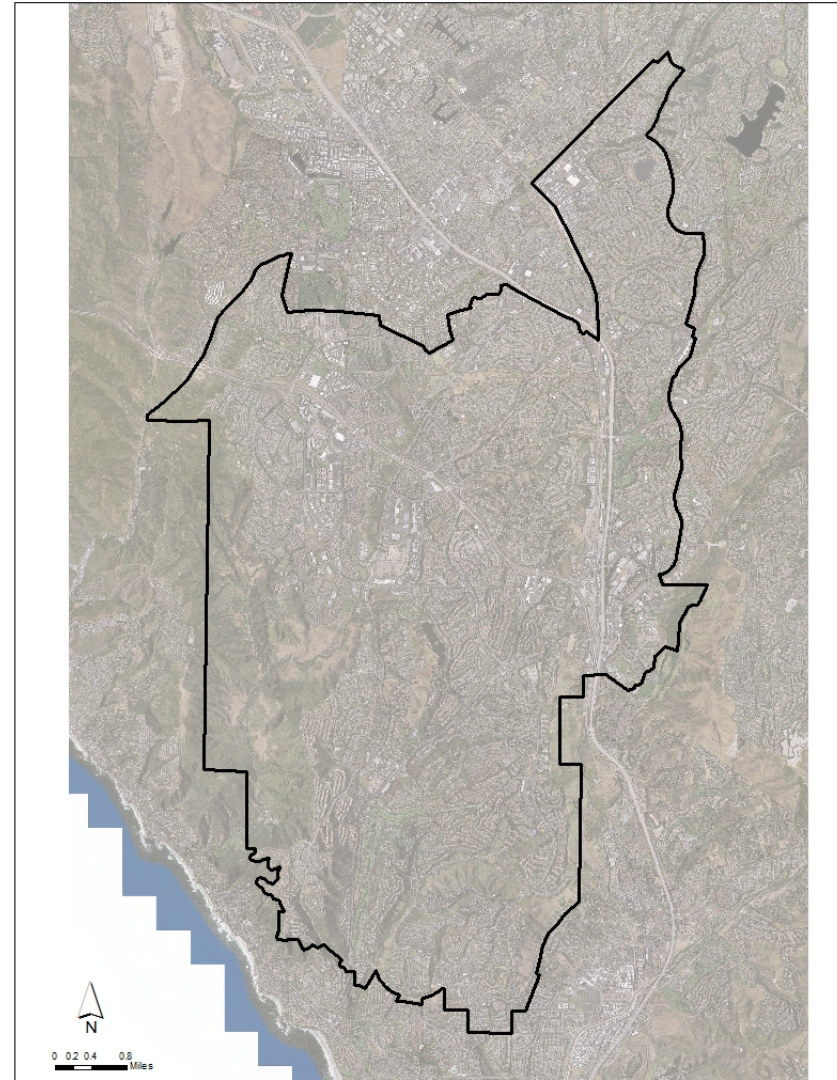
Project Description: Install recycled water service connection and irrigation pumps.

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	\$250,000
CEQA Compliance	Exempt
Construction Contract	\$2,100,000
Inspection	\$450,000
Total Project Budget	\$2,800,000



Service Line Replacement Program – RW

Project No: Annual Program

System: Recycled

Fund: 7

Project Location: Various

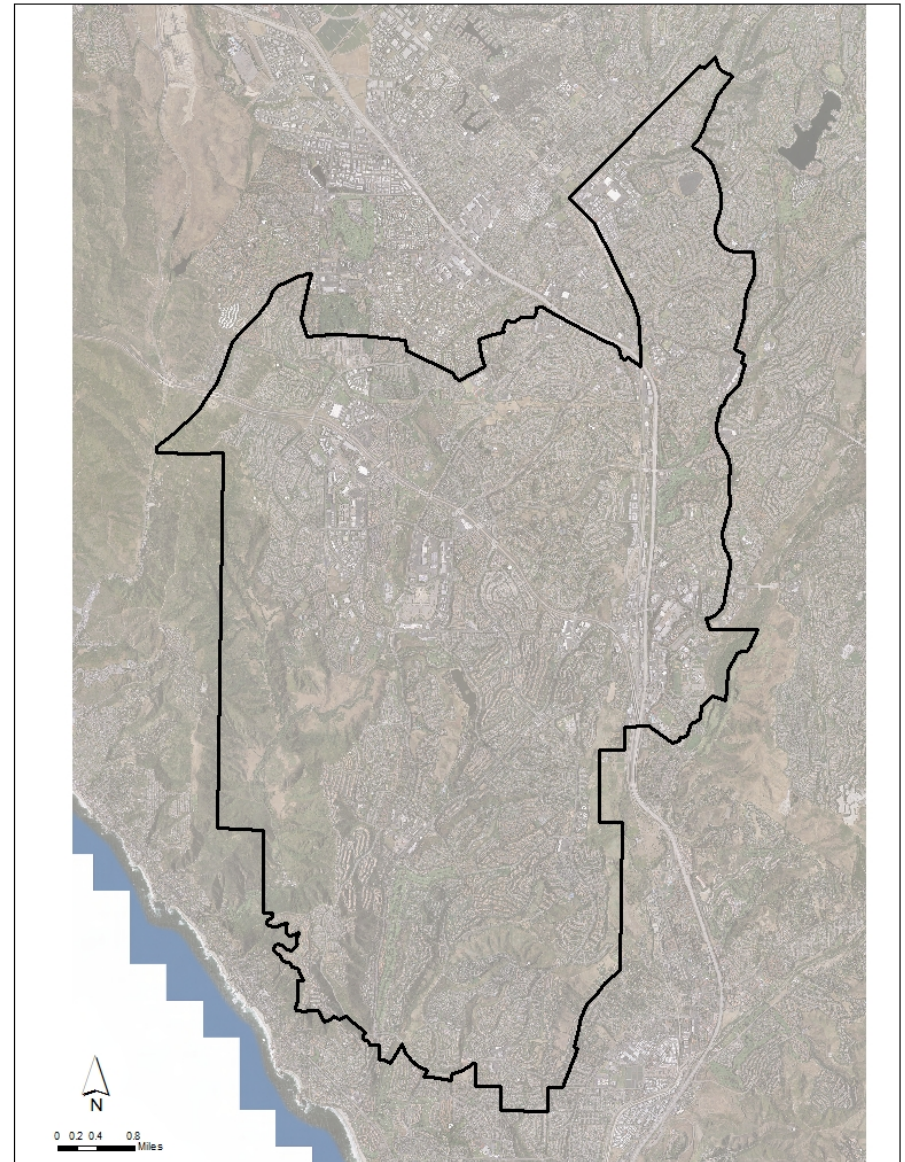
Project Description: Replace existing service lines.

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

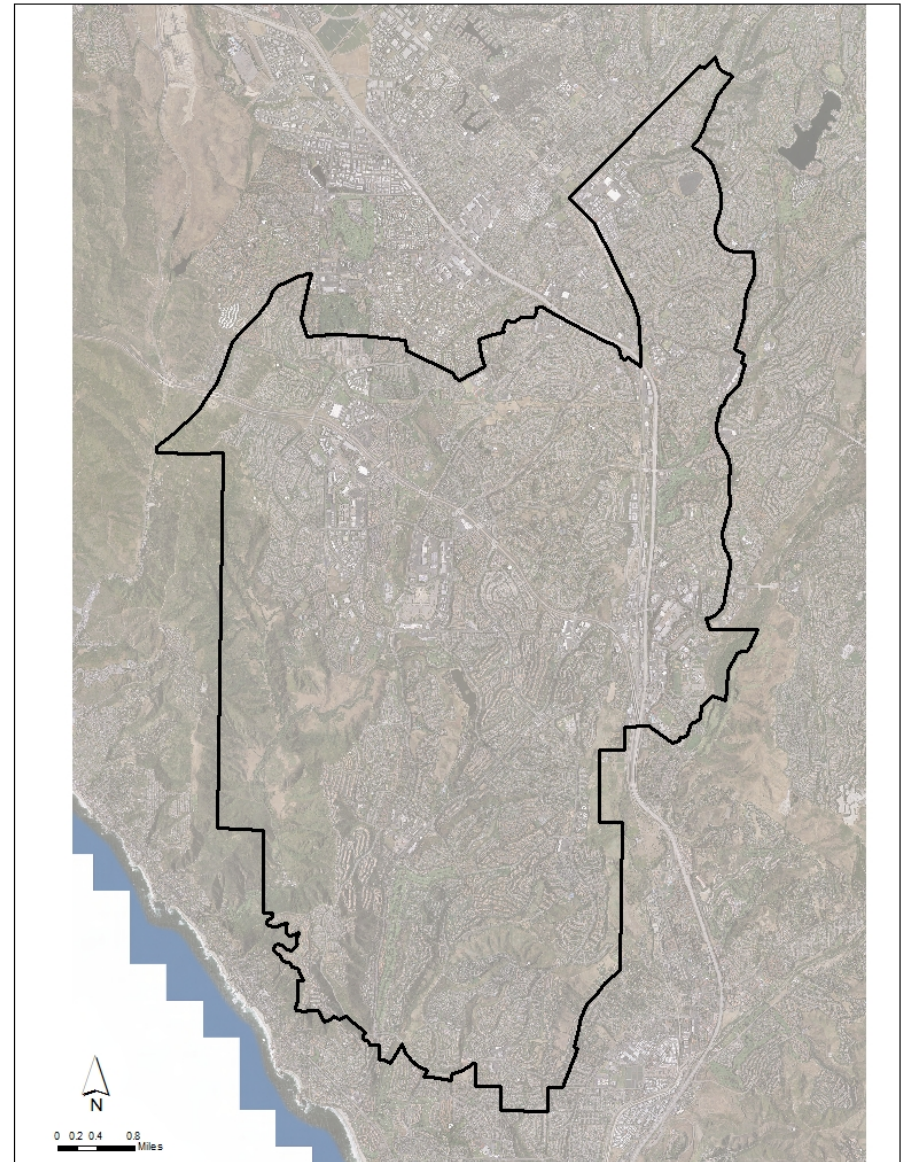
Project Description: Replace pipeline valves.

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

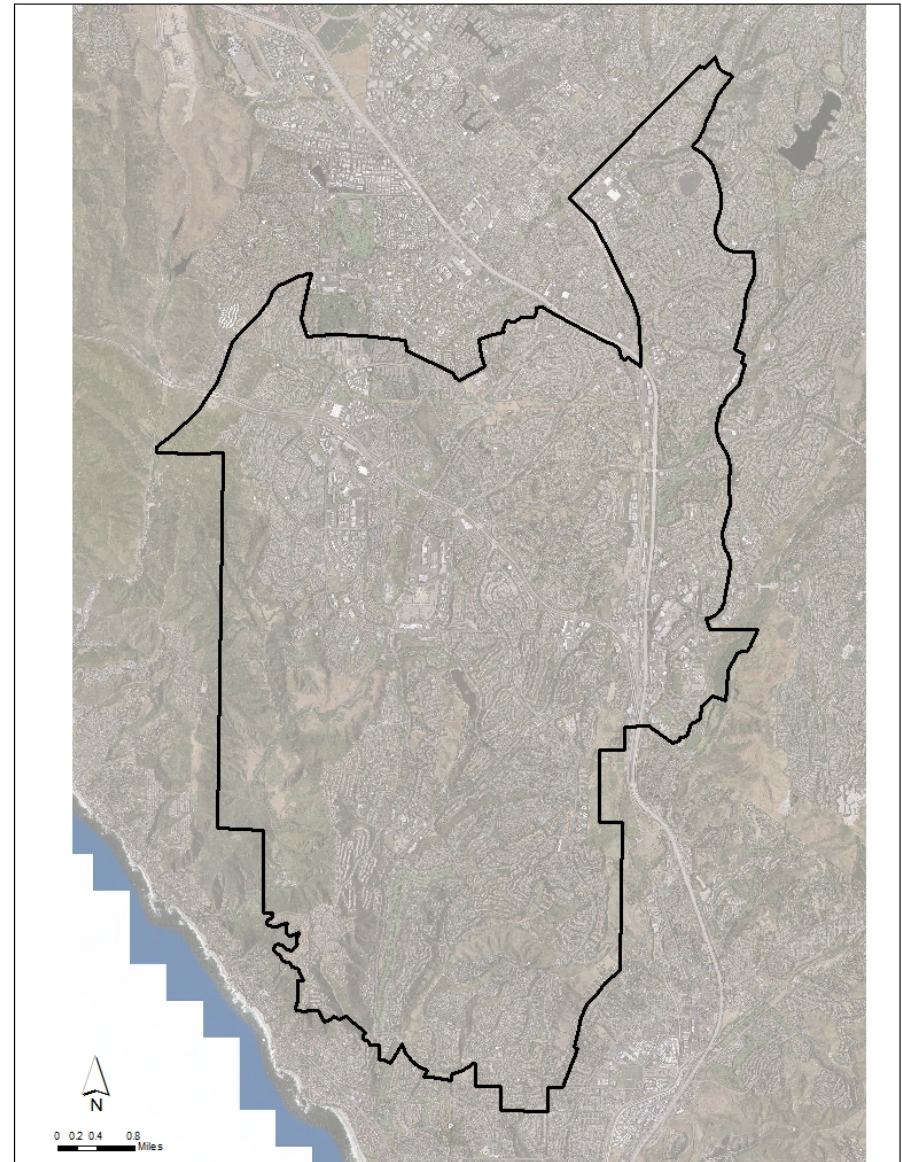
Project Description: Rehabilitate or replace structures and equipment at pump station and pressure reducing stations that have reached the end of their useful lives. An analysis was performed by staff to prioritize the methodical rehabilitation or replacement of vertical assets within the recycled water 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	\$100,000
CEQA Compliance	Exempt
Construction Contract	\$600,000
Inspection/Other	\$100,000
Total Project Budget	\$800,000



Crown Point Pump Station Pump Replacement and VFD Installation

Project No: TBD

System: Recycled

Fund: 7

Project Location: Crown Point Pump Station, Laguna Niguel

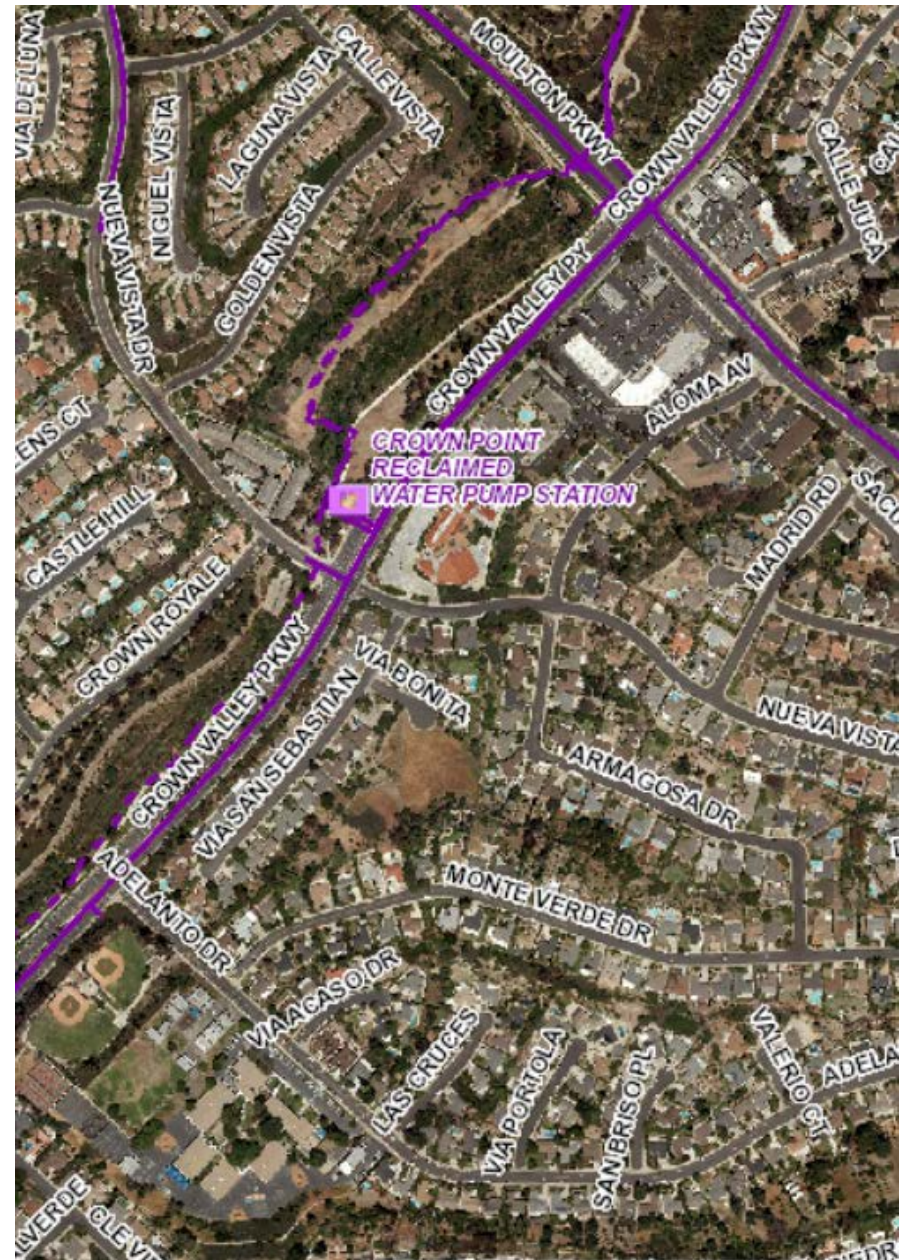
Project Description: Replace two existing pumps and associated 100 HP motors, select piping, and valves. Additionally, the motors will be equipped with variable frequency drives (VFDs). A hydraulic analysis using District's recycled water model may be required to verify final design.

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 5 – 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



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

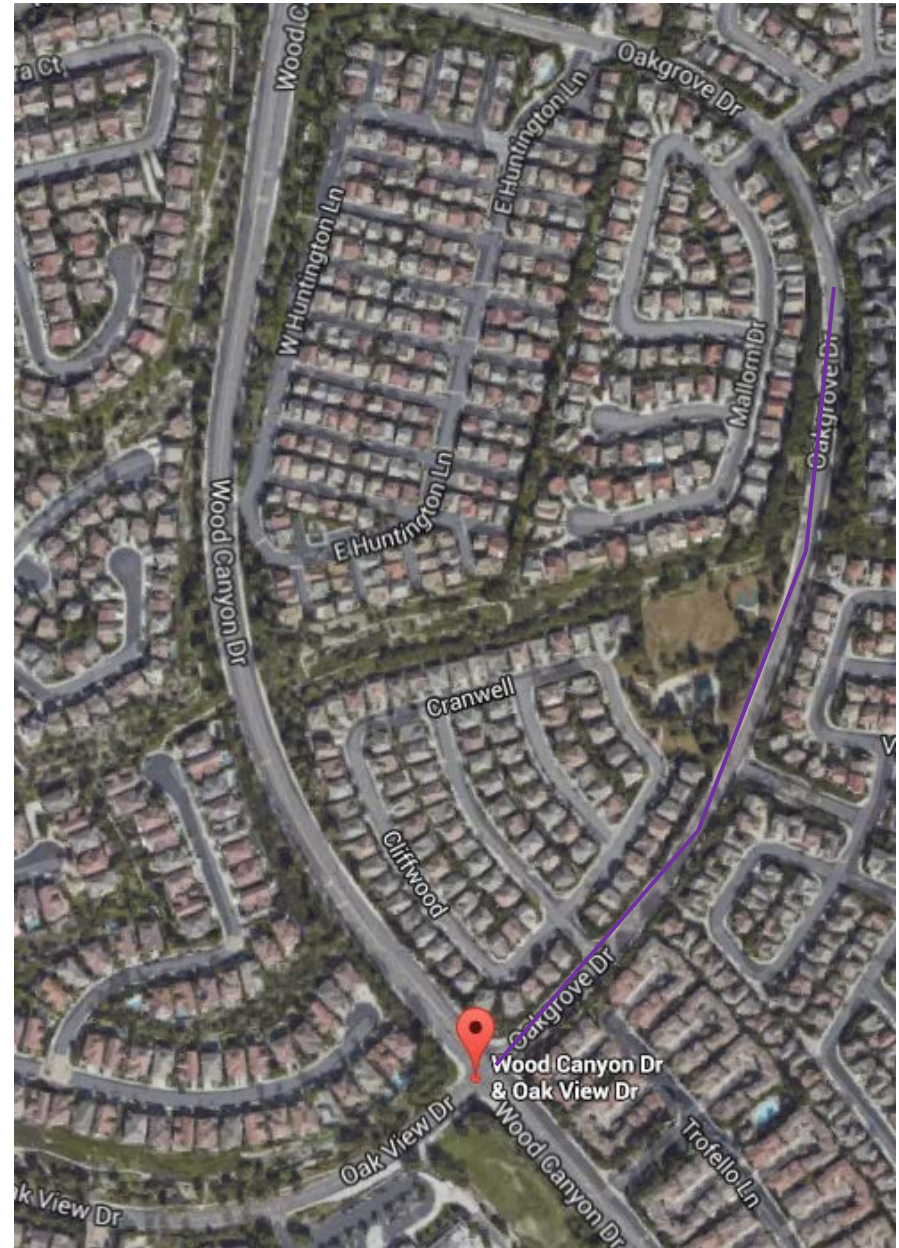
Project Description: The project will remove and replace approximately 1,500 feet of 8-inch diameter ductile iron recycled water main pipeline. An electrical main is near the current alignment, which will likely require the pipeline to be replaced in a new alignment. The project will also replace all 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	\$625,000
Inspection/Other	\$25,000
Total Project Budget	\$750,000



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

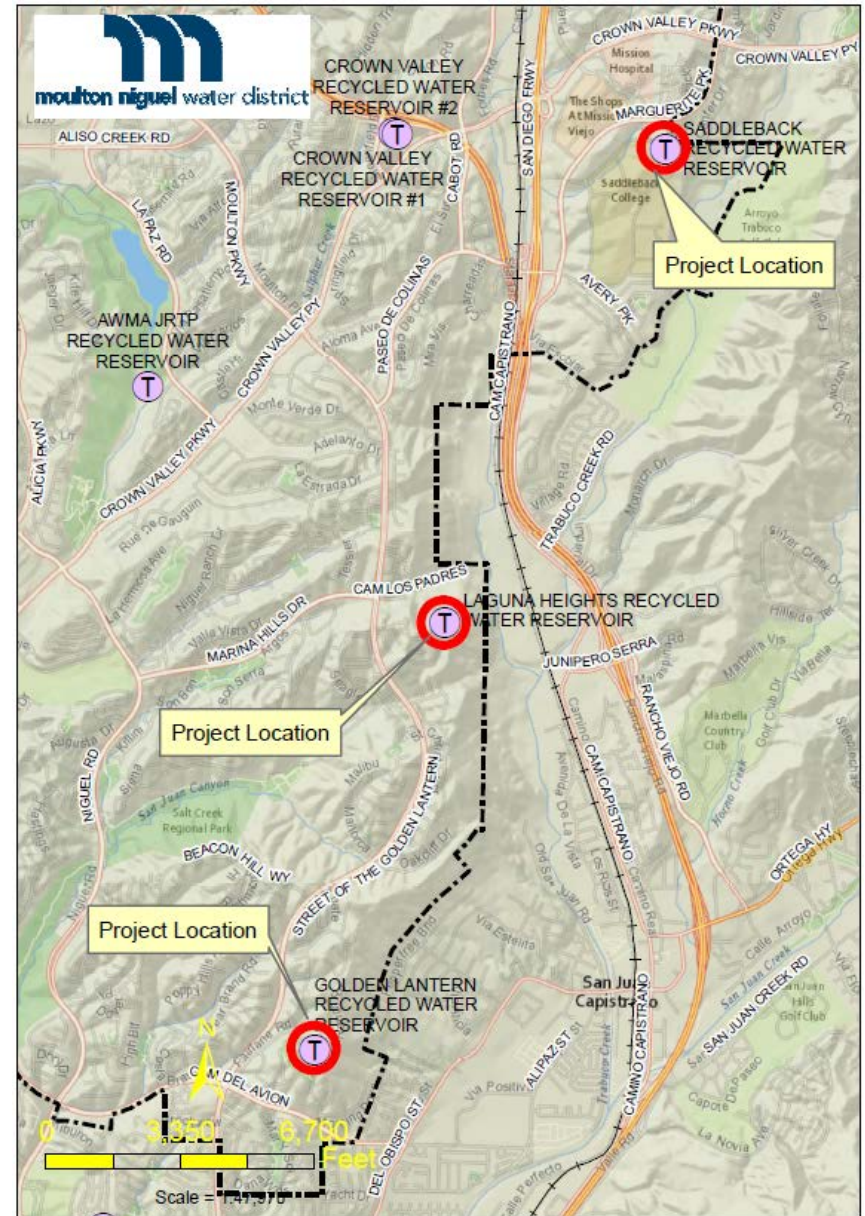
Project Description: Golden Lantern: Construct approximately 500 feet of 8-inch diameter drain pipe to an 8-inch sanitary sewer main on Point Catalina. Laguna Heights: Construct approximately 200 feet of 12-inch diameter drain pipe to a sanitary sewer manhole on Knob Hill Rd. Saddleback: Acquire new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

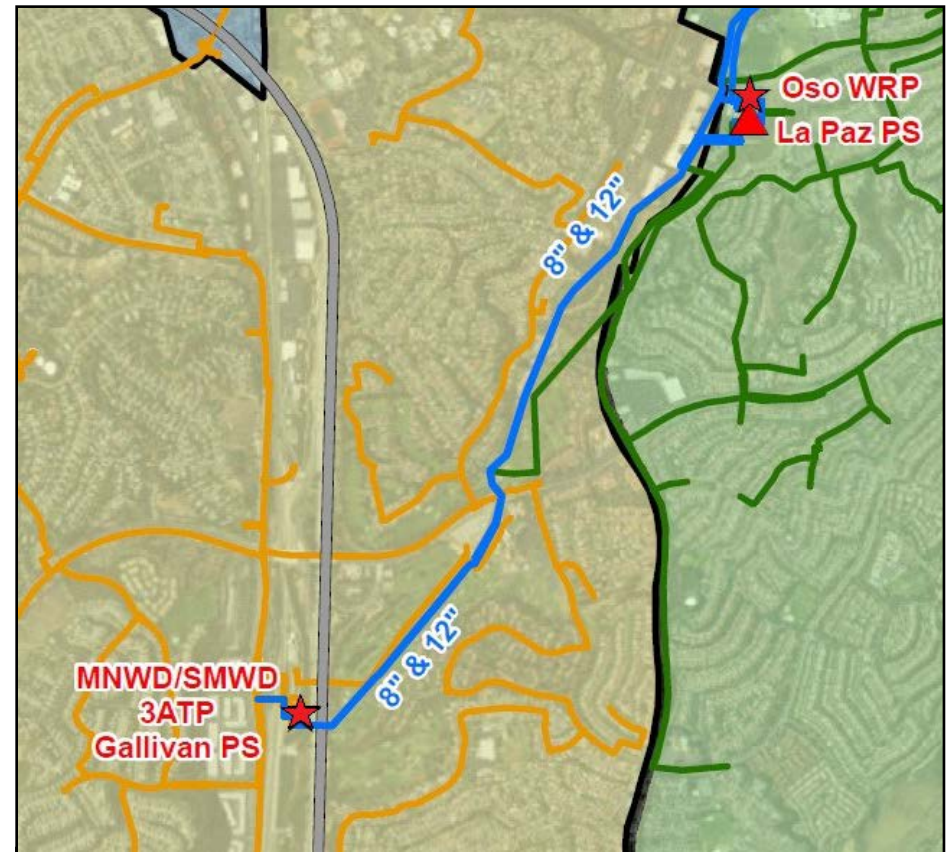
Project Description: The project will replace approximately 11,000 feet of existing 8-inch and 12-inch diameter RW pipelines with a new 24-inch pipeline. This includes pipelines within Santa Margarita Water District's Zone B La Paz Pump Station. Due to the alignment of the pipelines, significant habitat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



2023-24 Meter Replacement – RW

Project No: TBD
System: Recycled
Fund: 7

Project Location: Various

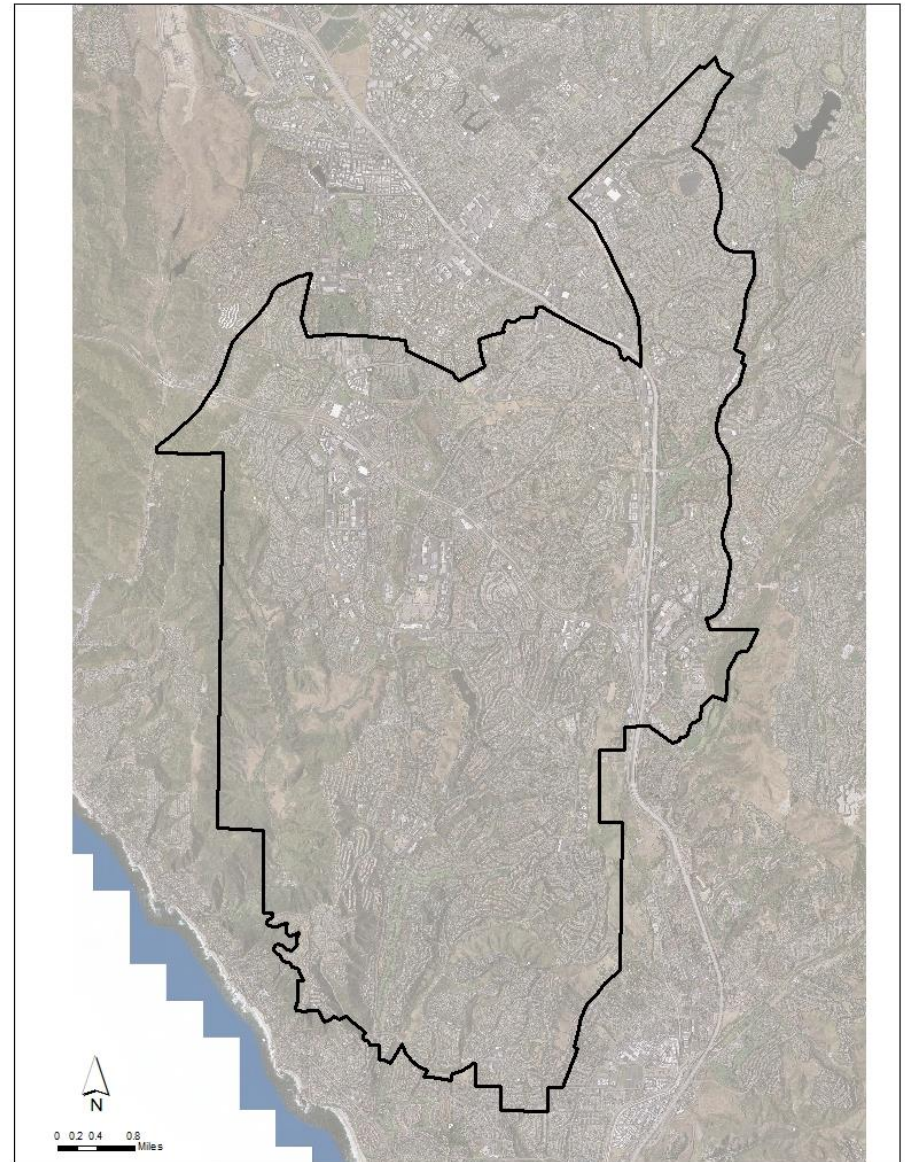
Project Description: Replace existing recycled water meters.

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



2023-24 Operations-Led Capital Improvements – RW

Project No: 2023.200

System: Recycled

Fund: 7

Project Location: Various

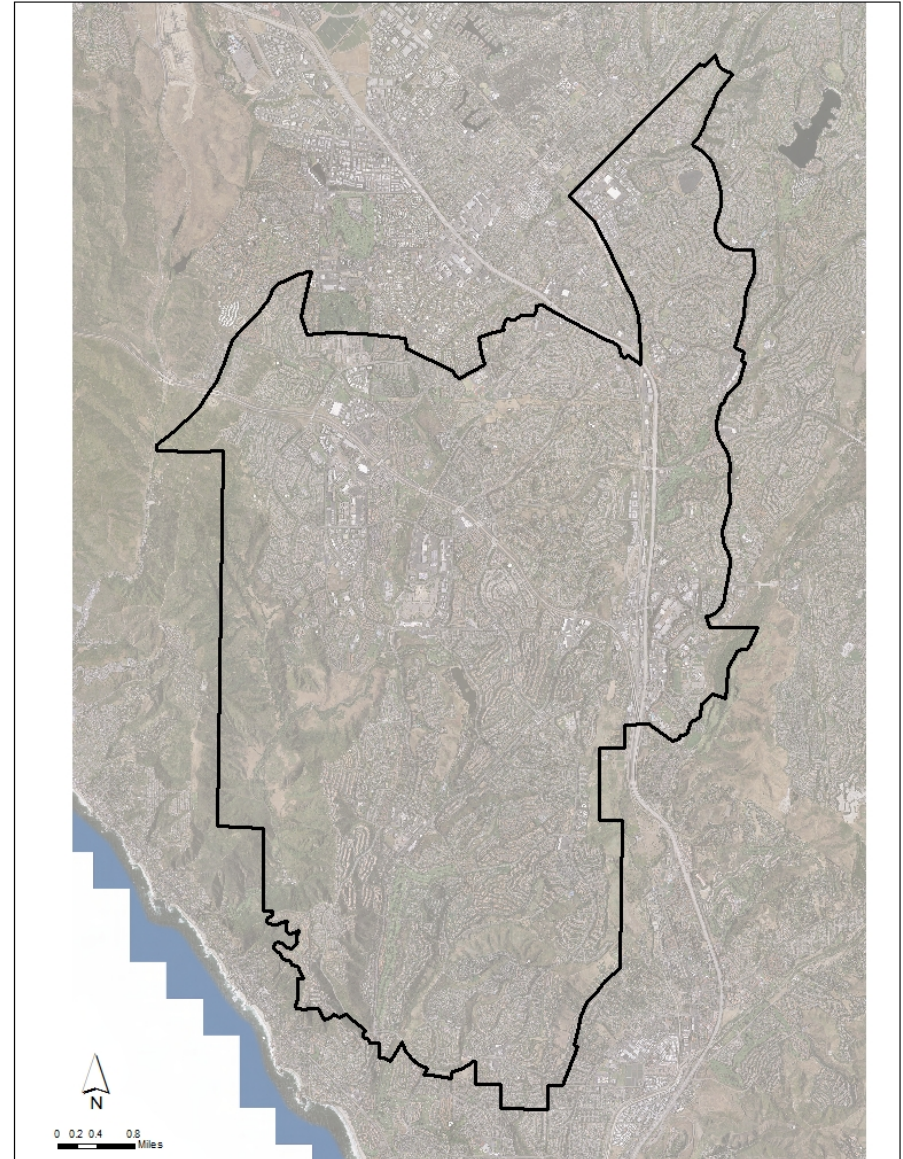
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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



2023-24 Pressure Reducing Station Rehabilitation – RW

Project No: TBD
System: Recycled
Fund: 7

Project Location: El Niguel PRS, Laguna Niguel & Aliso Creek PRS, Aliso Viejo

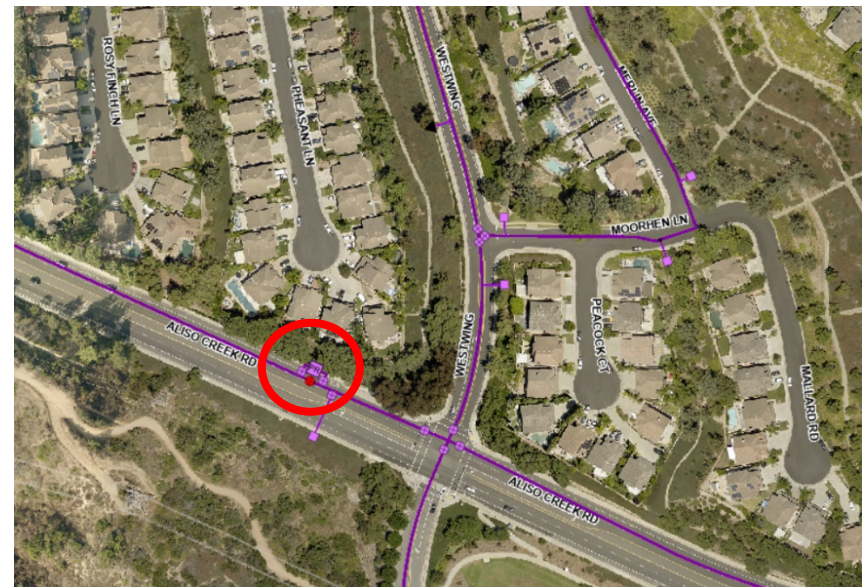
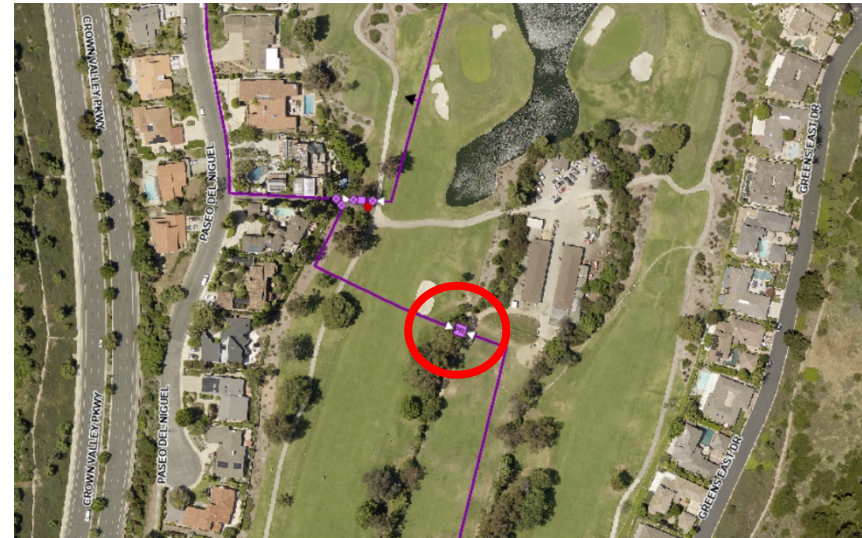
Project Description: Rehabilitate the structure as required and replace the pressure reducing station valves, mechanical equipment and appurtenances that have reached the end of their useful lives.

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

Project Status: Proposed Project

Estimated Project Amount:

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



2023-24 Recycled Water Retrofits

Project No: TBD

System: Recycled

Fund: 6

Project Location: Various

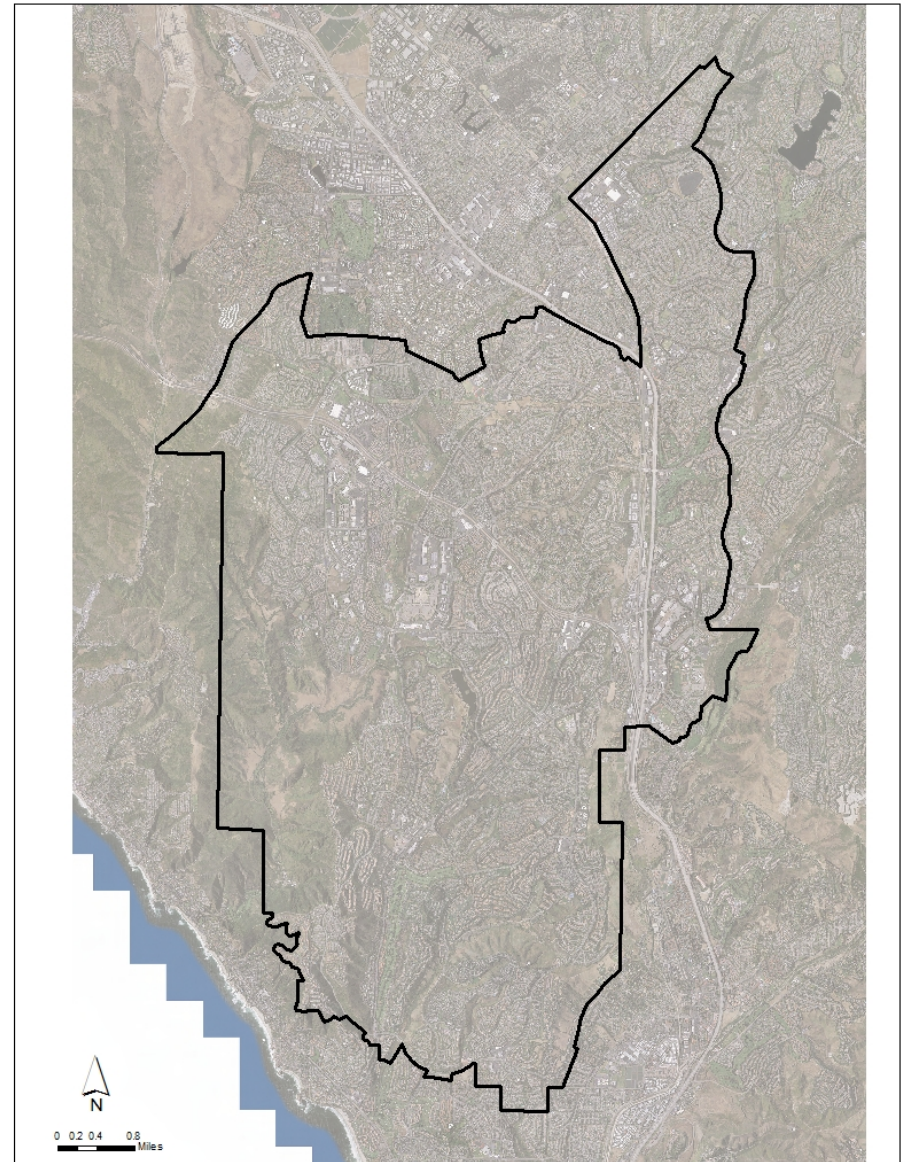
Project Description: Install recycled water service connections and irrigation pumps.

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	\$100,000
Total Project Budget	\$100,000



2023-24 Service Line Replacement – RW

Project No: TBD
System: Recycled
Fund: 7

Project Location: Various

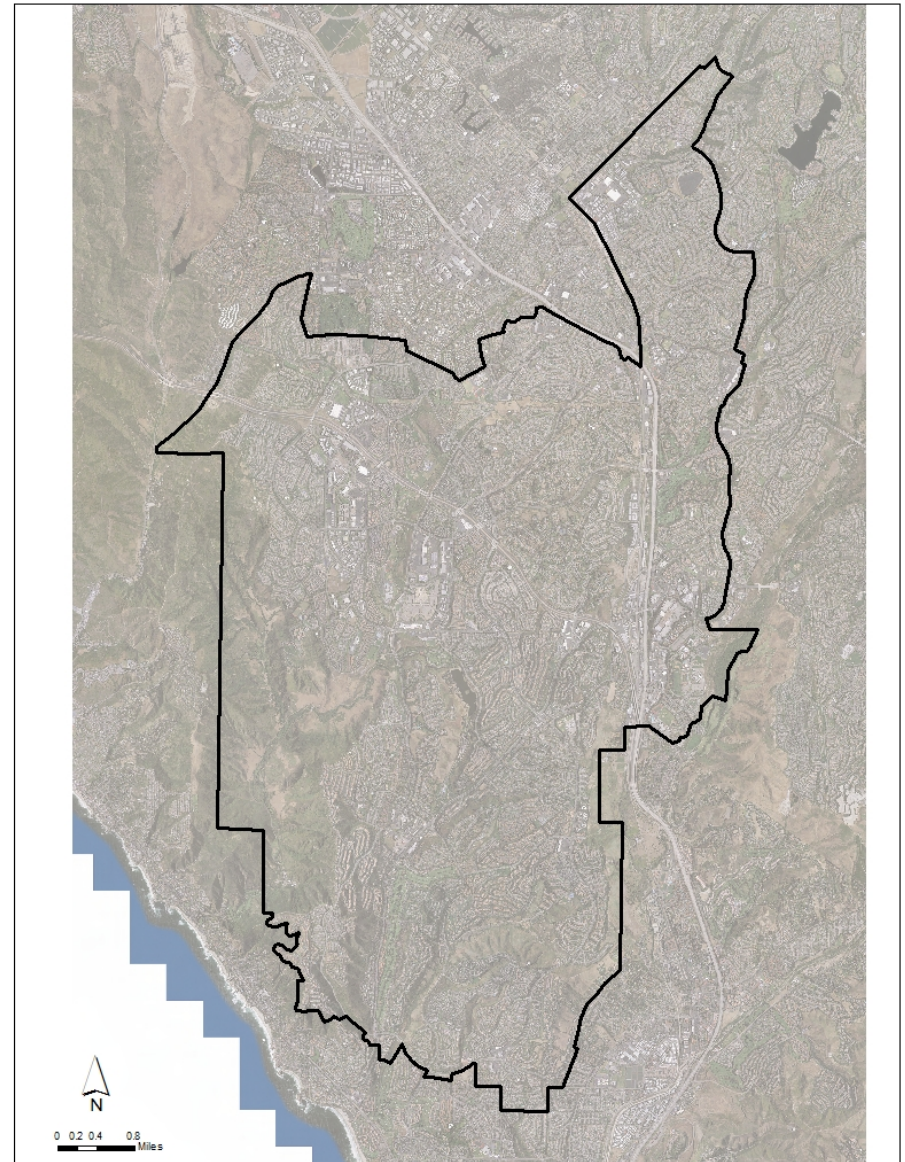
Project Description: Replace existing service lines.

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



2023-24 Valve Replacement – RW

Project No: TBD
System: Recycled
Fund: 7

Project Location: Various

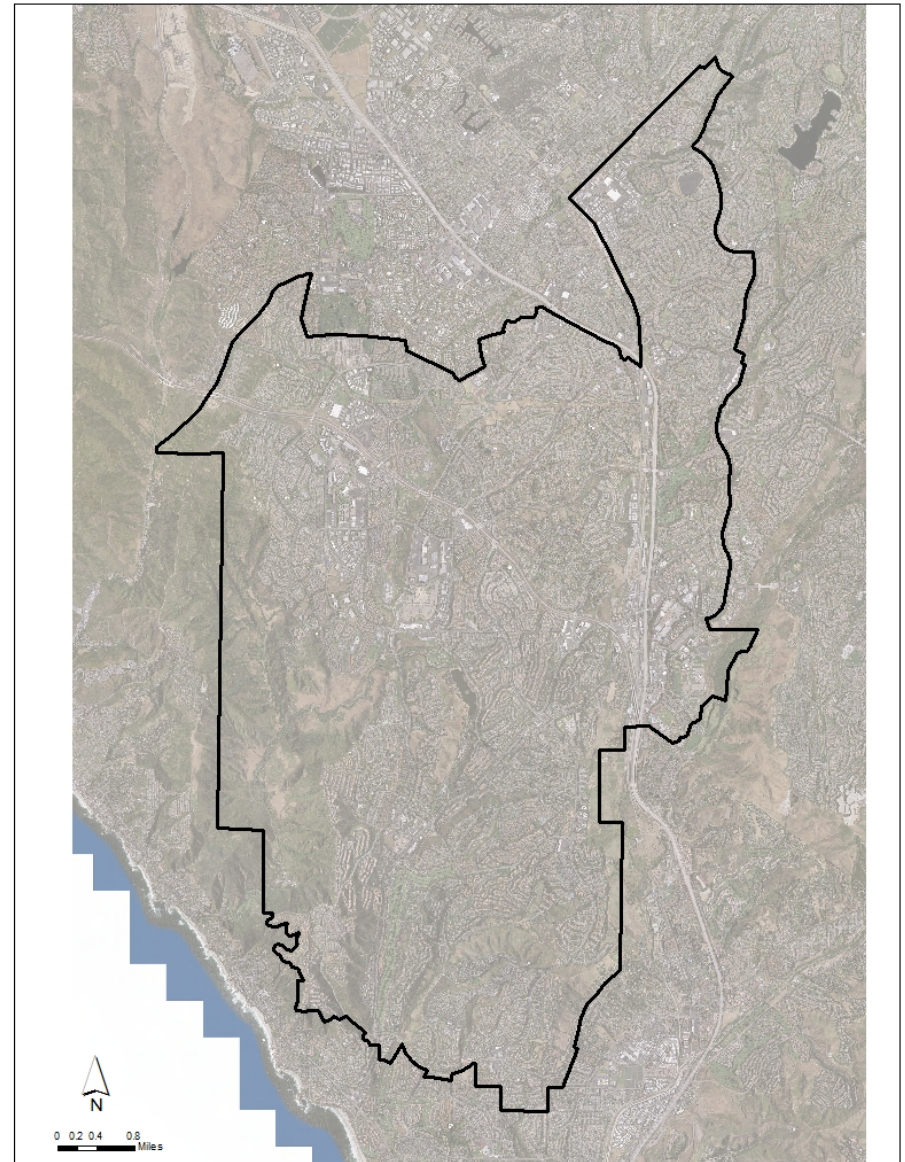
Project Description: Replace existing pipeline valves.

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



Lower Salada Lift Station Force Main Replacement

Project No: 2013.005

System: Wastewater

Fund: 7

Project Location: Crown Valley Parkway, Laguna Niguel

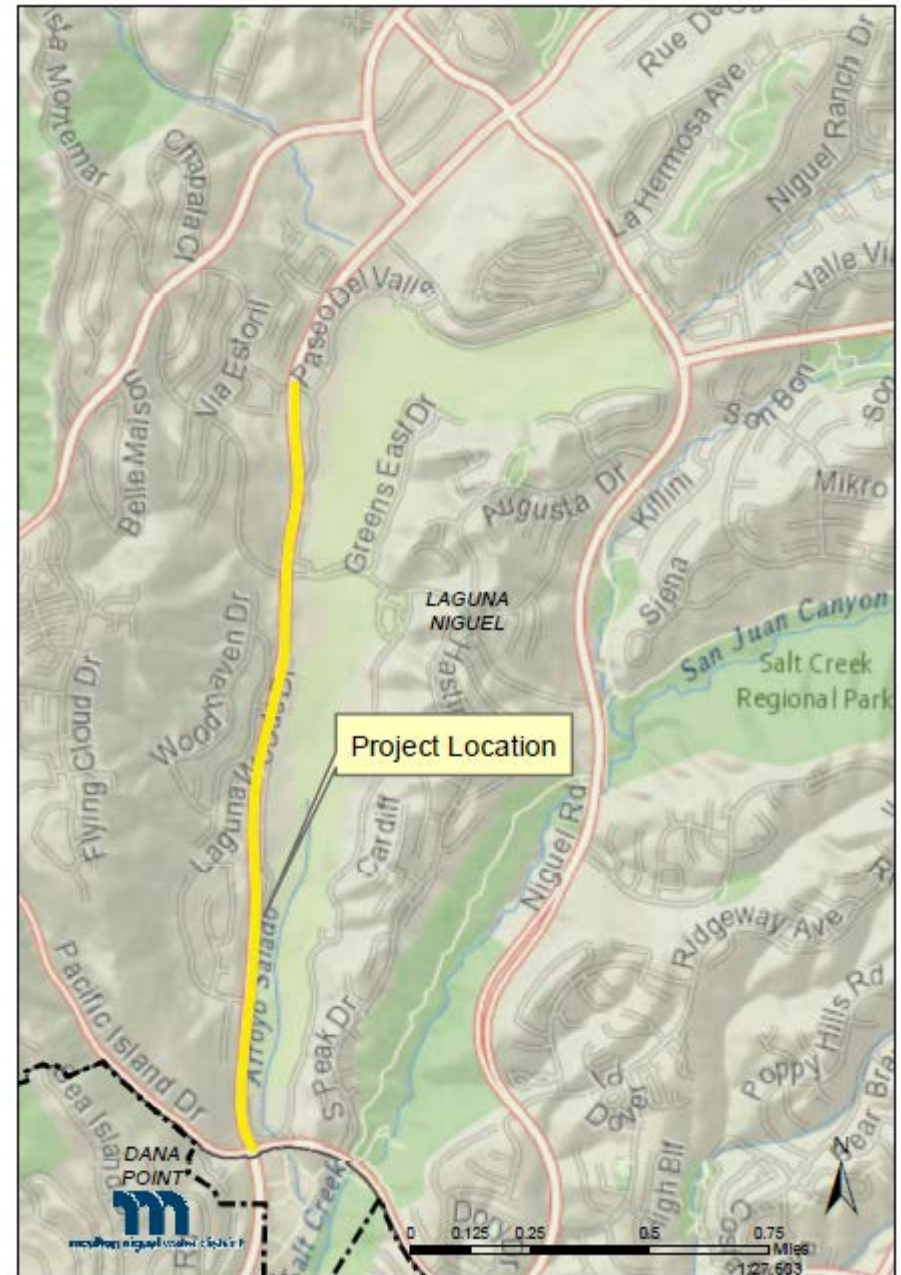
Project Description: Abandon the existing 12-inch diameter asbestos cement sewer force main and construct new dual 12-inch sewer force mains in Crown Valley Parkway. Approximate length of new sewer force mains is 9,600 feet.

Project Need: The existing single sewer force main is beyond its useful life and needs to be reconstructed. Current District standard is for sewer force mains to be dual.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$372,900
CEQA Compliance	Included
Construction Contract	\$8,923,828
CM and Inspection	\$655,862
Legal/Permits/Other	\$293,301
Total Project Budget	\$10,245,891



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	\$18,000,000
CM, Inspection, & CEQA Compliance	\$2,500,000
Legal/Permits/Other	\$250,000
Total Project Budget	\$22,000,000



North Aliso Lift Station Reconstruction

Project No: 2019.007

System: Wastewater

Fund: 7

Project Location: North Aliso Lift Station, Mission Viejo

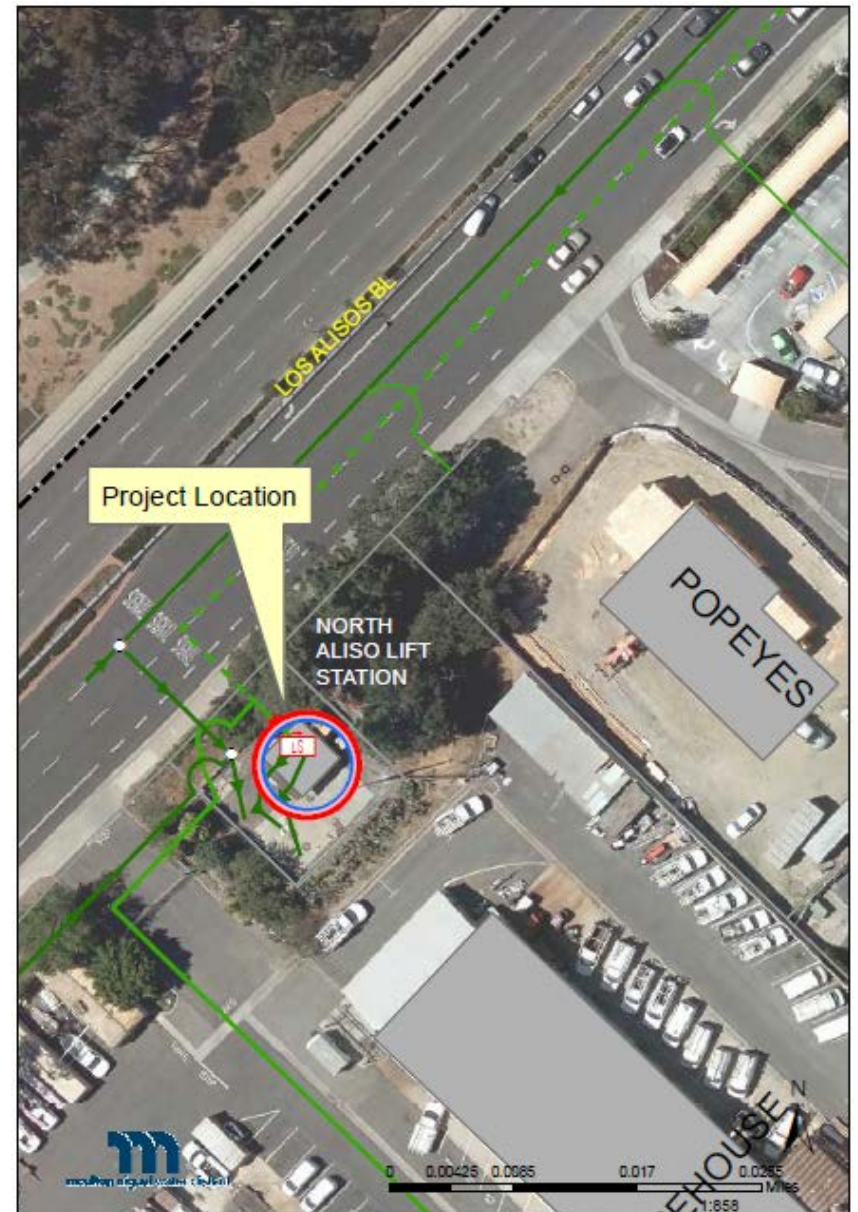
Project Description: Demolish and reconstruct the entire North Aliso Lift Station with a new adequately sized wet well with three (3) submersible pumps. The existing wet well will be repurposed as an overflow basin. The project will also include gravity sewer improvements, a new valve vault with flow 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	\$800,000
CEQA Compliance	Exempt
Construction Contract	\$6,500,000
Specialty Inspection	\$100,000
Inspection/Other	\$50,000
Total Project Budget	\$7,500,000



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)

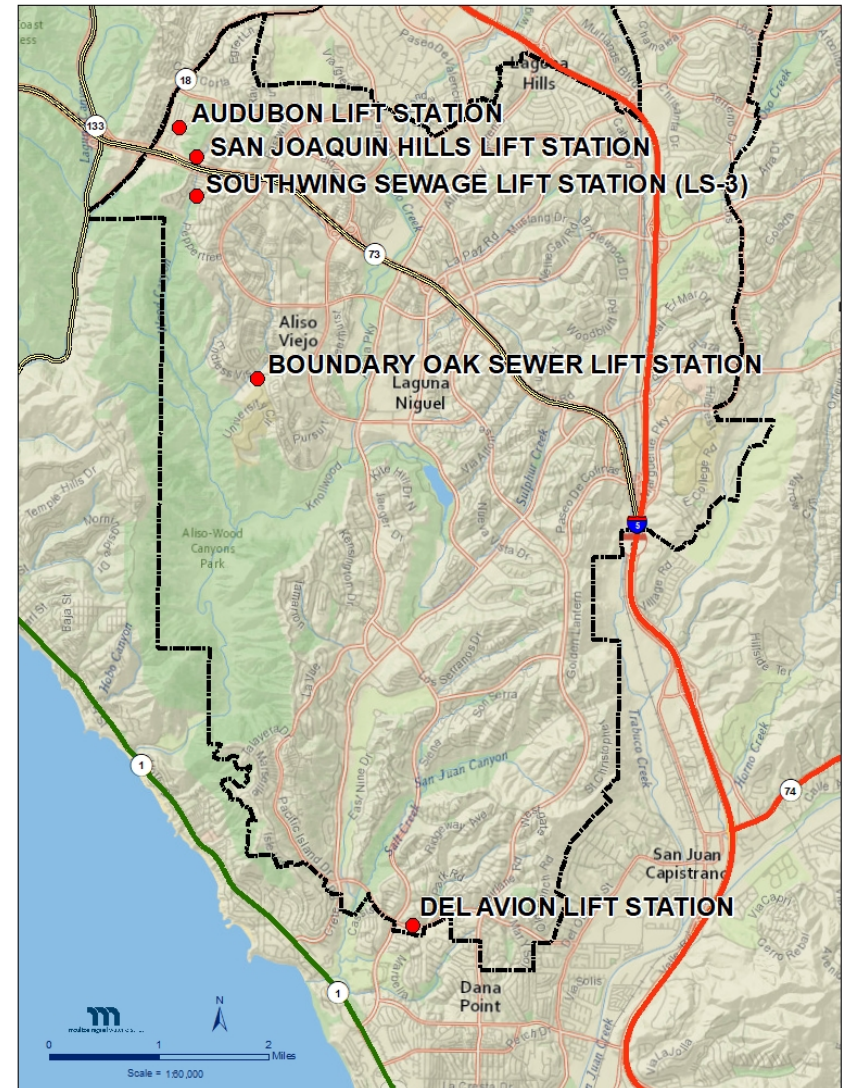
Project Description: Reconfigure and reconstruct the ventilation systems at five sewer lift stations to provide clean air and maintain safe atmospheric conditions within the equipment rooms of the sewage lift stations. New ductwork and ventilation fans are to be installed and configured with air intakes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

Estimated Project Amount:

Item	Estimated Cost
Design	\$100,000
CEQA Compliance	Exempt
Construction Contract	\$1,150,000
Inspection/Other	\$100,000
Total Project Budget	\$1,350,000



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	\$850,000
CEQA Compliance	Exempt
Construction Contract	\$5,500,000
CM and Specialty Inspection	\$100,000
Legal/Permit/Other	\$50,000
Total Project Budget	\$6,500,000



Upper Boundary Oak Lift Station Auxiliary Generator Replacement

Project No: 2022.020

System: Wastewater

Fund: 7

Project Location: Upper Boundary Oak Lift Station, Aliso Viejo

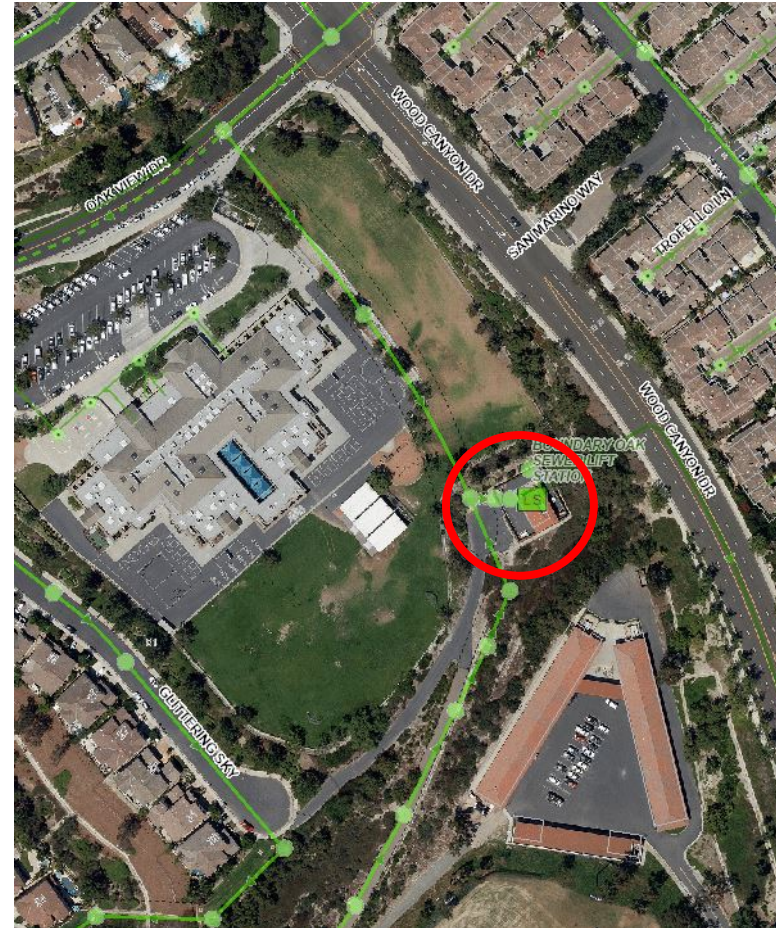
Project Description: Remove and replace the existing backup generator with a new auxiliary diesel generator.

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

Project Status: In Design

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: 2022.023

System: Wastewater

Fund: 14

Project Location: Mission Viejo High School, Mission Viejo

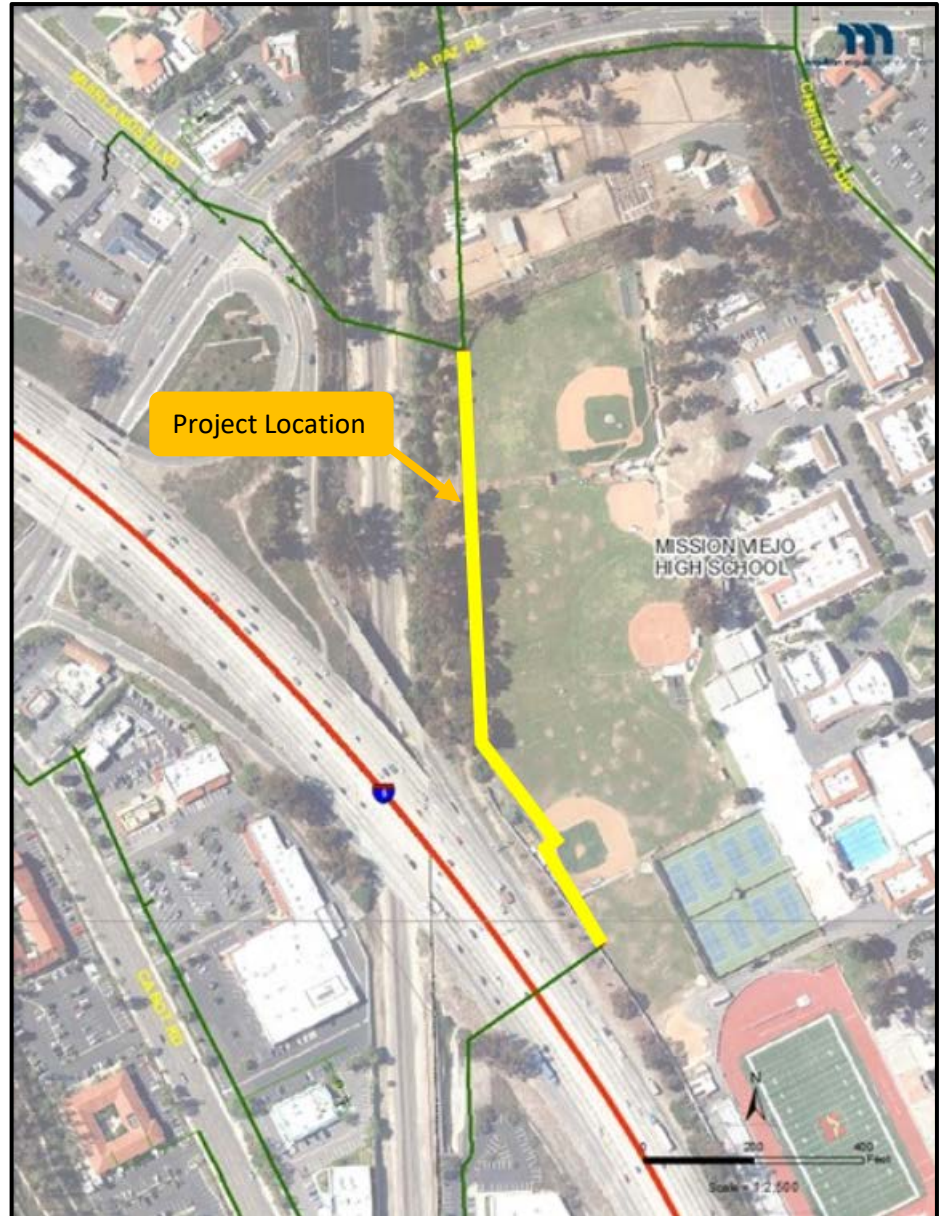
Project Description: Install approximately 1,500 feet of 18-inch diameter pipelines, in the same alignment as existing 15-inch diameter pipelines. The project will likely require temporary sewer bypass pumping during construction.

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

Project Status: In Design

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: 2022.024

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: In Design

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



Manhole Rehabilitation Program

Project No: Annual Program

System: Wastewater

Fund: 7

Project Location: Various

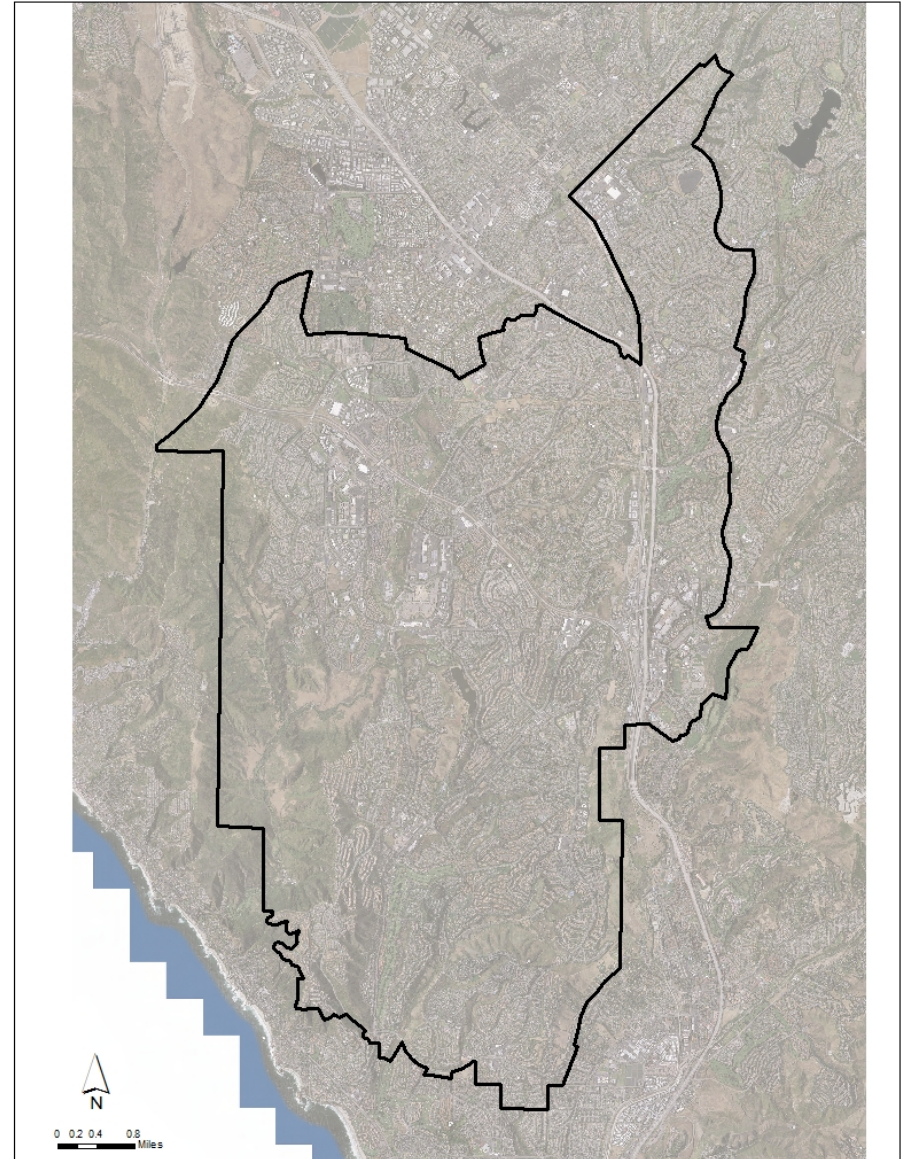
Project Description: Rehabilitate existing sewer manholes.

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

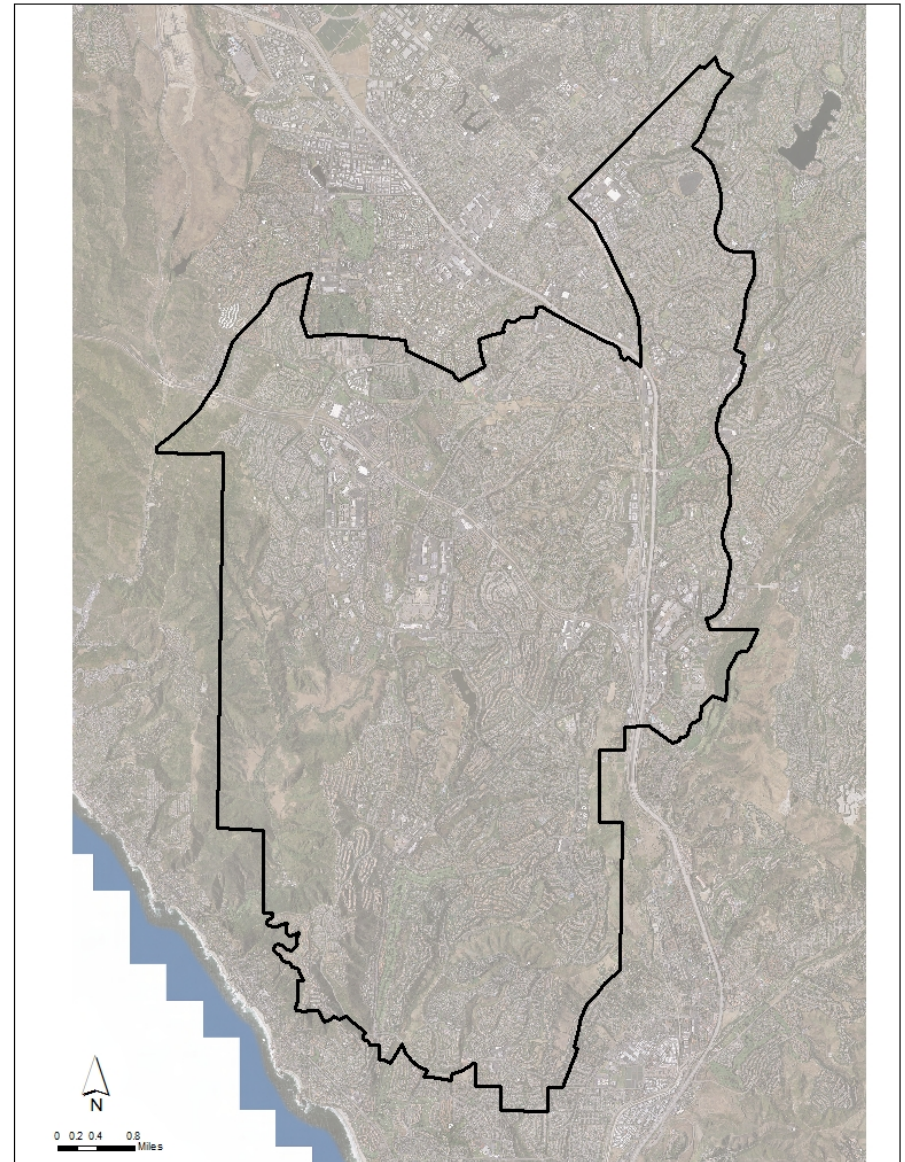
Project Description: This program covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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

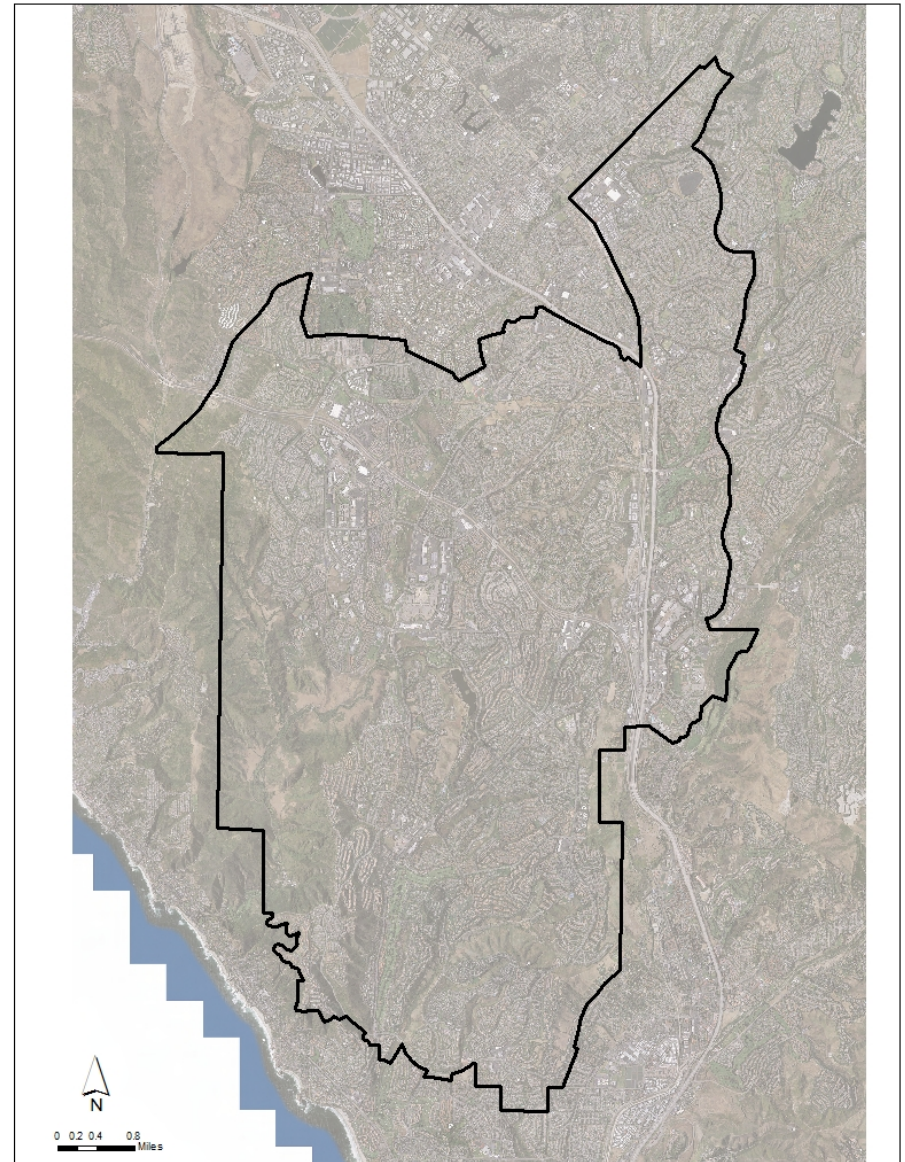
Project Description: Rehabilitate or replace pipelines that have reached the end of their useful lives. An analysis was performed using information contained in the District's Geographic Information System (GIS) to prioritize wastewater pipelines for rehabilitation and replacement.

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	\$750,000
CEQA Compliance	Exempt
Construction Contract	\$6,250,000
Inspection/Other	\$500,000
Total Project Budget	\$7,500,000



Vertical Assets Rehabilitation and Replacement Program – WW

Project No: Annual Program

System: Wastewater

Fund: 7

Project Location: Various

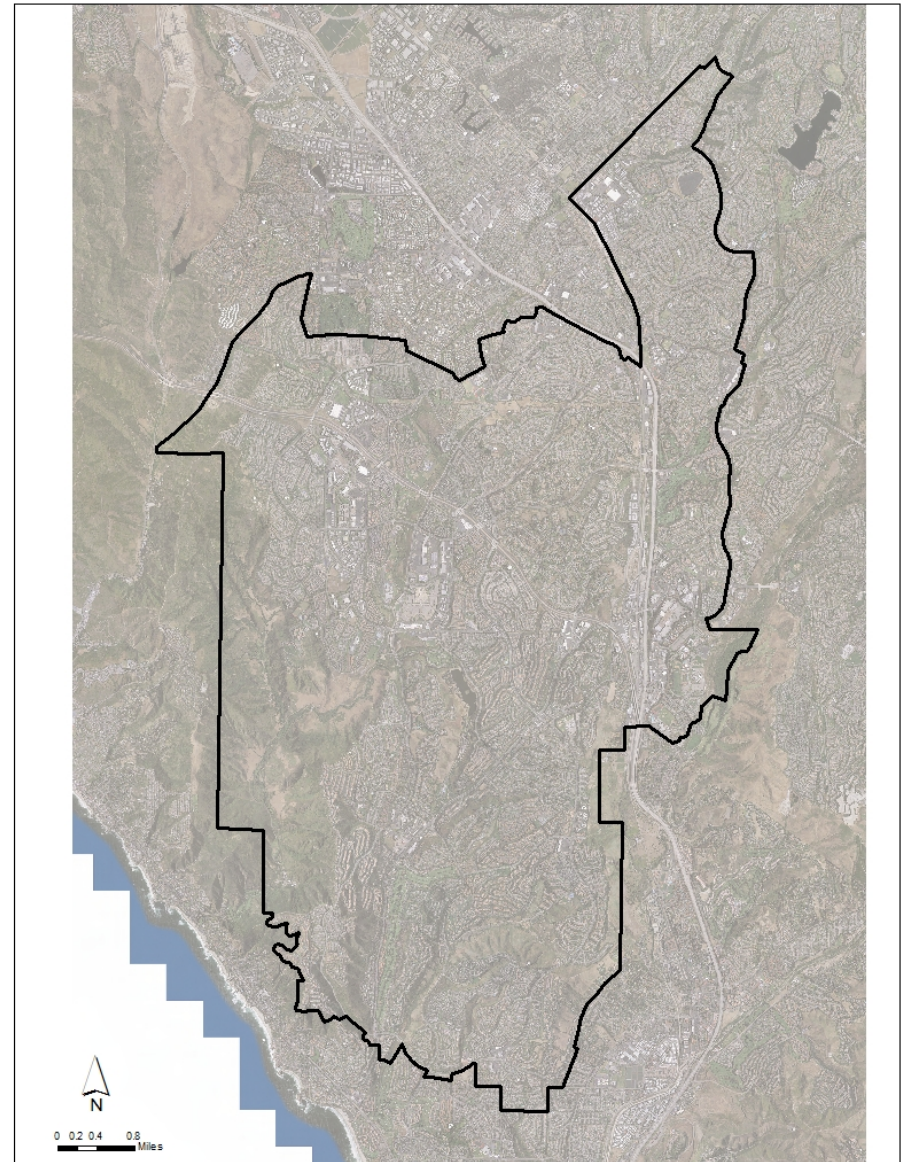
Project Description: Rehabilitate or replace structures and equipment at lift stations that have reached the end of their useful lives. An analysis was performed by staff to prioritize the methodical rehabilitation or replacement of vertical assets within the wastewater system.

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	\$3,600,000
CEQA Compliance	Exempt
Construction Contract	\$18,000,000
Inspection/Other	\$2,400,000
Total Project Budget	\$24,000,000



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.

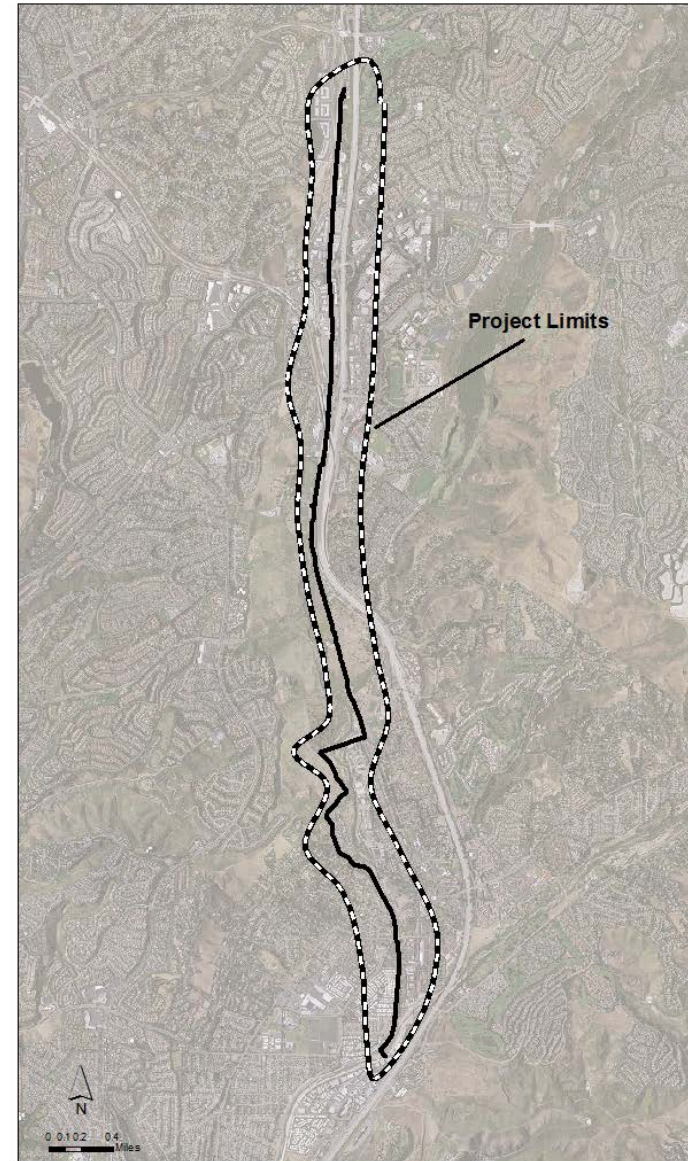
Project Need: The 3A outfall line was constructed as a feed line from San Juan Capistrano to Mission Viejo Lake. The District purchased the facility and changed its use from the intended design. Additional valves are proposed along this five mile reach to increase the number of isolation points and improve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

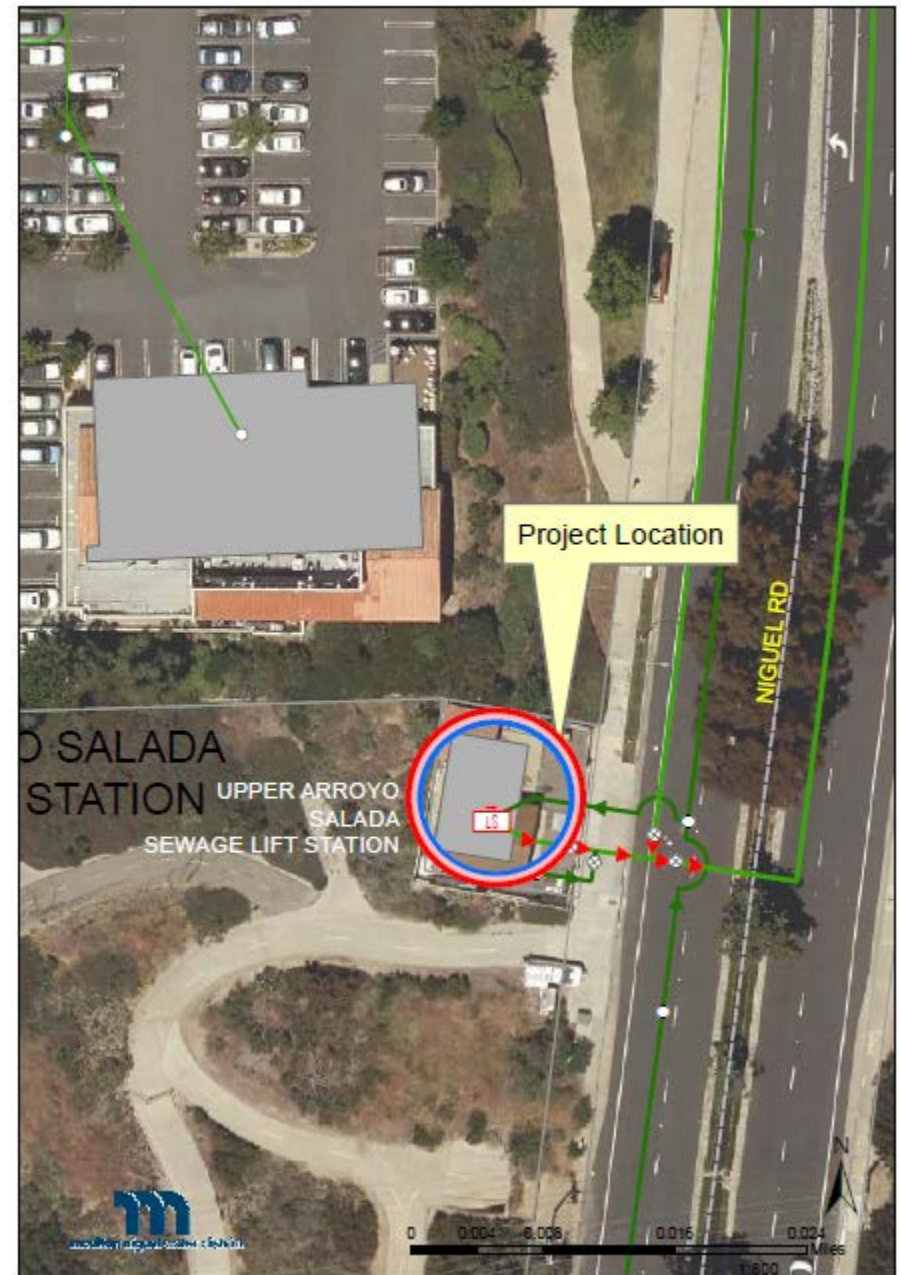
Project Description: Replace and reconfigure the existing flow meter and bypass connections for the sewer force main at the Upper Salada Lift Station, including a new flow meter, valves, and an independent connection to each of the two force main pipes within Niguel Road.

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: Proposed Project

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



Niguel West Sewer Lining

Project No: 2020.009

System: Wastewater

Fund: 7

Project Location: Niguel West, Laguna Niguel

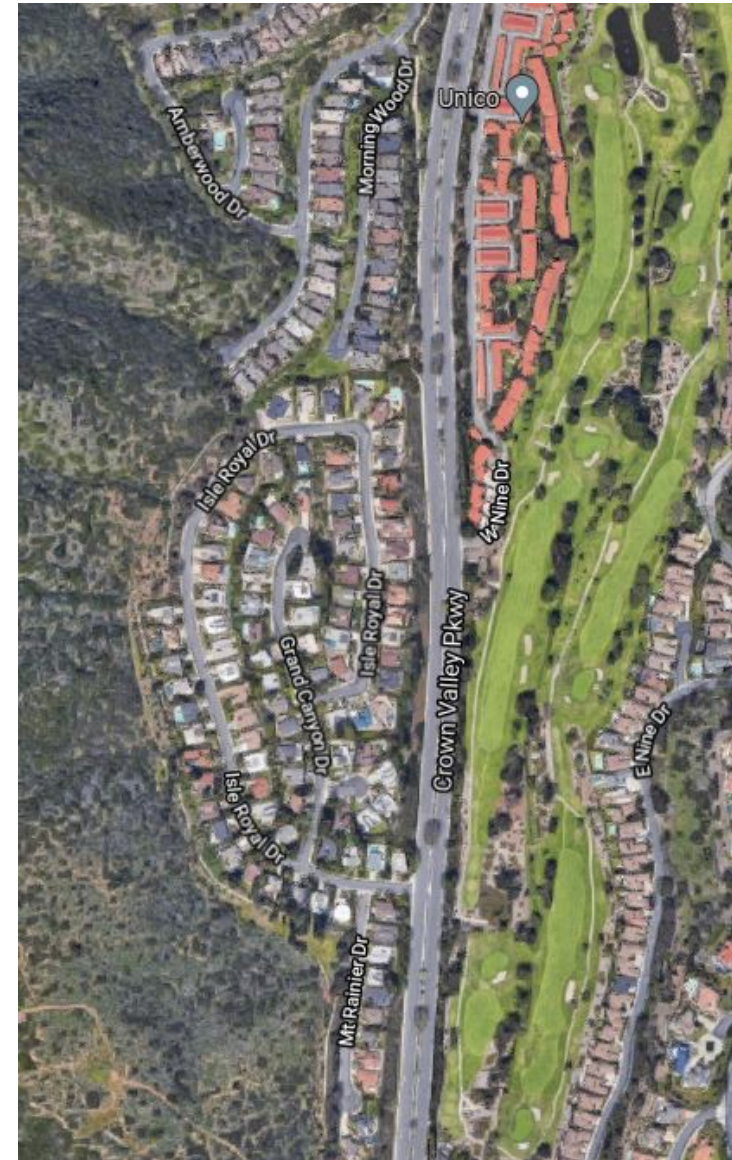
Project Description: Perform root and calcium encrustation removal, clean and install approximately 6,700 feet of cured-in-place pipe (CIPP) liner.

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: Proposed Project

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



3A Effluent Transmission Main (ETM) Creek Bank Stabilization

Project No: TBD

System: Wastewater

Fund: 7

Project Location: San Juan Capistrano

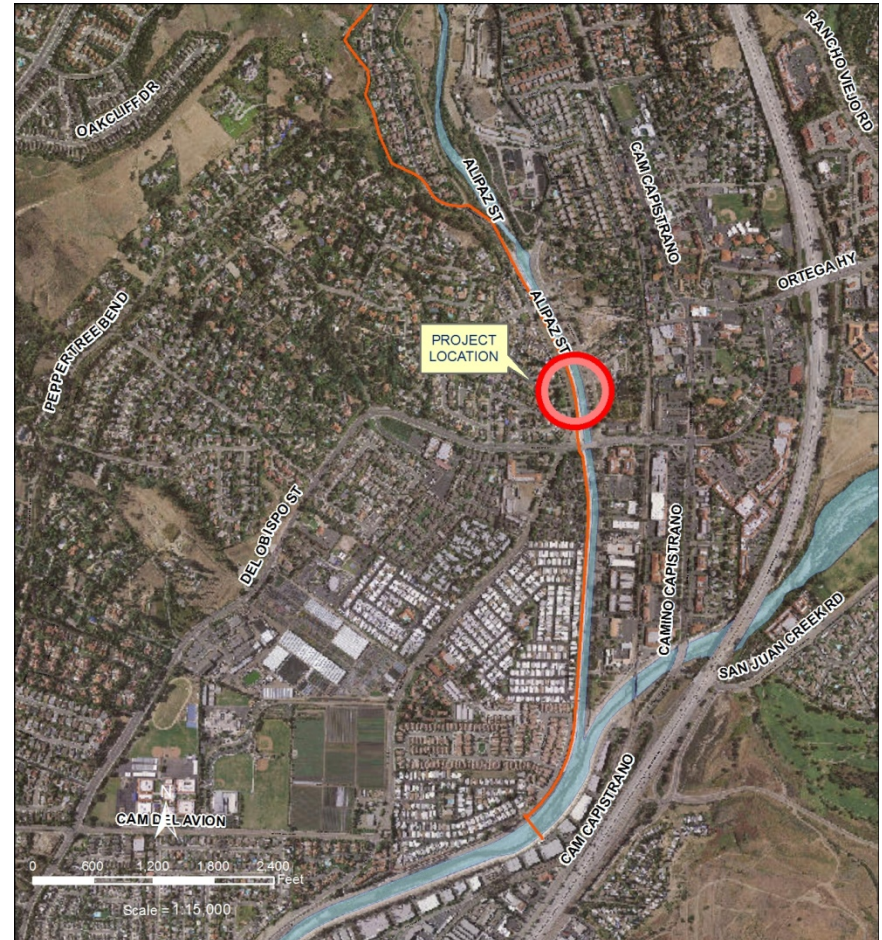
Project Description: Extend the existing riprap on the east side lower bank of Oso Creek beyond the downstream turn. The riprap will match existing top and toe elevation of existing riprap. The project will require acquisition of a nationwide permit from the Army Corp. of Engineers.

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.

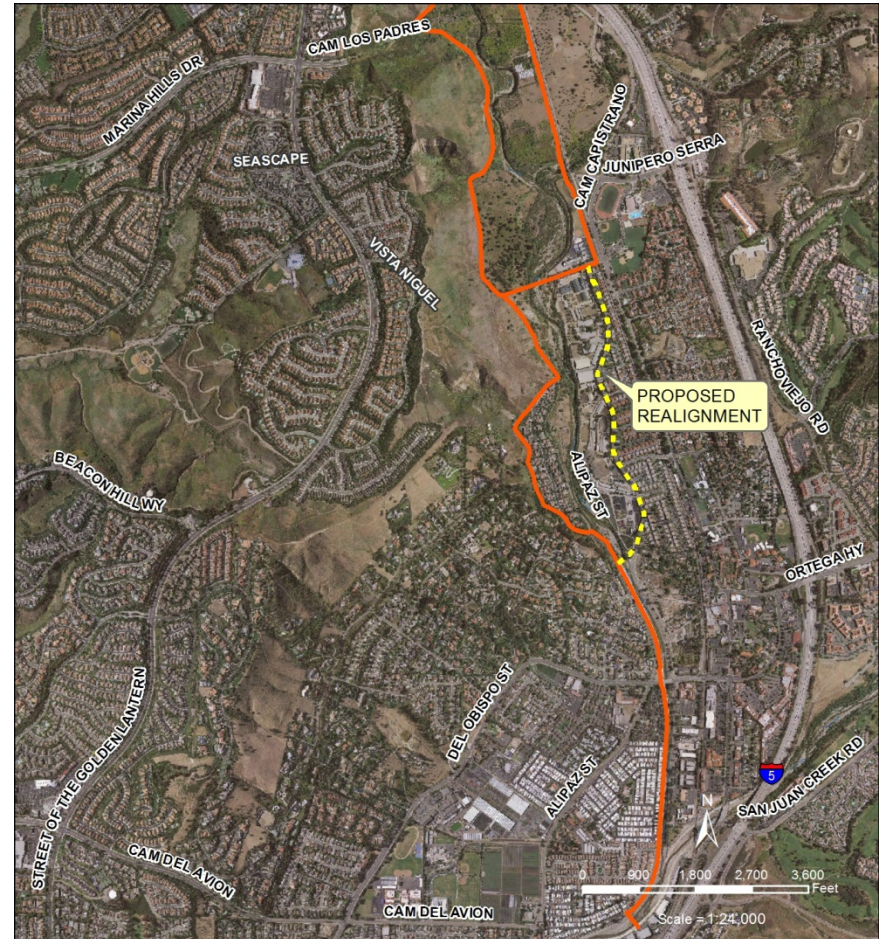
Project Need: The existing ETM is located in an embankment along an unprotected bank of Trabuco Creek and is subjected to potential erosion of the creek bank. This proposed project will abandon the existing ETM pipeline and construct a replacement pipeline in Avenida de la Vista.

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.



Lower Salada Lift Station Overflow Wetwell

Project No: TBD

System: Wastewater

Fund: 14

Project Location: Lower Salada Lift Station, Laguna Niguel

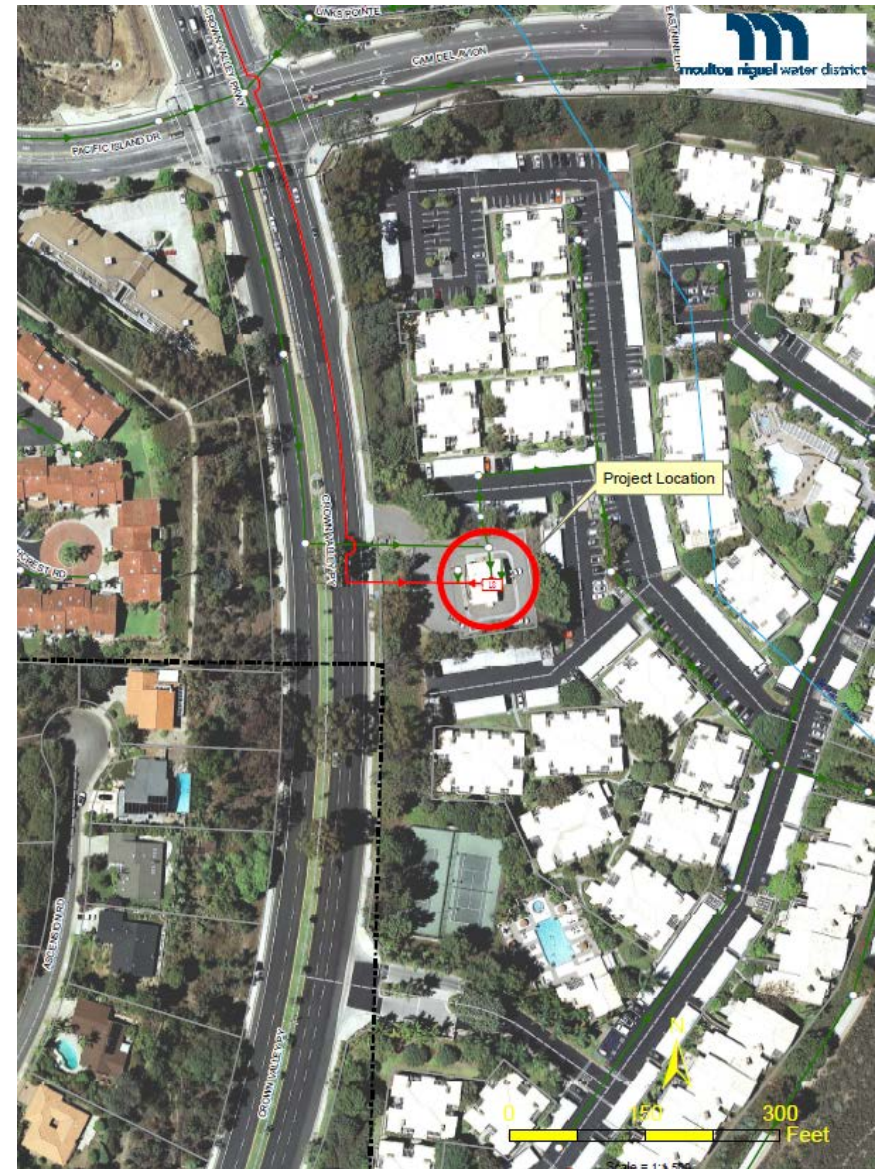
Project Description: The construction of a new overflow wetwell at the Lower Salada Lift Station.

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



Upper Salada Lift Station Force Main Rehabilitation and Replacement

Project No: TBD

System: Wastewater

Fund: 7

Project Location: Niguel Road, Laguna Niguel

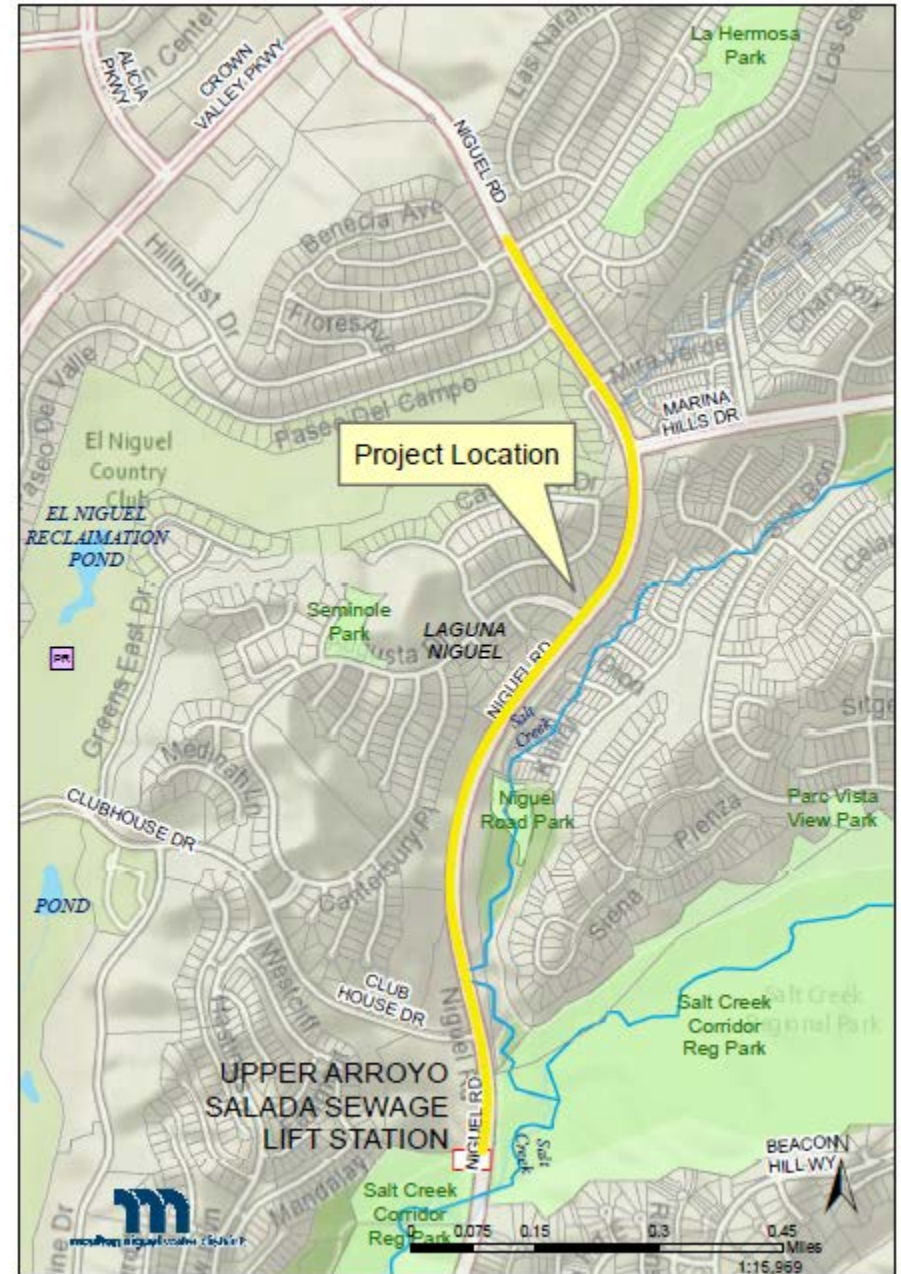
Project Description: Replace approximately 5,400 feet of existing 8-inch diameter sewer force main with a new 12-inch diameter PVC force main. Rehabilitate approximately 6,700 feet of existing 12-inch diameter sewer force main with cured-in-place-pipe along Niguel Road, from the Upper Salada Lift Station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



2023-24 Manhole Rehabilitation

Project No: TBD

System: Wastewater

Fund: 7

Project Location: Various

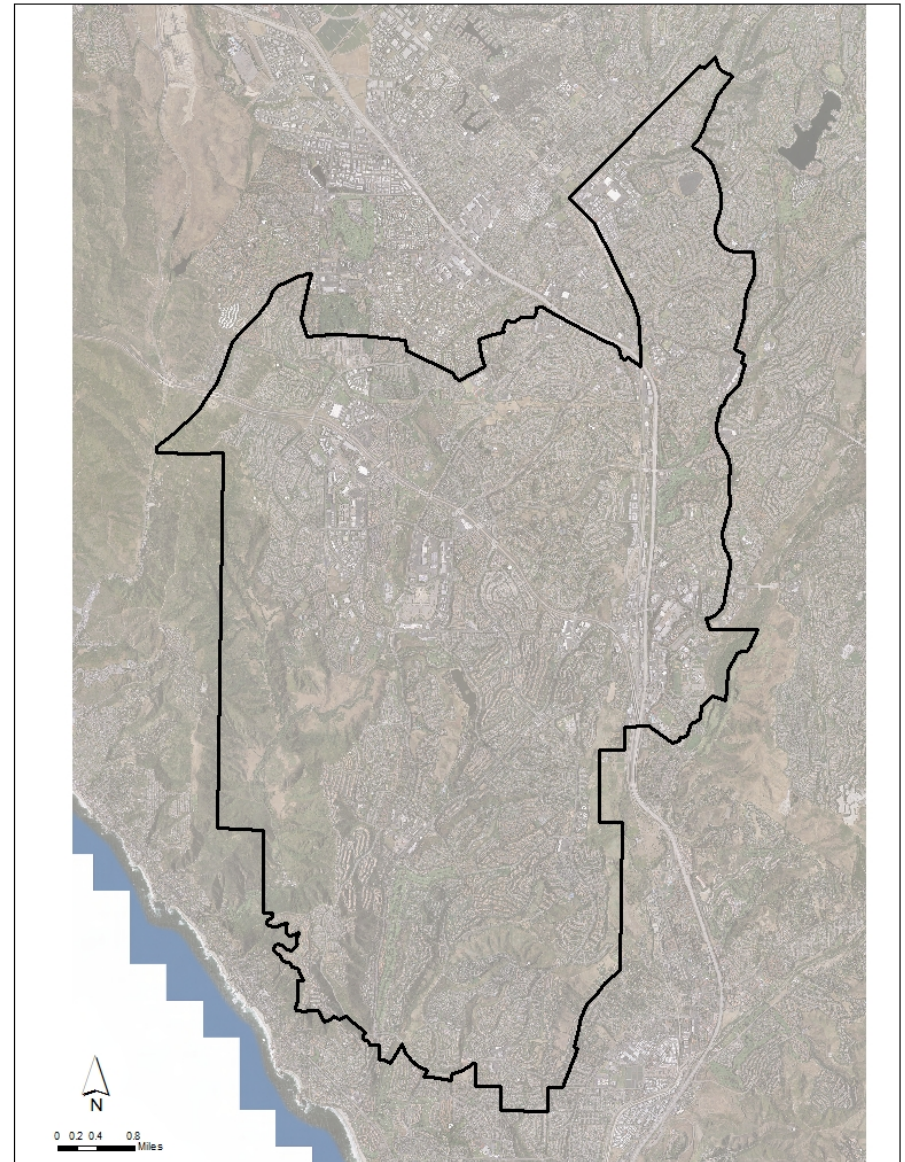
Project Description: Rehabilitate existing sewer manholes.

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



2023-24 Operations-Led Capital Improvements – WW

Project No: 2023.300

System: Wastewater

Fund: 7

Project Location: Various

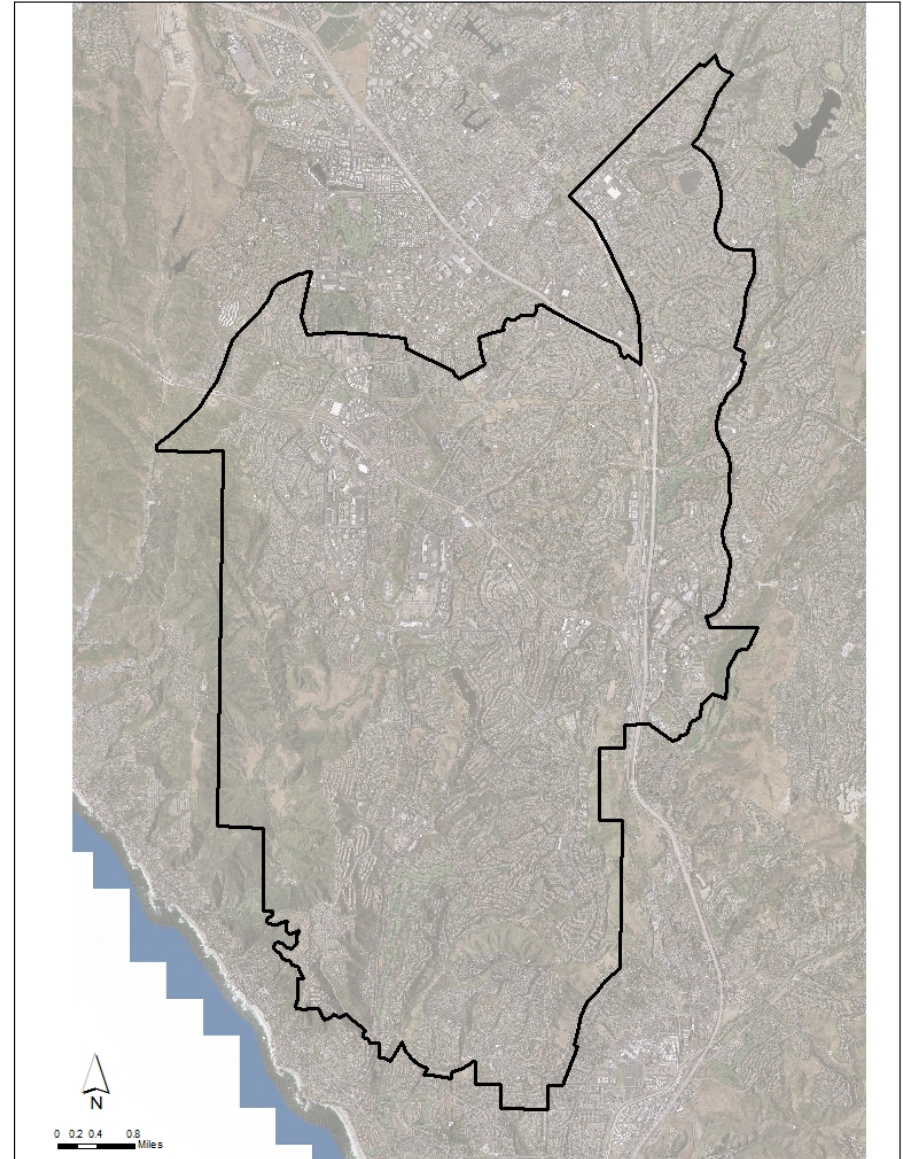
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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



Crown Valley Parkway Sewer Lining

Project No: TBD

System: Wastewater

Fund: 7

Project Location: Crown Valley Parkway, Laguna Niguel

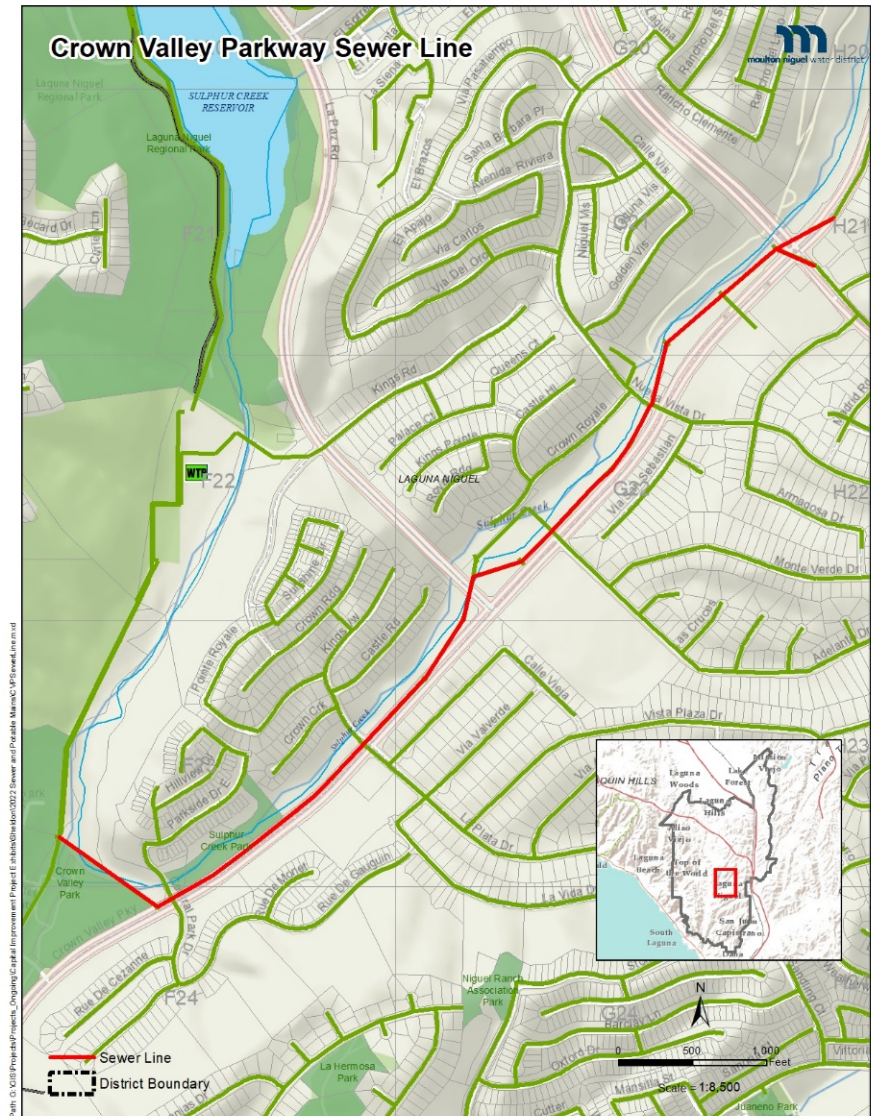
Project Description: Perform root and calcium encrustation removal, clean, perform bypass pumping, and install approximately 7,500 linear feet of cured-in-place pipe (CIPP) liner.

Project Need: The integrity of the collection system is being compromised by root infiltration, calcium encrustation, and pipeline cracking. Lining the sewer system will extend the useful life without having to replace the entire system.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$200,000
CEQA Compliance	Exempt
Construction Contract	\$2,000,000
Inspection/Other	\$200,000
Total Project Budget	\$2,400,000



Lower Salada Lift Station Rehabilitation

Project No: TBD

System: Wastewater

Fund: 7

Project Location: Lower Salada Lift Station, Laguna Niguel

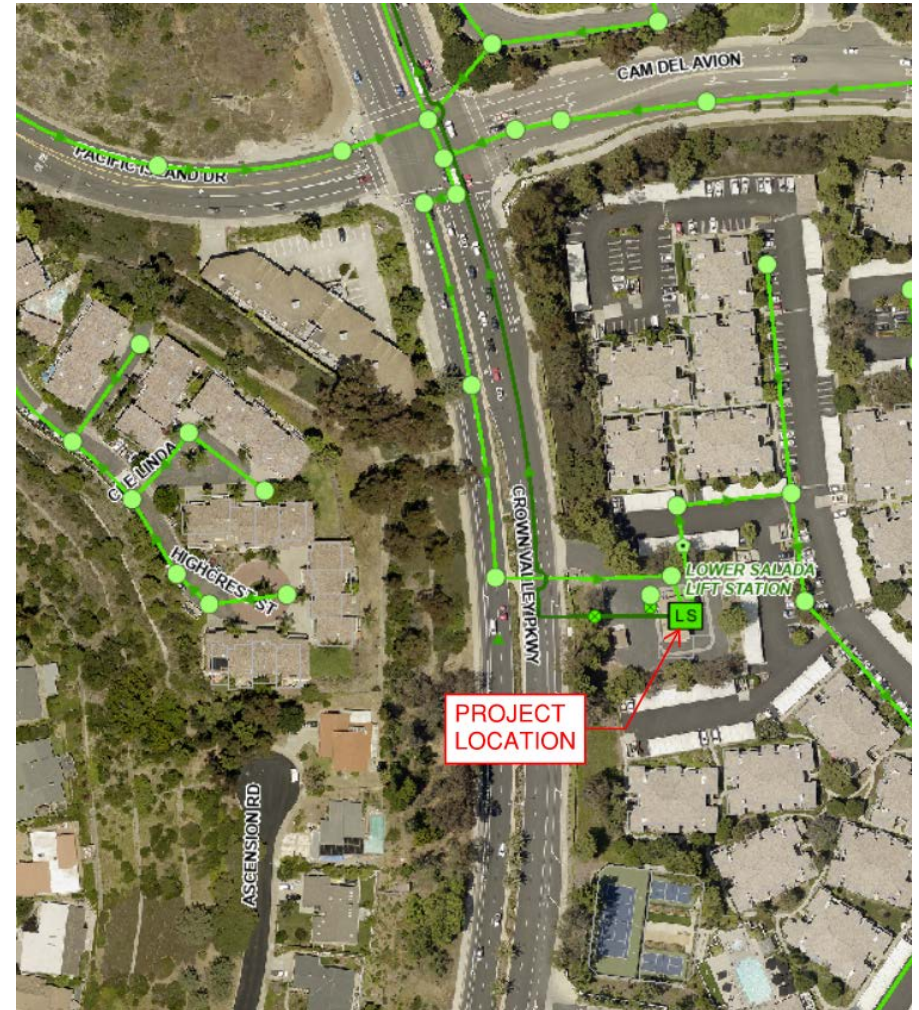
Project Description: Rehabilitate the Lower Salada Lift Station in its entirety, including wet well rehabilitation, mechanical equipment replacements, electrical system replacements, instrumentation system replacements, and sitework restoration. The project will require an extensive bypass pumping system.

Project Need: Although periodic improvements have been made, much of the equipment is obsolete, requires increased maintenance, and needs replacement.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$600,000
CEQA Compliance	Exempt
Construction Contract	\$4,500,000
CM and Specialty Inspection	\$250,000
Legal/Permit/Other	\$50,000
Total Project Budget	\$5,400,000



Pacific Island Drive Sewer Lining

Project No: TBD

System: Wastewater

Fund: 7

Project Location: Pacific Island Drive, Laguna Niguel

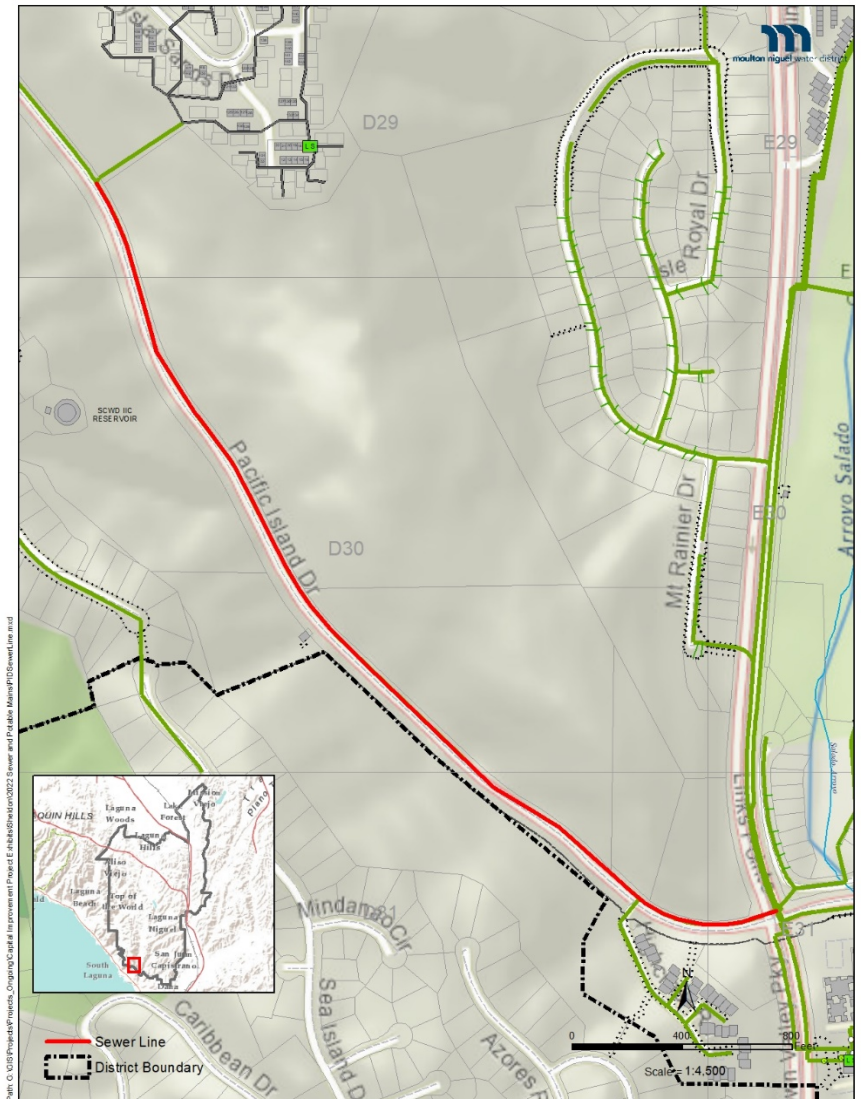
Project Description: Perform root and calcium encrustation removal, clean, perform bypass pumping, and install approximately 4,000 linear feet of cured-in-place pipe (CIPP) liner.

Project Need: The integrity of the collection system is being compromised by root infiltration, calcium encrustation, and pipeline cracking. Lining the sewer system will extend the useful life without having to replace the entire system.

Project Status: Proposed Project

Estimated Project Amount:

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



Plant 3A Subsidence Mitigation

Project No: 2019.301

System: Wastewater Treatment

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	\$670,000
CEQA Compliance	Exempt
Construction Contract	\$4,250,000
Inspection/Other	\$430,000
Total Project Budget	\$5,350,000



Plant 3A Network Cabling Improvements

Project No: 2022.302

System: Wastewater Treatment

Fund: 14

Project Location: Plant 3A, Mission Viejo

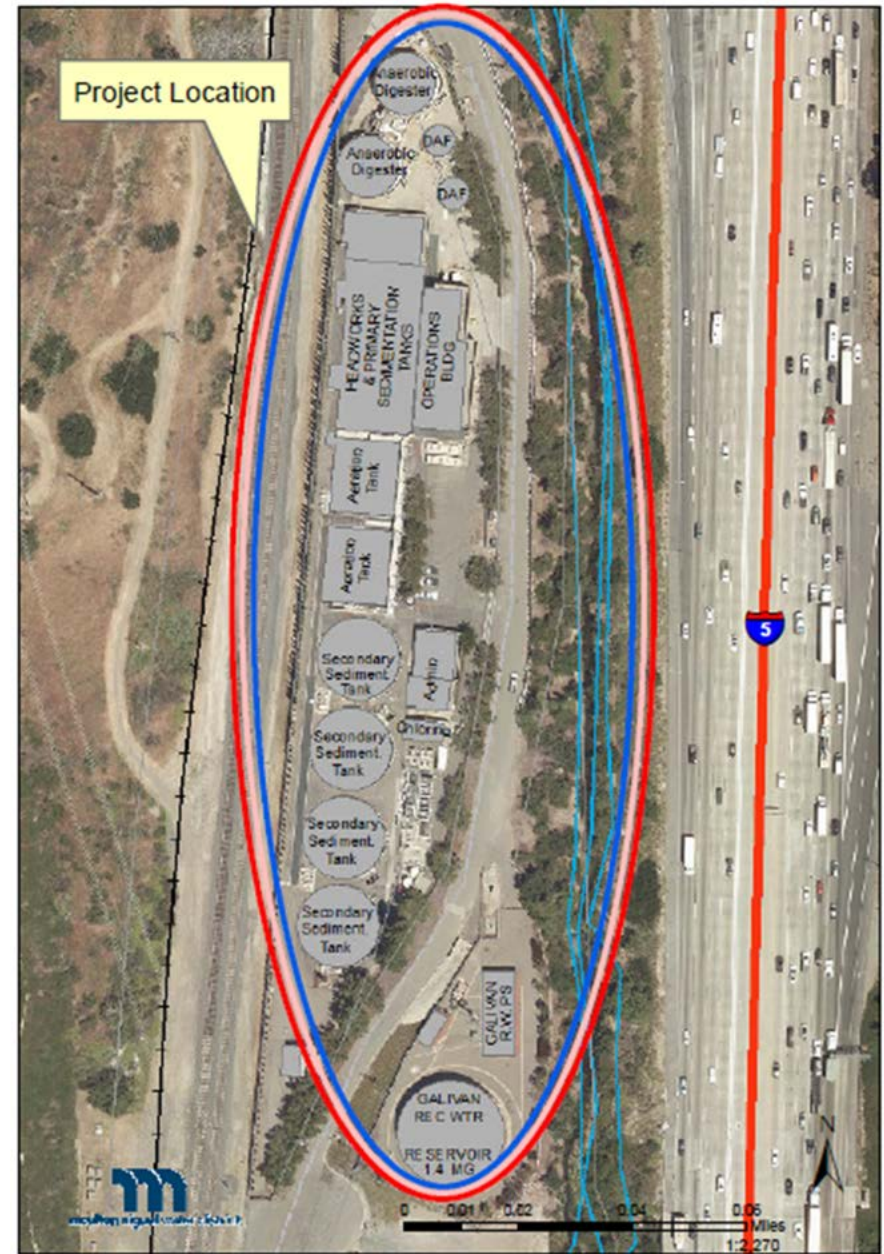
Project Description: Install new network cabling, patch panels, and related conduit and/or equipment throughout Plant 3A to support existing and future SCADA and business networks.

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

Project Status: In Construction

Estimated Project Amount:

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



Regional Treatment Plant AWT Filter System Improvements

Project No: 2022.501

System: Wastewater Treatment

Fund: 7

Project Location: Regional Treatment Plant (RTP), Laguna Niguel

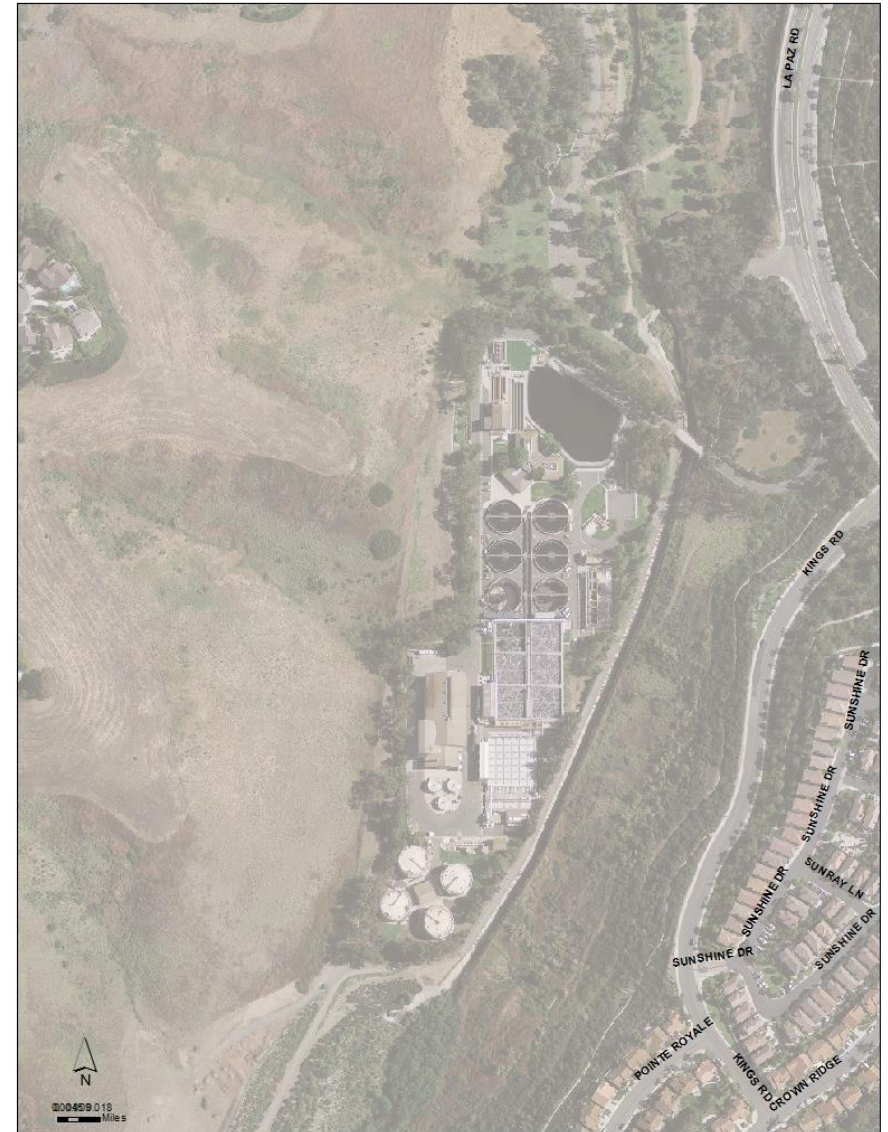
Project Description: Complete a comprehensive rehabilitation of the existing filter system and retrofit the concrete filter basins with a modern disk-filter system. Install new backwash system pressure reducing valves and other new system valves, replace mud well pump system, replace chlorine contact chamber slide gates.

Project Need: The existing filter system at the Regional Treatment Plant (RTP) Advanced Water Treatment (AWT) facility was constructed in 1995. Many of the system components are corroded and in need of replacement. This project will make system improvements to ensure reliable production and availability of recycled water for the District's customers.

Project Status: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$250,000
CEQA Compliance	Exempt
Purchases and Installation	\$3,400,000
Inspection / Other	\$100,000
Total Project Budget	\$3,750,000



Plant 3A Solids Handling Facilities Improvements

Project No: 2019.302

System: Wastewater Treatment

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	\$3,150,000
CEQA Compliance	Exempt
Construction Contract	\$38,800,000
Inspection/Other	\$3,500,000
Total Project Budget	\$45,450,000



Plant 3A Odor Control System Evaluation and Rehabilitation

Project No: 2021.301

System: Wastewater Treatment

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: In Design

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 Solids Loadout Facility

Project No: 2021.303

System: Wastewater Treatment

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.

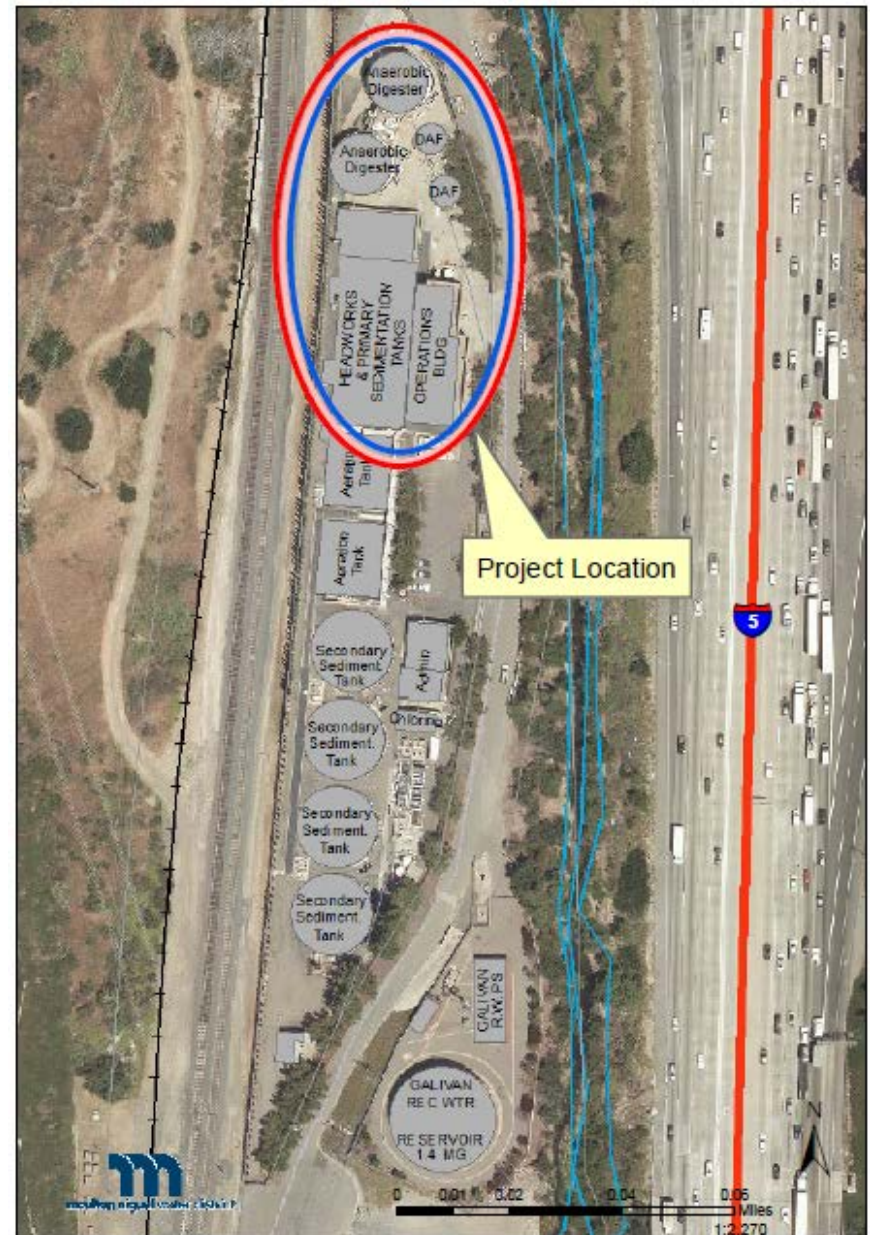
Project Need: The solids produced during the treatment process at Plant 3A are currently disposed through a series of 20-yard roll-off style bins, which are retrieved by a contracted service company for disposal.

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	\$100,000
Construction Contract	\$7,800,000
Inspection/Other	\$350,000
Total Project Budget	\$8,300,000



Regional Treatment Plant AWT Salinity Management

Project No: 2022.502

System: Wastewater Treatment

Fund: 14

Project Location: Regional Treatment Plant (RTP), Laguna Niguel

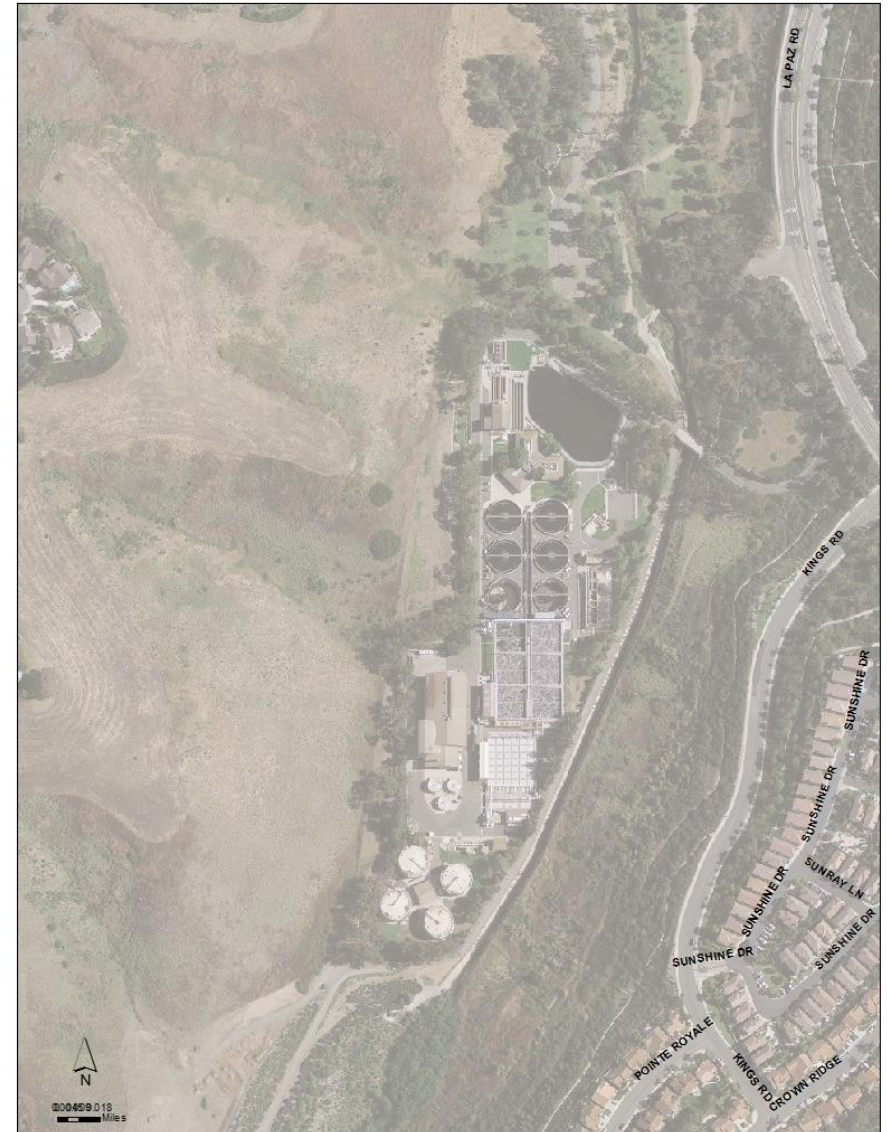
Project Description: Complete the design and construction of a side-stream Reverse-Osmosis treatment system, including pretreatment and clean-in-place systems to produce final recycled water effluent of approximately 600 mg/L of Total Dissolved Solids (TDS). Preliminary sizing is for 3.0 MGD facility.

Project Need: The limit for TDS of recycled water is established by the governing permits. Over time, TDS levels have increased and have varied with drought conditions. The current TDS levels in recycled water produced by the RTP Advanced Water Treatment (AWT) facilities require salinity management.

Project Status: In Design

Estimated Project Amount:

Item	Estimated Cost
Owners Representative Services	\$250,000
CEQA Compliance	\$100,000
Progressive Design Build Services	\$25,000,000
Inspection / Other	\$150,000
Total Project Budget	\$25,500,000



Operations-Led Capital Improvements – 3A

Project No: Annual Program

System: Wastewater Treatment

Fund: 7

Project Location: Plant 3A, Mission Viejo

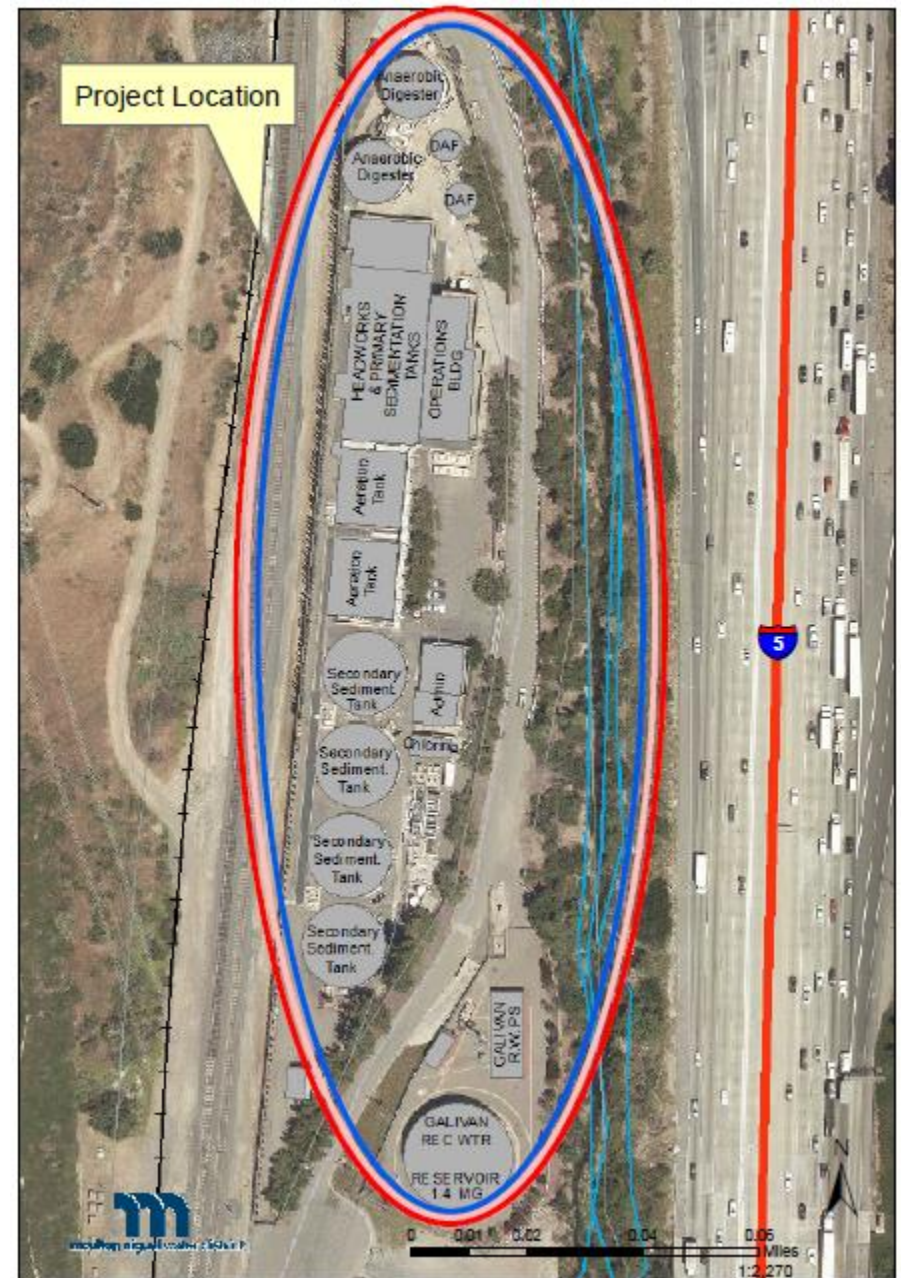
Project Description: This program covers District Operations Staff-led capital equipment and parts purchase and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation,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

Project No: 2021.302

System: Wastewater Treatment

Fund: 14

Project Location: Plant 3A, Mission Viejo

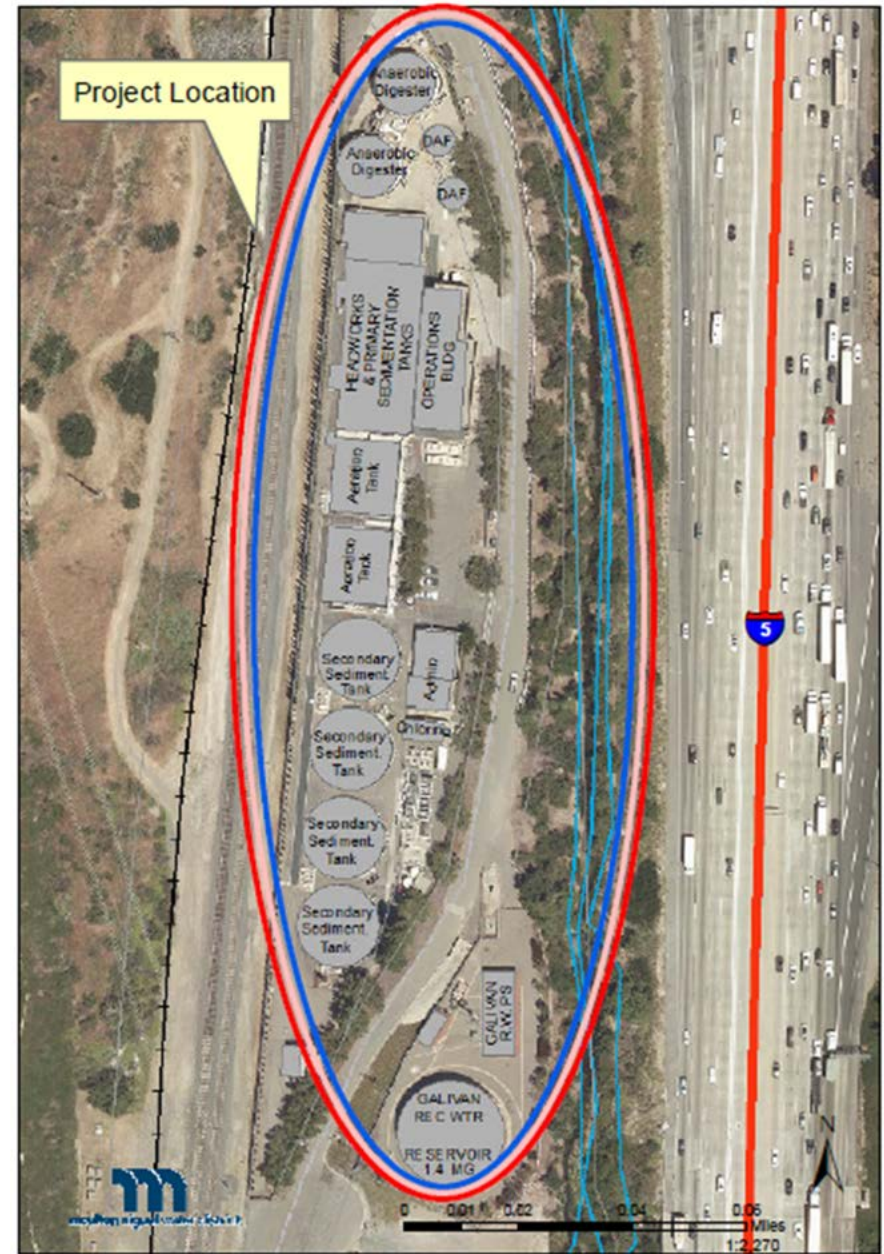
Project Description: Implement and update security and safety measures for the Plant 3A site, including intrusion detection, access control, and fire and safety systems.

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
Total Project Budget	\$125,000



Plant 3A Liquids Handling Facilities Improvements

Project No: 2022.301

System: Wastewater Treatment

Fund: 7

Project Location: Plant 3A, Mission Viejo

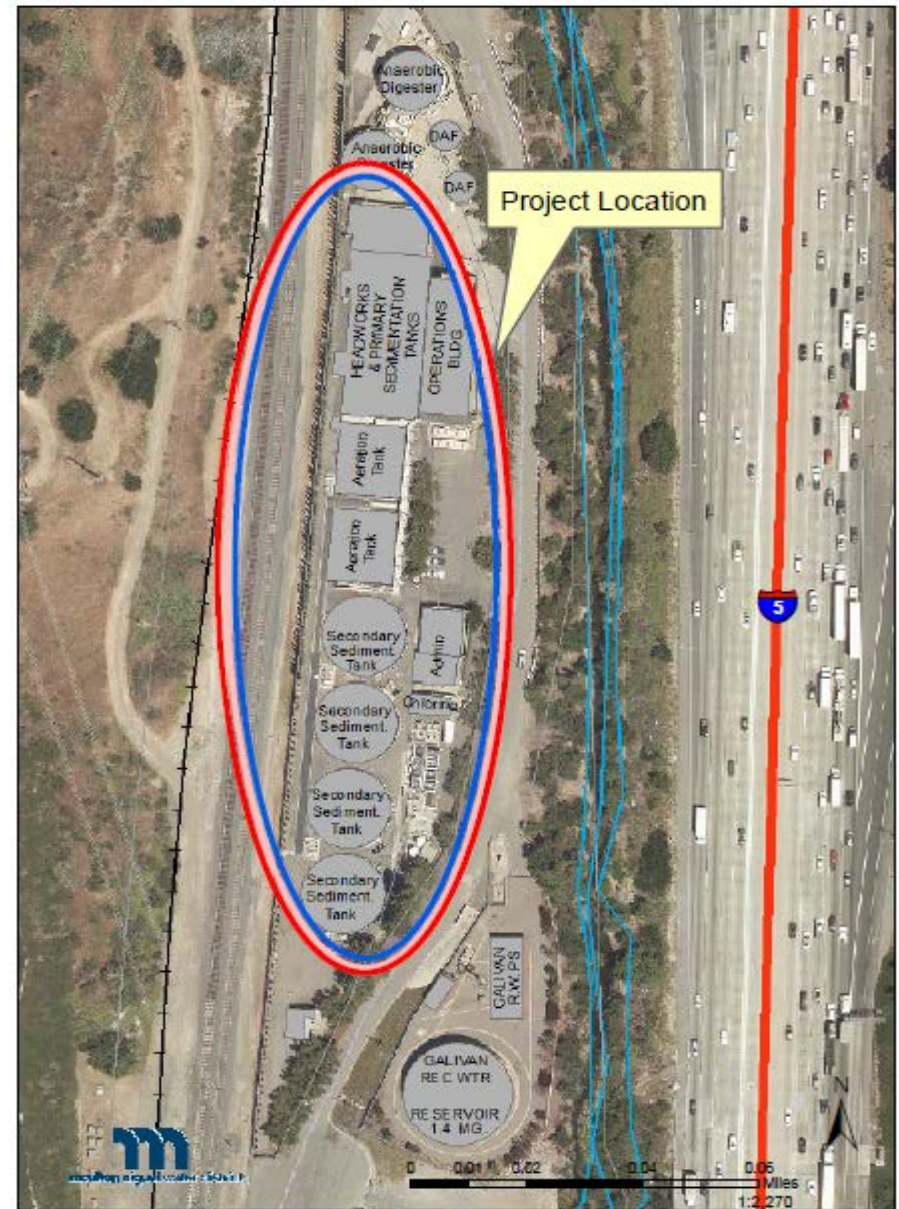
Project Description: This project will rehabilitate and re-establish the desired level of service and redundancy for the liquid stream treatment facilities, including: Headworks/Preliminary Treatment, Primary Treatment, Secondary Treatment, Tertiary Treatment, Salinity Control Facility, and Odor Control System. 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. In addition, high total dissolved solids in the recycled water requires salinity management.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$3,000,000
CEQA Compliance	Exempt
Construction Contract	\$19,000,000
Inspection/Other	\$2,500,000
Total Project Budget	\$24,500,000



Plant 3A Emergency Standby Generator

Project No: TBD

System: Wastewater Treatment

Fund: 14

Project Location: Plant 3A, Mission Viejo

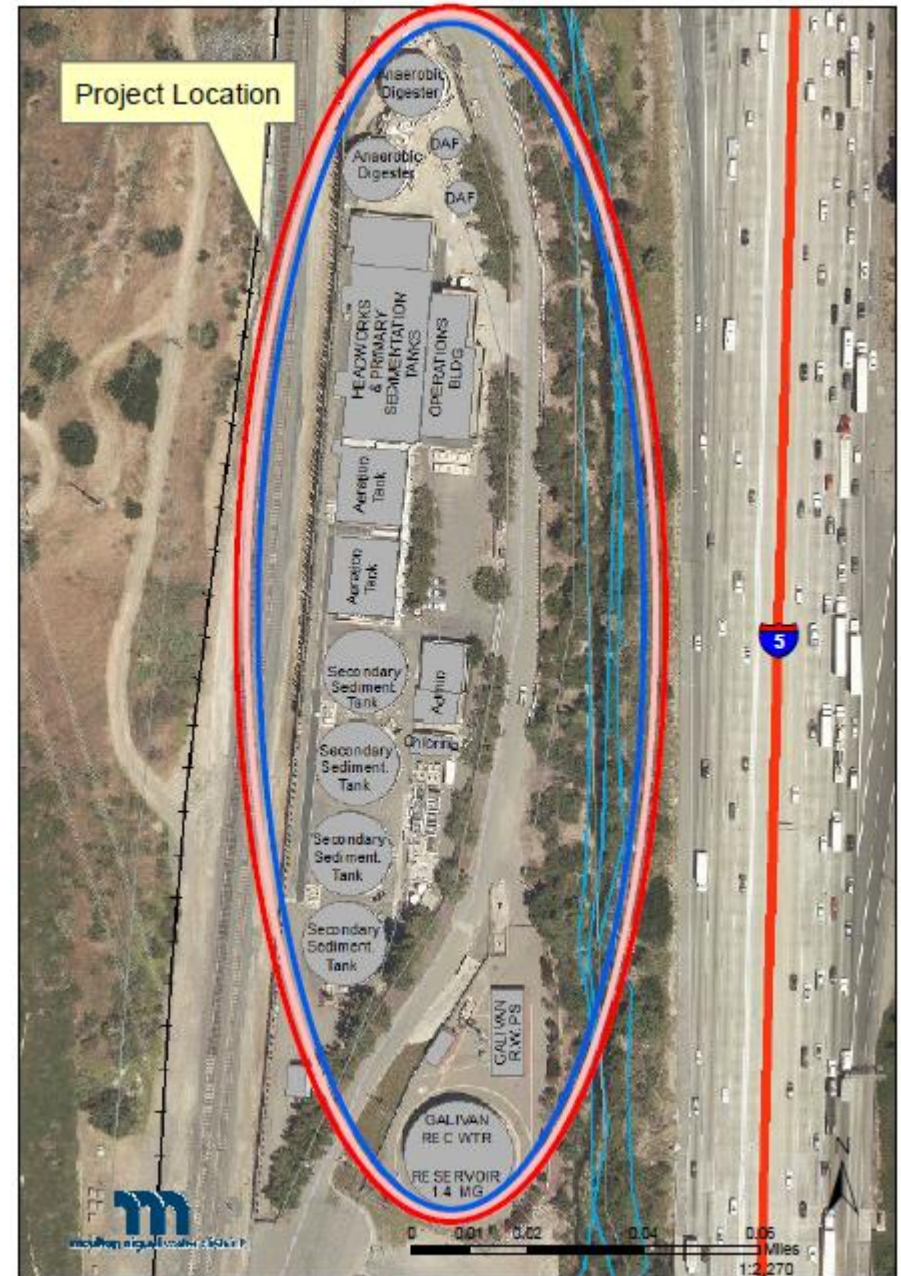
Project Description: A new emergency standby diesel generator and associated fuel storage system, cables, and necessary structures will be installed within Plant 3A to supply power for the critical loads during power outage.

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



2023-24 Operations-Led Capital Improvements – 3A

Project No: 2023.400

System: Wastewater Treatment

Fund: 7

Project Location: Plant 3A, Mission Viejo

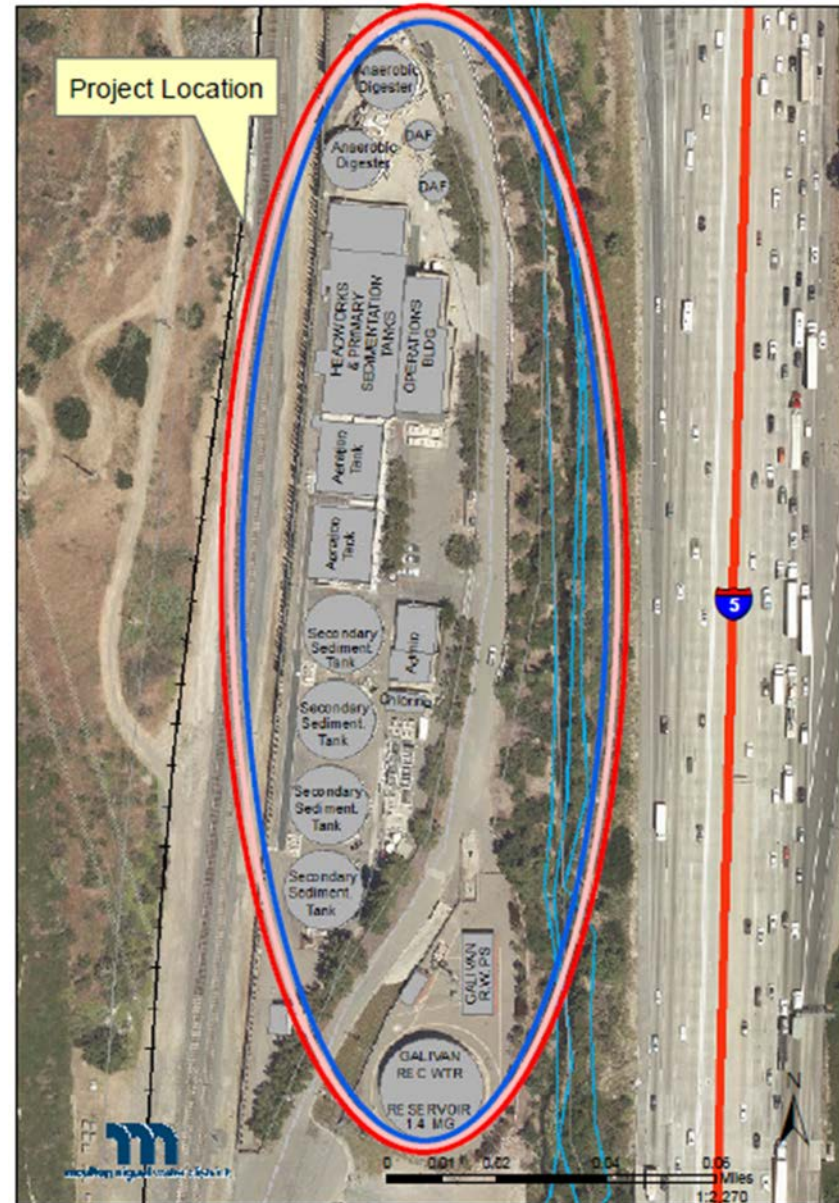
Project Description: This project covers District Operations Staff-led capital equipment and parts purchases and installation for fixed assets, including but not limited to the refurbishment and replacement of pumps, motors, variable frequency drives, transfer switches, actuators, flow meters, instrumentation, 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	\$600,000
Total Project Budget	\$600,000



2023-24 Operations-Led Capital Improvements – RTPAWT

Project No: 2023.500

System: Wastewater Treatment

Fund: 7

Project Location: Regional Treatment Plant, Laguna Niguel

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	\$400,000
Total Project Budget	\$400,000



Plant 3A CoGen Facility

Project No: TBD

System: Wastewater Treatment

Fund: 14

Project Location: Plant 3A, Mission Viejo

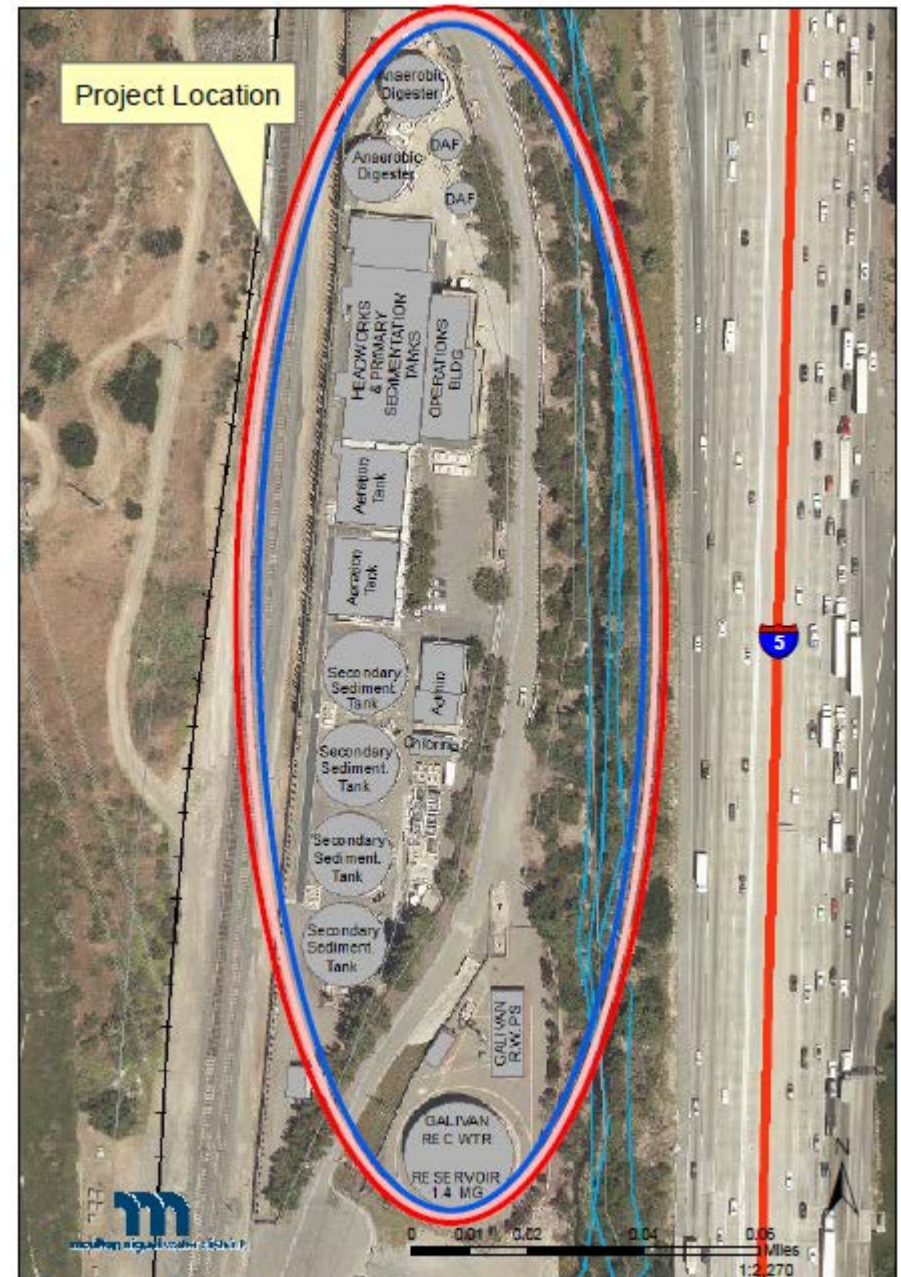
Project Description: A new CoGen heat and power generating facility including digester gas pretreatment system, digester gas compressor system, power generator engine, emission gas control, engine cooling system and necessary building and structures will be installed within Plant 3A to generate power by using digester gas.

Project Need: Plant 3A does not currently have a CoGen facility which generate heat and power by using digester gas which is being wasted by gas flare. The generated electric energy will offset the utility power purchase and generated heat can be used for digester heating.

Project Status: Proposed Project

Estimated Project Amount:

Item	Estimated Cost
Design	\$250,000
CEQA Compliance	\$100,000
Construction Contract	\$2,000,000
Inspection/Other	\$150,000
Total Project Budget	\$2,500,000



El Toro Water District R6 Reservoir Cover and Liner Replacement

Project No: ETWD

System: External (Potable)

Fund: 7

Project Location: R6 Reservoir

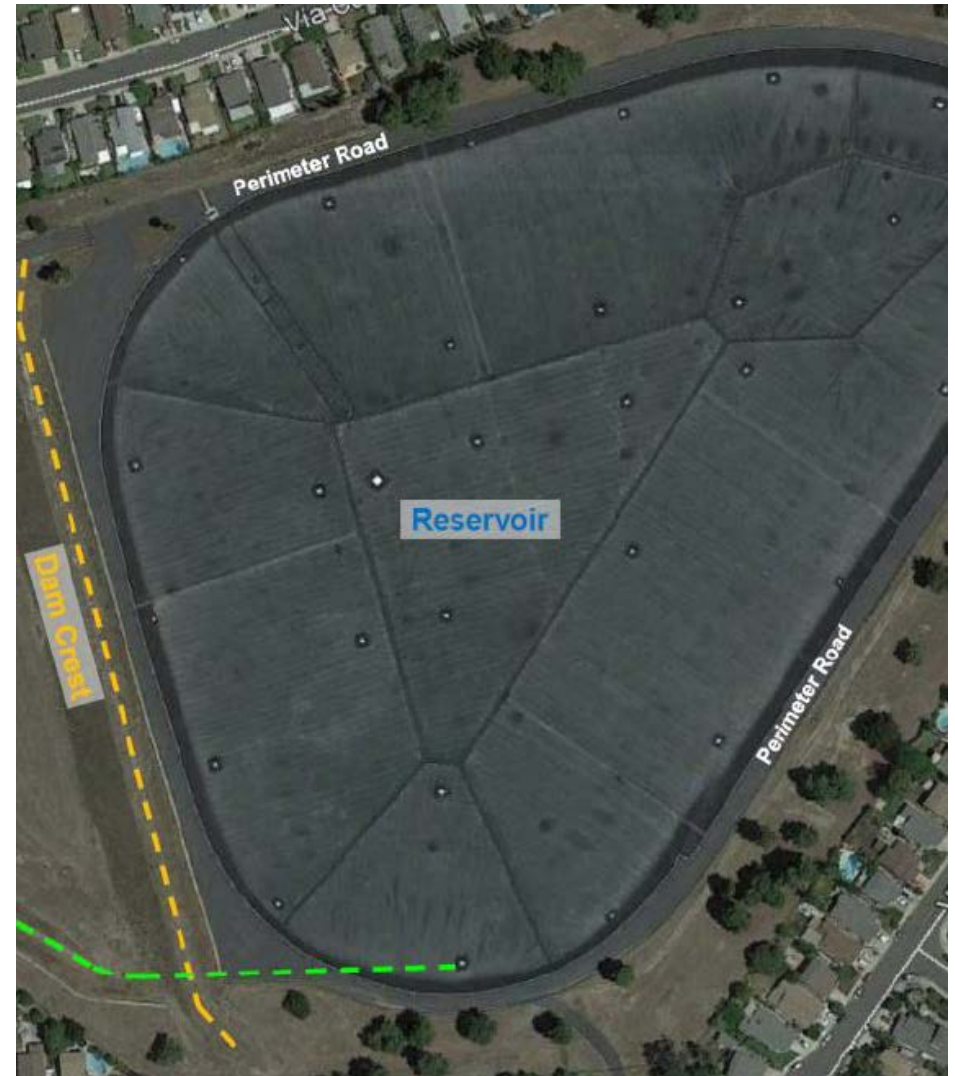
Project Description: Replace the existing flexible geomembrane reinforced polypropylene (RPP) floating cover and liner with a new chlorosulfonated polyethylene (CPSE) floating cover and liner.

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: In Construction

Estimated Project Amount:

Item	Estimated Cost
Design	\$36,000
CEQA Compliance	Exempt
Construction Contract	\$1,094,000
Inspection/Other	\$88,000
Total Project Budget	\$1,218,000



El Toro Water District R6 Reservoir Perimeter Road Replacement

Project No: ETWD

System: External (Potable)

Fund: 7

Project Location: R6 Reservoir

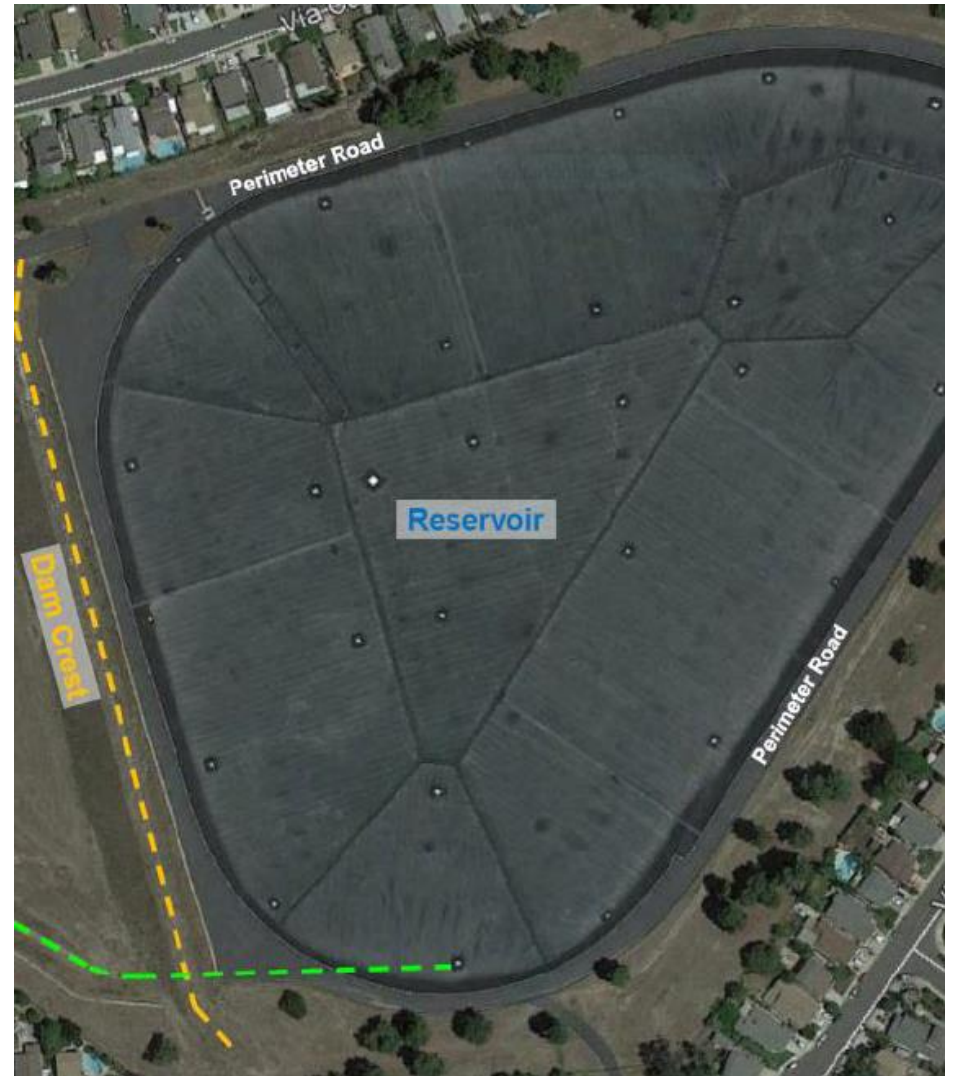
Project Description: Reconstruct the perimeter road around the reservoir.

Project Need: The perimeter road around the reservoir is at the end of its useful life. A full road reconstruction 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
CEQA Compliance	Exempt
Construction Contract	\$125,000
Total Project Budget	\$125,000



IRWD Baker Water Treatment Plant Capital Projects

Project No: IRWD

System: External (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



SMWD Capital Projects – Joint Facilities

Project No: SMWD

System: External (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	\$2,603,987



SOCWA Capital Project Committee 2

Project No: SOCWA

System: External (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	\$17,302,826



SOCWA Capital Project Committee 5

Project No: SOCWA

System: External (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	\$400,043

SOCWA Capital Project Committee 15

Project No: SOCWA

System: External (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	\$9,613,696



SOCWA Capital Project Committee 17

Project No: SOCWA

System: External (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	\$60,642,447



SOCWA Capital Project Committee 21

Project No: SOCWA

System: External (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	\$259,087

SOCWA Capital Project Committee 24

Project No: SOCWA

System: External (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	\$1,404,022

Appendix E: A-3, Debt Management Policy

POLICY A-3: MANAGING WATER DISTRICT DEBT

This Policy may be amended by the Board as it deems appropriate from time to time in the prudent management of the debt of the District.

1. Policy Statement

This policy documents Moulton Niguel Water District's goals and guidelines for the use of debt instruments for financing District water, recycled water, and wastewater infrastructure, projects, and other financing needs. The District recognizes the need to invest in ongoing capital replacement and rehabilitation of its facilities as well as new infrastructure to ensure future viability of services, and that the appropriate use of debt can facilitate the timely construction of such facilities.

The District expects to pay for infrastructure and other projects (e.g., water supply) from a combination of current revenues, available reserves, and prudently issued debt. MNWD recognizes that debt can provide an equitable means of financing projects for its customers and provide access to new capital needed for infrastructure and project needs. Debt will be used to meet financing needs (i) if it meets the goals of equitable treatment of all customers, both current and future; (ii) if it is cost-effective and fiscally prudent, responsible, and diligent under the prevailing economic conditions; and (iii) if there are other important policy reasons. Therefore, all District debt must be approved by the Board of Directors.

To achieve the highest practical credit ratings and endorse prudent financial management, the District is committed to systematic capital planning and long-term financial planning. Evidence of this commitment to long term planning is demonstrated through adoption and periodic adjustment of the District's Capital Improvement Plan (CIP) identifying the benefits, costs and method of funding capital improvement projects over the planning horizon.

This Debt Policy complies with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the District.

2. Purpose of Policy

The purpose of this debt management policy is to:

- Establish parameters for issuing debt, including the purposes for which debt can be issued
- Describe how debt and debt proceeds will be managed
- Provide guidance as to the type of debt to be issued
- Provide guidance as to the relationship between the capital improvement plan and debt issuance

3. Purpose and Use of Debt

The District will utilize reasonable debt financing to fund long-term improvements and thus ensure equitable allocation of costs. Long-term improvements may include the acquisition of land, facilities, infrastructure, and supplies of water; and enhancements or expansions to existing water, recycled water, and wastewater capacity and facilities.

Debt can be issued to fund the planning, pre-design, design, acquisition of land and/or easements, construction, and related fixtures, equipment and other costs as permitted by law. The District will not issue debt to cover operating needs.

The District may utilize short term financing (including leases) to finance certain essential equipment and vehicles. These assets can range from service vehicles to equipment. The underlying asset must have a minimum useful life of one year or more. Short-term financings, including loans, on bill financing and capital lease purchase agreements, are executed to meet such needs.

The Treasurer, Director of Financial Planning & Innovation and Financial Planning Manager will periodically evaluate the District's existing debt and recommend refinancings 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 pay off 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 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 substantial completion of the project(s).

The District will provide for a periodic review of its financial performance and review its performance relative to the financial policies outlined herein. These financial policies will be taken into account during the capital planning, budgeting, and rate setting process. Necessary appropriations for annual debt service requirements will be routinely included in the District's annual budget. The District will maintain proactive communication with the investment community, including rating agencies, credit enhancers and investors, to ensure future capital market access at the lowest possible interest rates.

4. District Policies Provide Guidance for Debt Management

General. The District's Debt Management Policy, Reserve Policy and Investment Policy all guide the budgeting and capital improvement planning process. As such, the following principles outline the District's approach to debt management:

The District will issue debt only in the case where there is an identified source of repayment. Debt will be issued when:

- Projected existing revenues pay for the proposed debt service, and
- As necessary, other revenues have been identified to pay for the proposed debt, and
- Bond covenants will be achieved.

Debt will be structured for the shortest period possible, consistent with an equitable allocation of costs to current and future users. Borrowings by the District should be of a duration that does not exceed the average useful life of the project to be financed by more than 20 percent and where feasible, should be shorter than the projected economic life. The standard term of long-term borrowing is typically 20-30 years.

The District may issue bonds bearing a fixed or variable interest rate. When appropriate, the District may choose to issue securities that pay a rate of interest that varies according to a pre-determined formula or results from a periodic remarketing of the securities. Such variable rate bonds will be limited to no more than 20 percent of outstanding debt.

The proceeds of the bond sales will be invested until used for the intended project(s) to

ensure effective use of the public funds. The investments will be made to obtain a return, while maintaining the highest level of safety. The District's Investment Policy and the specific bond indentures govern objectives and criteria for investment of bond proceeds. The Treasurer, Director of 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 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, 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, so that debt service expense does not begin until the project is expected to be operational and producing revenues. For lease back arrangements, such as those used for lease revenue bond transactions, interest may be capitalized for the construction period, until the asset is operational. Only under extraordinary circumstances, interest may be capitalized for a period longer than the construction period. Under all circumstances, interest may not be capitalized for any period longer than that permitted under Federal tax law to the extent such interest relates to tax exempt debt for Federal tax law purposes.

10. District Will Maintain Highest Possible Credit Ratings

The District will seek to maintain the highest possible credit ratings that can be achieved for debt instruments without compromising the District's policy objectives.

Each proposal for additional debt will be analyzed for its impact upon the District's credit rating on outstanding debt.

11. Any Major Credit Rating Agencies May be Used

The District may seek credit ratings from any of the major credit rating agencies – S&P Global Ratings, Moody's Investors Service, and Fitch Ratings, 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 & 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 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.

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 debt.
- Determine the most appropriate structure to ensure effective pricing that meets the District's near-term and long-term cash flow needs.
- Assist the District in the development of financial plans and policies.

The financial advisor will work with all parties involved in the financing transaction, including the District's bond counsel, trustee, underwriters, credit liquidity providers, to develop and monitor the financing schedule and preparation of the Official Statement. The financial advisor will help the District develop and distribute bid specifications for: desired services, trustee and paying agents, printing, remarketing and credit liquidity service providers, and assist the District in its review process. The District also expects its financial advisor to provide objective advice and analysis, maintain confidentiality of the District's financial plans, and be free from any conflict of interest.

18. Underwriters

For negotiated sales, the District will generally select or pre-qualify underwriters through a competitive process. This process may include a request for proposal or qualifications to all firms considered appropriate for the underwriting of a particular issue or type of bonds. The Financial Planning Manager, in consultation with the District's financial advisor, will determine the appropriate method to evaluate the underwriter submittals and then select or qualify firms on that basis, and recommend the firm or firms to function as the District's underwriter. The Board will approve the underwriter(s) to be used for each transaction or a series of transactions. The District is not bound by any underwriting agreement; oral or written, to which it was not a party.

19. The District Will Comply With Federal Arbitrage and Rebate Regulations

The Financial Planning Manager and Controller will take all necessary steps to minimize any rebate liability through proactive management in the structure and oversight of the District's debt. All District tax-exempt issues, including lease purchase agreements, are subject to arbitrage compliance regulations.

The Controller and Financial Planning Manager will:

- Monitor the expenditure of bond proceeds to ensure they are used only for the purpose and authority for which the bonds were issued and exercising best efforts to spend bond proceeds in such a manner that the District shall meet the spend-down exemptions from arbitrage rebate. Tax-exempt bonds will not be issued unless it can be reasonably expected that 85% of the proceeds will be expended within the three-year temporary period.
- Monitor the investment of bond proceeds with awareness of rules pertaining to yield restrictions. Maintaining detailed investment records, including purchase prices, sale prices and comparable market prices for all securities.
- Contract with outside arbitrage consultants to establish and maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of federal tax code.

The District will include any arbitrage rebate liability in its annual Comprehensive Annual Financial Report.

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 shall provide ongoing disclosure information to the Municipal Securities Rulemaking Board's (MSRB's) Electronic Municipal Market Access (EMMA) system. The District will annually provide financial information and operating data within 9 months of the end of its fiscal year, along with notice of certain material events required under Rule 15c2-12. In addition, the District may provide voluntary disclosures if such disclosure would be in the District's interest.

The District will keep current with any changes in both the administrative aspects of its filing requirements and the national repositories responsible for ensuring issuer compliance with the continuing disclosure regulations. In the event a 'material event' occurs requiring immediate disclosure, the Financial Planning Manager and Controller will ensure information is posted on EMMA.

21. Compliance with Bond Covenants

In addition to financial disclosure and arbitrage compliance, once the bonds are issued, the District is responsible for verifying compliance with all undertakings, covenants, and agreements of each bond issuance on an ongoing basis. This typically includes ensuring:

- Annual appropriation of revenues to meet debt service payments
- Timely transfer of debt service payments to the trustee or paying agent
- Compliance with insurance requirements
- Compliance with rate covenants
- Compliance with all other bond covenants, including maintaining debt service coverage ratios as required

On an annual basis, the Controller will prepare all required debt related schedules and footnotes for inclusion in the District's 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



POLICY A-3: MANAGING WATER DISTRICT DEBT

See also:
POL A-7

6.08.2023

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Last Revised:

5.18.2023

On an as needed based, the General Manager will update and revise this Policy, which shall be reviewed and adopted by the Board.

APPENDIX A: Types of Debt and Uses

Bank Loans and Notes - Use of short-term borrowing, such as bank loans and notes, will be undertaken only if available cash or reserves are insufficient to meet both project needs and current obligations.

Capital Lease - Capital lease debt may be considered to finance capital improvements, including vehicles and equipment with an expected useful life of less than ten years. A capital lease is a lease in which the lessor finances the lease and all other rights of ownership transfer to the District.

Derivatives - The District may choose to enter into contracts and financing agreements involving interest rate swaps, floating/fixed rate auction or reset securities, or other forms of debt bearing synthetically determined interest rates as authorized under the applicable statutes. The District will only consider the use of derivative products on a case-by-case basis and consistent with state statute and financial prudence. Before entering into such contracts or agreements, the District will review the risks and benefits of such financing techniques and expected impacts on the District's long-term financial operations and credit ratings. The District shall not execute derivative contracts with terms exceeding 10 years.

Lease-Purchase Financing - The use of lease-purchase agreements in the acquisition of vehicles, equipment and other capital assets shall be considered carefully relative to any other financing option. The lifetime cost of a lease may be higher than other financing options or pay-go purchases. Nevertheless, lease-purchase agreements may be used by the District as funding options for capital acquisitions if circumstances warrant.

On Bill Financing - The District may choose to enter into low or zero interest financing agreements with utility providers who offer On Bill Financing. This type of financing offers financing of business improvements at little to no interest and no fees or costs to the District. Repayment amounts will be based on projected savings associated with the project and will be part of the monthly bill received from the issuer. Financing terms can range from three to ten years depending on the project to be financed.

Revenue Bonds - Revenue bonds issued by the District are long term obligations issued to fund a specific project or purpose. The District will generally issue revenue bonds on a fixed interest rate basis, wherein at the time of the bond sale all interest rates are known and do not change while those bonds are outstanding.

Particular conditions may arise where the District would consider the use of variable interest rate bonds. Variable interest rate bonds have interest rates that reset on a periodic basis (e.g. daily, weekly, monthly, etc.). Revenue bonds are payable solely from District revenues in accordance with the agreed upon bond covenants.

Variable Rate Debt - Variable rate debt is an alternative to fixed rate debt. It may be appropriate to issue short-term or long-term variable rate debt to diversify the District's debt portfolio, reduce interest costs, provide interim funding for capital projects and improve the match of assets to liabilities. Variable rate debt typically has a lower cost of borrowing than fixed rate financing and shorter maturities in the range of 1 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, 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, S&P Global Ratings and Fitch Ratings, may participate in the District's letter of credit agreements.

Appendix F: *A-4, 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 \$5,000, or with an estimated useful life of less than five years, are recorded as operating expenditures with the exception of service connections which are expensed when the original value is less than \$3,000 or useful life is less than five years.

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, trade-in, 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, trade-in, 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.

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 \$5,000 and have a useful life of at least five years, with the exception of service connections which must cost at least \$3,000 and have a useful life of five years or greater.

Inventory - an asset that is intended to be used in the ordinary course of business with a cost of less than \$5,000 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: A-5, 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.

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)



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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.

8. Purchasing Cards

Authorized District staff may be assigned District credit cards to make miscellaneous purchases within the limits of Table 2. District credit card purchases are subject to the terms and conditions of the District Cardholder Acceptance Agreement.

Services may not be purchased with District credit cards due to lack of insurance and indemnification language associated with these purchases. District staff using District credit cards are subject to the terms of this Policy and all related District credit card usage terms or amendments. A District credit 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.



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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.

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 as soon as practicable.

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.

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.



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- The District receives no response from suppliers/providers/contractors/Consultants to a competitive bid.
- No other satisfactory bids/proposals are received.

Except for purchases greater than \$75,000 and requiring Board authorization, the General Manager or Assistant General Manager may decide whether a purchase meets the criteria above to be exempt from competitive solicitation.

18. Public Works Contracts

Contracts for Public Works projects shall comply with all requirements for Public Works contracts under State law, including rules for:

- Listing subcontractors.
- Posting payment bonds equal to no less than 100 percent of the total contract amount (for all Public Works contracts over \$25,000).
- Paying prevailing wages (for all contracts for Public Works exceeding \$1,000), or as otherwise required by law.

Unless the General Manager and legal counsel approve a waiver, the District requires performance bonds for all Public Works Contracts equal to no less than 100 percent of the total contract amount. Public Works Contracts let by an Invitation to Bid will be awarded to the lowest responsive, responsible bidder as allowed by State law and the District's standard Public Works contract documents.

19. Professional Services Procurement

Professional Services Contracts must meet the terms of California Government Code §4525 et seq., and §53060, based on proof of competence and qualifications for the types of services to be performed at fair and reasonable prices, as determined by the District.

For Professional Services estimated to cost \$25,000 or less, District staff may request a proposal from one qualified Consultant.

District staff will request three proposals for Professional Services when the contract amount is expected to cost between \$25,001 and \$75,000.

For a Professional Services Contract expected to cost more than \$75,000, the District will initiate an RFP.

The following criteria shall apply as exceptions to the competitive solicitation requirements as indicated for Professional Services where such requirements would otherwise apply:

- In the case of sole or single source procurements of Professional Services, only one proposal from a qualified firm is required.
- For Professional Services in which it is infeasible to comply with the selection process because of the unique, exploratory or experimental nature of the project, District staff may request a proposal from one qualified Consultant.

20. Nonresponsive or Unqualified Bid or Response

In response to any Invitation to Bid, RFQ, or RFP, the District may reject any unqualified bid or other response that is incomplete, irregular, amplified, unqualified, conditional or otherwise not in compliance with the solicitation documents in all material respects, and in accordance with law.

The District may waive any informality, irregularity, immaterial defects or technicalities in any bids or other responses received; and/or cancel an invitation for bids or RFP/RFQ, or reject all bids or responses for any other reason, which indicates the cancellation or rejection of all bids or responses is in the District's best interest, and in accordance with law.

Rejection of all bids or responses or cancellation of competitive solicitations, including determinations to re-bid, or re-solicit is subject to the same authority level required to award a Contract in Table 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.

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

The Purchasing department may issue Change Orders up to 10 percent over the original PO without further approvals if the original purchase amount was \$10,000 or less. For any Change Order request over the original PO by more than 10 percent or the \$1,000 limit, the requesting department will complete a revised Purchase Order Requisition (approved at the levels in Table 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).

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).



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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.

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.

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.



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Invitation for Bids - A formal process for soliciting sealed bids from qualified prospective suppliers or Public Works contractors. Typically involves a formal bid opening, and the awarding of a Contract to a responsive and responsible supplier or contractor based on price and other specified factors, and as otherwise required by law.

Multiple Year Contract - A Contract for the purchase of services or materials, or for Public Works for a multiple year term or that may contain provisions to extend performance by exercising optional renewal periods. A Multiple Year Contract does not obligate the District beyond the initial award period and shall not provide for a cancellation payment to the contractor if options are not exercised.

Non-Discretionary Purchases – Payments to utilities and national, state or local agencies that relate to routine obligations and expenses essential to the District’s ability to provide service to customers and that have been approved in fiscal year operating or capital budgets, and for the purposes of this policy, shall also include expenses previously approved by the Board, which would require significant advanced planning to change service providers, such as software license agreement renewal/ cloud based services renewal, insurance providers, and healthcare providers.

Non-Professional Services – Services other than Professional Services, including supply and maintenance services.

Procurement - The purchase or lease of materials, supplies, equipment or services, or Public Works.

Professional Services – Any type of special service or advice in financial, economic, accounting, engineering, legal or administrative matters by persons specially trained and experienced and competent to perform the special services required. (California Government Code § 53060.) Such services include but are not limited to architectural; engineering; environmental; financial; land surveying; construction management; audits; training services; legal services; preparation of planning or studies; technology application development; and personnel, job classification and benefit studies.

Public Works – As defined by California Public Contract Code Section 22002, public projects include construction, reconstruction, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased or operated facility. Maintenance work is not considered a public project for purposes of this definition.

Purchasing Card - A form of charge card that allows materials and services to be purchased without using a Purchase Order. The District participates in the Cal Card and Home Depot credit card programs.



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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.

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).



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

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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, Staff Officers, Controller</i>	up to \$25,000	up to \$25,000
<i>Board Secretary Staff Assistant Directors</i>	up to \$20,000	None
<i>Superintendents, Managers, Principal Engineers, Coordinators, Sr. Water Resources Planners, Operations Engineers</i>	up to \$10,000	None
<i>Supervisors, Purchasing Agent, Administrative Personnel, Sr. Engineers, Sr. Water Efficiency Specialist, Sr. Wastewater Treatment Plant Operators, Administrators</i>	up to \$5,000	None

Appendix H: A-6, *Federal Grants Management Policy*

POLICY A-6: FEDERAL GRANT MANAGEMENT

This policy applies to management and fiscal accountability of federal grants for the Moulton Niguel Water District (District). This policy is intended to supplement, not supplant the District's employee/organizational policies and procedures.

As a recipient of federal grants, the District will adhere to the regulations contained at 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, in addition to other applicable federal statutes, guidelines and directives.

1. Primary Point of Contact

A designated project manager shall serve as the primary contact between the District and the federal funding agency and any external consultants.

2. Cash Management - Legal requirement: 2 CFR 200.305

Requests for reimbursement of expenses or advance payments must be consistent and fully compliant with the terms of the grant. The District must also comply with Federal regulations.

- a. The District will maintain effective internal controls for federal grant funds.
- b. The District must protect federal grant cash and other assets and must assure that grant monies are only used for authorized purposes.
- c. The District will maintain adequate records which identify the source and application of funds for federally-funded activities. These records must include source documents of Federal awards, authorizations, obligations, unobligated balances, revenue and expenses.
- d. Office of Management and Budget (OMB) cost principles, program regulations, and terms of the grant agreement will determine if the cost is allowable, allocable and reasonable to the award.
- e. Federal expenditures will be compared with budgeted amounts for each grant.

3. Procedures for Cash Management- Legal requirement: 2 CFR 200.305

The project manager will approve allowable grant expenditures in accordance with Table 2 of the District's Purchasing Policy. The District pays for the approved expenditures through the District's normal accounting processes.

- a. The Controller initiates reimbursement requests per the stipulations of the grant award after review of federal expenditure activity.
- b. Reimbursement is made via ACH wire directly into the District's bank account.
- c. The cash receipt is entered into the financial system.

- d. A copy of the ACH confirmation will be maintained with the cash receipt. The cash receipt is reviewed and approved in the financial system. Cash receipts are recorded in the "Grant funding" object account within the same fund used for the project business unit.
 - e. If the District receives an advance, per Federal requirement, any interest earned more than \$500 will be returned to the awarding agency.
- 4. Allowability of Costs** - *Legal requirement: 2 CFR 200.302(b)(7), 2 CFR 200.309, and 2 CFR 200.403 - 2 CFR 200.405*

Except where otherwise authorized by statute, costs must meet the following general criteria to be allowable under Federal awards:

- a. Must be necessary and reasonable for the performance of the Federal award or sponsored agreement and does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
- b. Must be allocable to a project if it is considered a direct cost of that project.
- c. 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.

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 Board.
- 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)



POLICY A-6: FEDERAL GRANT MANAGEMENT

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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*

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



POLICY A-6: FEDERAL GRANT MANAGEMENT

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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.

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;
- 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: A-7, Investment Policy



POLICY A-7: MAINTAINING WATER DISTRICT INVESTMENT FUNDS

See also:

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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:

- 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.

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, Deputy General Manager, Director of Financial Planning & Innovation, or Financial Planning Manager shall regularly update the investment adviser on the District's specific short-term liquidity requirements.

The Liquid Fund shall maintain a minimum fund balance that provides sufficient cash reserves to pay current operating expenses.

2. Limited Maturity Fund:

Funds needed to meet expenses anticipated over the next one to five years. This fund shall preserve principle, provide liquidity for operations and maintenance, debt service payments, and capital needs within the next five years, and earn a total rate of return in line with the first two goals.

The investment performance objective of the Limited Maturity Fund is to earn a return that equals or exceeds the return of the ICE Bank of America Merrill Lynch 0-3 Year Treasury Index.

3. Operating Reserve Fund:

This fund shall preserve principal and provide long-term growth by earning the rate of return available from the longer-term investments permitted under the California Government Code.

The investment performance objective for the Operating Reserve Fund shall be to earn a rate of return over a market cycle, which exceeds the return on the ICE Bank of America Merrill Lynch 1-10 Year US Treasury and Agency Index.

The maximum stated final maturity of individual investments in the Operating Reserve Fund is ten years.

No more than 40 percent of the Operating Reserve Fund may be invested in securities that mature in more than five years.

4. Debt Service Restricted Reserve Funds:

Funds required per bond trust indentures of the District's debt portfolio. This fund will preserve principal, provide capital for debt service payments in case of default, and earn a total rate of return in line with the first two goals.

The investment performance objectives for the Debt Service Restricted 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, except for securities held in the Operating Reserve, which can have a stated maturity of ten (10) 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.
- If the District's investment assets under management are greater than \$100,000,000 no more than 40% of the portfolio may be invested in Commercial Paper under a provision ending on January 1, 2026. If the District's investment assets under management are less than \$100,000,000, no more than 25% of the portfolio may be invested in Commercial Paper. After January 1, 2026, no more than 25% of the portfolio may be invested in Commercial Paper regardless of the District's investment assets under management.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed 270 days.

Negotiable Certificates of Deposit (NCDS)

Negotiable Certificates of Deposit (NCDs), issued by a nationally or state-chartered bank, a savings association, or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank, provided that:

- The amount of the NCD insured up to the FDIC limit does not require any credit ratings.
- Any amount above the FDIC insured limit must be issued by institutions which have short-term debt obligations rated in a rating category of “A-1” or higher by at least one NRSRO; or long-term obligations rated in a rating category of “A” or higher by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in NCDs.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

Federally Insured Time Deposits (Non-Negotiable Certificates of Deposit)

Federally Insured Time Deposits (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions, provided that:

- The amount per institution is limited to the maximum covered under federal insurance.
- No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

Collateralized Time Deposits (Non-Negotiable Certificates of Deposit)

Collateralized Time Deposits (Non-Negotiable Certificates of Deposit) in state or federally chartered banks, savings and loans, or credit unions in excess of insured amounts which are fully collateralized with securities in accordance with California law, provided that:

- No more than 20% of the portfolio will be invested in a combination of federally insured and collateralized time deposits.
- The maximum maturity does not exceed five (5) years.

Collateralized Bank Deposits

District deposits with financial institutions will be collateralized with pledged securities per California Government Code, Section 53651.

Repurchase Agreements

Repurchase Agreements collateralized with securities authorized under California Government Code 53651, maintained at a level of at least 102% of the market value of the Repurchase Agreement. There are no limits on the dollar amount or percentage that the District may invest, provided that:

- Securities used as collateral for Repurchase Agreements will be delivered to an acceptable third-party custodian.
- Repurchase Agreements are subject to a Master Repurchase Agreement between the District and the provider of the repurchase agreement. The Master Repurchase Agreement will be substantially in the form developed by the Securities Industry and Financial Markets Association (SIFMA).
- The maximum maturity does not exceed one (1) year.

State of California Local District Investment Fund (LAIF)

State Of California Local District Investment Fund (LAIF), provided that:

The District may invest up to the maximum amount permitted by LAIF.

LAIF's investments in instruments prohibited by or not specified in the District's policy do not exclude the investment in LAIF itself from the District's list of allowable investments, provided LAIF's reports allow the Treasurer and the outside investment adviser to adequately judge the risk inherent in LAIF's portfolio.

Local Government Investment Pools

The District may invest up to the maximum amount permitted by the following respective Local Government Investment Pools:

- CALTRUST
- California Asset Management Program (CAMP)

Local Government Investment Pool investments in securities prohibited by or not specified in the District's policy do not exclude the investment in LGIPs itself from the District's list of allowable investments, provided the specific LGIP's reports allow the Treasurer and the outside investment adviser to adequately judge the risk inherent in LGIP's portfolio.

Corporate Medium Term Notes (MTNS)

Corporate Medium Term Notes (MTNS), provided that:

- The issuer is a corporation organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.
- The securities are rated in a rating category of “A” or higher by at least one NRSRO.
- No more than 30% of the total portfolio may be invested in MTNs.
- No more than 5% of the portfolio may be invested in any single issuer.
- The maximum maturity does not exceed five (5) years.

Mutual Funds

Mutual Funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940 that invest in the securities and obligations as authorized under California Government Code, Section 53601 (a) to (k) and (m) to (q) inclusive and that meet either of the following criteria:

- Attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
- Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
- No more than 10% of the total portfolio may be invested in shares of any one mutual fund.
- No more than 20% of the total portfolio may be invested in a combination of Mutual Funds and Money Market Mutual Funds.

Money Market Mutual Funds

Money Market Mutual Funds that are registered with the Securities and Exchange Commission under the (link) Investment Company Act of 1940, provided that such Funds meet either of the following criteria:

- Have attained the highest ranking or the highest letter and numerical rating provided by not less than two (2) NRSROs; or
- Have retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years’ experience investing in the securities and obligations authorized by California Government Code, Section 53601 and with assets under management in excess of \$500 million.
- No more than 20% of the total portfolio may be invested in a combination of Mutual Funds and Money Market Mutual Funds.

Supranationals

Supranationals, provided that:

- Issues are US dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank.
- The securities are rated in a rating category of “AA” or higher by a NRSRO.
- No more than 30% of the total portfolio may be invested in these securities.
- No more than 10% of the portfolio may be invested in any single issuer.
- The maximum stated maturity does not exceed five (5) years.

Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, And Collateralized Mortgage Obligations

Asset-Backed, Mortgage-Backed, Mortgage Pass-Through Securities, and Collateralized 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.
- Under a provision ending on January 1, 2026, securities backed by the U.S. Government that could result in a zero- or negative-interest accrual if held to maturity are permitted. After January 1, 2026, an investment in any security that could result in a zero interest accrual if held to maturity is not permitted.
- 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.

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.

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.

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.

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).

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.

Quarterly Reports

The Treasurer will submit a quarterly investment report to the Board which provides full disclosure of the District's investment activities within 45 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, Deputy General Manager or Director of Financial Planning & Innovation. The bank custodian shall also provide such information to the District's Investment Adviser(s).

The investment adviser and broker shall promptly confirm all transactions and fund

movements to the District. The investment adviser shall also 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.

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.

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.

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.

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.

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.

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: A-8, Reserve Policy



POLICY A-8: MAINTAINING WATER DISTRICT CASH RESERVE FUNDS

See also:

6.08.2023

Page | 1

Last Revised:

5.18.2023

A-8: MAINTAINING WATER DISTRICT CASH RESERVE FUNDS

1. District Cash 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.

POLICY A-8: MAINTAINING WATER DISTRICT CASH RESERVE FUNDS

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 critical 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.

POLICY A-8: MAINTAINING WATER DISTRICT CASH RESERVE FUNDS

4. District May Use Certain Reserves for Cash Flow Requirements

General Operating, and Self-Insurance Reserves may be used any time to meet cash flow requirements of District operations. Authority to use the funds will be consistent with the District's Purchasing Policy.

The Rate Stabilization Reserve can be used at any time to meet cash flow requirements of District operations. The use of the Rate Stabilization Reserve will require Board authorization.

The Board of Directors will authorize the use of the Replacement and Refurbishment, Planning and Construction, and Water Supply Reliability Reserves during the budget process.

Funds from the Capital Facilities Restricted Reserve are transferred to the R&R, Planning and Construction, and/or Water Supply Reliability Reserves as part of the budget process. The Emergency Reserve may also be used for unplanned (unbudgeted) capital replacement and emergency expenses in case of natural disasters or facility failures. When appropriate, the Board may adopt Reimbursement Resolutions as needed to advance reserves before seeking outside funds. Authorization for the use of Capital Improvement Reserves for unplanned capital replacement will be consistent with the District's Purchasing Policy.

5. Funds Must Be Replenished As Soon As Possible

General Reserves are replenished from the District's revenues with the General Operating and Self-Insurance Reserves taking precedence to the Rate Stabilization Reserve. General Operating and Self Insurance Reserves will be replenished by the end of each fiscal year. The Rate Stabilization Reserve will be replenished as soon as possible with replenishment to commence within 12 months of any Rate Stabilization Reserve draw.

The R&R, Planning and Construction, and Water Supply Reliability Reserves are replenished at year end as part of the budget process via transfers or through debt issuances. The Emergency Reserve is replenished from the District's revenue as soon as possible after an emergency outside the budgeting process. The Capital Facilities Restricted Reserve is funded by developer's capacity fees throughout the year and transferred to the R&R, Planning and Construction, and

POLICY A-8: MAINTAINING WATER DISTRICT CASH RESERVE FUNDS

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 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 Financial Planning & Innovation/Treasurer will prepare an analysis for the Board of Directors to confirm cash reserves will meet the targets identified in this policy 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.