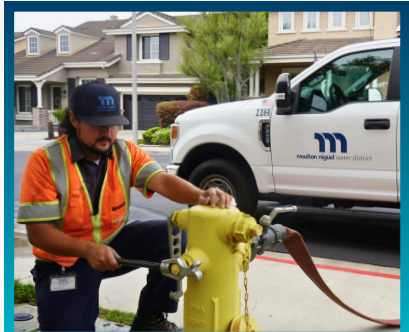


# 2025-26

FISCAL YEAR

# ADOPTED BUDGET



PREPARED BY:

 **moulton niguel**  
water district

May 31, 2025

Moulton Niguel Board of Directors  
P.O. Box 30203  
Laguna Niguel, CA 92607

Dear President Cave and Directors:

On behalf of the entire team at Moulton Niguel Water District, we are pleased to present the Fiscal Year 25-26 Budget

With this year's budget, Moulton Niguel Water District will make major investments that strengthen our water system to meet our everyday needs. In total, the District will invest more than \$107.7 million in capital infrastructure to strengthen our robust infrastructure system.

Moulton Niguel has demonstrated over the past decade our ability to adapt to changing conditions. We continue to prepare for uncertainty with responsible planning for the future. Recent wildfires, including the Palisades and Eaton Fires, underscore the vital role our water system plays in protecting lives and property. In response, we have identified and are implementing critical upgrades to strengthen our emergency preparedness.

Like a diversified investment portfolio, we are building a resilient water portfolio that is diversified across regions and new technologies that repurpose water resources. In the coming years, today's investments in our Santa Ana Emergency Interconnection and OASIS projects will help reduce our reliance on imported water and control future costs.

We remain trusted stewards of our ratepayers' funds. Even as we face inflationary cost pressures and economic uncertainty, Moulton Niguel is committed to maintaining one of the lowest average monthly bills in Orange County.

Respectfully,



**Joone Kim-Lopez**  
General Manager & CEO  
Moulton Niguel Water District

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# EXECUTIVE SUMMARY

## Executive Highlights

### ***Open and Transparent Budget Process Based on Customer Feedback***

Moulton Niguel is committed to an open and transparent budget process that incorporates direct feedback from our customers. The initial budget workshop, held on January 29, 2025, included a strategic planning session with customers, staff, and the Board of Directors. The Fiscal Year 25-26 Budget was formally presented at a public workshop on May 7, 2025.

### ***Investments in Diversified Water Portfolio & Long-Term Water Reliability Projects***

Moulton Niguel imports all of our drinking water from Northern California and the Colorado River through the Metropolitan Water District of Southern California. To reduce our reliance on imported water and control future costs, we are investing in local water supply projects. Like a diversified investment portfolio, we are building a resilient water portfolio that is diversified across regions and new technologies. The OASIS project will create new, sustainable water sources within our district, and our partnership with the City of Santa Ana will provide access to additional groundwater supplies during emergencies. These projects are essential for long-term water reliability and drought resilience.

### ***\$107.7 Million Investment in Capital Projects***

Moulton Niguel will invest more than \$107.7 million in capital projects to strengthen our robust infrastructure system, including ongoing upgrades, rehabilitation, and replacement of District treatment plants, reservoirs, pump and lift stations, transmission and distribution pipelines, service lines, valves and communications equipment.

### ***Emergency Preparedness: 28 Potable Water Reservoirs & 150 Million Gallons of Supply***

Recent wildfires, including the Palisades and Eaton Fires, have underscored the vital role our water system plays in protecting lives and property. Moulton Niguel has worked closely with the Orange County Fire Authority to identify and implement targeted upgrades to our water infrastructure. Our 28 potable water reservoirs, combined with regional storage partnerships, provide more than 150 million gallons of water available for firefighting and emergency needs.

### ***Water Safety: 12,000 Water Quality Tests***

Every year, Moulton Niguel conducts approximately 12,000 water quality tests that are independently analyzed at state-of-the-art laboratories. Our water is tested at each stage of the treatment and delivery process to ensure it's safe when it reaches your home or business. This year's budget includes funding for our water quality systems to keep our water safe.

### ***Responsible Planning: AAA Credit Rating***

Moulton Niguel is committed to responsible long-term financial planning that maximizes the value of every ratepayer's dollar. Earlier this year, Fitch and S&P Global reaffirmed the District's AAA credit rating - the highest possible due to our strong financial management, affordable rates, and prudent planning.

### ***Low Rates: Continue to Maintain One of the Lowest Monthly Bills in Orange County***

Moulton Niguel is proud of our record of providing safe and reliable water service at one of the lowest rates in Orange County. Under this year's budget, Moulton Niguel will continue to offer our customers one of the lowest average combined bills in South Orange County.

## Budget Overview

The District appropriates a balanced budget for all funds, with total recurring revenues equal to or greater than total recurring expenses, such that at year-end, all funds maintain a positive fund balance and reserves are maintained. Funding sources and uses in the budget are discussed and displayed in *Figure 1: Funding Sources and Funding Uses*.

### Funding Sources

The budget includes total funding sources of \$217.8 million. Major categories include Cash Spenddown, Water Sales, Water Use Efficiency (WUE), Recycled Sales, Wastewater (WW) Service, Property Tax, Investment Income, Cell Site Income, and Other Income.

Planned Cash Spenddown of \$71.3 million is the largest funding source for the upcoming fiscal year. This planned drawdown consists mainly of proceeds from bond issuances to execute capital projects. The draw on bond proceeds and available cash reserves is consistent with the previously adopted Long-Range Financial Plan and supplements funding needs of critical infrastructure while maintaining intergenerational equity among customers.

Operating revenues from customer fees and charges for the delivery of potable and recycled water and collection and treatment of wastewater are also key funding sources for the District. In addition to these fees and charges, District revenues are supplemented by an apportionment of Ad Valorem property taxes from the County of Orange which are reinvested into infrastructure. When combined with other supplemental income, these non-rate revenues represent 41% of annual revenue that would otherwise need to be collected from customer bills.

### Funding Uses

The budget includes total funding uses of \$217.8 million. Major categories include Capital Infrastructure, Water Purchases, Staffing Resources, and Operations & Maintenance (O&M).

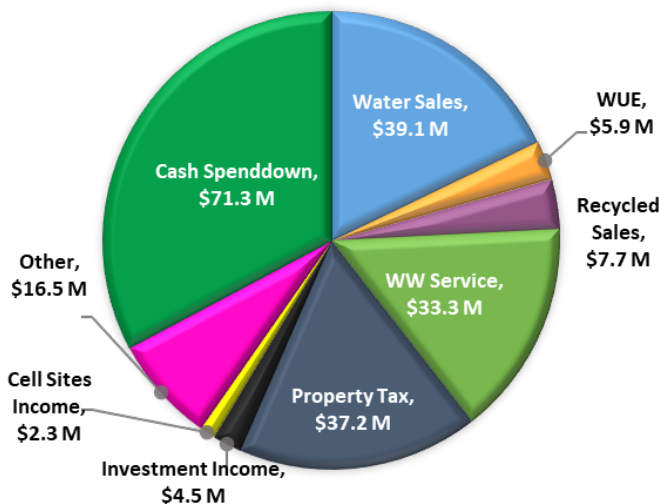
Consistent with utility enterprises, the \$107.7 million in Capital Infrastructure costs represents the largest use of funds, accounting for approximately 50% of total expenditures. The Capital Infrastructure category is comprised of both new capital projects expenditures and bond payments for past projects. New capital project appropriations for the FY 25-26 budget total \$92.8 million. Bond payments total \$14.8 million and are drawn from restricted accounts funded through transfers authorized by the budget resolution.

The operating budget of \$110.1 million includes Water Purchases, Staffing Resources, and O&M. Water Purchases of \$36.9 million represent over 17% of total expenditures and the largest use of operating funds.

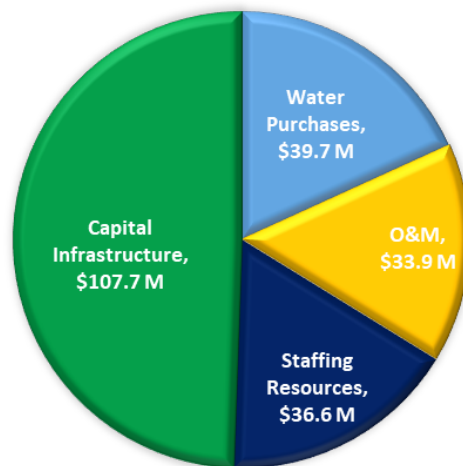
The operating budget is managed at the fund level and is primarily composed of expenditures in Funds 1 and 6. Fund 1, the General Fund, is utilized for the majority of operations while Fund 6, the Water Use Efficiency Fund, is used for water efficiency programs and operations.

*Figure 1: Funding Sources and Funding Uses*

**Funding Sources \$217.8 million**



**Funding Uses \$217.8 million**



## Assumptions & Factors

General assumptions and factors that guided the development of the MNWD FY 25-26 budget included:

- 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 potable (drinking) water demands are unchanged from prior year levels and total water purchases are budgeted at 23,249 acre-feet. Though customer water usage remains lower during the last two "wet" years, this budget conservatively assumes demands representative of a typical year in case weather begins to revert back to "dry" conditions which increased demands as high as 25,144 AF as recently as FY 20-21. It should be noted that the District's rate structure is designed to balance fixed and variable costs and revenues, and the District's financial position is not negatively affected by unanticipated reductions in water sales revenue.
- All potable water deliveries will be supplied from imported sources by the Metropolitan Water District of Southern California (MET) via the District's wholesaler, the Municipal Water District of Orange County (MWDOC). The FY 25-26 budget assumes the Baker Water Treatment Plant will treat 8,908 AF, reflecting a full year of water deliveries. The remaining 14,341 AF of potable water deliveries will be treated at the MET Diemer Water Filtration Plant.
- Projections for recycled water demand are unchanged from prior year levels and recycled water production is budgeted at 6,723 acre-feet. Similar to potable water, recycled water use has reduced significantly during the last two "wet" years, with actual demand falling below 5,000 AF in each of those years. However, because recycled water is used entirely for outdoor irrigation, demands typically increase proportionally in response to weather with "dry" year demands as high as 7,000 AF as recently as FY 20-21. As such, this budget conservatively assumes demands representative of a more typical year in case weather begins to revert back to "dry" conditions.
- Property tax revenue is expected to increase by 3.3% due to the appreciation of home values and the recapture of adjusted property values due to Proposition 8, based on data and forecasts from the Orange County's Treasurer-Tax Collector and the District's property tax consultant. Staff monitors property tax projections for Years 2-10 on an annual basis and will update forecasts as conditions change, in particular if a changing interest rate environment prompts an acceleration or deceleration in home sales.
- Implementing year three of the four-year 2023 Memorandum of Understanding (MOU) with District employees.
- Continued educational programs and resources to support customers in utilizing water efficiently.
- Cost escalations due to inflation and the current economic environment.
- Cost escalation assumptions from external sources outside of the District's control. External sources account for 33% of the year over year increase in the operating budget. Notable external factors that attribute to the year over year budget increase include:
  - **Water Purchases & Delivery** - Imported water purchases represent the District's largest operating expense category and increases are primarily driven by rates set by MET. MET rate increases have a direct and substantial impact on the District budget. The increase in water purchases reflects MET's overall 8.5% rate increase beginning CY 2025 and another overall 8.5% rate increase beginning CY 2026. Additionally, operating costs for raw water treatment at the Baker Treatment Plant by Irvine Ranch Water District and the Joint Regional Transmission Main by South Coast Water District have continued to outpace forecasts. Refer to the [Expense Summary & Discussion](#) section in this document for additional discussion.
  - **District Insurance** - The District's property, general liability, and automobile insurance are provided by ACWA/JPIA. The District has seen its insurance costs increase over 300% within the last three years, driven by ACWA/JPIA rates as well as conditions experienced broadly by the insurance industry. Refer to the [Expense Summary & Discussion](#) section in this document for additional discussion.

## Strategic Planning

The District's strategic planning process provides an opportunity to ensure alignment between the Board of Directors and staff on the key priorities and project objectives for the upcoming fiscal year. Further, the process allows for confirmation that the objectives identified by staff 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.

### *FOCUS Strategic Vision*

Beginning in 2023, the District's key goals and objectives were consolidated into the five FOCUS areas. While these do not account for all District's activities, they substantially encapsulate the services necessary in the upcoming fiscal year to continue carrying out the District's mission.

- Fiscal Responsibility – Ensuring public trust by delivering accurate, timely financial information with well supported financial decisions.
- Operational Optimization – Leading in innovation and seeking to utilize technology and workforce creativity to efficiently provide a high level of service throughout the asset lifecycle.
- Community & Government Relations – Engaging with regional leaders and customers to ensure alignment of services with the community's needs and impactful advocacy to regional, state, and federal representatives.
- Unified Workforce – Working together, as one team, to execute the District's strategic priorities.
- Secure and Reliable Service – Planning and implementing adaptively to deliver safe, secure, and resilient services to the District's customers.

Each FOCUS area and its objectives and strategies are listed in *Table 1: Strategic Goals and Strategies* on the next page. Each of the District's Departments have initiatives that contribute to these FOCUS areas. In addition, performance measures are monitored at the Department level and can be found in the [Departmental Information](#) section of this budget document.

***Table 1: Strategic Goals and Strategies***

Strategic Goals	Objectives and Strategies
<b>1. Fiscal Responsibility</b>	<ul style="list-style-type: none"> <li>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"> <li>i. Maintain fiduciary responsibility</li> <li>ii. Provide financial transparency</li> <li>iii. Implementing equitable rates</li> </ul> </li> </ul>
<b>2. Operational Optimization</b>	<ul style="list-style-type: none"> <li>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"> <li>i. Assess infrastructure condition</li> <li>ii. Replace infrastructure proactively</li> <li>iii. Address infrastructure needs</li> <li>iv. Maximize useful lives of assets</li> <li>v. Pilot potential new technologies</li> </ul> </li> </ul>
<b>3. Community &amp; Government Relations</b>	<ul style="list-style-type: none"> <li>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"> <li>i. Build brand recognition</li> <li>ii. Increase public awareness</li> </ul> </li> <li>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"> <li>i. Engage customers</li> </ul> </li> <li>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"> <li>i. Increase partnerships and networking</li> </ul> </li> </ul>
<b>4. Unified Workforce</b>	<ul style="list-style-type: none"> <li>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"> <li>i. Fill open vacancies</li> <li>ii. Comprehensive recruitments</li> <li>iii. Succession doing</li> <li>iv. Active employee training and engagement</li> </ul> </li> </ul>
<b>5. Secure &amp; Reliable Service</b>	<ul style="list-style-type: none"> <li>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"> <li>i. Proactive physical security for District sites</li> <li>ii. Monitor emerging water and wastewater issues and regulations</li> <li>iii. Emergency preparedness</li> </ul> </li> <li>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"> <li>i. Work towards service reliability and efficiency policy goals</li> <li>ii. Provide a sustainable, adequate water supply per Board policy</li> </ul> </li> </ul>



**moulton niguel** water district



# District Profile

## District Profile

The District delivers high-quality drinking water, recycled water, and wastewater services to more than 55,000 service connections, representing more than 170,000 residents and 6,000 businesses and institutions. While operations have evolved as the service area has grown, the District's primary focus has remained unchanged: ensuring customers have reliable, sustainable, and affordable services today and into the future. The most significant land use is Residential, occupying 51% of the service area. Open space and park lands comprise the second largest land use, occupying 31% of the service area. Commercial/Industrial/Institutional (CII) land uses occupy 17% of the service area, and miscellaneous land uses occupy 1%.

### Service Area

The District service area (*Figure 2: Map of Service Area*) is located 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 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 \$48.2 billion for the 2024/25 lien year. Property tax revenues account for approximately 25% of the District's annual revenue.

### Local Community

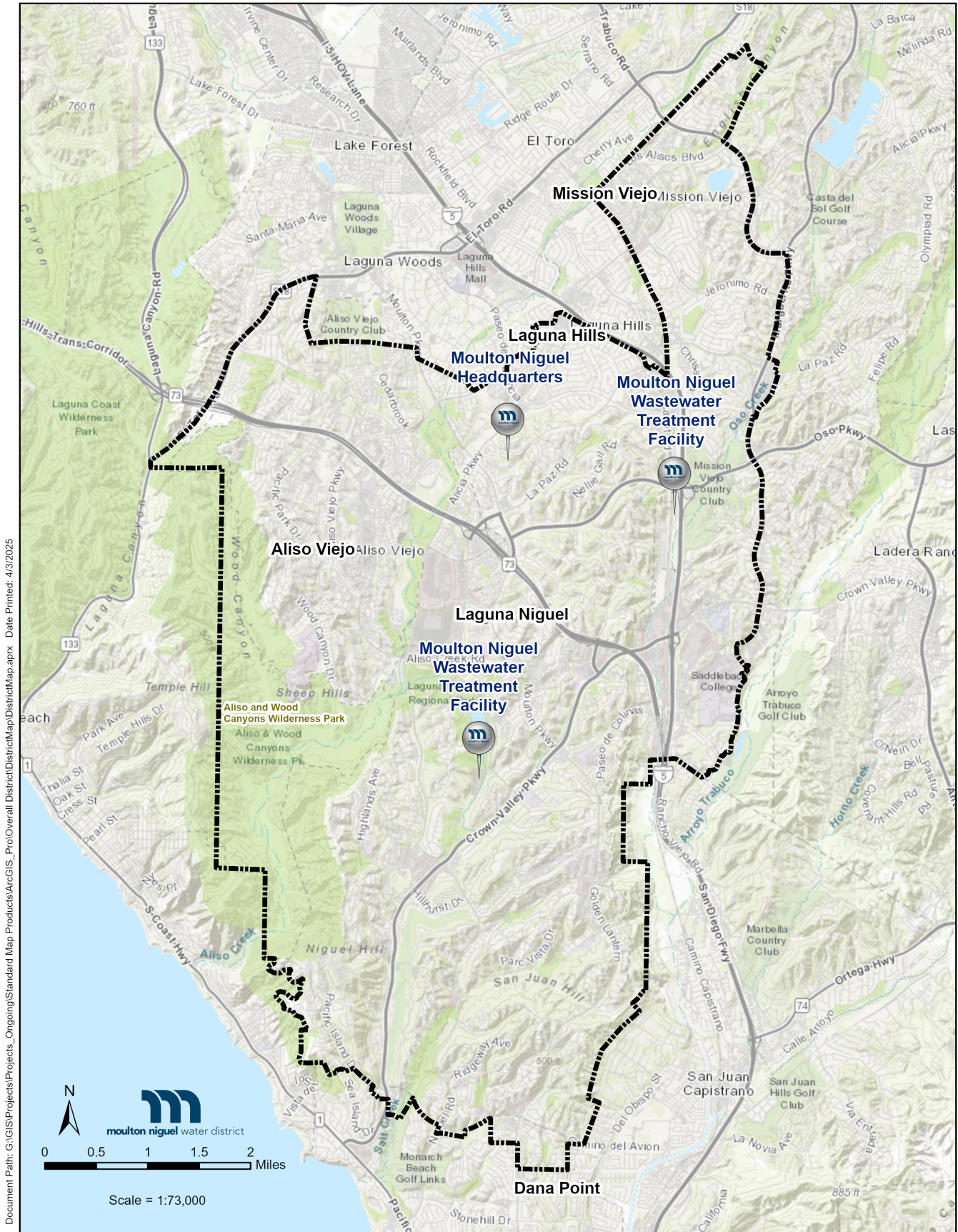
The District serves communities within South Orange County that historically report stronger financial indicators than those of the nation and state. Residential development is the predominant land use throughout the service area. The highest concentration of commercial development is in the City of 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 website ([mnwd.com/finance](https://mnwd.com/finance)). Links to the adopted budget will also be posted on District social media platforms:



Figure 2: Map of Service Area



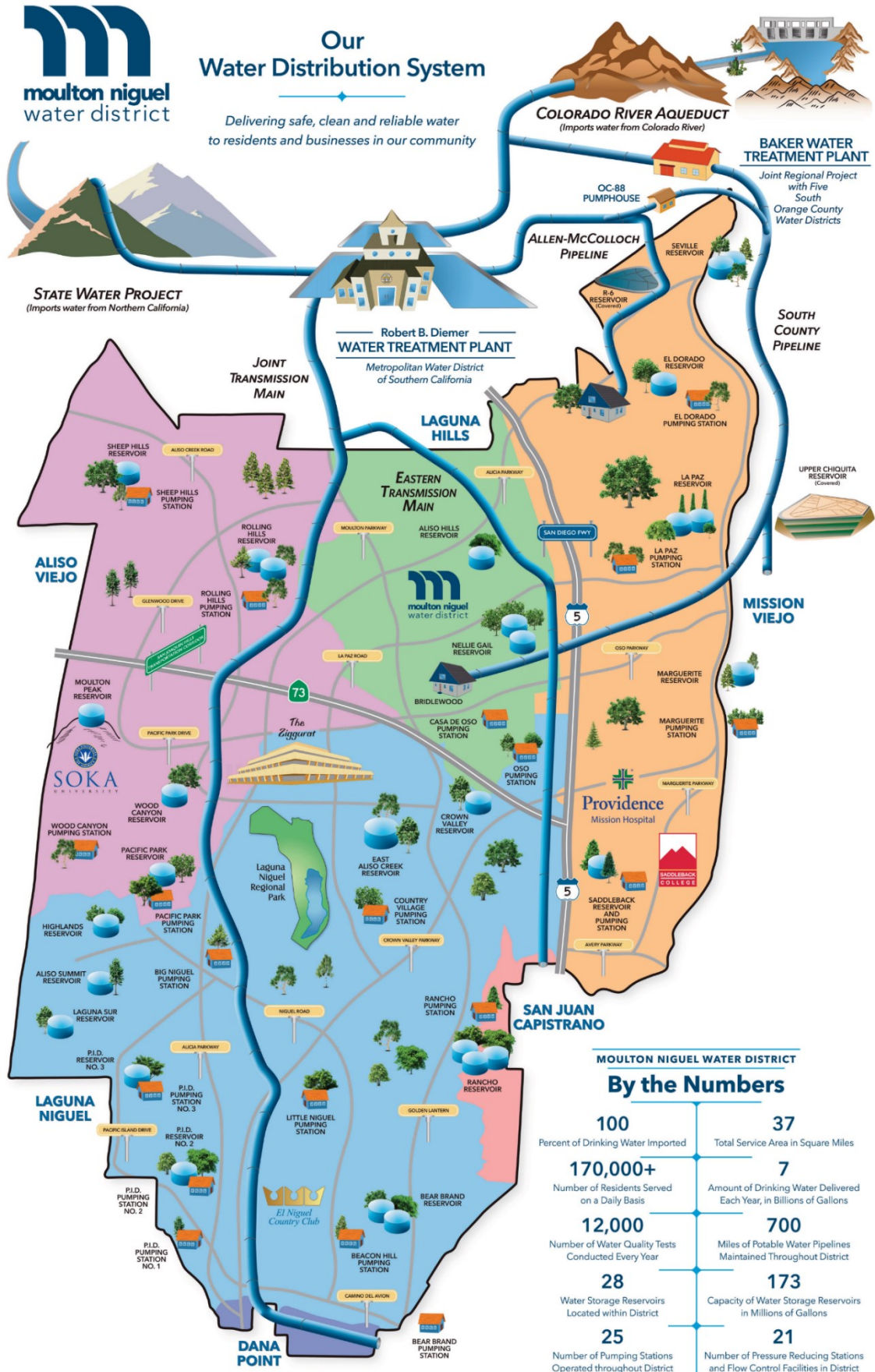
## Water Supply & Services

The District imports 100% of its potable water from Metropolitan Water District of Southern California (MET) through 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 Aqueduct 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. Through the Board's investment, the Baker WTP is owned by the District in partnership with four other water agencies, providing a critical secondary treatment plant for imported water and improving local water reliability. Potable water is delivered through three major transmission facilities: the South County Pipeline, the Joint Transmission Main/Eastern Transmission Main, and the Allen-McColloch Pipeline ([Figure 3: Potable Water Distribution System](#)).

Long-range water supply planning is a key focus of the District and ensures our customers will continue to have access to adequate water supplies. The District invests in water supply reliability projects as an appropriate and cost-effective solution to creating sustainable water supplies into the future. In FY 25-26, the District is updating its Long-Range Water Reliability Plan (LRWRP), which is updated every five years. In March 2021, the District adopted Resolution 21-04 setting forth goals to enhance potable water system and supply reliability based on the results of the 2020 LRWRP. 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 and considers phasing in dry-year storage levels of up to 10,000 acre-feet. Through investments in projects like the Baker WTP, the Upper Chiquita Reservoir, and other water reliability projects and funding demand management programs, the District is currently able to meet a system outage of approximately 32 days based on average demands. The District has continued to pursue expansion of its reuse programs through implementation of its Recycled Water Optimization Study and has initiated several planning studies to evaluate the OASIS Water Resources Center to further expand the District's local water reliability.

From 2020 to 2022, California experienced the three driest years in its history. The following year, record-breaking winter storms have helped restore depleted reservoirs. However, conditions in California have improved, but the long-term future of Colorado River Basin supplies remains uncertain. The District continues to ask customers to reduce water waste and use water efficiently in support of improving long term water reliability.

Figure 3: Potable Water Distribution System



## Wastewater Services

The District operates two wastewater treatment plants, the Regional Treatment Plant and Plant 3A, which together treats approximately 85% of all wastewater generated by District customers and produce 100% of all recycled water used within the District's service area. The remaining 15% of wastewater is treated and disposed by a neighboring agency via contract. The District's wastewater system has approximately 500 miles of wastewater pipelines and 17 lift stations that pump wastewater uphill to the facilities that will ultimately treatment plants for recycling or disposal. Capital investments in the wastewater system represent a significant portion of the overall capital improvement program for the upcoming year and through the planning horizon. Capital projects include upgrades to the two wastewater treatment plants, replacement of critical pipelines, and rehabilitation of lift stations to ensure reliable operation, conveyance and treatment of wastewater flow (as shown in the capital budget). The District also owns and operates the Advanced Wastewater Treatment (AWT) facilities located at the Regional Treatment Plant and Plant 3A. These facilities treat the secondary effluent water to Title 22 standards for recycled water, supplying up to 25% 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 occur in 2025.

## 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 recycled water system consists of two Advanced Water Treatment (AWT) plants to treat secondary effluent water from the wastewater treatment plants and supply recycled water, as well as 150 miles of recycled water distribution pipelines with 5 prestressed concrete and 6 welded 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 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 Onsite 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. The District has initiated several planning studies to evaluate opportunities to advance local supply reliability by integrating urban runoff and first flush storm flows into the recycled water supply and developing a direct potable reuse project consistent with State regulatory guidelines as part of the District's OASIS Water Resources Center. Additionally, the District anticipates implementing advanced treatment technologies to improve recycled water quality.

## Board of Directors (Governance)

The District is governed by a seven member Board of Directors (Board), shown in [Figure 4: BOD President and Vice Presidents](#) and [Figure 5: Board of Directors](#). Board members are publicly elected by registered voters within the District’s service area for staggered four year terms. 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 community.

Policy making and legislative authority are vested with the Board. The Board sets the 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 Board policy, managing the day to day operations of the District, and hiring staff.

**[Figure 4: BOD President and Vice Presidents](#)**



*Duane D. Cave serves as President of the Moulton Niguel Water District. Under his leadership, Moulton Niguel has received global recognition for its sustainability efforts, secured more than \$10 million in federal infrastructure grants, and signed a historic knowledge-sharing partnership with the Danish Water Technology Alliance – while maintaining a AAA credit rating and the lowest average monthly bill in South Orange County.*



*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 Vice President of the Moulton Niguel Water District. Vice President Rifkin applies her business acumen, experience in organizational planning, and executive leadership expertise to enhance Moulton Niguel’s customer service and support its innovative workforce culture. During her tenure as Vice President, Moulton Niguel has been recognized as a Top Workplace in Orange County and a “Utility of the Future” for its excellence in innovation, customer service, and sustainability.*

Figure 5: 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.*



*William "Bill" Moorhead serves as an elected Director of the Moulton Niguel Water District. 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. First elected to the Board in 2018, he supports investing in state-of-the-art infrastructure and promoting sustainable water policies that will help the District prepare for perennial drought cycles and uncertainty over imported water supplies.*



*Sherry Wanninger serves as an elected member of the Moulton Niguel Water District Board of Directors. An expert in finance and contracts, Director Wanninger has contributed to the District's prudent financial management, balanced budgets, and responsible long-term planning. As a Santiago Aqueduct Commissioner, Director Wanninger works collaboratively with Moulton Niguel's regional water partners to ensure safe and reliable access to imported water from the Metropolitan Water District of Southern California.*

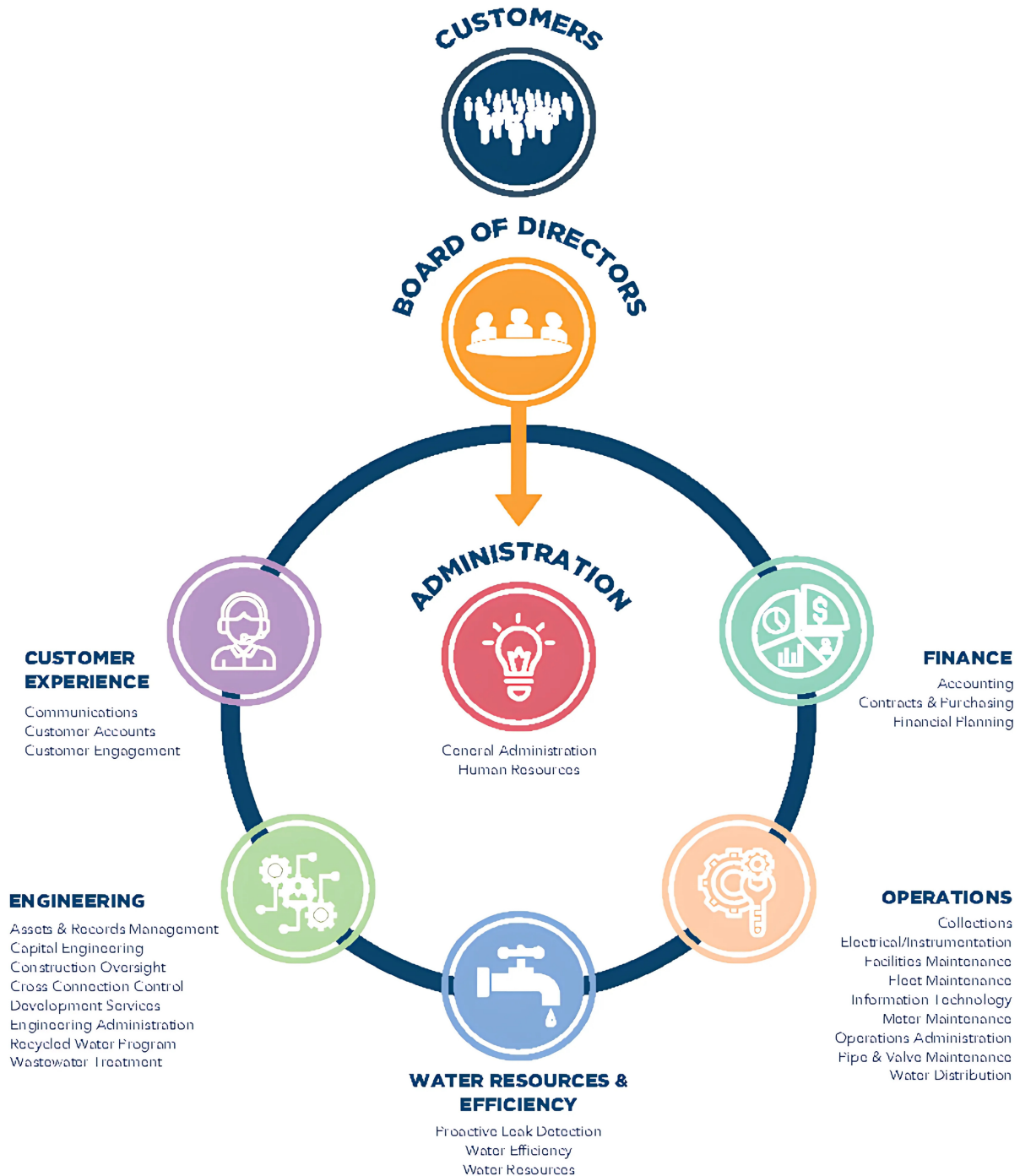


*Donald R. Froelich serves as an elected member of the Board of Directors for the Moulton Niguel Water District. For the past decade, Director Froelich has applied his engineering knowledge, legal acumen, and technical skills in overseeing Moulton Niguel's robust infrastructure system, which includes 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.*

## Organization Chart (FY 25-26)

The District utilizes a functional organizational structure, unique from a traditional hierarchy, focused on increasing operational efficiency by promoting collaboration between Departments to achieve District-wide goals and objectives. Details of each Division and associated Departments are located within the [Departmental Information](#) section.

Figure 6: FY 24-25 Organization Chart



# FINANCIAL STRUCTURE, POLICY, & PROCESS

## Fund Descriptions & Structure

This primary purpose of the District's operating and capital funds are discussed in this section. The distinct classification of expenses into operating or capital is provided in more detail in [Appendix F](#). The flow of funds is displayed in [Figure 7: Flow of Funds](#).

### Operating Funds

#### ***Fund 1 – General Fund***

The General Fund accounts for programs and activities related to providing service for the efficient use of potable and recycled water and the management of wastewater collection and treatment systems. This fund includes the *General Operating Reserve* and *Emergency Reserve*, discussed in more detail in the [Financial Policy Summaries](#) section. Operating expenses and capital outlays are paid by the General Fund.

#### ***Fund 4 – Self Insurance Fund***

The Self Insurance Fund is funded through transfers from the General Fund and is utilized to pay for insurance claims paid by the District. This fund includes the *Self Insurance Reserve*, discussed in more detail in the [Financial Policy Summaries](#) section.

#### ***Fund 52 – Rate Stabilization Fund***

The Rate Stabilization fund is funded through transfers from the General Fund and includes the *Rate Stabilization Reserve*, which is discussed in more detail in the [Financial Policy Summaries](#) section.

#### ***Fund 6 – Water Use Efficiency Fund***

The Water Use Efficiency (WUE) Fund is funded through WUE charges as well as demand offset fees. The District rate structure calculates individualized water budgets for each customer and recovers increased costs from higher rates tied to inefficient use. This promotes efficient water use and recovers the increased potable and recycled water system costs from inefficient water use. The WUE fund is used to pay for WUE operating and capital expenditures which are related to enhancing District water supply reliability.

### Capital Funds

#### ***Fund 7 – Replacement & Refurbishment Fund***

The Replacement and Refurbishment (R&R) Fund is used for capital expenditures which: (1) replace existing assets, (2) refurbish or materially extend the useful life of existing assets, and/or (3) upgrade assets. The R&R Fund is funded from bond proceeds, capacity fees, or transfers in from the General Fund identified during the budget process.

#### ***Fund 12 – Water Supply Reliability Fund***

The Water Supply Reliability Fund is used to pay capital expenditures associated with projects which enhance the reliability of the potable and recycled water systems. The Water Supply Reliability Fund is funded from bond proceeds or transfers in from the General Fund identified during the budget process.

#### ***Fund 14 – Planning and Construction Fund***

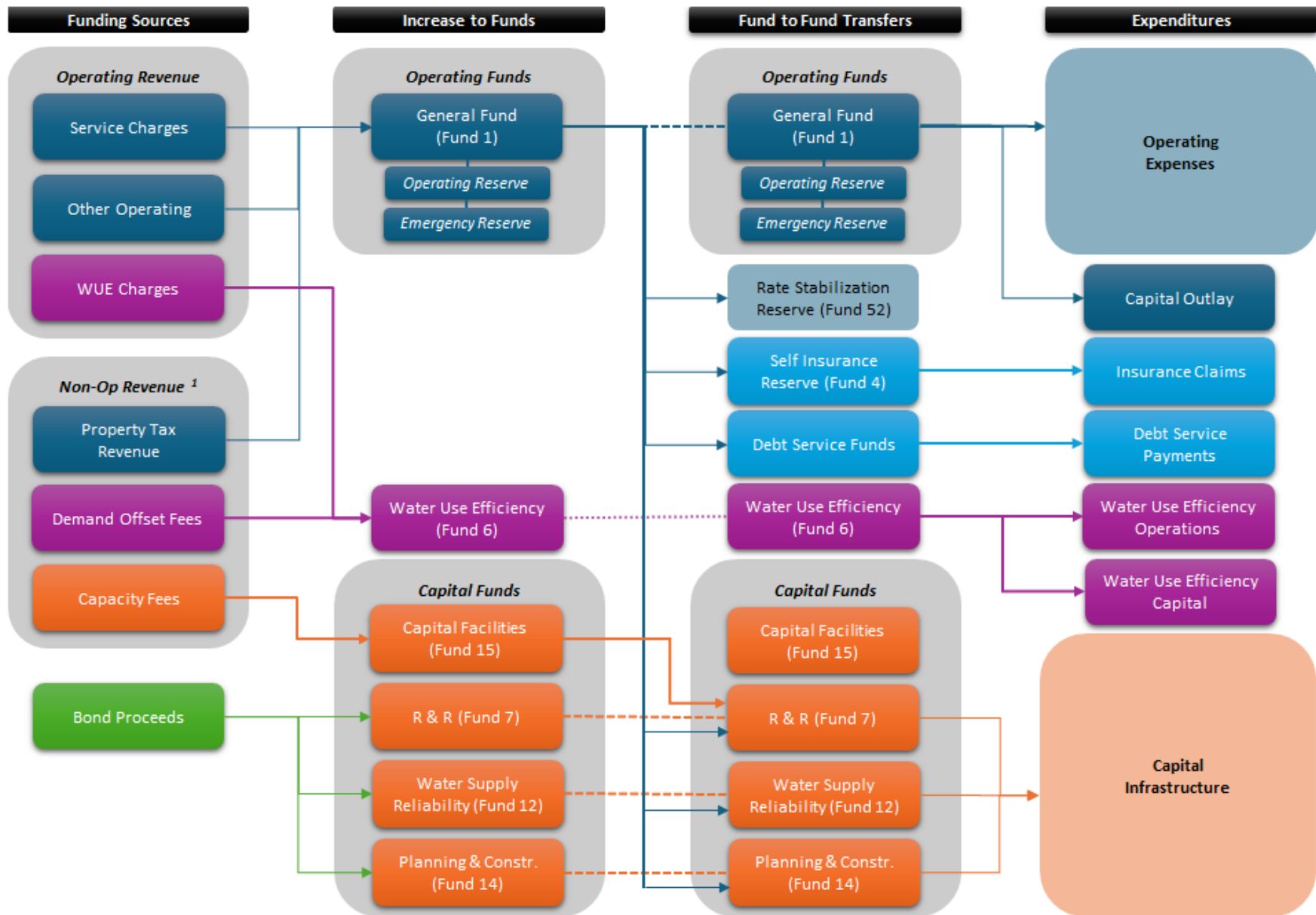
The Planning and Construction Fund is used to pay capital expenditures associated with the development of new District facilities that do not result in new potable or recycled water supplies as identified in the District's Capital Improvement Plan. The Planning and Construction Fund is funded from bond proceeds or transfers in from the General Fund identified during the budget process.

#### ***Fund 15 – Capital Facilities Fund***

The Capital Facilities Fund is a restricted fund to collect capacity fees paid by developers for new or expanded connections to the water and wastewater systems. Capacity fees are collected and accounted for in this fund as they are received. During the annual budget process, funds contributed in the prior year are transferred into the Replacement & Refurbishment Fund to pay for capital projects in the upcoming year.

# Fund to Fund Relationships

Figure 7: Flow of Funds



<sup>1</sup> Non-operating revenue also includes investment earnings which are maintained in the fund within which they are earned.

# Budget Process

Figure 8: Budget Timeline

## Development, Review, and Adoption

The budget process begins annually in November. Financial Planning works with each Department to develop a comprehensive budget based on resource needs to meet District goals. In December, Engineering coordinates with staff on new capital projects and integration of those projects into the 10-year CIP which informs the 10-year Capital Financing Plan. The annual budget covers a fiscal year but is developed in tandem with the impacts of a 10-year forecast.

Over the years, the District has identified core functional areas that 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 FOCUS, as highlighted in the [Strategic Plan](#) section of this document. The Strategic Plan contributes to informing the annual budget.

Staff presents a proposed 10-year Capital Improvement Program, Capital Financing Plan, and Operations & Maintenance Budget at an annual Board workshop held in May each year. Opportunities for Board discussion and public comment are an integral part of the budget process, and a proposed budget is discussed at public meetings prior to consideration for adoption by the Board. District staff integrates feedback from the public meetings and compiles a final proposed budget, which the Board considers and adopts in June each year. The budget timeline is shown in [Figure 8: Budget Timeline](#).

## Amendments and Fund Transfers

Through an annual budget resolution, the Board of Directors authorizes expenditure and appropriation of funds for the fiscal year. Any unexpected expenses that require additional funding beyond the authorized budgeted appropriations or fund transfers requires a budget amendment via resolution by the District’s Board of Directors, as outlined in [Appendix B](#).

The budget resolution outlines fiscal controls placed on the use and transfer of appropriated funds. Transfers between categories 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. 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 can be made multiple times throughout the fiscal year as long as the total does not exceed the maximum amounts for each fund identified in the budget resolution.

# Budget Timeline FY 2025-26

## NOVEMBER 2024 - MARCH 2025

### Budget Process Kickoff

- Budget sheets distributed
- Meetings with departments
- Budget compilation
- Executive review sessions



## JANUARY 2025

### Updates with Board of Directors

- Board Strategic Planning Session



## MAY 2025

### Budget Proposal

- Special Board Meeting
- Committee and Board meetings
- Annual Financial Policies Review



## JUNE 2025

### Final Review & Adoption

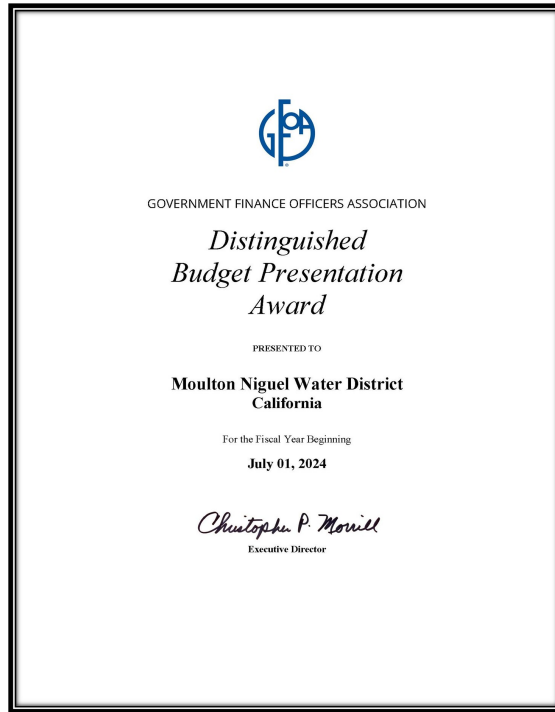
- 6/12: Board of Directors meeting for final budget review and adoption



# Financial Policies & Basis of Budgeting Overview

This section includes a summary of the District’s financial policies and basis of budgeting. All financial policies are adopted 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. The financial policy review and adoption by the Board of Directors occurs annually within the budget process, or as needed to provide timely updates as public agency laws or conditions change. The financial policies are attached to this document from [Appendix E](#) to [Appendix J](#). All accounting and financial reporting systems are maintained in conformance with all state and federal laws, Generally Accepted Accounting Principles (GAAP), and standards of the Governmental Accounting Standards Board (GASB). The District is a proud recipient of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award and the California Society of Municipal Finance Officers (CSMFO) Award in Budgeting.

**Figure 9: GFOA's Distinguished Budget Presentation Award**



**Figure 10: CSMFO Operating Excellence Award**



# Basis of Budgeting

## Cash Basis Budgeting

Consistent with GFOA best practices, the District utilizes the cash basis method of budgeting. The cash basis method provides a global understanding of the budgeting method across District Departments and accurately identifies financial resources for the upcoming fiscal year.

In contrast, financial statements presented in the Annual Comprehensive Financial Report (ACFR) utilize the accrual basis of accounting, and are prepared under Generally Accepted Accounting Principles (GAAP). The differences between the cash and accrual methods and financial statement presentations are discussed further in the [Financial Statements](#) section of this document.

## Budget Appropriations

The District appropriates a balanced budget for all funds, with total recurring revenues equal to or greater than total recurring expenses, such that at year-end, all funds maintain a positive fund balance and reserves are maintained. 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.

## Financial Planning

The District will continue to effectively utilize internally developed short-term financial planning tools, while emphasizing long-range financial planning. Staff maintains a monthly cash flow model to forecast temporal distributions of cash inflows and outflows to ensure sufficient liquid funds are available for ongoing expenses throughout the year. The Financial Planning Department receives monthly capital expense projections from the Engineering Department and updates the monthly cash flow model to identify potential cash flow constraints and to coordinate portfolio restructuring with the District's Investment Advisor when necessary. This proactive communication between Departments has allowed the District to maximize investment earnings as cash reserves are 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 LRFP includes financial projections for operations and incorporates the capital improvement program to project future needs and assist in the development of strategies to address those needs. The District operating budget serves as a critical input into the long-term financial outlook for the District. Additionally, the District's 10-year cash flow summary provides long-term context for making near-term financial decisions.

## Enterprise Funds - Rates

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

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

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

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

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

## Financial Policy Summaries

This section summarizes the financial policies of the District, guided and written in accordance with GFOA best practices.

### ***Managing Water District Debt (Policy A-3)***

The District utilizes 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 strives to maintain a strong financial position through targeting a debt service coverage ratio (DCR) above 1.75, which is included in the policy. The District's Debt Management Policy is updated as needed and is reviewed annually during the budget process. The complete policy is attached as [Appendix E](#).

### ***Capitalization & Surplus (Policy A-4)***

The District maintains the Capitalization & Surplus policy to direct the types of costs that will be capitalized in accordance with GASB reporting requirements. This is also used as a guideline for budgeting purposes and the distinction of funding differences for operating and capital expenditures. Key policy specifications for capital assets include:

- The capital asset threshold is maintained at \$5,000 excluding service connections at \$3,000.
- Capital assets must have a minimum useful life of five years.
- Capital assets will be depreciated using the straight-line method and reported at historical value.
- Specific costs included in the reporting value, including fully burdened labor and indirect costs.
- Repairs and maintenance costs are classified as operating expenses.

The policy also provides specifications for regulated assets. The District's Capitalization & Surplus Policy is updated as needed and is reviewed annually during the budget process. The complete policy is attached as [Appendix F](#).

### ***Purchasing Services, Materials & Public Works Projects (Policy A-5)***

The Purchasing Services, Materials & Public Works Projects Policy encourages transparency and sufficient fiscal controls on all purchases and sales to the extent required by law for Special Districts or as included in this policy. It delegates purchasing authority and maintains procurement limits and contract signature authority for the District. The Policy is updated as needed and is reviewed annually during the budget process. The complete policy is attached as [Appendix G](#).

### ***Federal Grant Management (Policy A-6)***

The Federal Grant Management Policy is intended to supplement the management and fiscal accountability of Federal Grants for the District. It requires procurement for services and materials included in Federal Grants to comply with the Uniform Guidance. The District's Federal Grant Management Policy is updated as needed and is reviewed annually during the budget process. The complete policy is attached as [Appendix H](#).

### ***Maintaining Water District Investment Funds (Policy A-7)***

The Investment Policy documents delegation and guidelines for the investment of public funds in accordance with California Government Code. 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 losses arising from market changes or issuer default. Accordingly, the following factors are considered in determining individual investment placements:

1. Safety
2. Liquidity
3. Yield

The Policy is updated as needed and is reviewed annually during the budget process. The complete policy is attached as [Appendix I](#).

# Financial Policy Summaries (Continued)

## *Maintaining Water District Cash Reserve Funds (Policy A-8)*

The Policy for Maintaining Water District Cash Reserve Funds mitigates risks associated with revenue and expense volatility and reduces potential unexpected and significant rate adjustments. The policy helps in maintaining the District's creditworthiness by providing adequate safeguards against economic uncertainty, natural disaster, extraordinary costs, or other emergency conditions. Reserves can be utilized when there are fluctuations in revenues such as reductions in property tax receipts, disasters or catastrophic events, losses not covered by insurance, compliance with bond covenants, and funding designated infrastructure replacement and refurbishment. The Policy is updated as needed and reviewed annually during the budget process. The various types of financial reserves are briefly described below and the complete policy is attached as [Appendix J](#).

### **General Operating Reserve**

This reserve is established to provide funding for sufficient liquidity and cash flow for operations on a day-to-day basis. Maintaining this reserve is key to managing routine 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 budgeted operating expenses, consistent with industry best practices for agencies with monthly rate revenue. The General Operating Reserve is maintained in the General Fund (Fund 1).

### **Self Insurance Reserve**

This reserve is used to provide funding 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).

### **Rate Stabilization Reserve**

This reserve is used to provide funding 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% of the District's ad valorem property tax revenue. The Rate Stabilization Reserve is maintained in the Rate Stabilization Fund (Fund 52).

### **Emergency Reserve**

This reserve enables the District to quickly repair critical assets in the event of a natural disaster or facility failure. The target balance of the Emergency Reserve is equal to 2 % of the replacement costs of the District's critical 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 Statements

## Description of Statements by Fund

*Table 2: All Funds Statement* summarizes annual operating and non-operating revenues, bond proceeds, operating expenses, capital investments, and debt service. Operating expense line items are grouped and presented in a manner consistent with financials reported by the Accounting Department to the Board.

In addition to the All Funds statement, there are two additional fund statements included in this section. The General Fund is the primary fund of the District and houses the majority of District operations and activities (*Table 3: General Fund Statement*). The Water Use Efficiency Fund includes operations and activities specific to water efficiency, conservation, and allocated water reliability projects (*Table 4: Water Efficiency Fund Statement*). These Fund statements are consolidated and included in the All Funds statement.

All budget statements within this section include activities from all associated Departments. Transfer activities between funds that occur in the budget are captured and displayed in *Table 5: Summary of Revenues, Expenses and Transfers*.

## Cash v. Accrual Basis of Accounting

The following financial statements are presented on a cash basis method for budgeting purposes.

The cash basis method budgets for revenues and expenses in the period they are received or disbursed. Bond proceeds are included in the budget as well as the full amount of debt service payments, including repayment of principal. Cash payments for pension, Other Post-Employment Benefits (OPEB), and other long-term obligations are planned within the budget as disbursements are made. Non-cash expenses, such as depreciation and amortization, are not included.

In contrast, Financial statements presented in the Annual Comprehensive Financial Report (ACFR) are prepared using the accrual basis of accounting in accordance with Generally Accepted Accounting Principles (GAAP). Under the accrual method, revenues and expenses are recognized and reported in the period they are earned or incurred. Pension, Other Post-Employment Benefits (OPEB), and other long-term obligations are recorded in the period they are due and payable.

As a result, financial statements presented in the ACFR may differ slightly from those included in this budget document.

**Table 2: All Funds Statement**

	FY 23-24	FY 23-24	FY 23-24	FY 24-25	FY 25-26	FY 25-26	FY 25-26 vs FY 24-25	
	Budget	Actual	\$Δ	Adopted Budget	Proposed Budget	Budget Forecast*	\$Δ	%Δ
<b>Revenue (Operating):</b>								
Water Revenue	34,188,707	30,693,451	(3,495,255)	36,048,110	39,081,957	38,626,884	3,033,847	8 %
Recycled Water Revenue	6,877,107	4,821,732	(2,055,375)	7,152,192	7,682,157	7,590,703	529,965	7 %
Sewer Revenue	29,676,776	32,555,402	2,878,626	30,914,799	33,260,262	32,864,306	2,345,463	8 %
Water Efficiency Revenue	5,927,633	3,558,692	(2,368,941)	5,927,633	5,927,633	5,927,633	-	— %
Other Operating Revenue	1,321,848	496,786	(825,062)	1,427,569	2,610,555	1,046,443	1,182,986	83 %
<b>Total Operating Revenue</b>	<b>77,992,071</b>	<b>72,126,064</b>	<b>(5,866,007)</b>	<b>81,470,303</b>	<b>88,562,564</b>	<b>86,055,969</b>	<b>7,092,261</b>	<b>9 %</b>
<b>Revenue (Non-Operating):</b>								
Property Tax Income	34,780,406	35,526,158	745,752	36,048,817	37,238,076	37,238,076	1,189,259	3 %
Investment Income	2,241,924	3,781,283	1,539,359	2,667,934	4,465,704	2,465,796	1,797,770	67 %
Cell Site Income	2,168,860	1,637,950	(530,910)	2,249,665	2,333,568	2,333,568	83,903	4 %
Misc. Non-Operating Income	245,090	541,192	(1,806,740)	2,232,932	13,817,932	7,551,132	11,585,000	519 %
Capacity Fees	62,429	84,541	22,112	52,154	24,012	138,473	(28,142)	-54 %
Demand Offset Fees	36,000	9,436	(26,564)	54,004	12,000	12,000	(42,004)	-78 %
Bond Proceeds	-	-	-	72,750,000	-	-	(72,750,000)	-100 %
<b>Total Non-Operating Revenue</b>	<b>41,637,551</b>	<b>41,580,561</b>	<b>(56,990)</b>	<b>116,055,506</b>	<b>57,891,292</b>	<b>49,739,045</b>	<b>(58,164,214)</b>	<b>-50 %</b>
<b>Total Revenue</b>	<b>119,629,623</b>	<b>113,706,625</b>	<b>(5,922,997)</b>	<b>197,525,809</b>	<b>146,453,856</b>	<b>135,795,014</b>	<b>(51,071,953)</b>	<b>-26 %</b>
<b>Expense (Operating):</b>								
Salaries	20,431,281	19,775,075	(656,206)	23,108,362	25,758,235	24,230,297	2,649,873	11 %
PERS Employer Contributions	3,842,496	3,245,315	(597,181)	4,210,941	4,717,164	4,490,792	506,223	12 %
Defined Contribution 401A	373,687	267,659	(106,028)	412,740	469,770	439,129	57,030	14 %
Educational Courses	75,000	42,813	(32,187)	82,500	91,763	76,499	9,263	11 %
Travel & Meetings	340,000	474,981	134,981	435,560	420,895	408,000	(14,665)	-3 %
Employee Relations	125,123	19,499	(105,624)	81,510	81,510	83,140	-	0 %
General Services	589,000	514,847	(74,153)	473,600	464,680	479,072	(8,920)	-2 %
Annual Audit	62,000	63,685	1,685	68,000	75,941	69,360	7,941	12 %
Member Agencies O&M	555,972	494,286	(61,687)	1,643,222	3,337,434	578,434	1,694,212	103 %
Dues & Memberships	220,388	214,508	(5,880)	203,602	267,424	205,424	63,822	31 %
Election Expenses	-	-	-	240,000	-	-	(240,000)	-100 %
Consulting Services	3,511,674	2,757,638	(754,036)	3,181,500	5,281,530	3,242,970	2,100,030	66 %
Equipment Rental	27,000	20,626	(6,374)	36,000	58,800	36,720	22,800	63 %
District Fuel	412,500	317,463	(95,037)	377,000	377,000	384,540	-	0 %
Insurance - District	661,300	927,537	266,237	1,186,800	1,663,000	1,074,366	476,200	40 %
Insurance - Personnel	568,909	476,782	(92,127)	644,658	772,873	696,158	128,215	20 %
Insurance - Benefits	3,661,715	3,484,711	(177,004)	4,326,078	4,835,631	4,457,171	509,553	12 %
Legal Services - Personnel	50,000	37,352	(12,648)	50,000	50,000	51,000	-	0 %
Legal Services - General	430,000	519,023	89,023	425,000	420,000	433,500	(5,000)	-1 %
District Office Supplies	1,115,180	1,021,219	(93,961)	950,000	1,016,017	963,914	66,017	7 %
District Operating Supplies	2,154,900	1,780,401	(374,499)	3,420,405	4,327,400	2,128,008	906,995	27 %
Repairs & Maint. - Equipment	1,576,940	1,404,209	(172,731)	1,685,683	2,442,921	1,685,191	757,239	45 %
Repairs & Maint. - Facilities	5,045,072	5,332,590	287,518	5,503,915	7,689,698	4,363,015	2,185,783	40 %
Safety & Compliance	444,562	529,884	85,322	529,233	584,405	493,373	55,172	10 %
SOCWA	9,841,962	9,599,969	(241,993)	5,900,086	1,162,600	10,882,114	(4,737,486)	-80 %
Special Outside Assessments	178,000	148,460	(29,540)	168,298	181,893	171,664	13,596	8 %
Utilities	4,922,006	4,256,988	(665,018)	5,388,488	5,332,266	4,891,795	(56,222)	-1 %
Water Purchases**	31,717,237	28,643,616	(3,073,621)	33,508,301	36,337,987	35,547,836	2,829,686	8 %
Water Efficiency	2,226,500	873,097	(1,353,403)	1,864,000	1,872,000	1,872,180	8,000	0 %
<b>Total Expense (Operating)</b>	<b>95,160,404</b>	<b>87,257,236</b>	<b>(7,903,168)</b>	<b>100,105,480</b>	<b>110,126,838</b>	<b>104,435,662</b>	<b>10,021,358</b>	<b>10 %</b>
<b>Change in Operating Position</b>	<b>24,469,219</b>	<b>26,449,389</b>		<b>97,420,329</b>	<b>36,327,018</b>	<b>31,359,353</b>		
<b>Debt Service Payments</b>	<b>10,852,731</b>	<b>6,349,651</b>	<b>(4,503,080)</b>	<b>10,490,481</b>	<b>14,835,438</b>	<b>14,835,438</b>	<b>4,344,957</b>	<b>41 %</b>
<b>Capital Expense</b>								
General Fund	1,100,000	1,039,249	(60,751)	393,750	880,000	606,250	486,250	123 %
R&R Fund	66,632,807	39,686,074	(26,946,733)	44,983,943	68,444,988	52,611,148	23,461,045	52 %
Water Supply Reliability Fund	2,400,000	1,007,857	(1,392,143)	595,877	372,423	74,485	(223,454)	-38 %
Planning & Construction Fund	10,446,875	1,582,064	(8,864,811)	15,303,105	23,090,244	16,349,383	7,787,139	51 %
Water Efficiency Fund	1,600,000	131,672	(1,468,328)	1,050,000	50,000	50,000	(1,000,000)	-95 %
<b>Total Capital Expense</b>	<b>82,179,682</b>	<b>43,446,916</b>	<b>(38,732,766)</b>	<b>62,326,675</b>	<b>92,837,655</b>	<b>69,691,266</b>	<b>30,510,980</b>	<b>44 %</b>
<b>Projected Change in Funds</b>	<b>(68,563,194)</b>	<b>(23,347,178)</b>		<b>24,603,173</b>	<b>(71,346,075)</b>	<b>(53,167,351)</b>		

Statement Footnotes

Non-cash activity is excluded and totals may not foot due to minor rounding presentation differences in this statement.

\*Forecasted values are based on the FY 25-26 projections developed within the FY 24-25 Adopted Budget.

\*\*Water purchases are based on an overall 8.5% increase to MET rates, effective January 1st.

**Table 3: General Fund Statement**

	FY 23-24	FY 23-24	FY 23-24	FY 24-25	FY 25-26	FY 25-26	FY 25-26 vs FY 24-25	
	Budget	Actual	Difference	Budget	Proposed Budget	Forecast*	\$Δ	%Δ
<b>Revenue (Operating):</b>								
Water Revenue	34,188,707	30,693,451	(3,495,255)	36,048,110	39,081,957	38,626,884	3,033,847	8 %
Recycled Water Revenue	6,877,107	4,821,732	(2,055,375)	7,152,192	7,682,157	7,590,703	529,965	7 %
Sewer Revenue	29,676,776	32,555,402	2,878,626	30,914,799	33,260,262	32,864,306	2,345,463	8 %
Other Operating Revenue	1,321,848	496,786	(825,062)	1,427,569	2,610,555	1,046,443	1,182,986	83 %
<b>Total Operating Revenue</b>	<b>72,064,438</b>	<b>68,567,371</b>	<b>(3,497,066)</b>	<b>75,542,670</b>	<b>82,634,931</b>	<b>80,128,336</b>	<b>7,092,261</b>	<b>9 %</b>
<b>Revenue (Non-Operating):</b>								
Property Tax Income	34,780,406	35,526,158	745,752	36,048,817	37,238,076	37,238,076	1,189,259	3 %
Investment Income	2,186,898	3,684,476	1,497,578	2,622,070	4,343,164	2,454,811	1,721,094	66 %
Cell Site Income	2,168,860	1,637,950	(530,910)	2,249,665	2,333,568	2,333,568	83,903	4 %
Misc. Non-Operating Income	2,447,932	583,000	(1,864,932)	2,352,932	13,917,932	2,353,132	11,565,000	492 %
<b>Total Non-Operating Revenues</b>	<b>41,584,096</b>	<b>41,431,584</b>	<b>(152,512)</b>	<b>43,273,484</b>	<b>57,832,740</b>	<b>44,379,587</b>	<b>14,559,256</b>	<b>34 %</b>
<b>Total Revenue</b>	<b>113,648,534</b>	<b>109,998,956</b>	<b>(3,649,578)</b>	<b>118,816,154</b>	<b>140,467,671</b>	<b>124,507,923</b>	<b>21,651,517</b>	<b>18 %</b>
<b>Expense (Operating)</b>								
Salaries	18,709,299	18,272,776	(436,523)	21,164,717	23,640,370	22,160,592	2,475,653	12 %
PERS Employer Contributions	3,608,182	3,012,735	(595,447)	4,051,954	4,539,629	4,318,193	487,675	12 %
Defined Contribution 401A	340,806	238,872	(101,934)	376,277	430,143	400,361	53,866	14 %
Educational Courses	68,893	38,444	(30,449)	55,266	85,520	48,721	30,254	55 %
Travel & Meetings	287,225	438,896	151,671	391,933	368,321	363,501	(23,612)	-6 %
Employee Relations	125,123	19,499	(105,624)	81,510	81,510	83,140	-	0 %
General Services	589,000	514,847	(74,153)	473,600	464,680	479,072	(8,920)	-2 %
Annual Audit	62,000	63,685	1,685	68,000	75,941	69,360	7,941	12 %
Member Agencies O&M	555,972	494,286	(61,687)	1,643,222	3,337,434	578,434	1,694,212	103 %
Dues & Memberships	142,638	168,699	26,061	159,810	235,174	160,756	75,364	47 %
Election Expenses	-	-	-	240,000	-	-	(240,000)	-100 %
Consulting Services	2,261,674	1,928,811	(332,863)	1,931,500	4,789,530	1,967,970	2,858,030	148 %
Equipment Rental	27,000	20,626	(6,374)	36,000	58,800	36,720	22,800	63 %
District Fuel	412,500	317,463	(95,037)	377,000	377,000	384,540	-	0 %
Insurance - District	661,300	927,537	266,237	1,186,800	1,663,000	1,074,366	476,200	40 %
Insurance - Personnel	533,291	444,606	(88,685)	598,825	721,924	646,684	123,099	21 %
Insurance - Benefits	3,365,401	3,216,451	(148,951)	4,000,073	4,474,651	4,112,406	474,578	12 %
Legal Services - Personnel	50,000	37,352	(12,648)	50,000	50,000	51,000	-	0 %
Legal Services - General	400,000	513,111	113,111	400,000	400,000	408,000	-	0 %
District Office Supplies	778,180	861,820	83,640	672,302	771,467	680,662	99,165	15 %
District Operating Supplies	2,142,900	1,770,125	(372,775)	3,409,905	4,315,400	2,117,298	905,495	27 %
Repairs & Maint. - Equipment	1,550,440	1,331,584	(218,856)	1,364,682	2,072,836	1,357,771	708,154	52 %
Repairs & Maint. - Facilities	5,045,072	5,332,590	287,518	5,503,915	7,689,698	4,363,015	2,185,783	40 %
Safety & Compliance	438,662	526,556	87,894	523,458	579,330	487,482	55,872	11 %
SOCWA	9,841,962	9,599,969	(241,993)	5,900,085	1,162,600	10,882,114	(4,737,485)	-80 %
Special Outside Assessments	178,000	148,460	(29,540)	168,298	181,893	171,664	13,595	8 %
Utilities	4,922,006	4,256,988	(665,018)	5,388,488	5,332,266	4,891,795	(56,222)	-1 %
Water Purchases**	31,717,237	28,643,616	(3,073,621)	33,508,301	36,337,987	35,547,836	2,829,686	8 %
<b>Total Operating Expense</b>	<b>88,814,763</b>	<b>83,153,407</b>	<b>(5,661,358)</b>	<b>93,725,921</b>	<b>104,273,104</b>	<b>97,843,453</b>	<b>10,547,183</b>	<b>11 %</b>
<b>Change in Operating Position</b>	<b>24,833,771</b>	<b>26,845,549</b>		<b>25,090,233</b>	<b>36,194,567</b>	<b>26,664,470</b>		
<b>Capital Expense</b>								
Capital Outlay Expense	1,100,000	1,039,249	(60,751)	393,750	880,000	606,250	486,250	123 %
<b>Total Capital Expense</b>	<b>1,100,000</b>	<b>1,039,249</b>	<b>(60,751)</b>	<b>393,750</b>	<b>880,000</b>	<b>606,250</b>	<b>486,250</b>	<b>123 %</b>
<b>Projected Change in Funds</b>	<b>23,733,771</b>	<b>25,806,300</b>		<b>24,696,483</b>	<b>35,314,567</b>	<b>26,058,220</b>		

Statement Footnotes

Non-cash activity is excluded and totals may not foot due to minor rounding presentation differences in this statement.

\*Forecasted values are based on the FY 25-26 projections developed within the FY 24-25 Adopted Budget.

\*\*Water purchases are based on an overall 8.5% increase to MET rates, effective January 1st.

**Table 4: Water Efficiency Fund Statement**

	FY 23-24	FY 23-24	FY 23-24	FY 24-25	FY 25-26	FY 25-26	FY 25-26 vs FY 24-25	
	Budget	Actual	Difference	Budget	Proposed Budget	Forecast*	\$Δ	%Δ
<b>Revenue (Operating):</b>								
Projected Water Efficiency Revenue	5,927,633	3,558,692	(2,368,941)	5,927,633	5,927,633	5,927,633	—	— %
<b>Total Operating Revenues</b>	<b>5,927,633</b>	<b>3,558,692</b>	<b>(2,368,941)</b>	<b>5,927,633</b>	<b>5,927,633</b>	<b>5,927,633</b>	<b>(7)</b>	<b>— %</b>
<b>Revenue (Non-Operating):</b>								
Investment Income	55,026	96,808	41,781	45,867	122,540	10,986	76,673	167 %
Demand Offset Fees	36,000	9,436	(26,564)	54,004	12,000	12,000	(42,004)	(78) %
<b>Total Non-Operating Revenues</b>	<b>91,026</b>	<b>106,244</b>	<b>15,217</b>	<b>99,871</b>	<b>134,540</b>	<b>22,986</b>	<b>34,669</b>	<b>35 %</b>
<b>Total Revenue</b>	<b>6,018,659</b>	<b>3,664,936</b>	<b>(2,353,723)</b>	<b>6,027,504</b>	<b>6,062,173</b>	<b>5,950,619</b>	<b>34,662</b>	<b>1 %</b>
<b>Expense (Operating)</b>								
Labor	2,321,108	2,064,102	(257,006)	2,510,933	2,746,956	2,675,311	236,023	9 %
Educational Courses	6,107	4,369	(1,739)	27,234	6,243	27,778	(20,991)	-77 %
Travel & Meetings	52,775	36,085	(16,691)	43,627	52,574	44,499	8,947	21 %
Dues & Memberships	77,750	45,809	(31,941)	43,792	32,250	44,668	(11,542)	-26 %
Consulting Services	1,250,000	828,827	(421,173)	1,250,000	492,000	1,275,000	(758,000)	-61 %
Legal Services	30,000	5,912	(24,088)	25,000	20,000	25,500	(5,000)	-20 %
Conservation Supplies	349,000	169,675	(179,325)	288,198	256,550	293,962	(31,648)	-11 %
Repairs & Maint. – Equipment	26,500	72,625	46,125	321,000	370,085	327,420	49,085	15 %
Safety & Compliance	5,900	3,328	(2,572)	5,775	5,075	5,891	(700)	-12 %
Water Efficiency	2,226,500	873,097	(1,353,403)	1,864,000	1,872,000	1,872,180	8,000	0 %
<b>TOTAL OPERATING EXPENSES</b>	<b>6,345,640</b>	<b>4,103,829</b>	<b>(2,241,812)</b>	<b>6,379,558</b>	<b>5,853,733</b>	<b>6,592,209</b>	<b>(525,825)</b>	<b>-8 %</b>
<b>Change in Operating Position</b>	<b>(326,981)</b>	<b>(438,893)</b>		<b>(352,054)</b>	<b>208,440</b>	<b>(641,590)</b>		
<b>Capital Expense</b>								
<b>Total Capital Expense</b>	<b>1,600,000</b>	<b>131,672</b>	<b>(1,468,328)</b>	<b>1,050,000</b>	<b>50,000</b>	<b>50,000</b>	<b>(1,000,000)</b>	<b>-95 %</b>
<b>Projected Change In Funds</b>	<b>(1,926,981)</b>	<b>(570,565)</b>		<b>(1,402,054)</b>	<b>158,440</b>	<b>(691,590)</b>		

*Statement Footnotes*

Non-cash activity is excluded and totals may not foot due to minor rounding presentation differences in this statement.

\*Forecasted values are based on the FY 25-26 projections developed within the FY 24-25 Adopted Budget.

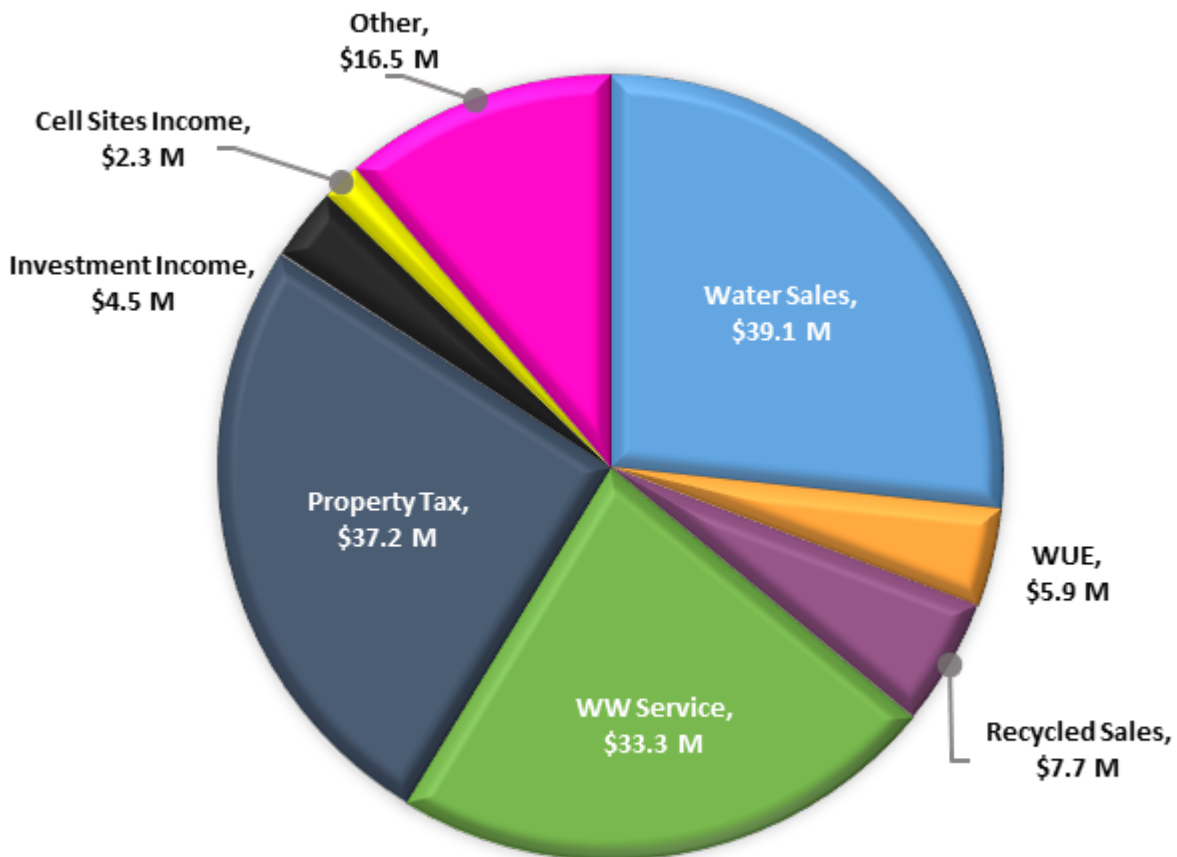
## Revenue Summary & Discussion

In January 2022, the Board adopted a four-year rate schedule for potable, recycled, and wastewater service charges based on the 2021 Cost of Service (COS) Study. Year-over-year changes in total revenue are mainly driven by adopted rates from the 2021 COS, changes in water consumption behaviors, and annual receipts of Ad Valorem property taxes. The District is conducting a Cost of Service Study that will be completed in Fall 2025 and will propose a four-year rate schedule for consideration by the Board of Directors to begin on January 1, 2026. Revenue budgets and projections are based on the trends displayed within the figures later in this section. The primary revenue sources of Moulton Niguel Water District for FY 25-26 are grouped into the following categories as shown in [Figure 11: Major Revenue Categories](#):

- Water Sales
- Recycled Water Sales
- Wastewater Service
- Water Use Efficiency Revenue
- Property Tax
- Investment Income
- Cell Site Income
- Other Income

**Figure 11: Major Revenue Categories**

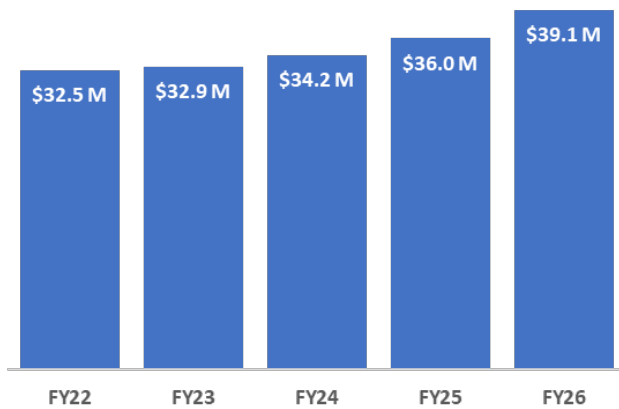
**Total Revenue \$146.5 million\***



\*To better illustrate the make up of incoming revenue streams, Figure 11: Major Revenue Categories excludes cash inflows from bond proceeds and the spend down of cash reserves that are shown in [Figure 1: Funding Sources and Funding Uses of the Executive Summary](#) and [Table 2: All Funds Statement](#).

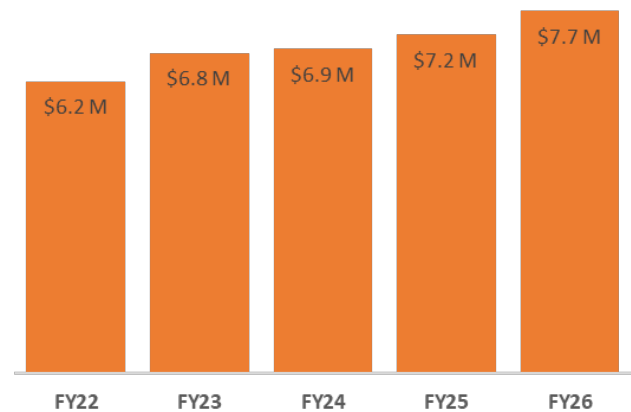
## Revenue Summary & Discussion (Continued)

### Water Sales



Water sales revenue is generated from customer usage of imported potable water. FY 25-26 potable water demand is budgeted at FY 24-25 levels. Though customer water usage continues to be lower in the last two “wet” years, this budget conservatively assumes demands representative of a typical year in case weather begins to revert back to “dry” conditions that have increased demands up to 25,144 AF as seen recently in FY 20-21. The increase in revenue is attributed to a 3% water rate increase, as well as a volumetric pass-through rate of \$0.14 / ccf to recover the increase in Metropolitan Water District of Southern California (MET) rates for imported water, both of which were effective January 1, 2025 through December 31, 2025. The pass-through rate recovers the difference between what was anticipated in the 2021 Cost-of-Service (COS) Study and MET’s adopted rates. Currently, the District’s Long Range Financial Plan projects that overall rate revenues increase by 12% beginning January 1, 2026; however, the actual increase and relative percent share of that increase between water, recycled water, and wastewater will be determined as part of the District’s cost of service study and considered by the Board of Directors before the end of 2025.

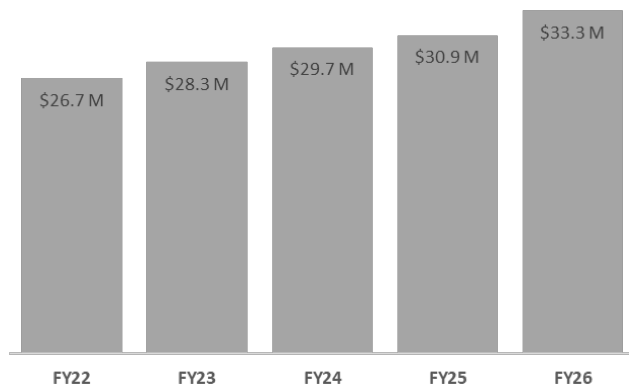
### Recycled Water Sales



Recycled water sales revenue is generated from customer usage of recycled water for irrigation. Projections for recycled water demand are unchanged from prior year levels and recycled water production is budgeted at 6,723 acre-feet. Similar to potable water, recycled water use has reduced significantly during the last two “wet” years, with actual demand for FY 22-23 falling below 5,000 AF. However, because recycled water use is entirely for outdoor irrigation, demands can increase proportionally in response to weather with “dry” year demands as high as 7,000 AF as recently as FY 20-21. As such, this budget conservatively assumes demands representative of a more typical year in case weather begins to revert back to “dry” conditions. The increase in revenue is attributed to an approved 3% recycled water rate increase, effective January 1, 2025 through December 31, 2025. Currently the District’s Long Range Financial Plan projects that overall rate revenues increase by 12% beginning January 1, 2026; however, the actual increase and relative percent share of that increase between water, recycled water, and wastewater will be determined as part of the District’s cost of service study and considered by the Board of Directors before the end of 2025.

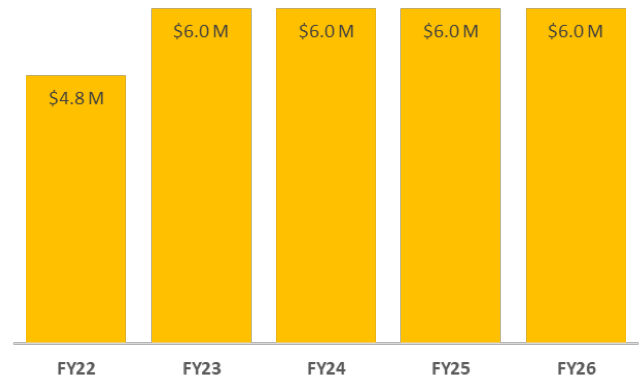
## Revenue Summary & Discussion (Continued)

### Wastewater Services



Wastewater services revenue is generated from the collection and treatment of wastewater. The increase in revenue is attributed to an approved 5.5% wastewater service rate increase, effective January 1, 2025 through December 31, 2025. Currently the District's Long Range Financial Plan projects that overall rate revenues increase by 12% beginning January 1, 2026; however, the actual increase and relative percent share of that increase between water, recycled water, and wastewater will be determined as part of the District's cost of service study and considered by the Board of Directors before the end of 2025.

### Water Efficiency Revenue



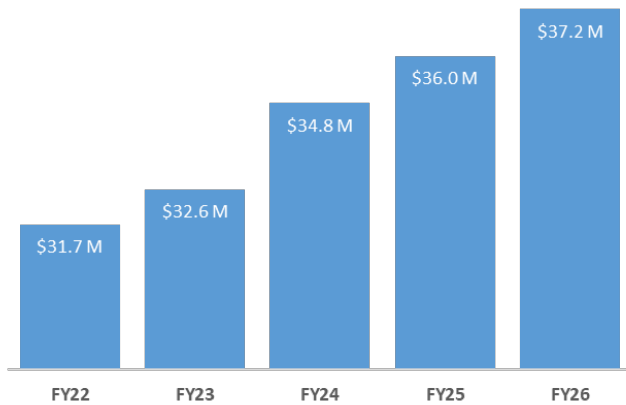
Customers who exceed their water budgets are billed at higher rates for the amount of water they use above their water budget. All water rate revenue over the retail cost of imported water will be designated for the Water Use Efficiency Fund to fund new water supply projects and invest in water efficiency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

The increase in FY 22-23 was due to the one-time 25% increase in water efficiency rates that was approved in January 2022 to fund water efficiency programs and water reliability planning projects.

Given customers' responsiveness to wet weather conditions, no increases in out-of-budget water use are anticipated. As such, no drought penalties are assumed and Water Efficiency revenues are projected to remain level for FY 25-26.

## Revenue Summary & Discussion (Continued)

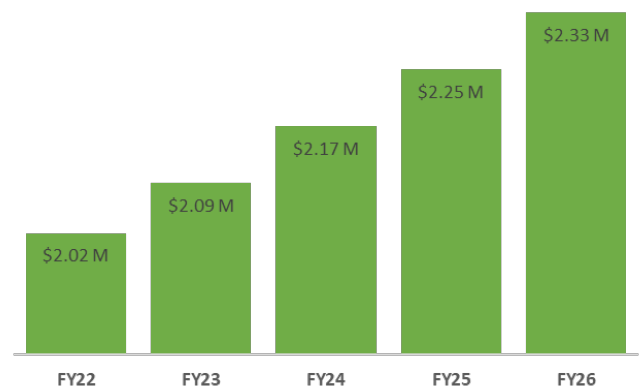
### Property Tax Income



The District receives an apportionment of Ad Valorem property taxes from the County of Orange. These revenues are reinvested into infrastructure which offsets funding requirements that would otherwise need to be collected through rates or debt, providing customers with the lowest average monthly bill in South Orange County.

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 3.3% 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 forecasts as conditions change, in particular if a declining interest rate environment prompts an acceleration in home sales.

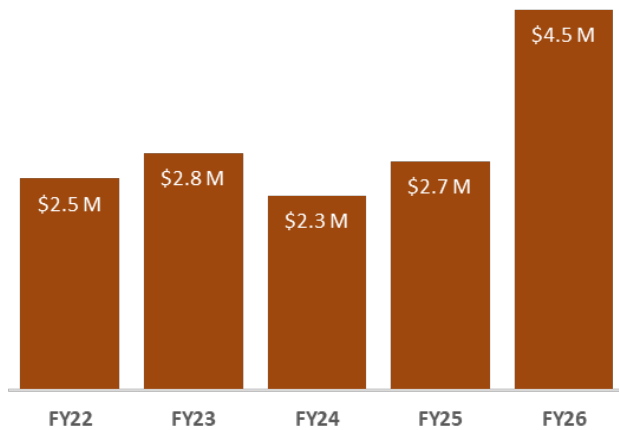
### Cell Site Income



This revenue is collected from leasing District facilities to cell carriers to place cell towers and equipment on reservoirs and other District locations. Since implementing the Communications Lease Agreement and Lease Policy, the Program has grown to include 39 agreements with various amendments. These communications facilities are distributed among 18 District sites. Anticipated cell site income for the upcoming fiscal year is forecasted to increase 3.7%, consistent with the growth rate used in previous fiscal period forecasts.

## Revenue Summary & Discussion (Continued)

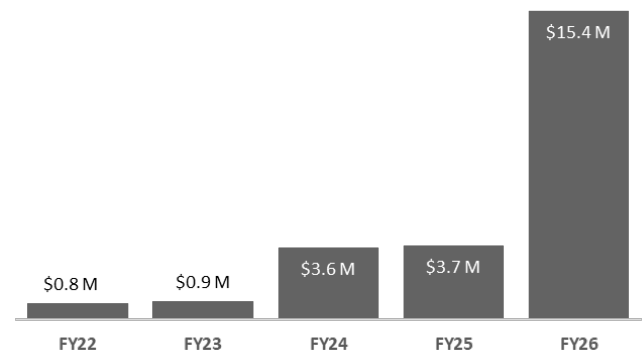
### Investment Income



The District maintains 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 \$4.5 million is a result of the growth in returns on unrestricted cash balances as a higher percentage of capital expenditures are reimbursed from restricted bond proceeds which are then reinvested in short-term securities to meet construction cashflow needs. Efficient coordination between the District's Financial Planning, Accounting, and Engineering Departments has increased the accuracy of short-term and long-term cash flow 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 3.64% earnings are based on the District's Investment Advisor's consultation. With efficient management and vigilant monitoring of market conditions, the District has successfully leveraged recent short-term strategies and seen opportunities for higher earnings rates of over 4% in recent months, reflecting the District's proactive approach to optimizing financial performance. 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.

### Other Income



Other Income includes grants and 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 rise in FY 25-26 is largely due to two reasons:

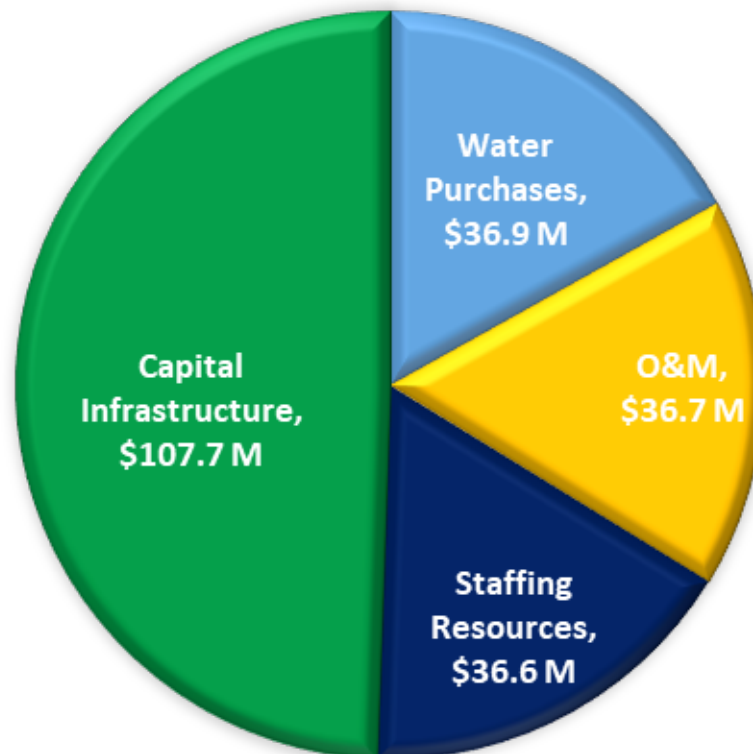
- the inclusion of over \$11 million in grants awarded by FEMA through its Hazard Mitigation program to fund the replacement of the Regional Lift Station pipelines and Building Resilient Infrastructure and Communities program to support the OASIS Water Resources Center planning studies, and;
- an accounting update to recognize that Moulton Niguel now invoices the contract partners for their respective share of solids handling costs at the Regional Treatment Plant. A similar adjustment is performed to reflect that Moulton Niguel pays the full up-front cost of the Plant's operations and there is no net financial impact of this change.

## Expense Summary & Discussion

Expenses for FY 25-26 are grouped into four major categories as shown below in [Figure 12: Major Expense Categories](#):

[Figure 12: Major Expense Categories](#)

**Total Expense \$217.8 million**



### Capital Infrastructure

Anticipated Capital Infrastructure investments of \$107.7 million represent over 50% of total expenditures. This budget appropriates \$92.8 million towards the Capital Improvement Program as well as \$14.8 million towards annual bond payments for past capital infrastructure investments. This category is the largest expense in the FY 25-26 budget and demonstrates the District's commitment to investing in critical water and wastewater infrastructure.

The Capital Improvement Program is discussed in detail within the [Capital Program](#) section of this document. Bond payments are outlined and discussed within the [Debt Management](#) section of this document.

### Operating Expense

Operating expense includes the following major categories:

- Water Purchases
- Operations & Maintenance (O&M)
- Staffing Resources

Operating expenses are primarily accounted for in two funds. The costs of providing continued services are reported and budgeted in the General Fund ([Table 3: General Fund Statement](#)), while costs for conservation and water efficiency efforts are reported and budgeted in the Water Use Efficiency Fund ([Table 4: Water Efficiency Fund Statement](#)). Each operating expense category is also combined and presented in total within [Table 2: All Funds Statement](#).

## Expense Summary & Discussion (Continued)

### Operating Expenses Highlights

As shown in [Table 2: All Funds Statement](#), total District operating expenses are budgeted to increase by 10.0% to a total of \$110.1 million. External sources account for nearly 33% of the year over year increase in the operating budget. The financial statements display the line-item detail of changes in operating expenses.

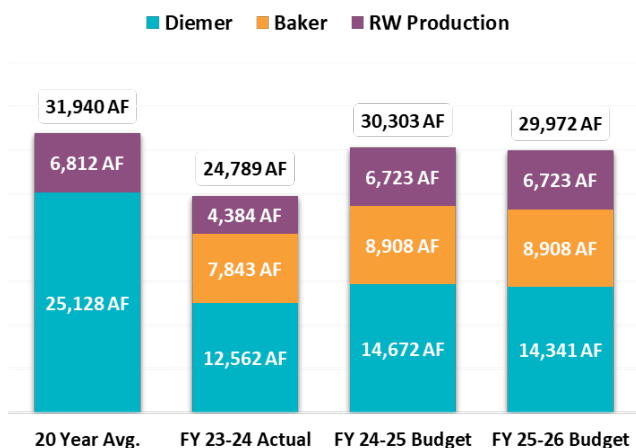
### Water Purchases

Water Purchases includes treated and untreated wholesale water, charges for the provision of wholesale water, Baker Treatment Plant charges and member agency O&M charges (the District’s participation in other shared facilities). The total \$36.9 million budget in FY 25-26 is made up of the following financial statement line items:

- \$36.3 million in Water Purchases
- \$0.6 million in Member Agencies O&M (Non-SOCWA O&M)

The Water Purchases budget increased by \$2.8 million for FY 25-26 in comparison to the prior year budget. It is the largest District operating expense and is driven by external agency rates and charges. The FY 25-26 budget increase is due to the 8.5% MET rate increase, effective January 1, 2025 and another 8.5% rate increase, effective January 1, 2026. The volume of imported water for FY 25-26 is projected as shown in [Figure 13: Water Purchases & Production](#). The budget increase is driven by cost increases from the District’s wholesale water provider and not by fluctuations in customer demand or the volume of water purchases. Though customer water usage has been considerably lower in the last two “wet” years, this budget assumes demands representative of a typical year as shown in the figure below:

**Figure 13: Water Purchases & Production**



### Operations & Maintenance (O&M)

The total O&M budget for FY 25-26 is \$36.7 million and represents less than 17% of the total budget. This category includes all operating expense line items from the fund statements that are not otherwise included in Water Purchases or Staffing Resources. Notable O&M line item budgets from the fund statements are discussed below:

### SOCWA O&M

The costs for the operation of the Regional Treatment Plant (RTP) have historically been represented in the SOCWA O&M category. Going forward the costs associated with RTP operations are now accounted for in their respective categories of the District’s chart of accounts with an FY 25-26 budget of \$9.5 million which is roughly level with the prior year budget. The costs associated with operating the J.B. Latham Treatment Plant and ocean outfalls are now invoiced to the District by neighboring agencies and the \$2.8 million FY 25-26 budget for those costs are reflected in the Member Agencies O&M line item. The SOCWA O&M line item FY 25-26 budget of \$1.2 million is now limited to shared services for the District’s pretreatment program, permitting, and laboratory support. The realignment of these costs does not result in a cost increase from the forecast as illustrated by comparing the FY 25-26 budget total of \$1.2 million to the \$10.88 million that was forecast in the fund statements and in [Table 17: Operating Expenses, Engineering](#). Because of this change, SOCWA O&M costs are now shown in Operations & Maintenance in [Figure 12: Major Expense Categories](#).

## Expense Summary & Discussion (Continued)

### Consulting Services

Consulting Services includes expenses associated with consultants and contractors required to support ongoing operations as well as initiatives to meet temporary or project specific resource requirements.

The budget for Consulting Services allocates resources for water quality contracts, engineering and operations studies, inspection services, water use surveys, and landscape surveys aimed at assisting customers with water management. It also covers cell site management, FOG program, and supports the District's outreach, communication, and marketing efforts. Over the last three fiscal years, the consulting services budget has approximated \$3.5 million on average. The FY 25-26 budget of \$5.3 million reflects a \$2.1 million increase from the prior year budget. New provisions for this fiscal year include planning studies related to OASIS Water Resources Center (partially offset by over \$1 million in grants), high-demand distribution system modeling in support of fire resiliency, support for GIS network migration, wastewater system master plan, as well as consulting services focused on supporting a peer review of the District's 2025 Cost of Service Study.

### Repairs & Maintenance - Facilities

The District maintains or reinvests in its facilities and systems and the FY 25-26 budget of \$7.7 million includes provisions for: System Maintenance and System Repairs, Paving Repairs, Raising Valves and Manholes, Permits, Janitorial Services, Landscape and Tree Maintenance, Waste Disposal, and Contract and Maintenance Agreements.

The Repairs & Maintenance Facilities budget increased by \$2.2 million from the prior year budget because of two factors. As was discussed on pg. 40, the reclassification of RTP expenses into this line item accounts for approximately \$1.2 million of the budget increase (there is no financial impact from the reclassification). The remainder of the increase is due to updates to projections for pavement resurfacing projects from cities, increasing cost of emergency repairs, new facilities hardening projects, as well as increased rates for grit screening and bio-solids handling.

### Repairs & Maintenance - Equipment

The FY 25-26 budget includes funding for the physical and digital equipment necessary for staff to maintain District infrastructure and respond to emergencies. The \$2.4 million budget for Repairs & Maintenance - Equipment is increased \$0.8 million over prior year. As was discussed on pg. 40, the reclassification of RTP expenses into this line item account for

\$0.4 million of the year over year increase (there is no financial impact from the reclassification).

The remaining increase is due to ongoing evaluation of expenses that are subject to GASB 96: in the prior fiscal year a specialty software object account was created for District-wide use and grouped into the Repairs & Maintenance - Equipment line item. This object is reserved for specialty software that will not be capitalized to properly align the budget with GASB 96 reporting requirements related to accounting for Subscription Based IT Arrangements (SBITAs). SBITAs are identified by specific criteria but essentially include any software or IT program that the District maintains the right to use over a defined period. SBITAs that meet the criteria defined in the reporting requirements are budgeted for as capital expenses, outside of the new specialty software object account included in operations. Prior to GASB 96, SBITAs were also included in the Consulting Services line item.

### District Operating Supplies

The FY 25-26 budget of \$4.3 million includes provisions for: chemicals for water and wastewater treatment (Chlorine, Sodium hypochlorite, etc.), laboratory services, PLC and PRV replacement parts, and other warehouse materials (gloves, paint, hoses, welding materials, truck parts). The \$0.9 million increase over prior year is due primarily to the reclassification of RTP expenses into this line item, see pg. 40 for detailed discussion.

### Insurance - District

The District maintains general liability, automobile and property insurance policies through its membership with the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA). A hard excess insurance market has driven consecutive ACWA/JPIA rate increases in recent years for District insurance plans ranging from 10-20% each year. As a result, the premiums for insurance have increased substantially industry-wide, contributing to a budget increase of \$476,200 when compared to the prior year. The FY 25-26 budget is comprised of Automobile & General Liability and Property Insurances, budgeted at \$1.2 million and \$0.5 million, respectively. The increase is also reflective of insurance costs for the Regional Treatment Plant now being accounted for in this line item (see pg. 40 for discussion). The result of the accounting change is \$0.2 million.

## Expense Summary & Discussion (Continued)

### Utilities

Utilities consists of electricity provided by Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) as well as gas provided by Southern California Gas Company (So Cal Gas). These agencies supply electricity and natural gas to District facilities, including wastewater facilities.

The Utilities budget for FY 25-26 totals \$5.3 million, with electricity accounting for the budget majority (Gas utilities are budgeted at \$0.3 million). Utility rates in Southern California have been rising substantially in recent years. This trend is expected to continue and the FY 25-26 budget anticipates an average rate increase of 5% from both the agencies. However the total Utilities budget is in line with prior year due to the Solids system being offline at Plant 3A for repairs, so there is reduced energy demand from the digesters not needing to be heated. The District has observed a continual increase in electricity rates and seeks to explore opportunities for enhancing cost management. Multiple projects in the FY 25-26 CIP budget involve the replacement of mechanical equipment where the new equipment will have a higher efficiency than the existing equipment, such as pumps and generators, and are expected to result in reduced electricity consumption associated with those assets. This budget also includes both the installation costs and the energy savings from the Micro-Hydro Turbine at Bridlewood FCF and Solar Panels at Headquarters Projects will generate electricity to help offset future electricity costs.

### Water Efficiency Programs & Rebates

Water Efficiency Programs and Rebates expenses are associated with leak detection efforts, resources and programs for water demand management, and efforts to promote water reliability. These costs are included in various line items within the fund statements and are discussed in more detail in the Water Resources & Efficiency section included under Departmental Information.

### Staffing Resources

Staffing Resources include the following line item expenses within the fund statements:

- Salaries
- PERS Employer Contributions
- Defined Contribution 401A
- Insurance - Benefits

The total Staffing Resources budget for FY 25-26 is \$36.6 million and represents 17% of the total expenses budgeted for the fiscal year. The FY 25-26 budget is driven by the following factors:

- The current memorandum of understanding (MOU) between the District and its employees. This MOU was developed to protect the financial health of the District while investing in high-quality personnel. The budget is inclusive of the terms reflected within the third year of the MOU.
- Pension rates provided by CalPERS for the miscellaneous plans of the District.
- Rates for employee insurance benefits were unknown at the time of the development of the budget, but were assumed at current insurance premiums levels with a 5.5% increase to the District share.

# Fund Balance Summary

**Table 5: Summary of Revenues, Expenses and Transfers**

Fund No.	Fund	Projected Cash Fund Balance 6/30/2025	Reserve Funds	Net Available	Increase		Total Available	Decrease		Total Decrease	Projected Ending Balance 6/30/2026	Fund Balance Change
					Revenue	Transfer		Expense	Transfer			
1	General*	122,884,681	61,368,276	61,516,405	139,504,299	-	201,020,704	105,153,104	92,892,237	198,045,341	64,343,639	-48%
6	Water Efficiency	3,302,923	-	3,302,923	6,313,715	-	9,616,638	5,903,733	-	5,903,733	3,712,905	12%
<b>Capital Improvement Funds</b>												
7	Replacement & Refurbishment	11,098,346	-	11,098,346	-	57,346,642	68,444,988	68,444,988	-	68,444,988	-	-100%
12	Water Supply Reliability	10,384	-	10,384	-	362,039	372,423	372,423	-	372,423	-	-100%
14	Planning & Construction	3,371,555	-	3,371,555	-	19,718,689	23,090,244	23,090,244	-	23,090,244	-	-100%
<b>Miscellaneous Funds</b>												
15	Capital Facilities	65,201	-	65,201	24,012	-	89,213	-	65,201	65,201	24,012	-63%
4	Self Insurance	250,000	250,000	-	-	100,000	100,000	100,000	-	100,000	250,000	0%
52	Rate Stabilization	18,024,408	18,619,038	(594,630)	-	594,630	-	-	-	-	18,619,038	3%
<b>Debt Service Funds</b>												
12	2019 Revenue Bonds**	-	-	-	-	4,428,625	4,428,625	4,428,625	-	4,428,625	-	0%
73	2019 COPS	-	-	-	-	3,312,706	3,312,706	3,312,706	-	3,312,706	-	0%
74	2021 COPS	-	-	-	-	2,744,400	2,744,400	2,744,400	-	2,744,400	-	0%
75	2025 COPS***	-	-	-	-	4,349,707	4,349,707	4,349,707	-	4,349,707	-	0%
<b>Total</b>		<b>159,007,498</b>	<b>80,237,314</b>	<b>78,770,184</b>	<b>145,842,026</b>	<b>92,957,438</b>	<b>317,569,648</b>	<b>217,899,930</b>	<b>92,957,438</b>	<b>310,857,368</b>	<b>86,949,594</b>	<b>-45%</b>

Notes to Change in Fund Balances:

**\*Fund 1 General Fund** - Emergency Reserves and Operating Reserves are included in General Fund Reserve Funds in target amounts of \$35,300,000 and \$23,431,481 respectively.

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

**\*\*\*Fund 75 2025 COPS** - Proceeds from the 2025 COPS are held in Fund 75; however, they are shown in the General Fund as capital expenses are initially paid through transfers from the General Fund into the respective Capital Fund. The General Fund is then reimbursed from Fund 75. The remaining proceeds allocated to each fund are consistent with anticipated CIP expenses.

## Fund Balance Details

### General Fund – Fund 1

Revenues and expenses that make up the aggregate totals reported in *Table 5: Summary of Revenues, Expenses and Transfers* are presented in *Table 3: General Fund Statement*. In addition to the \$105.2 million budgeted operating and capital outlay expenses, total use of funds for the General Fund includes \$92.9 million in transfers to the Capital, Miscellaneous, and Debt Service Funds for total cash outflows of \$198.0 million in FY 25-26.

### Water Efficiency – Fund 6

The District's Water Use Efficiency Fund receives revenue from customers who use water in excess of their individually calculated water budgets. These revenues go towards funding projects and programs which improve customer water efficiency and water supply reliability. The District plans to invest Water Use Efficiency funds in new water supplies and developing new water efficiency programs as detailed in *Table 4: Water Efficiency Fund Statement* and the [Water Resources & Efficiency section](#). The decrease of \$5.9 million in fund balance is consistent with the overall plan.

### Capital Improvement & Misc. Funds

The District's overall Capital Financing Plan includes the decrease in Capital Improvement funds 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 identifying funds earmarked for transfer, which are then authorized by the Board via resolution and executed throughout the fiscal year. The transfer is funded through proceeds from bond issuance, net revenues or existing cash held within Fund 1.

### Replacement and Refurbishment (R&R) – Fund 7

Capital investments of \$68.4 million for Fund 7 are driven by the FY 25-26 budget appropriation for the following projects:

- \$22.3 million for the Plant 3A Solids Handling Facilities Improvements
- \$14.9 million for the Regional Lift Station Force Main Replacement
- \$4.8 million for the North Aliso Lift Station Reconstruction
- \$4.6 million for the Aliso Creek Lift Station Rehabilitation
- \$2.8 million for Valve Replacements Program - Potable Water System

### Water Supply Reliability – Fund 12

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

Capital investments of \$23.1 million for Fund 14 are driven by the FY 25-26 budget appropriation for the following projects:

- \$15.6 million for the Regional Treatment Plant AWT Salinity Management
- \$3.5 million for the Plant 3A Solids Loadout Facility
- \$1.5 million for the Solar Panels at Headquarters

### 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 decrease in the fund balance reflects decreased infill projects and is annually updated in accordance with the efforts of the District's private development group.

### Debt Service Funds

The District has established debt service funds to ensure the timely payment of debt. The payment amounts for each debt service fund are transferred in during the course of fiscal year for debt service payments as they are due.

## Long-Range Financial Plan (LRFP)

The LRFP 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 LRFP 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. The annual budget serves as a key input to project long-range financial health.

The long-range financial planning model (10-year Cash Flow Model or Financial 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 LRFP 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 LRFP, in conjunction with other long-term planning efforts, provides a roadmap for future resource needs and actions. Currently, the District is implementing a \$807 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 actual results to CIP budgets and expectations of future project costs. The \$601.5 million Capital Financing Plan is displayed in the shaded blue area plotted within *Figure 15: District CIP (General Fund)*.

The District's high bond rating and strong financial position, aided by the 10-year Financial Model, serve as tools to aid in appropriately sizing future issuances to mitigate volatile rate increases and maintain a robust financial plan. The 10-year financial outlook for rate revenue adjustments meet the District's financial policy goals of funding reserves with a 1.75 debt service coverage target. The proposed adjustments are shown at an overall District-level and the system specific adjustments will be determined as part of the 2025 Cost-of-Service (COS) Study and considered by the Board of Directors before the end of 2025.

**Table 6: 10-Year Cash Flow Model Outputs**

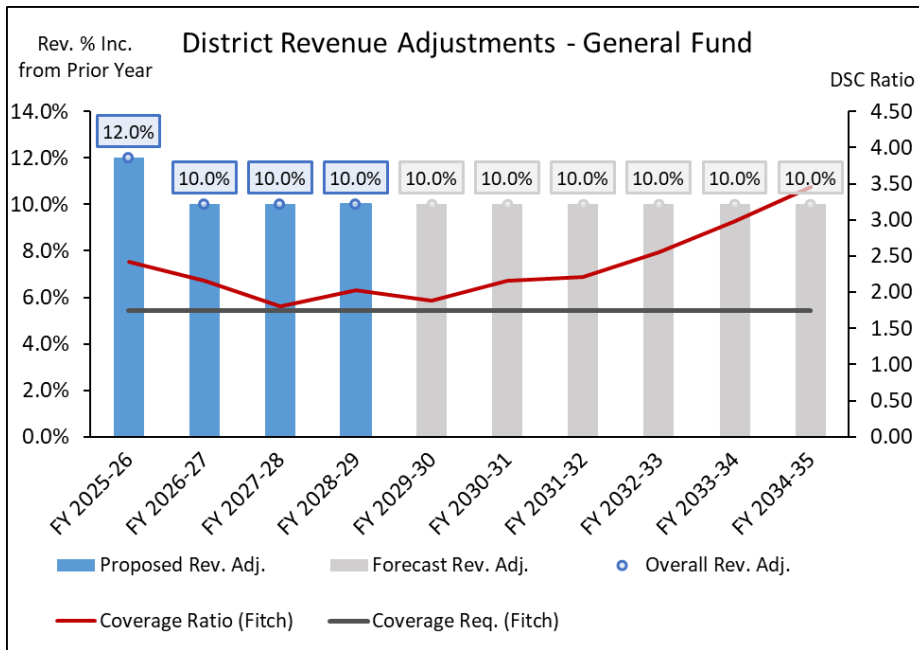
Forecasted Rate Adjustments	
Fiscal Year	Amount
25-26	12.0%
26-27	10.0%
27-28	10.0%
28-29	10.0%

Projected Bond Issuances	
Fiscal Year	Amount
26-27	\$75 million
28-29	\$95 million
30-31	\$66 million

**This scenario represents forecasted rate adjustments and bond issuances included in the LRFP. Based on updated fund balance projections and capital financing plan adjustments, projected bond issuances are required to maintain financial policy reserve targets throughout all 10 years.**

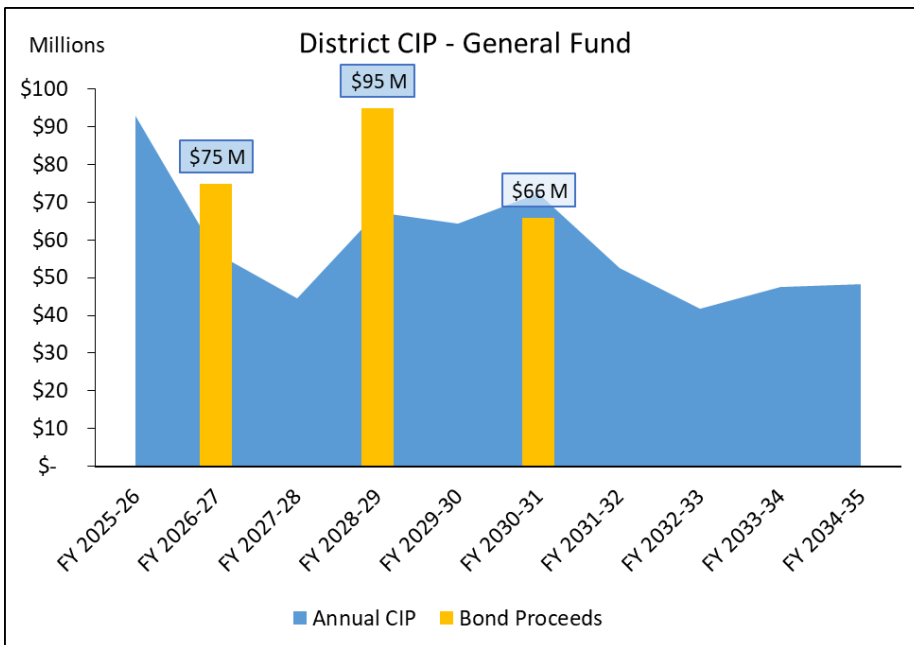
# Long-Range Financial Plan (Continued)

**Figure 14: District Rate Revenue Adjustments (General Fund)**



The 10-year forecast for General Fund rate revenue adjustments for water, wastewater, and recycled water keeps debt service coverage ratios at or above the Board policy target of 1.75 and well above the 1.25 required by bond covenants. The proposed rate revenue adjustments shown in blue are preliminary and will be evaluated as part of the District’s 2025 Cost of Service Study, which is currently underway. Subsequently, the Board will engage in a rate-setting process to consider new rates. Additionally, the District commits to annually updating the LRF during the budget process to reflect evolving circumstances and priorities.

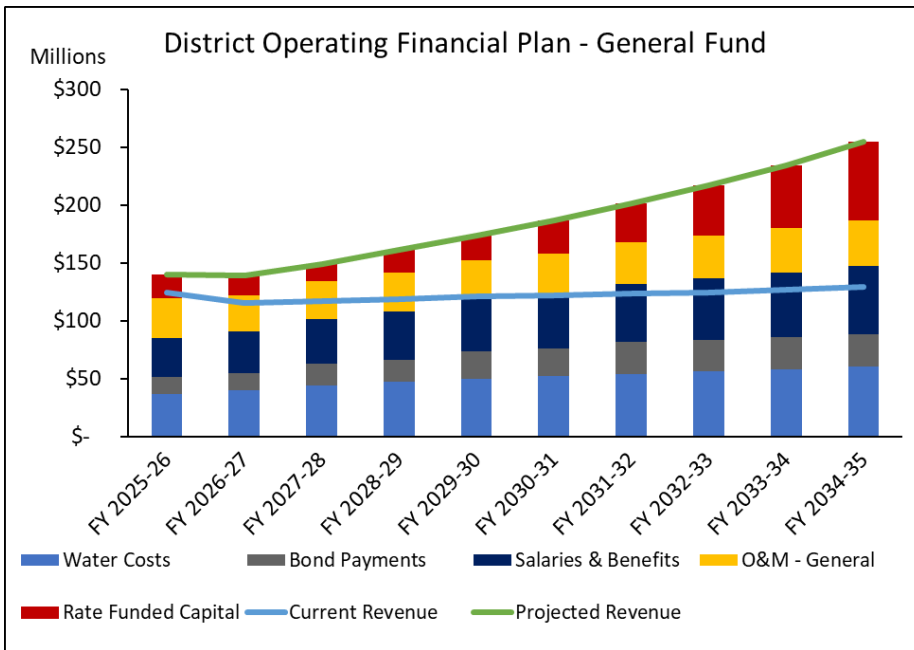
**Figure 15: District CIP (General Fund)**



The District maintains a strong debt service coverage ratio to keep financing options available. The strategy and timing of future issuances is key to executing the Capital Improvement Program. As the District’s capacity to issue bonds increases, the proposed financial plan supports the projected annual rate adjustments from Figure 14: District Rate Revenue Adjustments (General Fund), while providing for inter-generational equity amongst today’s customers and the customers of tomorrow. The bond issuances included within the updated LRF total \$236 million over the forecast period.

# Long-Range Financial Plan (Continued)

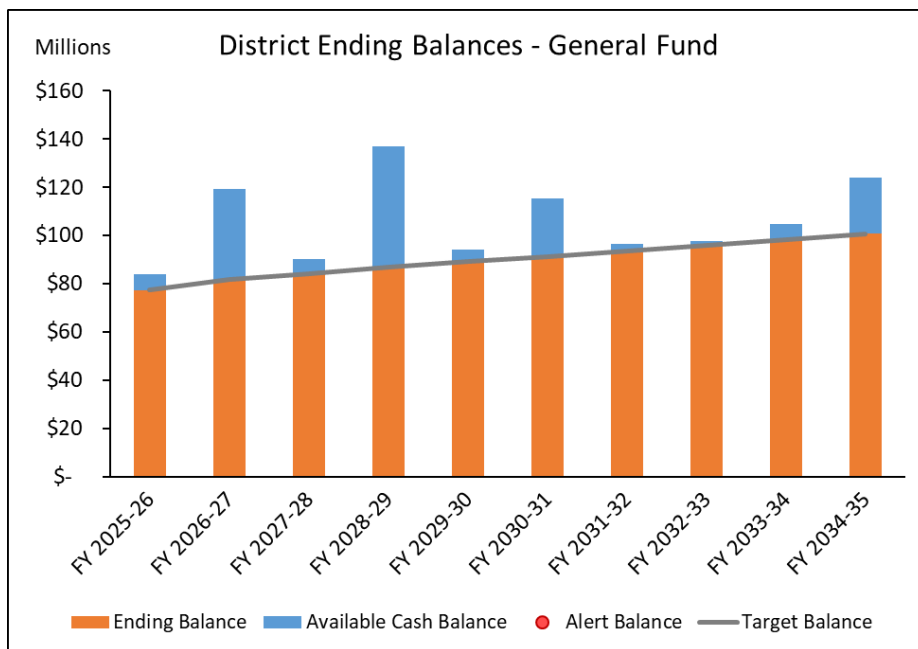
**Figure 16: District Operating Financial Plan (General Fund)**



The Operating Financial Plan breaks down 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 or replenish reserves if necessary.

**Figure 17: District Ending Balances (General Fund)**



The proposed revenue adjustments and bond issuances provide adequate cash balances to fully fund reserves in all years.

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



# DEPARTMENTAL INFORMATION

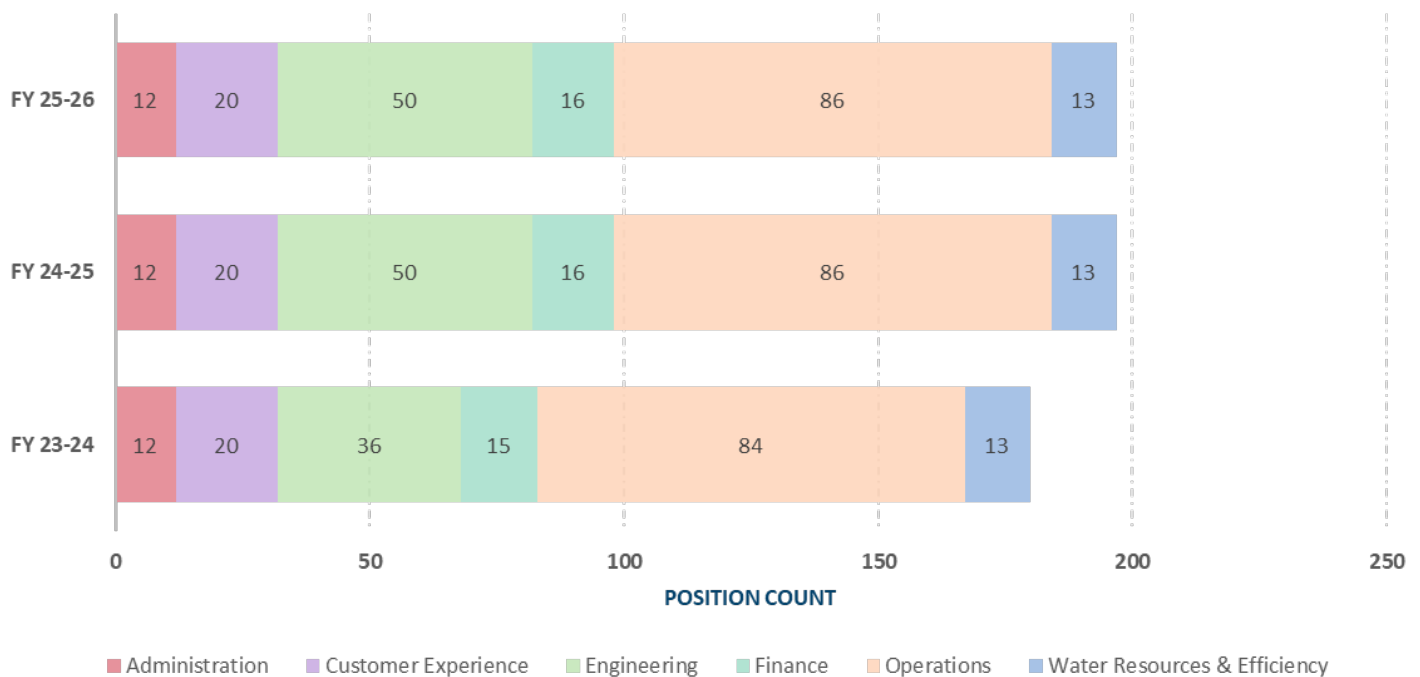
## Position Summary Schedule

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 7: Trend of Position Count by Division](#) lists the total position counts by Division while [Figure 18: Trend of Position Count by Functional Division](#) stacks it visually.

**Table 7: Trend of Position Count by Division**

Functional Divisions	FY 23-24	FY 24-25	FY 25-26
Administration	12	12	12
Customer Experience	20	20	20
Engineering	36	50	50
Finance	15	16	16
Operations	84	86	86
Water Resources & Efficiency	13	13	13
<b>District Department Totals</b>	<b>180</b>	<b>197</b>	<b>197</b>

**Figure 18: Trend of Position Count by Functional Division**



# ADMINISTRATION



## Administration

The Administration Division is responsible for the overall day-to-day management and support of the District. The Division is comprised of the General Administration and Human Resources Departments.

### *General Administration*

The Office of General Administration 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 inform policy and secure funding at every level.

### *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 skill sets through educational and professional training opportunities, ensuring a safe and equitable workplace by complying with all labor regulations and enforcing District labor policies, administering the District's Workers' Compensation Program, and delivering a positive overall employee experience by administering the collectively developed labor terms.

**Table 8: Trend of Position Count in Administration**

	FY 23-24	FY 24-25	FY 25-26	Changes/Trends
<b>Administration</b>				
General Administration	9	9	9	
Human Resources	3	3	3	
<b>Total Personnel</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>No changes in personnel from last FY</b>

**Table 9: Operating Expenses, Administration**

	FY 23-24 Budget	FY 23-24 Actual	FY 23-24 Difference	FY 24-25 Budget	FY 25-26 Proposed	FY 25-26 Forecast	FY 25-26 vs FY 24-25 \$Δ	FY 25-26 vs FY 24-25 %Δ
<b>EXPENSES (Operating)</b>								
Labor	\$ 3,284,192	\$ 3,118,746	\$ (165,446)	\$ 3,083,689	\$ 3,187,748	\$ 3,913,108	\$ 104,059	3.4 %
Educational Courses	1,375	2,469	1,094	2,056	2,107	2,097	51	2.5 %
Travel & Meetings	106,686	205,893	99,206	139,874	127,531	141,011	(12,343)	(8.8)%
Employee Relations	125,123	19,499	(105,624)	81,510	81,510	83,140	—	— %
General Services	—	79,347	79,347	—	—	—	—	— %
Dues & Memberships	105,600	119,176	13,576	114,465	141,080	116,754	26,615	23.3 %
Election Expenses	—	—	—	240,000	—	—	(240,000)	(100.0)%
Consulting Services	156,000	239,052	83,052	233,000	233,000	235,500	—	— %
Legal Services - Personnel	50,000	37,352	(12,648)	50,000	50,000	51,000	—	— %
Legal Services - General	400,000	513,111	113,111	400,000	400,000	408,000	—	— %
District Office Supplies	6,750	12,497	5,747	5,741	5,351	5,856	(391)	(6.8)%
Repairs & Maint. - Equipment	1,000	323	(677)	1,000	1,000	1,020	—	— %
Safety & Compliance	600	541	(59)	1,350	1,050	1,377	(300)	(22.2)%
<b>TOTAL</b>	<b>\$ 4,237,327</b>	<b>\$ 4,348,006</b>	<b>\$ 110,679</b>	<b>\$ 4,352,685</b>	<b>\$ 4,230,377</b>	<b>\$ 4,958,864</b>	<b>\$ (122,309)</b>	<b>(2.8)%</b>

## Operating Expenses Discussion - Administration

Line-item budgets included within *Table 9: Operating Expenses, Administration* that changed by more than \$50,000, or have other significance are discussed below:

### Labor

Labor is inclusive of salaries, CalPERS retirement, employee insurance, workers compensation and other employee benefits. The increase in Labor is driven by the following factors:

1. Planned implementation of year three of the Memorandum of Understanding with District employees during FY 25-26
2. CalPERS pension rates
3. Assumed increases for employee health insurance benefits

These factors are discussed in more detail in the [Expense Summary - Staffing Resources section](#).

### Election Expenses

Election Expenses includes costs related to the election of the District's seven-member Board of Directors. Board members are publicly elected by registered voters for staggered four-year terms. No election expenses are budgeted for FY 2025–26, as no elections are scheduled during this period. This expense is budgeted every two years.

## Performance Measures and Achievements - Administration

This section outlines performance measures and achievements for the Administration Division. *Table 10: Administration Goals* displays a list of completed, in-progress, and planned items related to the District’s Strategic Goals & Objectives. *Table 11: Administration KPIs* summarizes Key Performance Indicators (KPIs) for the Division.

**Table 10: Administration Goals**

Strategic Plan Alignment	Administration
<b>COMPLETED</b>	
3.c.i	a. Hosted a press conference and executed a comprehensive communications plan with OCFA and Aliso Viejo Community Association, and City of Aliso Viejo for the Helicopter Hydrant.
3.a.i	b. Crafted and implemented outreach strategies for NatureScape Garden Tour and Water Infrastructure Networking Summit (WINS 2024).
3.c	c. Planned and hosted the 2nd Water Infrastructure Networking Summit (WINS) with representatives from Los Angeles, Orange, San Diego, Riverside, and San Bernadino Counties.
3.c	d. Conducted briefings and tours for several local, regional, and state elected officials in our office and off-site facilities including Senator Adam Schiff Presented updates on key Moulton Niguel initiatives (Crown Valley Parkway Construction Project, OASIS, MNWD/OCWD/Santa Ana emergency interconnection).
3.c	e. Hosted meetings and events with new ACWA and MWDCS leaders, alongside other local water agencies.
3.c	f. Presented at MWD, MWDOC and WACO on current MNWD Initiatives, including the OASIS Water Resource Center.
3.c	g. Awarded several grants including \$10.3 CalOES/FEMA Hazard Mitigation Grant.
3.c	h. Worked closely with SOCWA and its member agencies to adopt new set of agreements for managing and operating various treatment facilities and resumed ownership and operation of the Regional Treatment Plant.
3.c.i	i. Signed a Memorandum of Understanding with Aarhus Vand and the Danish Water Technology Alliance committing to a formal knowledge exchange partnership; staff participated in fourteen meetings on AMI, data management, and data standards.
3.c	j. Recognized as a Climate Smart Water Utility by the International Water Association; Moulton Niguel was one of only two American utilities that received the honor in 2024.
3.c.i	k. Executed a license agreement with MWDOC to provide for an emergency operations center for the Water Emergency Response of Orange County at Building E.
4.a	l. Participated in the Capistrano Valley Unified School District Job Fair and Santiago Canyon College career fair.
4.a	m. Established partnership with Saddleback College for a Mechanic internship program.
4.a.iv	n. Implemented the Moulton Passport program as an internal cross-training and education opportunity for District staff.
4.a	o. Implemented all changes that were part of Year-2 of the 4-year MOU.
4.a	p. Coordinated the 2024 Future Leaders of Water Internship Program.
4.a	q. Achieved Top Workplace for the 8th year in a row.
4.a.iv	r. Developed the state mandated Workplace Violence Prevention Plan and trained all staff on the Plan.
4.a	s. Implemented a 457b deferred compensation personal loan program.
4.a	t. Enhanced the District’s Short-Term Disability plan by decreasing the eligibility waiting period from 30 days to 7 days.
5.b.ii	u. Significant outreach efforts to south Orange County agencies and project partners to support a pathway for implementing the OASIS Water Resource Center.
5.b.ii	i. Presented OASIS at several conferences, including AWWA ACE 24, California Stormwater Quality Association, California WateReuse, and WateReuse Symposium. In addition, hosted several presentations at headquarters with local, state, and federal officials and regulatory agencies. And lastly, presented at industry meetings such as the Orange County Water Association and Orange County WateReuse Chapter meetings.
5.b.ii	ii. Executed an MOU with County of Orange to collaborate for the benefit of Aliso Creek Watershed with several areas of interest including the OASIS program.

5.b.ii	iii. Executed an MOU with LADWP to solidify collaboration to further advance the OASIS program.
5.b.ii	v. Assumed ownership and operation of the Regional Treatment Plant, including on-boarding of 15 additional staff.
5.b.ii	w. Awarded two grants to support the OASIS program:
5.b.ii	i. \$1.5M BRIC Grant was awarded by FEMA for the overall OASIS program.
5.b.ii	ii. \$337,500 WaterSMART Grant was awarded by USBR for the runoff diversion component of the OASIS program.
5.b.ii	iii. With the award of these grants, three RFPs were issued to support the OASIS program, including for the runoff diversion study, DPR study, and outreach and communications efforts. The contract for the runoff diversion study was awarded in December 2024.
3.c.i	x. Executed a MOU with San Diego County Water Authority (SDCWA) to collaboratively explore the transfers of drought-proof water supplies from SDCWA to MNWD.

### IN-PROGRESS

2.a.v	a. Developing a centralized database and asset optimization tool to support future water loss, energy efficiency, power generation, and other system optimization projects.
3.c.i	b. Scoping compliance and long-term water efficiency program planning related to the Urban Water Use Objective.
3.c	c. Working with government affairs consultants, ACWA, California WaterReuse, Southern California Water Coalition, and other partners to monitor legislation and funding opportunities that may benefit or impact our District.
3.c	d. Evaluating upcoming District projects and programs and identifying possible new grant funding opportunities.
3.c	e. Monitoring proposals and actions at Metropolitan Water District related to:
3.c	i. Financial Policies & Business Plan
3.c	ii. Water Supply Planning
3.c	iii. Climate Change Planning
3.c	f. Monitoring proposals and discussions at OC LAFCO related to potential consolidation of OCWD/MWDOC.
3.c	g. 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.
3.c	h. 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 related to the Emergency Interconnection to OCWD Groundwater Basin at Santa Ana East Station.
3.c	i. Partnering with Danish water utility, Aarhus Vand A/S, and the Danish Water Technology Alliance, to collaborate on innovations in wastewater treatment, system optimization, and topics related to OASIS.
4	j. Delivering upon the objectives of the FLOW Initiative by:
4.a.ii	i. Build upon our collaborative partnerships with Santiago Canyon College, UC Irvine, and Cal Poly San Luis Obispo to educate their students about careers in the water industry and to apply for our FLOW internship program
4.a.ii	ii. Equip existing water professionals with leadership skills by developing and implementing an internal Supervisory Bootcamp.
4.a	k. Continuing to monitor state and federal legislation and court cases that directly affect labor and employee relations.
4.a.iv	l. Continuing the close working relationship with staff and the Orange County Employees Association.
4.a.ii	m. Continuing to recruit and select top talent and ensure vacant positions are filled in a timely manner.
4.a	n. Conducting an internal review of all benefits to ensure the District is in a competitive position in the labor market and make recommendations as needed.

### PLANNED

3.c	a. Meet with Congress Members, State Legislators, and local officials in our District area and their staff and continue to involve them in District events and activities (e.g., community events, online virtual programs, grant proposals, and state and federal agency official briefings).
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3.c	b. Continue to evaluate upcoming District projects and programs and identify possible new grant funding opportunities, including support and funding for the OASIS Water Resource Center and the Emergency Interconnection to OCWD Groundwater Basin at Santa Ana East Station.
3.c	c. Work with government affairs consultants, ACWA, California WaterReuse, Southern California Water Coalition, and other partners to monitor legislation and funding opportunities that may benefit or impact our District, including advocacy to promote need for additional infrastructure funding and streamlining for construction of water projects.
4.a.iv	d. Facilitate the completion of semi-annual Ethics and Harassment Prevention Training of applicable staff.
4.a	e. Implement and process all changes for year 3 of the new MOUs and Exempt Labor Resolution.

***Table 11: Administration KPIs***

<i>Strategic Plan Alignment</i>	<i>Key Performance Indicators</i>	<i>FY 23-24</i>	<i>FY 24-25 Projected</i>	<i>FY 25-26 Forecast</i>
<b>4.a.ii</b>	<b>Recruitments</b>	<b>23</b>	<b>33</b>	<b>40</b>
<b>4.a.i</b>	<b>New Employee Orientations</b>	<b>25</b>	<b>45</b>	<b>42</b>
<b>4.a.i</b>	<b>Applications Received</b>	<b>840</b>	<b>1,089</b>	<b>1,200</b>
	<i>Applications per Recruitment</i>	<b>37</b>	<b>33</b>	<b>30</b>

# CUSTOMER EXPERIENCE



## Customer Experience

The District has developed a comprehensive Customer Experience Division as part of an integrated approach to customer communications, community engagement, public outreach, and education programs. The Division is comprised of the Communications, Customer Accounts, and Customer Engagement Departments.

### *Communications*

The Communications Department has experienced a remarkable uptick in public engagement, driven by expanded outreach initiatives, community programs and education efforts, as well as strengthened collaborations with local and regional partners. Utilizing a data-driven multichannel strategy to connect with stakeholders across various platforms to ensure that we are effectively boosting customer engagement. Feedback from customers and member cities underscore the community's gratitude for increased interaction, communication, and active participation in events.

### *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 experience.

**Table 12: Trend of Position Count in Customer Experience**

	FY 23-24	FY 24-25	FY 25-26	Changes/Trends
<b>Customer Experience</b>				
Communications	3	3	3	
Customer Accounts	14	14	14	
Customer Engagement	3	3	3	
<b>Total Personnel</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>No Changes in personnel from last FY</b>

**Table 13: Operating Expenses, Customer Experience**

	FY 23-24 Budget	FY 23-24 Actual	FY 23-24 Difference	FY 24-25 Budget	FY 25-26 Proposed	FY 25-26 Forecast	FY 25-26 vs FY 24-25	
							\$Δ	%Δ
<b>EXPENSES (Operating)</b>								
Labor	\$ 2,485,120	\$ 2,366,638	\$ (118,482)	\$ 2,696,007	\$ 2,846,685	\$ 3,125,698	\$ 150,678	5.6 %
Educational Courses	8,390	2,412	(5,979)	6,598	640	6,729	(5,958)	(90.3)%
Travel & Meetings	19,791	22,543	2,752	33,312	19,390	33,583	(13,922)	(41.8)%
General Services	298,000	120,042	(177,958)	202,104	140,000	200,000	(62,104)	(30.7)%
Dues & Memberships	1,000	342	(658)	1,442	2,700	1,471	1,258	87.2 %
Consulting Services	286,000	267,018	(18,982)	259,000	177,530	264,180	(81,470)	(31.5)%
District Office Supplies	667,230	497,466	(169,764)	571,216	671,417	577,554	100,200	17.5 %
Repairs & Maint. - Equipment	3,000	1,147	(1,853)	31,500	40,774	32,130	9,274	29.4 %
Repairs & Maint. - Facilities	27,287	25,584	(1,702)	67,287	23,487	68,633	(43,800)	(65.1)%
Safety & Compliance	2,400	841	(1,559)	4,200	170	4,284	(4,030)	(96.0)%
<b>TOTAL</b>	<b>\$ 3,798,218</b>	<b>\$ 3,304,032</b>	<b>\$ (494,185)</b>	<b>\$ 3,872,666</b>	<b>\$ 3,922,793</b>	<b>\$ 4,314,262</b>	<b>\$ 50,127</b>	<b>1.3 %</b>

## Operating Expenses Discussion - Customer Experience

Line-item budgets included within [Table 13: Operating Expenses, Customer Experience](#) that changed by more than \$50,000, or have other significance are discussed below:

### Labor

Labor is inclusive of salaries, CalPERS retirement, employee insurance, workers compensation and other employee benefits. The increase in Labor is driven by the following factors:

1. Planned implementation of year three of the Memorandum of Understanding with District employees during FY 25-26
2. CalPERS pension rates
3. Assumed increases for employee health insurance benefits
4. Temporary part-time staff to support the utility billing replacement project

These factors are discussed in more detail in the [Expense Summary & Discussion - Staffing Resources](#) section.

### General Services

The FY 25-26 budget decrease is due to a realignment of costs between departmental budgets. Staff determined that customer payment processing costs that had previously been accounted for in the Customer Experience budget are more appropriately captured in Finance and will be reflected there going forward.

### District Office Supplies

The FY 25-26 budget for District Office Supplies is increased to account for printing and postage costs of the required Prop. 218 notice that the District will be sending to all customers to inform them of the public hearing where the outcomes of the Cost of Service Study will be considered. Also, newsletter printing and other graphic design work was moved into this expense category.

### R&M Facilities

The prior fiscal year's budget was increased due to new contract services associated with processing hard copy checks from customers for bill payments. Since that time, staff have determined that payment processing fees are more appropriately captured in the Finance budget and have moved the FY 25-26 budget accordingly. There is no financial implication to this accounting change.

### Consulting

The FY 25-26 budget for Consulting Services has been reduced to \$0.2 million. The \$0.1 million reduction from prior year is to reflect cost savings from utilizing in-house expertise and more appropriately classifying newsletter printing and other graphic design to within the District Office Supplies expense category.

## Performance Measures and Achievements - Customer Experience

This section outlines performance measures and achievements for the Customer Experience Division. *Table 14: Customer Experience Goals* displays a list of completed, in-progress, and planned items related to the District’s Strategic Goals & Objectives. *Table 15: Customer Experience KPIs* summarizes Key Performance Indicators (KPIs) for the Division.

**Table 14: Customer Experience Goals**

Strategic Plan Alignment	Customer Experience
<b>COMPLETED</b>	
3.a.i	a. Crafted and implemented outreach strategies, actively participating in planning, which led to the highest attendance at H2O for HOAs, California Data Collaborative (CaDC) Water Data Summit, NatureScape Garden Tour, Water Infrastructure Networking Summit (WINS), and Moulton Niguel Community Forum.
3.b.i	b. Engaged customers by implementing the 7th annual Fix-a-Leak Week Campaign, along with hosting a hands-on Fix-a-Leak Workshop tailored to help customers detect and address common household leaks effectively. Received WaterSense Partner of the Year Award from the US Environmental Protection Agency for related marketing and campaign promotional efforts.
3.a	c. Digital Door Hangers: Effectively sent planned outage notifications to customers via email.
3.a.ii	d. Educated 2878 unique students last year through 42 in-class watershed education lessons and 42 field trips with 6 schools through WHALES.
3.b.i	e. Promoted the Water Awareness Poster Contest, in partnership with MWDOC, and received 82 submissions, 3 honorable mentions, 7 local winners, and 1 regional winner.
3.a.ii	f. Educated 419 3rd – 5th grade students from 13 classes at the Orange County Water District’s Children’s Education Festival.
3.a.ii	g. Participated in CAPO USD STEM Advisory Board, Department of Water Resources’ Water Education Committee, and Metropolitan Water District’s Education Coordinators Meetings.
3.a.ii	h. Hosted the first-ever Project WET course at District Headquarters for local educators and expanded Project WET program participation eligibility to after-school care & youth group educators.
3.a.ii	i. Coordinated participation in 164 community events to ensure that we are present in the community, seizing opportunities to educate customers about the impactful work being carried out by Moulton Niguel.
3.a.ii	j. Presented the State of the District at an interactive Moulton Niguel Community Forum.
3.c.i	k. Hosted a press conference and executed a comprehensive communications plan with OCFA and Aliso Viejo Community Association, and City of Aliso Viejo for the Helicopter Hydrant.
3.a.i	l. Crafted and implemented outreach strategies for NatureScape Garden Tour and Water Infrastructure Networking Summit (WINS 2024).
3.a.ii	m. Joined the Water Energy Education Alliance (WEEA) – WEEA is a coalition of more than 200 water, energy, and education leaders working to develop career pathways to water and energy jobs for California students.
3.a.i	n. Developed engaging videos of District accomplishments, event recaps, informational tips including the California Data Collaborative’s Data Summit, NatureScape Garden Tour, CASA Award, and Fix-A-Leak Week.
3.a.ii	o. Hosted tour for Aliso Viejo Girl Scouts.
3.a.ii	p. Created an education brochure to expand awareness of District education programs.
3.a.ii	q. Expanded the District’s workshop and class offerings to include new topics and pre-recorded video format.
<b>IN-PROGRESS</b>	
3.a.ii	a. Expanding on online resources and videos (i.e., leak alert videos, workshop videos, event recaps) to provide customers with options on programs and services.
3.b.i	b. Continuing to provide timely, informative, and educational messaging to encourage efficient water use.
3.b	c. Continuing proactive leak alert outreach and communications to help customers with potential leaks.
3.a.ii	d. Continuing outreach campaign related to the Crown Valley Parkway Pipeline Replacement.
3.a.ii	e. Continuing educational programs – Project WET (Water Education Today) and 7th annual WHALES (Watershed Heroes: Actions Linking Education to Stewardship) partnership with MWDOC – CHOICE programs and water awareness poster contest.

3.a.ii	f. Participating in events to ensure that we are present in the community, seizing opportunities to educate customers about the impactful work being carried out by Moulton Niguel.
3.b.i	g. Implementing the 8th annual Fix-A-Leak Week Campaign and hosting multiple hands-on Fix-A-Leak workshops to help customers find and fix common household leaks.
3.b.i	h. Proceeding on the Utility Billing System Replacement project to be completed in Spring 2026. As part of the process, the bill presentment will be reviewed with options to come back to the Board for further discussion, including creative programs.
3.a	i. Upgrading the District’s online customer portal to the latest version for enhanced functionality and improved customer experience.
3.c.i	j. Developing communication for Regional Force Main project and strategic outreach including targeted e-blasts to neighborhoods surrounding Laguna Niguel Regional Park, distributing flyers and construction maps in collaboration with OC Parks, social media posts, and creating a dedicated webpage for the public and stakeholders.
3.a.ii	k. Increase number of schools participating in WHALES - we currently engage an estimated 2,878 students. We have renewed our contract to include elementary school students.
3.b.i	l. Developing content for educational and instructional short videos on water saving tips.
<b>PLANNED</b>	
3.c	a. Craft and implement outreach strategies and plan or assist in planning for H2O for HOAs, and California Data Collaborative (CaDC) Water Data Summit.
3.c	b. OASIS Water Resource Center: develop an outreach campaign to support project goals, objectives, and associated planning activities.
3.a.i	c. Resiliency Action Plan (RAP): Develop outreach materials to support the RAP Initiative.
3.a.ii	d. Host Project WET teacher training in coordination with the Water Education Foundation, Orange County Department of Education, Saddleback Valley Unified School District, and Capistrano Unified School District.
3.a.ii	e. 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.
3.c	f. Expand education outreach/connections, join more organizations/groups to connect with more educators.
3.a.iii	g. Engage with the community through various forums, including Community Forum and HOA Board Meetings, to review the planned rate adjustment.
3.b	h. Host the 9th H2O for the HOAs workshop. Incorporate content regarding fire-hardening to provide tools to HOAs to prepare for wildfires.
3.c	i. Partner with California Data Collaborative on the 10th Annual Water Data Summit.
3.c.i	j. Attend and present at water industry related conferences on innovative water efficiency and customer engagement programs.

**Table 15: Customer Experience KPIs**

Strategic Plan Alignment	Key Performance Indicators	FY 23-24	FY 24-25 Projected	FY 25-26 Forecast
<b>3.a</b>	<b>1. Customer Portal Engagement</b>			
	Enrolled	40,725	42,380	44,264
	New Enrollments	4,947	4,808	4,876
	Total Active Customers	55,111	55,119	55,119
	Cumulative % of Active Customer Base	74%	77%	80%
<b>3.a</b>	<b>2. Customer Meter Activity</b>			
	Turn On	4,555	4,673	4,703
	Turn Off	1,393	1,369	1,393
<b>3.a</b>	<b>3. Customer Outreach Activity</b>			
	<b>Social Media Reach (Facebook, LinkedIn, X, Nextdoor, Instagram)</b>			
	Impressions	314,005	319,273	324,156
	Engagements	18,095	20,084	22,575
	Post Link Clicks	8,603	9,133	9,367
	<b>Emails</b>			
	Emails Sent	1.74M	1.77M	1.80M
Open Rate	52.0%	53.0%	53.50%	
Click Rate (1.0% is ideal)	0.70%	0.75%	0.80%	

# ENGINEERING



## Engineering

The Engineering Division manages all aspects of engineering and project management including the planning, environmental, design, construction, and inspection of the capital improvements to the District's water, wastewater, and recycled water systems. Engineering also oversees asset management, private development, records management, and wastewater treatment operations. The 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 Geographic Information System (GIS) and Computerized Maintenance Management System (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 Projection, 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 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, and issuing will serve letters to cities. The Department also manages the District's Communications Facilities License Program.

### ***Engineering Administration***

This Department provides administrative oversight of and support for 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 operates and maintains the District's two wastewater treatment facilities, Plant 3A and Regional Treatment Plant. The Department is responsible for protecting public health and the environment, while remaining in compliance with regulatory and public health agency requirements. 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 25% of the District's total water demand.

**Table 16: Trend of Position Count in Engineering**

	FY 23-24	FY 24-25	FY 25-26	Changes/Trends
<b>Engineering</b>				
Assets & Records Management	6	6	6	
Capital Engineering	6	8	8	
Construction Oversight	7	6	6	
Cross Connection Control	2	2	2	
Development Services	2	1	1	
Engineering Administration	3	5	5	
Recycled Water Program	4	4	4	
Wastewater Treatment	6	18	18	
<b>Total Personnel</b>	<b>36</b>	<b>50</b>	<b>50</b>	<b>No changes in personnel from last FY</b>

**Table 17: Operating Expenses, Engineering**

	FY 23-24 Budget	FY 23-24 Actual	FY 23-24 Difference	FY 24-25 Budget	FY 25-26 Proposed	FY 25-26 Forecast	FY 25-26 vs FY 24-25 \$Δ	FY 25-26 vs FY 24-25 %Δ
<b>EXPENSES (Operating)</b>								
Labor	\$ 6,108,574	\$ 5,586,590	\$ (521,984)	\$ 8,117,392	\$ 9,735,917	\$ 7,293,282	\$ 1,618,525	19.9 %
Educational Courses	19,601	11,815	(7,786)	24,119	45,315	16,951	21,196	87.9 %
Travel & Meetings	49,304	83,456	34,152	94,699	71,070	64,368	(23,629)	(25.0)%
General Services	26,000	3,277	(22,723)	17,248	11,000	12,240	(6,248)	(36.2)%
Dues & Memberships	16,050	25,871	9,821	24,605	23,750	22,848	(855)	(3.5)%
Consulting Services	1,426,300	866,515	(559,785)	833,000	3,671,000	849,660	2,838,000	340.7 %
Equipment Rental	—	—	—	—	4,800	—	4,800	— %
Insurance - District	661,300	927,537	266,237	1,186,800	—	1,074,366	(1,186,800)	(100.0)%
District Office Supplies	24,900	18,191	(6,709)	19,902	17,750	20,300	(2,152)	(10.8)%
District Operating Supplies	1,580,000	1,022,131	(557,869)	2,819,123	3,645,900	1,514,700	826,777	29.3 %
Repairs & Maint. - Equipment	72,400	54,123	(18,277)	104,234	510,430	72,114	406,196	389.7 %
Repairs & Maint. - Facilities	2,515,856	2,946,369	430,513	2,965,549	5,496,689	1,773,882	2,531,140	85.4 %
Safety & Compliance	253,530	17,900	(235,630)	76,084	112,950	31,161	36,866	48.5 %
SOCWA	9,841,962	9,599,969	(241,993)	5,900,086	1,162,600	10,882,114	(4,737,486)	(80.3)%
Special Outside Assessments	5,000	—	(5,000)	5,000	5,000	5,100	—	— %
Utilities	1,125,000	961,974	(163,026)	1,390,904	1,555,000	814,260	164,096	11.8 %
<b>TOTAL</b>	<b>\$23,725,776</b>	<b>\$22,125,717</b>	<b>\$(1,600,059)</b>	<b>\$23,578,746</b>	<b>\$26,069,171</b>	<b>\$24,447,347</b>	<b>\$ 2,490,425</b>	<b>10.6 %</b>

## Operating Expenses Discussion - Engineering

Line-item budgets included within [Table 17: Operating Expenses, Engineering](#) that changed by more than \$50,000, or have other significance are discussed below:

### Labor

Labor is inclusive of salaries, CalPERS retirement, employee insurance, workers compensation and other employee benefits. The increase in Labor is driven by the following factors:

1. Planned implementation of year three of the Memorandum of Understanding with District employees during FY 25-26
2. CalPERS pension rates
3. Assumed increases for employee health insurance benefits
4. An additional full-time position to support Capital Engineering.

These factors are discussed in more detail in the [Expense Summary & Discussion - Staffing Resources](#) section.

### Consulting Services

New provisions for this fiscal year include planning studies related to OASIS Water Resources Center (partially offset by over \$1 million in grants), high-demand distribution system modeling in support of fire resiliency, support for GIS network migration, and a wastewater system streamlined master plan.

### District Operating Supplies

The FY 25-26 budget of \$3.6 million includes provisions for: chemicals for wastewater treatment (Chlorine, Sodium hypochlorite, etc.) and laboratory services. The \$0.9 million increase over prior year is due primarily to the reclassification of RTP expenses into this line item, see pg. 40 for detailed discussion. There is no financial impact from this update.

### Repairs & Maintenance - Equipment

As noted in [Expense Summary & Discussion - Operations & Maintenance](#), the realignment of cost categories to represent a full year of operations at RTP account for the \$0.4 million year over year increase. There is no financial impact from this update.

### Repairs & Maintenance - Facilities

The Repairs & Maintenance Facilities budget increased by \$2.5 million from the prior year budget because of two factors. First, approximately \$1.2 million of the budget increase is due to the reclassification of RTP expenses into this line item, see pg. 40 for detailed discussion. The remainder of the increase is due to updates to projections for pavement resurfacing projects from cities, increasing frequency in emergency repairs, new facilities hardening projects, as well as increased rates for grit screening and bio-solids handling.

### SOCWA (South Orange County Wastewater Authority)

As noted in [Expense Summary & Discussion - Operations and Maintenance](#), the SOCWA O&M line item budget of \$1.2 million is now limited to shared services for the District's pretreatment program, permitting, and laboratory support..

### Utilities

The Utilities line item in the Engineering budget includes the gas & electric costs from the Regional Treatment Plant and Plant 3A (all other Utilities costs are budgeted in Operations). The \$0.2 million increase for Utilities is driven by electric and gas utility rate increases. However the overall impact is reduced due to the Solids system being offline at Plant 3A for repairs, so there is reduced energy demand from the digesters not needing to be heated.

## Performance Measures and Achievements - Engineering

This section outlines performance measures and achievements for the Engineering Division. *Table 18: Engineering Goals* displays a list of completed, in-progress, and planned items related to the District’s Strategic Goals & Objectives. *Table 19: Engineering KPIs* summarizes Key Performance Indicators (KPIs) for the Division.

***Table 18: Engineering Goals***

Strategic Plan Alignment	Engineering
<b>COMPLETED</b>	
	a. Completed construction of the following significant projects:
2.a.iii	i. Regional Force Main Replacement (Phase I – Slope Stabilization)
2.a.v	ii. Regional Treatment Plant Advanced Water Treatment Filter System Improvement – received CASA Awards of Excellence – Innovation & Resiliency
2	b. Completed design of the following significant projects:
2.a.iii	i. Regional Force Main Replacement
2.a.i	ii. Valve Replacements in support of the Valve Replacement Program
2.a.v	iii. Micro-hydro Turbine at Bridlewood Flow Control Facility
2.a.ii	iv. Building E Rehabilitation and Solar Panels at District’s Headquarters
3.c.i	c. Completed feasibility assessment of Emergency Interconnection to OCWD Groundwater Basin at Santa Ana East Station, in coordination with OCWD, City of Santa Ana, MWDOC, and MET, which determined that the project is feasible.
<b>IN-PROGRESS</b>	
	a. Continuing construction of the following significant projects:
2.a.iii	i. Crown Valley Parkway Pipelines Replacement
2.a.iii	ii. Regional Force Main Replacement
2.a.iii	iii. Plant 3A Solids Handling Facilities Improvements
2.a.iv	iv. Aliso Creek Lift Station Rehabilitation
2.a.iv	v. North Aliso Lift Station Reconstruction
2.a.iii	vi. Reservoir Management Systems Replacement Phase 4
2.a.i	vii. Electrical System Improvements Phase 4
	b. Continuing design of the following significant projects:
2.a.iv	i. Beacon Hill Pump Station Rehabilitation
2.a.iv	ii. Lower Salada Lift Station Rehabilitation
2.a.v	iii. Regional Treatment Plant AWT Salinity Management System
3.c.i	iv. Emergency Interconnection to OCWD Groundwater Basin at Santa Ana East Station
2.a.iii	v. Eastern and Northern Transmission Main Rehabilitation
2.a.ii	c. Implementing Low-Resolution Meter Replacement Program
2.a.i	d. Evaluating and refining the Capital Improvement Program for the Regional Treatment Plant, including infrastructure requirements to support the long-term vision of wastewater reuse.
2.a.i	e. Continuing the implementation of programmatic pipeline condition assessment to support the planning of future pipeline rehabilitation and replacement projects.
2.a.v	f. Continuing Phase 2 of CMMS implementation along with population and refinement of asset data in the CMMS in support of asset management.
2.a.v	g. Developing a centralized database and asset optimization tool to support future water loss, energy efficiency, power generation, and other system optimization projects.
2.a.v	h. Developing a digital strategy and comprehensive data model of the District’s time series, geospatial, and asset data to support future analytics and optimization projects.

2.a.v	i. Coordinating with regional partners and agencies on innovative technologies for resource recovery options, specifically on biosolids and digester gas.
2.a.iii	j. Upgrading and rehabilitating equipment at Plant 3A that processes the wastewater solids with new and more efficient technologies.
2.a.iii	k. Designing a Salinity Management System at the Regional Treatment Plant AWT to reduce the total dissolved solids, iron, and manganese in the recycled water.
<b>PLANNED</b>	
2.a	a. Complete annual update to the 10-year Capital Improvement Program.
2.a.i	b. Review capacity requirements for the J.B. Latham Treatment Plant to support the District’s wastewater treatment requirements and water reuse goals.
2.a.v	c. Install the first in-conduit, small hydropower units at Bridlewood Flow Control Facility, which is anticipated to offset 820,000 kWh annually.
2.a.iii	d. Initiate construction of solar system at the District’s Headquarters, which is anticipated to offset 100% of energy demand at the District’s Headquarters.
	e. Initiate design of the following significant projects:
2.a.i	i. Regional Lift Station Rehabilitation
2.a.i	ii. Upper Salada Lift Station Rehabilitation
2.a.i	iii. South County Pipeline Takeout Facility
3.c.i	f. Collaborate with community partners on significant developments in the District’s service area.
3.c.i	i. Mission Hospital Tower 3 Project
3.c.i	ii. City of Mission Viejo LOS OSOS Project
3.c.i	iii. Laguna Niguel City Center Project
3.c.i	iv. Aliso Viejo Town Center Redevelopment
3.c.i	v. Former Chet Holifield Federal Building “Ziggurat” Property Redevelopment
3.c.i	vi. SunPointe Residential Project, Laguna Niguel
5.b.ii	g. Complete preliminary design and commence final design of the Emergency Interconnection to OCWD Groundwater Basin at Santa Ana East Station. Concurrently, engage with MET and other stakeholders in East Orange County Feeder No. 2 in order to obtain the necessary authorizations for the project. Develop and execute an amendment to the current interagency agreement with OCWD and the City of Santa Ana for the continuation of the project.
2.a.i	h. Initiate the design and CEQA documentation for the South County Pipeline Takeout Facility.

**Table 19: Engineering KPIs**

Strategic Plan Alignment	Key Performance Indicators	FY 23-24	FY 24-25 Projected	FY 25-26 Forecast
2.a.ii	<b>1. CIP Expenditure vs Depreciation</b> 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.	1.52	1.68	2.96
	<b>2. Fats, Oil, and Grease (FOG) Program</b>			
2.a.i	Manhole inspections	7,785	7,800	7,757
	Best Management Practices Inspections	603	635	620
	Number of Food Service Establishments	530	532	535
5.a	<b>3. Recycled Water Use Sites</b>			
	Recycled Water Inspections	432	422	426
	Total Recycled Water Use Sites	1,313	1,316	1,319
	Percentage of Use Sites Inspected	33%	32%	32%
2.a.i	<b>4. Cross Connection Tests</b>	440	428	429
2.a.i-iii	<b>5. Backflow devices:</b>			
	Inspected	5,548	5,581	5,605
	Repaired	444	446	448
	Replaced	111	112	112
5.a	<b>6. Will serve letters</b>	229	180	190

# FINANCE



## Finance

The Finance Division 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 Division is comprised of the Accounting, Contracts, Purchasing, Warehouse, and Financial Planning and Innovation Departments.

### *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.

### *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.

### *Financial Planning & Innovation*

Financial Planning & Innovation oversees the management of the District's existing debt and planning to support future debt issuances, development of the Long Range Financial Plan, Cost of Service Study, and plans for rates and charges, as well as oversight of the District's investment portfolio in collaboration with the Accounting team.

**Table 20: Trend of Position Count in Finance**

	FY 23-24	FY 24-25	FY 25-26	Changes/Trends
<b>Finance</b>				
Accounting	7	8	8	
Contracts & Purchasing	5	5	5	
Financial Planning & Innovation	3	3	3	
<b>Total Personnel</b>	<b>15</b>	<b>16</b>	<b>16</b>	<b>No changes in personnel from last FY</b>

**Table 21: Operating Expenses, Finance**

	FY 23-24	FY 23-24	FY 23-24	FY 24-25	FY 25-26	FY 25-26	FY 25-26 vs FY 24-25	
	Budget	Actual	Difference	Budget	Proposed	Forecast	\$Δ	%Δ
<b>EXPENSES (Operating)</b>								
Labor	\$2,368,715	\$1,878,507	\$ (490,207)	\$2,625,011	\$2,793,081	\$2,809,856	\$ 168,070	6.4 %
Educational Courses	7,918	1,840	(6,078)	4,479	6,095	4,569	1,616	36.1 %
Travel & Meetings	15,613	15,465	(148)	15,057	16,117	15,179	1,060	7.0 %
General Services	265,000	312,182	47,182	254,247	313,680	266,832	59,433	23.4 %
Annual Audit	62,000	63,685	1,685	68,000	75,941	69,360	7,941	11.7 %
Dues & Memberships	2,850	4,210	1,360	2,290	25,674	2,336	23,384	1021.1 %
Consulting Services	102,374	171,187	68,813	70,500	240,000	71,910	169,500	240.4 %
Equipment Rental	12,000	20,626	8,626	24,000	14,000	24,480	(10,000)	(41.7)%
District Fuel	412,500	317,463	(95,037)	377,000	377,000	384,540	—	— %
Insurance - District	—	—	—	—	1,663,000	—	1,663,000	— %
District Office Supplies	65,050	73,185	8,135	60,133	62,700	61,335	2,567	4.3 %
District Operating Supplies	2,500	17,239	14,739	5,000	5,000	5,100	—	— %
Repairs & Maint. - Equipment	1,500	59,740	58,240	85,000	107,750	86,700	22,750	26.8 %
Repairs & Maint. - Facilities	40,000	31,473	(8,527)	30,000	33,000	30,600	3,000	10.0 %
Safety & Compliance	3,350	4,354	1,004	4,000	3,900	4,080	(100)	(2.5)%
Special Outside Assessments	173,000	148,460	(24,540)	163,298	176,893	166,564	13,596	8.3 %
<b>TOTAL</b>	<b>\$3,534,369</b>	<b>\$3,119,616</b>	<b>\$ (414,753)</b>	<b>\$3,788,015</b>	<b>\$5,913,832</b>	<b>\$4,003,441</b>	<b>\$ 2,125,817</b>	<b>56.1 %</b>

## Operating Expenses Discussion - Finance

Line-item budgets included within [Table 21: Operating Expenses, Finance](#) that changed by more than \$50,000, or have other significance are discussed below:

### Labor

Labor is inclusive of salaries, CalPERS retirement, employee insurance, workers compensation and other employee benefits. The increase in Labor is driven by the following factors:

1. Planned implementation of year three of the Memorandum of Understanding with District employees during FY 25-26
2. CalPERS pension rates
3. Assumed increases for employee health insurance benefits
4. An additional full-time accounting position to support the department's implementation of latest accounting best practices, management of grant report requirements, capital cost accounting, and enhanced internal controls testing.

These factors are discussed in more detail in the [Expense Summary & Discussion - Staffing Resources](#) section.

### General Services

The FY 25-26 budget increase is due to a realignment of costs between departmental budgets. Staff determined that customer payment processing costs that had previously been accounted for in the Customer Experience budget are more appropriately captured in Finance and will be reflected here going forward.

### Consulting Services

The FY 25-26 budget increase is due to a movement of grant administration costs from Engineering to Finance and one-time cost increases to support the 2025 Cost of Service Study.

### Insurance – District

As noted in [Expense Summary & Discussion - Operations & Maintenance](#), insurance costs have continued to increase significantly; however, the increase to the Finance budget is due to these costs being moved from the Engineering budget.

## Performance Measures and Achievements - Finance

This section outlines performance measures and achievements for the Finance Division. *Table 22: Finance Goals* displays a list of completed, in-progress, and planned items related to the District’s Strategic Goals & Objectives. *Table 23: Finance KPIs* summarizes Key Performance Indicators (KPIs) for the Division.

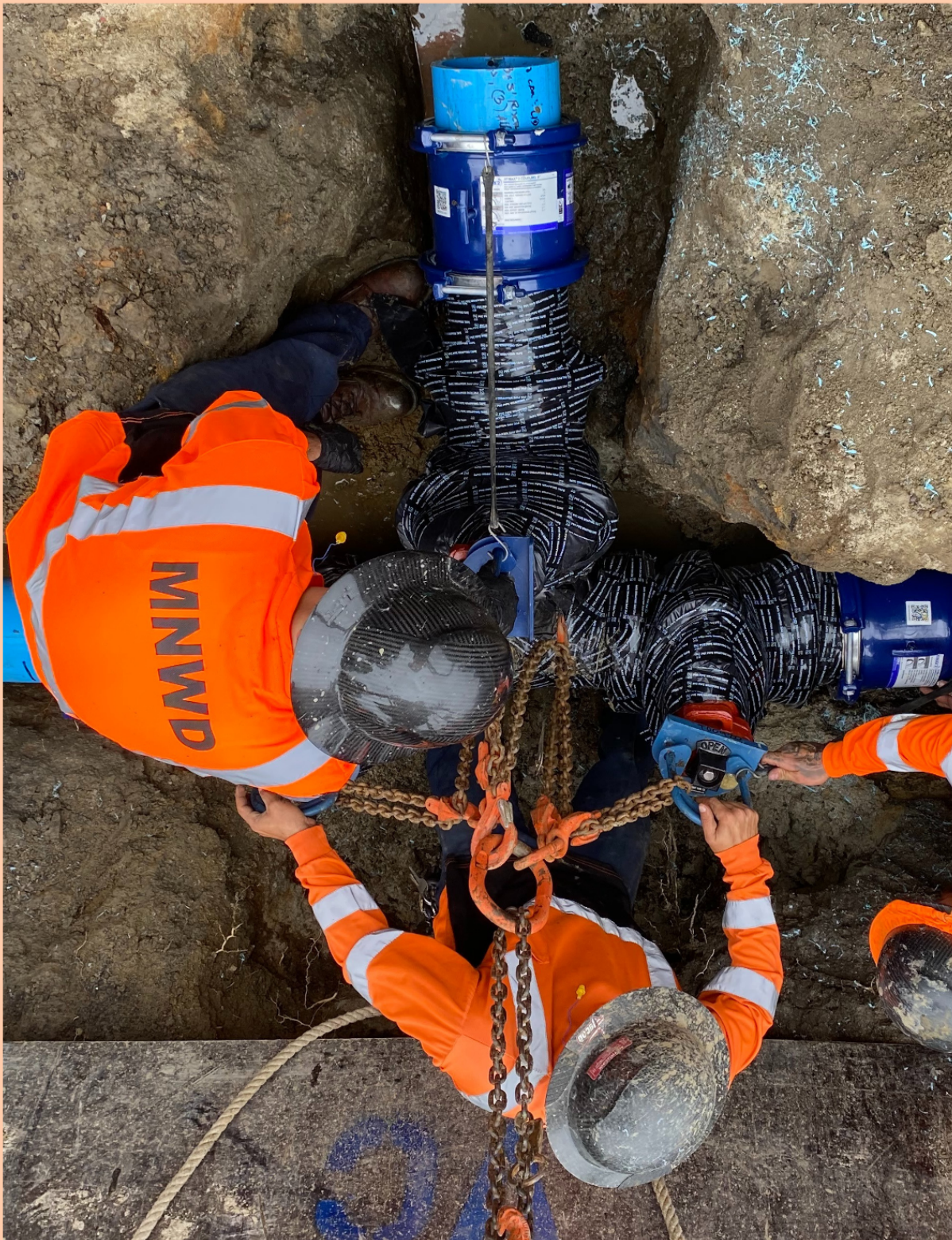
**Table 22: Finance Goals**

Strategic Plan Alignment	Finance
<b>COMPLETED</b>	
1.a.ii	a. For the fiscal year ended 2023, the District received the Triple Crown designation from the Government Finance Officers Association (GFOA) for excellence in financial reporting, which includes awards for the Annual Comprehensive Financial Report (ACFR), Budget Presentation Award, and the Popular Annual Financial Report.
1.a.ii	b. Received an unmodified (clean) opinion on the District’s fiscal year 2024 audit reports, including the ACFR, Single Audit, GANN AUP and the financial report for the Public Facilities Corporation.
1.a.ii	c. Applied and received budget presentation award from GFOA (fiscal year ended 2025) and California Society of Municipal Finance Officers (fiscal year ended 2025).
1.a	d. Implemented solutions for process automation in accounts payable.
1.a.ii	e. Reviewed and updated financial policies as part of the annual budget review.
1.a.iii	f. Kicked off 2025 Cost of Service Study and issued RFP for rate study peer review.
1.a.iii	g. Implemented a Wholesale Pass-Through Rate in response to increased rates from Metropolitan Water District of Southern California (MWD).
1.a	h. Agreed to purchase up to 2,000 acre-feet of potable water from MWD through its Reverse Cyclic program.
1.a.iii	i. Completed Utility Billing System needs assessment and process documentation and initiated Utility Billing Systems Replacement project.
<b>IN-PROGRESS</b>	
1.a	a. Expanding District-wide risk assessment and enhancing internal control testing plan.
1.a.iii	b. Conducting cost of service allocation analysis and financial plan in conjunction with the annual budget development.
1.a.i	c. Finalizing \$80 million issuance of the 2025 Certificates of Participation.
1.a	d. Completing upgrade of the District’s JDE Enterprise Resource Planning (ERP) software.
1.a.i	e. Partnering with risk management consultant to review the District’s risk management practices and assess insurance coverage.
<b>PLANNED</b>	
1.a.ii	a. Review and update financial policies as part of the annual budget review.
1.a.ii,iii	b. Publish the 2025 Financial Plan and Cost of Service Study and distribute Proposition 218 notice to customers.
1.a	c. Monitor MWD business plan development and understand impacts to Moulton’s financial plan.
1.a	d. Implement the financial accounting, tracking, and invoicing to support the District’s ownership and operation of the Regional Treatment Plant.

**Table 23: Finance KPIs**

<b>Strategic Plan Alignment</b>	<b>Key Performance Indicators</b>	<b>FY 23-24</b>	<b>FY 24-25 Projected</b>	<b>FY 25-26 Forecast</b>
<b>1.a</b>	<b>Debt Coverage Ratio:</b> <i>The District is required by bond covenants to collect revenues that will be at least sufficient to yield net revenues equal to 1.25 of debt service payable during the fiscal year. To support its high-quality credit rating, the District's Board of Directors has established a coverage target of 1.75.</i>	<b>2.55</b>	<b>2.4</b>	<b>2.59</b>
<b>1.a</b>	<b>Current Ratio</b> <i>Current Assets/Current Liabilities = 1.1 or higher for liquidity</i>	<b>2.86</b>	<b>2.40</b>	<b>2.40</b>
<b>1.a</b>	<b>Credit Rating</b>	<b>AAA</b>	<b>AAA</b>	<b>AAA</b>

# OPERATIONS



## 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 prioritized operational strategies to maximize the useful lives of its assets 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 sewer system issues such as odor concerns, pest control, root/grease issues and blockages.

### ***Electrical/Instrumentation***

This Department maintains electrical equipment at vertical assets, including both treatment plants, the District's Supervisory Control And Data Acquisition (SCADA) system 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 communications to motor/pump failures.

### ***Fleet Maintenance***

This Department is responsible for maintaining and repairing over 120 vehicles, including fuel management hardware and software. In addition, portable equipment and stationary backup emergency generators are also maintained by this department.

### ***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 from District customers, state and local officials, private citizens, and surrounding agencies regarding District operations. 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 sanitary sewer overflows.

### ***Operations Administration***

This department supports the entire District, specializing in operational permitting and regulatory compliance, emergency preparedness and response, safety management, data requests, and key performance indicators (KPIs) for Operations.

### ***Pipe & Valve Maintenance***

This Department is responsible for maintaining and repairing the District's potable, recycled water system and wastewater infrastructure providing around-the-clock response to line breaks, damaged hydrants, valve leaks, and customer inquiries. In addition, this group oversees the completion of concrete and asphalt repairs resulting from District repairs and projects. This Department also replaces and exercises all District-owned valves. This group is also responsible for inspecting and repairing fire hydrants throughout the service area.

### ***Water Distribution***

This Department is responsible for maintaining and repairing the District's reservoirs, reservoir management systems, and pressure-reducing stations. They assist in the planning and execution of complex mainline isolations that are necessary to support capital improvement 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 24: Trend of Position Count in Operations**

	FY 23-24	FY 24-25	FY 25-26	Changes/Trends
<b>Operations</b>				
Collections	7	7	7	
Electrical/Instrumentation	6	7	7	
Facilities Maintenance	10	10	10	
Fleet Maintenance	4	4	4	
Information Technology	8	9	9	
Meter Maintenance	15	14	14	
Operations Administration	8	9	9	
Pipe & Valve Maintenance	21	21	21	
Water Distribution	5	5	5	
<b>Total Personnel</b>	<b>84</b>	<b>86</b>	<b>86</b>	No changes in personnel from last FY

**Table 25: Operating Expenses, Operations**

	FY 23-24 Budget	FY 23-24 Actual	FY 23-24 Difference	FY 24-25 Budget	FY 25-26 Proposed	FY 25-26 Forecast	FY 25-26 vs FY 24-25 \$Δ	FY 25-26 vs FY 24-25 %Δ
<b>EXPENSES (Operating)</b>								
Labor	\$12,310,378	\$12,234,961	\$ (75,417)	\$13,670,034	\$15,243,286	\$14,496,292	\$ 1,573,252	11.5 %
Educational Courses	31,608	19,909	(11,700)	18,014	31,363	18,374	13,349	74.1 %
Travel & Meetings	95,831	111,540	15,709	108,478	134,213	109,359	25,735	23.7 %
Member Agencies O&M	555,972	494,286	(61,687)	1,643,222	3,337,434	578,434	1,694,212	103.1 %
Dues & Memberships	17,138	19,100	1,962	17,007	41,970	17,347	24,963	146.8 %
Consulting Services	291,000	385,039	94,039	536,000	468,000	546,720	(68,000)	(12.7)%
Equipment Rental	15,000	—	(15,000)	12,000	40,000	12,240	28,000	233.3 %
District Office Supplies	14,250	231,850	217,600	15,310	14,250	15,616	(1,060)	(6.9)%
District Operating Supplies	560,400	730,755	170,355	585,782	664,500	597,498	78,718	13.4 %
Repairs & Maint. - Equipment	1,472,540	1,216,251	(256,289)	1,142,948	1,412,882	1,165,807	269,934	23.6 %
Repairs & Maint. - Facilities	2,461,929	2,329,164	(132,766)	2,441,079	2,136,522	2,489,900	(304,557)	(12.5)%
Safety & Compliance	178,782	502,919	324,137	437,824	461,260	446,580	23,436	5.4 %
Utilities	3,797,006	3,295,015	(501,992)	3,997,584	3,777,266	4,077,535	(220,318)	(5.5)%
Water Purchases	31,717,237	28,643,616	(3,073,621)	33,508,301	36,337,987	35,547,836	2,829,686	8.4 %
Meter Purchases	—	13,003	13,003	—	36,000	—	36,000	— %
<b>TOTAL</b>	<b>\$53,519,073</b>	<b>\$50,227,407</b>	<b>\$(3,291,666)</b>	<b>\$58,133,582</b>	<b>\$64,136,933</b>	<b>\$60,119,539</b>	<b>\$ 6,003,351</b>	<b>10.3 %</b>

## Operating Expenses Discussion - Operations

Line-item budgets included within [Table 25: Operating Expenses, Operations](#) that changed by more than \$50,000, or have other significance are discussed below:

### Labor

Labor is inclusive of salaries, CalPERS retirement, employee insurance, workers compensation and other employee benefits. The increase in Labor is driven by the following factors:

1. Planned implementation of year three of the Memorandum of Understanding with District employees during FY 25-26
2. CalPERS pension rates
3. Assumed increases for employee health insurance benefits

These factors are discussed in more detail in the [Expense Summary - Staffing](#) Resources section.

### Member Agency O&M

Historically, Member Agency O&M included costs associated with the regional distribution and storage of water and recycled water that are managed by neighboring agencies. The increase in costs are associated with the reclassification of RTP expenses into this line item (see pg. 40 for detailed discussion) and reflect contract services for the operation of the J.B. Latham treatment plant and ocean outfalls by neighboring agencies. The \$2.8 million FY 25-26 budget for those costs are reflected in the Member Agencies O&M line item.

### Utilities

The Utilities line item in the Operations budget includes the gas & electric costs from District facilities except for the wastewater treatment plants (Plant 3A and RTP). In line with recent trends, the FY 25-26 budget anticipates an average rate increase of 5%. However, this budget also includes the energy savings from the Micro-Hydro Turbine at Bridlewood FCF and Solar Panels at Headquarters Projects that will generate electricity to help offset future electricity costs, overall reducing the non-treatment plant Utilities budget.

### Operating Supplies

District Operating Supplies FY 25-26 budget for Operations is at \$0.7 million and provides resources for tools, truck stock, welding materials, electrical repair materials, water treatment chemicals, and other warehouse items. The increase in the FY 25-26 budget is due to an increase in both the cost and volume of electrical maintenance work being performed in order to keep District facilities operational.

### Repairs & Maintenance – Equipment

The FY 25-26 Repairs & Maintenance- Equipment budget for Operations provides resources for the on-going maintenance and operation for the District’s physical and digital infrastructure, including: regular vehicle maintenance, batteries for generators, computers, cyber security, cloud servers, and other specialty software. Beginning in the prior fiscal year, the District implemented GASB 96 which changed the budgeting practice SBITAs, or the District licensing of certain software and IT programs. Software that qualifies as a SBITA under GASB reporting requirements is now budgeted as a capital expense; however, the requirements to qualify as a non-operating expense are complex and each software is evaluated annually to determine the appropriate classification. This has added significant variability to the operating budget for software subscriptions and is the primary driver for the increase in budget for this fiscal year. Though the overall cost to the District is unchanged from projections, the budget for Repairs & Maintenance - Equipment is increased because costs that were classified as capital in the prior fiscal year are now appropriate to classify as operating.

### Water Purchases

Water purchases represent the largest District operating expense. Changes in MET rates directly impact the budget. This increase reflects the overall 8.5% MET increase, effective January 1, 2026. Projections for water demands are unchanged from prior year levels and total water purchases are budgeted at 23,249 acre-feet. Though customer water usage continues to be lower in the last two “wet” years, this budget conservatively assumes demands representative of a more typical year in case weather begins to revert back to “dry” conditions.

### Consulting Services

The FY 25-26 budget has been decreased to reflect that one-time consulting support for the Utility Billing Replacement procurement (a needs assessment, RFP development, vendor selection) has been completed.

## Performance Measures and Achievements - Operations

This section outlines performance measures and achievements for the Operations Division. *Table 26: Operations Goals* displays a list of completed, in-progress, and planned items related to the District’s Strategic Goals & Objectives. *Table 27: Operations KPIs* summarizes Key Performance Indicators (KPIs) for the Division.

**Table 26: Operations Goals**

Strategic Plan Alignment	Operations
<b>COMPLETED</b>	
	a. Completed design of the following significant projects:
2.a.ii	i. Building E Rehabilitation and Solar Panels at District’s Headquarters
2.a.v	b. Completed implementation of Hach’s Water Information Management Solution system to standardize water quality reporting.
3.a	c. Digital Door Hangers: Effectively sent planned outage notifications to customers via email.
5.a.iii	d. Following the 2022 Coastal Fire, established an emergency preparedness work group to ensure unified incident response and implemented near-term recommendations from the group, including installation of multiple strategically located mobile pumping connections within the potable water distribution system and establishment of fire-hardening standards for future facility rehabilitation projects.
5.a.iii	e. Completed Water Main Extension for OCFA Helicopter Hydrant in partnership with OCFA and the Aliso Viejo Community Association, significantly reducing the time to respond to wildfires and resulting in enhanced fire protection for the community.
5.b.i	f. Completed installation of fiber optic network cabling throughout Plant 3A, connecting all buildings.
5.a	g. Implemented security improvements at Plant 3A.
5.a	h. PLC panel upgrades at Marguerite, Upper Salada, Moulton Peak, and Audubon.
5.a	i. Pump and valve replacements at Plant 3A and Regional Treatment Plant AWT.
5.a	j. Sewage grinder replacements at Lower Salada.
5.a	k. Valve and service line replacements as highlighted in the Operations Quarterly Report.
5.a.iv	l. Acquired mobile communications unit and conducted training.
5.a	m. Implemented a cyber security vendor to perform 24/7 monitoring of network threats.
5.a.iii	n. Developed and implemented a GIS disaster recovery/failover environment for utilization in emergencies where the primary GIS deployment is inaccessible due to natural or man-made disasters.
5.a	o. Maintained the District’s Collection system in compliance with SSMP.
5.a.ii	p. Completed District-wide Lead Copper Rule Revision and service line inventory.
2.a.ii	q. Implementing Low-Resolution Meter Replacement Program
<b>IN-PROGRESS</b>	
2.a.v	a. Developing a centralized database and asset optimization tool to support future water loss, energy efficiency, power generation, and other system optimization projects.
2.a.v	b. Developing a digital strategy and comprehensive data model of the District’s time series, geospatial, and asset data to support future analytics and optimization projects.
2.a.v	c. Coordinating with regional partners and agencies on innovative technologies for resource recovery options, specifically on biosolids and digester gas.
5.b	d. Continuing programmatic upgrades of reservoir management systems. Phases 1 through 3 have been completed and Phase 4 is in construction.
5.a.iii	e. Continuing construction to reconfigure and rehabilitate Building E at District Headquarters to implement the solar energy project at District Headquarters.
2.a.ii	f. PLC panel replacements at Aliso Creek, North Aliso, Galivan, and Pacific Park.
2.a.ii	g. Pump and valve replacements at Upper Salada, PID #1, PID #3, Big Niguel, Country Village, and Crown Valley Highlands.
2.a.v	h. Implementing new technologies for less intrusive easement repair.

2.a.v	i. Evaluating meter technology at supply and takeout meters and exploring potential meter communication upgrades.
5.a	j. Enhancing field communications ability through proposed GoTenna devices.
5.b.i	k. Targeting active leak response time of 24 hours or less.
2.a.i	l. Implementing comprehensive drone inspection of both outfalls.
5.a.iii	m. Developing internal emergency scenarios and exercises requiring activation of the Emergency Operations Center.
4.a.iv	n. Continuing quarterly confined space entry and rescue training with improved equipment and tools.
5.a.iii	o. Continuing development of emergency preparedness projects and activities to enhance District resiliency during disasters.
5.a.iii	p. Reviewing system infrastructure to support high-flow fire response adjacent to urban-wildland interfaces and developing potential capital program requirements to meet potential wildfire demands.
5.a.iii	q. Evaluating alternatives for expanding current fire flow inspection activities both in terms of frequency and scope.
5.a.iii	r. Expanding coordination activities with Orange County Fire Authority to enhance collective emergency response.
<b>PLANNED</b>	
2.a.v	a. Install the first in-conduit, small hydropower units at Bridlewood Flow Control Facility, which is anticipated to offset 820,000 kWh annually.
2.a.v	b. Implement a pilot program for demand-driven distribution within the potable system.
2.a.v	c. Select consultant and digital solution to support development of the District's Asset Optimization Tool.
5.a.i	d. Revise Sewer System Management Plan (SSMP) to comply with new statewide general order.
2.a.v	e. Develop Energy Solutions Optimization Model and selectively evaluate District sites for energy generation, storage, and/or efficiency projects.
2.a	f. Support implementation of the District's 10-year Capital Improvement Program.
2.a	g. Support the planned construction identified in the Asset Management Section of this document.
5.a.i	h. Develop several internal IT policies related to cyber security and data protection.
5.a.i	i. Perform specific cyber security assessment focused on remote connectivity.
2.a.iii	j. Upgrade JDE enterprise resource planning (ERP) system in preparation for integration with new Utility Billing System.
5.a.ii	k. Prepare and implement a compliance plan in accordance with the newly adopted California regulations for cross-connection control.

**Table 27: Operations KPIs**

<i>Strategic Plan Alignment</i>	<i>Key Performance Indicators</i>	<i>FY 23-24</i>	<i>FY 24-25 Projected</i>	<i>FY 25-26 Forecast</i>
<b>2.a.iii</b>	<b>1. Valves - Potable and Recycled</b>			
	<i>Exercised</i>	<b>4,161</b>	<b>3,287</b>	<b>3,482</b>
	<i>Replaced</i>	<b>161</b>	<b>172</b>	<b>159</b>
<b>2.a.iii</b>	<b>2. Mainline Breaks</b>	<b>9</b>	<b>n/a</b>	<b>14</b>
<b>2.a.iii</b>	<b>3. Sewer Line, feet</b>			
	<i>Inspected</i>	<b>360,118</b>	<b>322,809</b>	<b>305,318</b>
	<i>Cleaned</i>	<b>2,234,055</b>	<b>2,565,274</b>	<b>2,226,537</b>
<b>2.a.iv</b>	<b>4. Meters Changed</b>	<b>2,092</b>	<b>2,580</b>	<b>2,656</b>
<b>2.a.iii</b>	<b>5. Water Service Lines Replaced</b>	<b>495</b>	<b>448</b>	<b>448</b>

# WATER RESOURCES & EFFICIENCY



## Water Resources & Efficiency

The Water Resources and Efficiency Division manages the District's water efficiency and rebate programs, assists customers with questions about water efficiency programs and inefficient water usage, provides water supply and demand management analysis, proactive system leak detection, and is responsible for water, energy, and water loss reporting to the State. The Division supports the efficient use of water by all customer classes within the District by updating each customer's budget billing factors, when appropriate, 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 detected, the team works with internal staff or contractors to repair the leak.

### Water Efficiency

This Department oversees the District's water efficiency programs, partnerships with state and regional organizations, coordination of the statewide data collaborative, and budget-based rate structure. This department continuously develops strategies and tools to help customers use water efficiently while ensuring reliable service and the economic health of the community. Departmental programs and resources include, but are not limited to:

- Offering assistance to customers by conducting water use and efficiency assessments for commercial, landscape irrigation, and residential customers to identify causes of high consumption and inefficient use, and provide recommendations for improving the customer's water use efficiency.
- Implementing educational and outreach campaigns and materials, garden tours, residential landscape and irrigation classes, professional landscaper trainings, regional educational workshops for HOAs, and water efficiency messaging.
- Engaging and partnering with MWDOC and MWDC on water saving incentive and assistance programs, and engaging with associations, consultants, landscape professionals, and businesses to develop and support local, regional, and statewide water efficiency programs and initiatives.
- Managing and evaluating 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 public in a positive and cost-effective manner.

### Water Resources

The Department plays a leading role in advancing water supply projects and partnerships, including the OASIS Water Resources Center, which remains a priority initiative. In addition, Staff continuously monitors regional water supply projections and compares them with local demand forecasts to identify potential reliability risks and recommend responsive actions for consideration by the Board of Directors. 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:

- Updating the LRWRP and identifying new opportunities for water supply reliability and cost savings.
- Supporting the development and implementation of planning projects, pilot programs, and strategic initiatives.
- Reviewing and updating the District's water supply and water demand forecasts. Coordinating with MET and MWDOC on future supply conditions. Reviewing and engaging with MET and MWDOC on the update of the MET's Climate Adaptation Master Plan for Water (CAMP4W).
- 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 water loss control program through data compilation and analysis, annual water loss audit and validation, implementing pilot programs, introducing technologies to streamline water loss and leak detection program management and coordination with Operations to implement the water loss control program.

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

	FY 23-24	FY 24-25	FY 25-26	Changes/Trends
<b>Water Resource &amp; Efficiency</b>				
Proactive Leak Detection	2	2	2	
Water Efficiency	8	8	8	
Water Resources	3	3	3	
<b>Total Personnel</b>	<b>13</b>	<b>13</b>	<b>13</b>	No changes in personnel from last FY

**Table 29: Operating Expenses, Water Resources & Efficiency**

	FY 23-24 Budget	FY 23-24 Actual	FY 23-24 Difference	FY 24-25 Budget	FY 25-26 Proposed	FY 25-26 Forecast	FY 25-26 vs FY 24-25	
							\$Δ	%Δ
<b>EXPENSES (Operating)</b>								
Labor	\$ 2,321,108	\$ 2,064,102	\$ (257,006)	\$ 2,510,646	\$ 2,746,956	\$ 2,675,311	\$ 236,310	9.4 %
Educational Courses	6,107	4,369	(1,739)	27,234	6,243	27,778	(20,991)	(77.1)%
Travel & Meetings	52,775	36,085	(16,691)	44,140	52,574	44,499	8,434	19.1 %
Dues & Memberships	77,750	45,809	(31,941)	43,792	32,250	44,668	(11,542)	(26.4)%
Consulting Services	1,250,000	828,827	(421,173)	1,250,000	492,000	1,275,000	(758,000)	(60.6)%
Legal Services - General	30,000	5,912	(24,088)	25,000	20,000	25,500	(5,000)	(20.0)%
District Office Supplies	337,000	159,399	(177,601)	277,698	244,550	283,252	(33,148)	(11.9)%
District Operating Supplies	12,000	10,276	(1,724)	10,500	12,000	10,710	1,500	14.3 %
Repairs & Maint. - Equipment	26,500	72,625	46,125	321,000	370,085	327,420	49,085	15.3 %
Safety & Compliance	5,900	3,328	(2,572)	5,775	5,075	5,891	(700)	(12.1)%
Water Efficiency	2,226,500	873,097	(1,353,403)	1,864,000	1,872,000	1,872,180	8,000	0.4 %
<b>TOTAL</b>	<b>\$ 6,345,640</b>	<b>\$ 4,103,829</b>	<b>\$(2,241,812)</b>	<b>\$ 6,379,785</b>	<b>\$ 5,853,733</b>	<b>\$ 6,592,209</b>	<b>\$ (526,052)</b>	<b>(8.2)%</b>

## Operating Expenses Discussion - Water Resources & Efficiency

Line-item budgets included within *Table 29: Operating Expenses, Water Resources & Efficiency* that changed by more than \$50,000, or have other significance are discussed below:

### Labor

Labor is inclusive of salaries, CalPERS retirement, employee insurance, workers compensation and other employee benefits. The increase in Labor is driven by the following factors:

1. Planned implementation of year three of the Memorandum of Understanding with District employees during FY 25-26
2. CalPERS pension rates
3. Assumed increases for employee health insurance benefits

These factors are discussed in more detail in the Expense Summary - Staffing Resources section.

### District - Office Supplies

The FY 25-26 budget is decreased due to reductions in drought marketing efforts. In recent years, Southern California has experienced increased rainfall that led to demand reductions and marketing for drought conditions is not anticipated.

### Water Efficiency

The FY 25-26 budget has been held at a similarly reduced level as prior fiscal year, which was due to a scope adjustment for the NatureScape turf removal program. This program was transformed into the Residential NatureScape Garden Design Program to better align with the evolving needs of our customers.

The strategic change was prompted by the District's remarkable achievement of surpassing the goals set by the previous turf removal program, which saw the removal of 7 million square feet of turf and the installation of 130 California native landscapes.

It is important to emphasize that this budget reduction did not signify a decrease in the District's commitment to water use efficiency. Rather, it signified a strategic realignment of the program to cater to customers who have not yet participated, ensuring that our efforts remain aligned with our overarching objectives.

### Consulting Services

Consulting Services FY 25-26 budget is reduced to reflect budget for OASIS Water Resources Center being moved out of the Water Efficiency Fund beginning in FY 25-26. Staff determined that OASIS costs are more appropriately captured in Engineering and will be reflected there going forward.

## Performance Measures and Achievements - Water Resources & Efficiency

This section outlines performance measures and achievements for the Water Resources & Efficiency Division. *Table 30: Water Resources & Efficiency Goals* displays a list of completed, in-progress, and planned items related to the District’s Strategic Goals & Objectives. *Table 31: Water Resources & Efficiency KPIs* summarizes Key Performance Indicators (KPIs) for the Division.

**Table 30: Water Resources & Efficiency Goals**

Strategic Plan Alignment	Water Resources & Efficiency
	<b>COMPLETED</b>
3.a.i	a. Crafted and implemented outreach strategies, actively participating in planning, which led to the highest attendance at H2O for HOAs, California Data Collaborative (CaDC) Water Data Summit, NatureScape Garden Tour, Water Infrastructure Networking Summit (WINS), and Moulton Niguel Community Forum.
3.b.i	b. Engaged customers by implementing the 7th annual Fix-a-Leak Week Campaign, along with hosting a hands-on Fix-a-Leak Workshop tailored to help customers detect and address common household leaks effectively. Received WaterSense Partner of the Year Award from the US Environmental Protection Agency for related marketing and campaign promotional efforts.
3.a.ii	c. Hosted tour for Aliso Viejo Girl Scouts.
3.b	d. Hosted the 8th H2O for HOAs workshop at the Laguna Hills Community Center.
3.b.i	e. Hosted the District’s 4th NatureScape Garden Tour.
3.b	f. Digitally mapped the irrigable areas associated with single-family and multi-family residential accounts.
3.b.i	g. Partnered with California Data Collaborative on the 9th Annual Water Data Summit.
3.c.i	h. Partnered with Metropolitan to jointly host a professional landscaper training on irrigation water use efficiency.
3.a.ii	i. Expanded the District’s workshop and class offerings to include new topics and pre-recorded video format.
3.b.i	j. Retrofitted the remaining two Capistrano Unified School District schools with high-efficiency plumbing devices.
3.b	k. Per requirements of the Conservation as a California way of life legislation, classified commercial accounts into business categories.
3.c	l. Hosted a professional training series on two-wire irrigation systems in English and Spanish in partnership with Santa Margarita Water District.
2.a.i	m. Expanded AMI-based leak detection efforts at recycled water use sites to minimize unintended discharges.
3.a.ii	n. Launched the full-scale residential NatureScape Garden Design Program.
3.a	o. Evaluated performance of internally operated Smart Sprinkler Timer Direct Installation Program. Executed new contract with consultant to continue installing residential smart watering devices.
3.c.i	p. Partnered with SoCalGas to host the District’s first seminar to educate pool maintenance professionals on best pool-management practices that can help schools, businesses, and HOAs save water, energy, and money.
3.c.i	q. Partnered with Saddleback College to evaluate efficiency and water savings related to master valve and flow sensing technology.
5.b.ii	r. Significant outreach efforts to south Orange County agencies and project partners to support a pathway for implementing the OASIS Water Resource Center.
5.b.ii	i. Presented OASIS at several conferences, including AWWA ACE 24, California Stormwater Quality Association, California WateReuse, and WateReuse Symposium. In addition, hosted several presentations at headquarters with local, state, and federal officials and regulatory agencies. And lastly, presented at industry meetings such as the Orange County Water Association and Orange County WateReuse Chapter meetings.
5.b.ii	ii. Executed an MOU with County of Orange to collaborate for the benefit of Aliso Creek Watershed with several areas of interest including the OASIS program.
5.b.ii	iii. Executed an MOU with LADWP to solidify collaboration to further advance the OASIS program.
5.b.ii	s. Awarded two grants to support the OASIS program:
5.b.ii	i. \$1.5M BRIC Grant was awarded by FEMA for the overall OASIS program.

5.b.ii	ii. \$337,500 WaterSMART Grant was awarded by USBR for the runoff diversion component of the OASIS program.
5.b.ii	iii. With the award of these grants, three RFPs were issued to support the OASIS program, including for the runoff diversion study, DPR study, and outreach and communications efforts. The contract for the runoff diversion study was awarded in December 2024.

### IN-PROGRESS

3.a.ii	a. Expanding on online resources and videos (i.e., leak alert videos, workshop videos, event recaps) to provide customers with options on programs and services.
3.b.i	b. Continuing to provide timely, informative, and educational messaging to encourage efficient water use.
3.b	c. Continuing proactive leak alert outreach and communications to help customers with potential leaks.
3.a.ii	d. Continuing educational programs – Project WET (Water Education Today) and 7th annual WHALES (Watershed Heroes: Actions Linking Education to Stewardship) partnership with MWDOC – CHOICE programs and water awareness poster contest.
3.b.i	e. Implementing the 8th annual Fix-A-Leak Week Campaign and hosting multiple hands-on Fix-A-Leak workshops to help customers find and fix common household leaks.
3.c.i	f. Scoping compliance and long-term water efficiency program planning related to the Urban Water Use Objective.
3.b	g. Developing reporting automation workflow to manage regulatory reporting compliance and streamline data collection, warehouse, and report generation.
3.b.ii	h. Partnering with the County of Orange to provide additional financial incentives and enhanced services for the District’s commercial turf removal program.
3.b.i	i. Evaluate the performance of leak alert thresholds for ongoing customer leaks.
3.c.i	j. Participating in DWR’s Indoor Residential Water Use Study and related Technical Advisory Panel overseeing the Study.
3.b	k. Partnering with CaDC to estimate residential indoor per capita water use using AMI data.
3.b.i	l. Developing content for educational and instructional short videos on water saving tips.
3.c.i	m. Coordinating with Metropolitan to develop a regional master valve and flow sensor rebate program for commercial and irrigation customers.
3.c	n. Partnering with Danish water utility, Aarhus Vand A/S, and the Danish Water Technology Alliance, to collaborate on innovations in wastewater treatment, system optimization, and topics related to OASIS.
5.b.ii	o. Ongoing implementation of the recommendations from the adopted 2020 LRWRP Update adaptive management plan:
5.b.ii	i. Engaging with MWD, MWDOC, and other local water agencies to monitor water resource and reliability projects in the planning phase to track future implementation and evaluate how that may impact the District’s water reliability.
5.b.ii	ii. Continuing preliminary design efforts for the Emergency Interconnection to OCWD Groundwater Basin at Santa Ana East Station.
5.b.ii	p. Implementing the third-year water quality monitoring program to support a future direct potable reuse and runoff diversion project (under the OASIS Water Resource Center).
5.b.ii	q. Engaging with project partners, stakeholders, and regulators to develop and support a pathway for implementing the OASIS Water Resource Center.
5.b.ii	r. Working with consultant to refresh the Urban Drool Tool to support outreach efforts associated with water efficiency efforts in the watershed and the OASIS Water Resources Center.
5.b.ii	s. Continuing implementation of water loss control program, including proactive leak detection and expedited leak response, which has resulted in water loss of 6%.

### PLANNED

3.c	a. Craft and implement outreach strategies and plan or assist in planning for H2O for HOAs, and California Data Collaborative (CaDC) Water Data Summit.
3.c	b. OASIS Water Resource Center: develop an outreach campaign to support project goals, objectives, and associated planning activities.
3.b	c. Host the 9th H2O for the HOAs workshop. Incorporate content regarding fire-hardening to provide tools to HOAs to prepare for wildfires.

3.c	d. Host up to two professional trainings on landscape irrigation water use efficiency in English and Spanish languages.
3.c.i	e. Attend and present at water industry related conferences on innovative water efficiency and customer engagement programs.
5.b.ii	f. Planning efforts for the 2025 LRWRP Update, including updating supply and demand projections and water reliability goals. This activity will be followed by the Urban Water Management Plan update and Water Shortage Contingency Plan update in 2026.
5.b.ii	g. Advance the OASIS Water Resource Center Program:
5.b.ii	i. Work with the County of Orange and other South Orange County 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.
5.b.ii	ii. Prepare the Direct Potable Reuse (DPR) Concept and Feasibility Study to define the drinking water treatment concepts further, the planning for a DPR Pilot, and an evaluation of the existing RTP facilities to support the implementation of the DPR project.
5.b.ii	h. Initiate the evaluation of the purchase of drought-resilient water supplies from SDCWA under conditions consistent with the Long-Range Water Reliability Plan.

***Table 31: Water Resources & Efficiency KPIs***

<i>Strategic Plan Alignment</i>	<i>Key Performance Indicators</i>	<i>FY 23-24</i>	<i>FY 24-25 Projected</i>	<i>FY 25-26 Forecast</i>
<b>5.b.ii</b>	<b>1. Emergency Water Supply, days: The supply fluctuates and is dependent on demand. Lower demand through conservation and higher rain totals contribute to more days.</b>	<b>34</b>	<b>32</b>	<b>32</b>
<b>3.b</b>	<b>2. Turf Removal, square feet</b>	<b>289,684</b>	<b>350,000</b>	<b>400,000</b>
<b>3.b.i</b>	<b>3. Home Savings Surveys</b>	<b>240</b>	<b>220</b>	<b>230</b>
<b>2.a.iii</b>	<b>4. Water Loss (real)</b>			
	<b>1-Year Time Lag for Reporting</b>	<b>FY 22-23</b>	<b>FY 23-24</b>	<b>FY 24-25</b>
	gallons/connection/day	<b>16.30</b>	<b>15.50</b>	<b>26.50</b>

# CAPITAL & DEBT

# Capital Improvement Program (CIP)

## Overview

The Moulton Niguel Water District Capital Improvement Program (CIP) outlines the projected future capital projects for the next decade and provides a budget for the upcoming Fiscal Year (FY). The 10-year look-ahead can be viewed as a projection of capital needs based on identified projects. As part of the annual review, many projects are ultimately refined in scope or prioritized after additional investigation or condition assessments. Project costs are planning estimates and are reviewed and refined on an annual basis.

Spending authorization is given when the Board of Directors adopts the proposed budget, and, at that time, funds are appropriated for the upcoming 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. Fund 1: 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)

CIP development 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, pump and lift station rehabilitation, pipeline rehabilitation and replacement, manhole rehabilitation, valve replacement, fire hydrant replacement, service line replacement, and meter 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 anticipated 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 manhole rehabilitation, valve replacement, fire hydrant replacement, service line replacement, meter 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. These are budgeted under Funds 1 and 6.

## 10-Year Capital Improvement Program

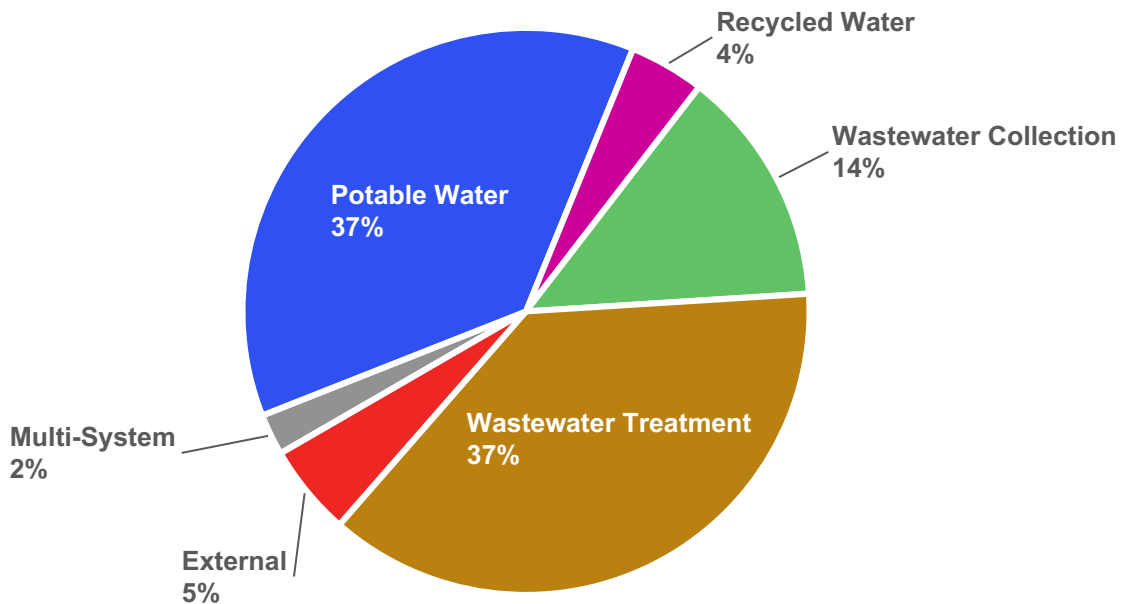
The 10-year CIP represents potable, recycled, wastewater, and multi-system projects that are required to maintain and operate the District's infrastructure. [Appendix D](#) lists the detailed individual projects of the 10-year CIP. The budgets are planning level costs based on similar completed projects 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 \$807.0 million for FY 25-26 through FY 34-35. About 5% (\$42 million) of these projected CIP projects are associated with the District's participation in external activities which are managed by an agency other than the District.

The breakdown of the 10-year CIP is shown between systems in [Figure 19: Distribution of the 10-Year CIP](#). The system categories are described below:

- Multi-System – projects associated with facilities that provide benefits to the entire District or more than one system such as vehicle replacements, geographic information systems, and operational software enhancements.
- 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 (Plant 3A and Regional Treatment Plant).
- 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 Transmission Main (JTM) operated by SCWD, SMWD Upper Oso Reservoir and Upper Chiquita Reservoir, ETWD R6 Reservoir, J.B. Latham Treatment Plant (c/o SCWD), San Juan Creek Ocean Outfall (c/o SMWD and SCWD), Effluent Transmission Main (c/o ETWD), Aliso Creek Ocean Outfall (c/o ETWD), and IRWD Baker Water Treatment Plant.

**Figure 19: Distribution of the 10-Year CIP**



## FY 24-25 CIP Budget (Prior Year)

The CIP for FY 24-25 as adopted by the Board of Directors in June of 2024 had a budget of \$85.2 million. The FY 24-25 budget contained 67 individual projects, along with external projects. District Engineering staff anticipates that at fiscal year-end, 17 projects will have been completed, 39 projects will be in construction and 23 projects will be in various stages of design.

Staff estimates that by fiscal year-end, \$191.9 million will be contracted or otherwise committed (includes multi-year projects with expenditures beyond the end of FY 24-25, approximately \$50 million of which is associated with the Plant 3A Solids Handling Facilities Improvements Project and approximately \$30 million associated with the Regional Force Main Replacement Project) and approximately \$57.7 million will have been expended. Table 32: FY 24-25 Adopted CIP Budget summarizes the FY 24-25 adopted budget.

**Table 32: FY 24-25 Adopted CIP Budget**

Item / Fund	FY 24-25 Adopted Budget
General - Fund 1	\$393,750
Water Efficiency - Fund 6	\$1,050,000
Replacement and Refurbishment - Fund 7	\$56,818,437
External (ETWD, IRWD, SCWD, SMWD) – Fund 7	\$6,835,945
Water Supply Reliability - Fund 12	\$800,000
Planning and Construction - Fund 14	\$19,337,500
<b>Total</b>	<b>\$85,235,632</b>
Projected Expenditures for FY 24-25 <sup>(1)</sup>	\$57,667,874
Projected Committed Funds/Contracts <sup>(2)</sup>	\$191,917,063

(1) Based on actual expenditures through March 31, 2025 and projected expenditures through the end of FY 24-25.

(2) Includes multi-year projects with expenditures beyond the end of FY 24-25.

## FY 25-26 CIP Budget

The FY 25-26 CIP outlines \$125.7 million in appropriations to continue funding existing projects and provide funding for new projects. Projects carried forward from FY 24-25 account for roughly \$120.8 million of the FY 25-26 CIP budget - \$113.4 million is currently in construction and \$7.5 million is in various design phases. Appropriations for new projects are about \$1.4 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 \$3.3 million, include projects proposed and managed by South Coast Water District (SCWD) for JTM, 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. Additionally, the District contracts with SCWD, SMWD, and ETWD to fund projects for JB Latham Treatment Plant, Effluent Transmission Main, Aliso Creek Ocean Outfall, and San Juan Creek Ocean Outfall. [Appendix D](#) lists the projects and provides detailed descriptions of proposed projects.

In [Table 33: FY 25-26 Adopted CIP Budget by Fund](#) the budget for each of the various funds is shown while [Figure 20: Distribution of CIP Budget by Fund](#) shows the percentage allocation. Rehabilitation and replacement of infrastructure generally drive budget requirements and account for approximately 74% of the fiscal year budget. This is in line with the age of the District and its transition from initial build out to reinvestment in infrastructure. 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 funding for water supply reliability in the FY 25-26 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.

Within [Table 34: FY 25-26 Adopted CIP Budget by System](#) the expenditure by system is shown, while [Figure 21: Distribution of CIP Budget by System](#) displays the percentage distribution across systems. The Wastewater system accounts for approximately 76% of the fiscal year budget due in large part to Plant 3A Solids Handling Facilities Improvements; Salinity Management at the Regional Treatment Plant Advanced Water Treatment System; Regional Lift Station Force Main Replacement; Aliso Creek Lift Station Rehabilitation; and North Aliso Lift Station Reconstruction.

### Capital Financing Plan

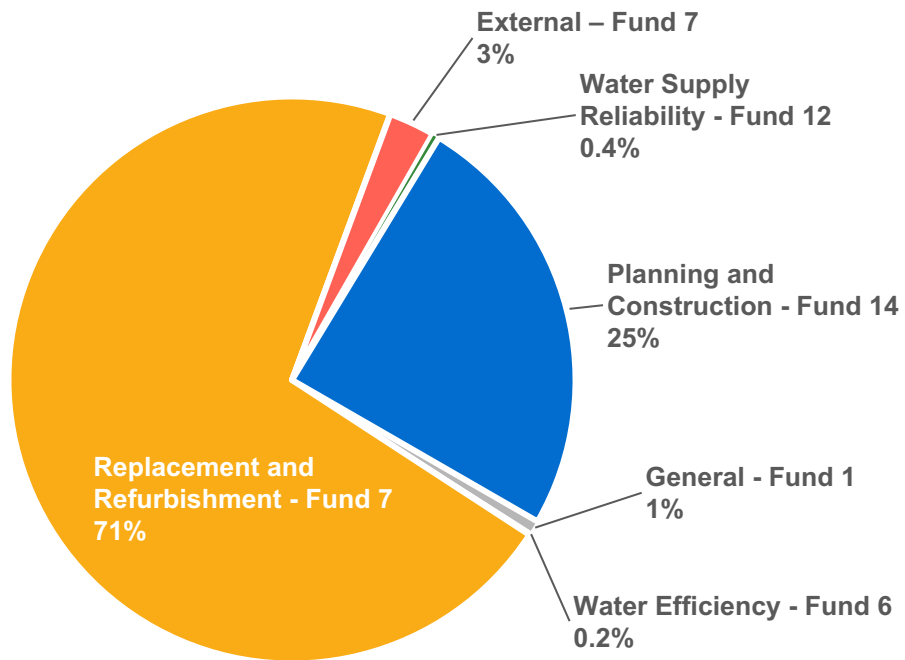
The District capital financing plan accounts for differences between actual expenses and projected costs for future capital projects. This approach aligns with best practices to account for the unexpected impacts to the timing of capital projects such as condition assessments identifying assets that 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 cash flow projections on a project-by-project basis and revises 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 \$601.5 million is utilized in the 10-year cash flow modeling to forecast revenue requirements in the future.

**Table 33: FY 25-26 Adopted CIP Budget by Fund**

ITEM/FUND	FY 25-26 Adopted Budget
General - Fund 1	\$880,000
Water Efficiency - Fund 6	\$200,000
Replacement and Refurbishment - Fund 7	\$89,834,048
External (ETWD, IRWD, SCWD, SMWD) – Fund 7	\$3,313,262
Water Supply Reliability - Fund 12	\$500,000
Planning and Construction - Fund 14	\$31,000,000
<b>Total FY 25-26 Adopted Budget</b>	<b>\$125,727,310</b>

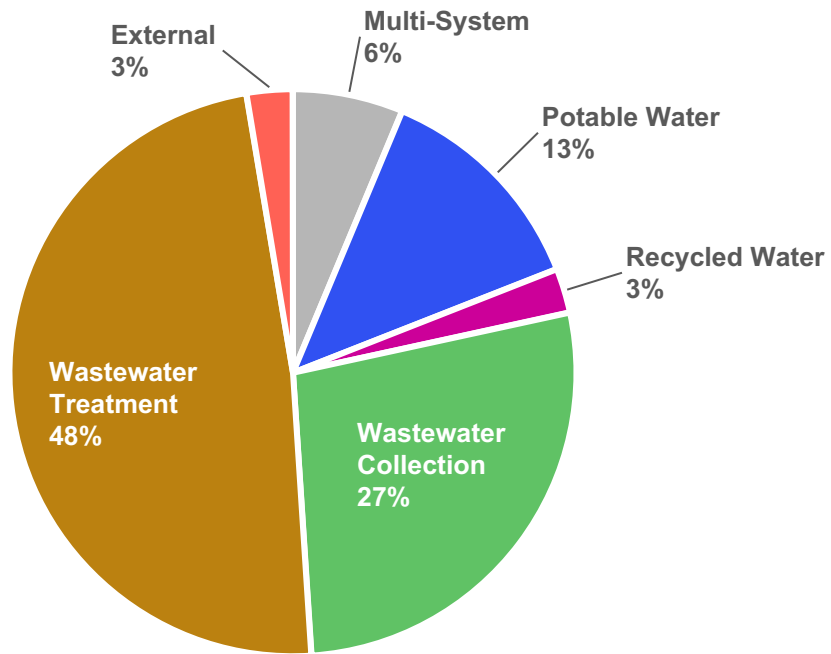
**Figure 20: Distribution of CIP Budget by Fund**



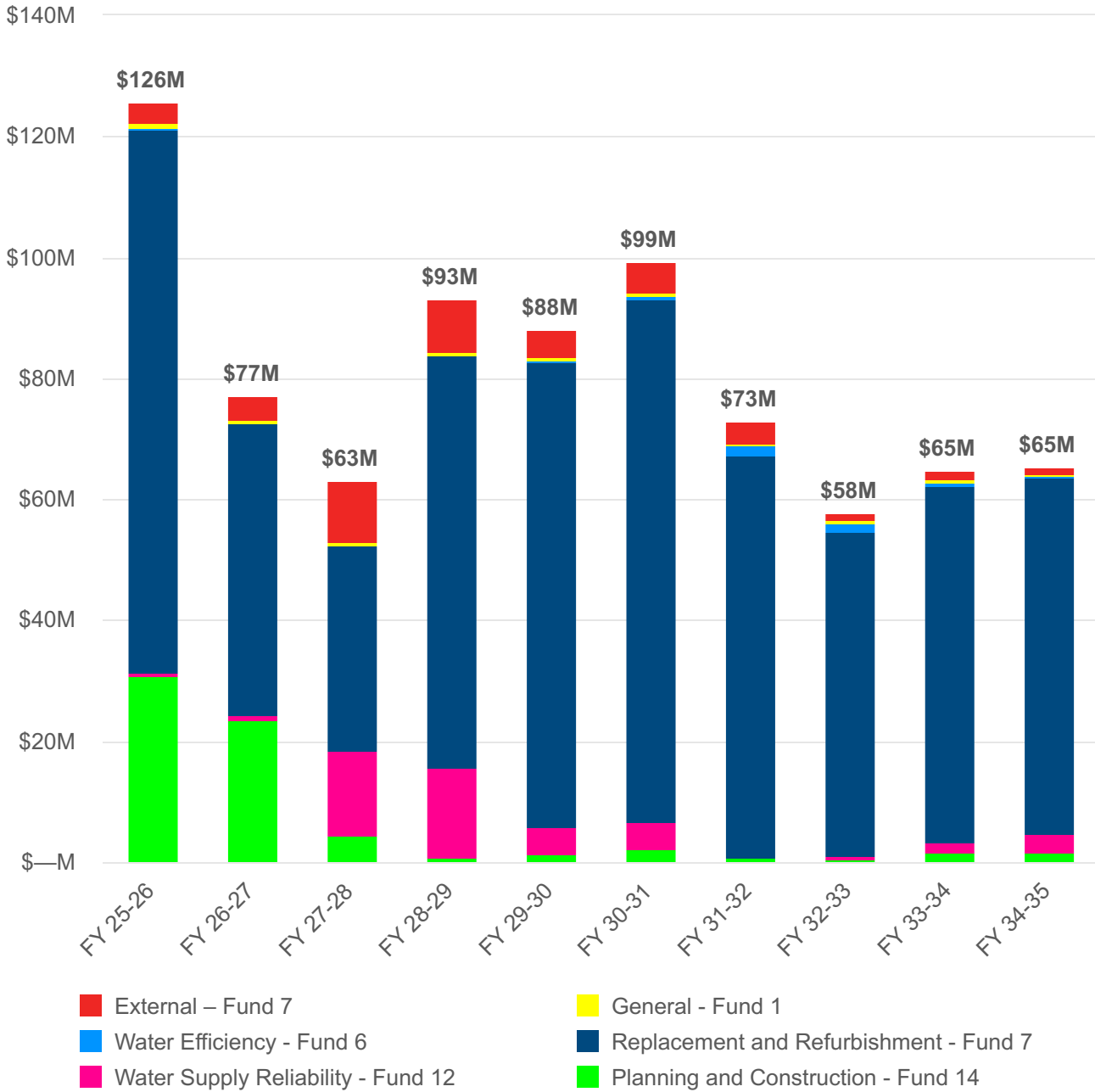
**Table 34: FY 25-26 Adopted CIP Budget by System**

SYSTEM	FY 25-26 Adopted Budget
Multi-System	\$7,925,000
Potable Water	\$16,015,000
Recycled Water	\$3,210,000
Wastewater Collection	\$34,425,000
Wastewater Treatment	\$60,839,048
External (ETWD, IRWD, SCWD, SMWD)	\$3,313,262
<b>Total Adopted Budget</b>	<b>\$125,727,310</b>

**Figure 21: Distribution of CIP Budget by System**



**Figure 22: 10-Year CIP Budget Distribution**



## CIP Impacts on Operating Budget

The capital improvement program will impact the operating budget if particular projects result in operational efficiencies, changes in operating procedures, or other circumstances. The projected impacts to the operating budget associated with the FY 25-26 CIP budget are outlined below.

### Staffing Resources

Approximately \$4.9 million of staff resources from working on CIP will be capitalized, or allocated to capital projects. As staff spends their time executing projects included in the capital program, the cost of those efforts will be recognized and accounted for.

### Debt / Funding

Where appropriate, the District desires to bond finance the construction of new facilities or the replacement of existing facilities, including reservoirs, pump stations, lift station enhancements, transmission main improvements, and other capital improvements. Financing provides a distribution of intergenerational equity over time and a source of funds for executing these projects. The District anticipates approximately \$35 million in proceeds from the 2025 Certificates of Participation (\$80 million) that were issued in the prior fiscal year will be available to fund eligible capital projects. Grant revenues can also be a vital source of funding for projects if and when these funds become available to the District. The balance of remaining capital projects that are not funded by bond proceeds or grant revenues will be drawn from existing cash balances.

### Maintenance

The FY 25-26 adopted CIP budget includes 43 individual projects and 23 programs in addition to external projects. The 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. The District is utilizing a Computerized Maintenance Management System (CMMS) to effectively monitor the maintenance requirements of assets and evaluate how they change over time.

### Utilities

Utilities impacts are similar to those of maintenance. The majority of projects in the FY 25-26 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. Once completed, the Micro-Hydro Turbine at Bridlewood FCF and Solar Panels at Headquarters Projects will generate electricity to help offset future electricity costs. The District has observed a continual increase in electricity rates and is actively exploring opportunities for enhancing cost management.

## Debt Management

As the District has grown over the past 60 years, bond issuances have been a critical strategy to expand service area infrastructure while keeping rates affordable. Bonds are a key funding source for 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 S&P Global Ratings, which enables the District to obtain the lowest possible rates from the public finance markets when funding future infrastructure projects.

As presented in the [Long-Range Financial Plan](#) section, a key component of funding the 10-year Capital Improvement Program is bond issuance to stabilize customer rate increases. [Figure 15: District CIP \(General Fund\)](#) displays anticipated bond issuances and [Figure 16: District Operating Financial Plan \(General Fund\)](#) displays anticipated debt service over the next ten years. This strategy is guided by District financial policy to meet a debt service coverage ratio of 1.75 while meeting Reserve Policy targets. [Table 35: FY 25-26 Debt Service Payments Summary](#) presents debt service payments for each of the District’s existing bonds, certificates, and loans during the budget year. Debt service payments for the most recent bond issuance (2025 Certificate of Participation) in FY 24-25 start from FY 25-26 and are recognized in the new fund - Fund 75. [Table 36: Debt Service Payment Schedules](#) presents the maturity schedule of outstanding debt.

**Table 35: FY 25-26 Debt Service Payments Summary**

	Principal	Interest	Total
2021 Certificate of Participation – Fund 74	\$1,180,000	\$1,564,400	\$2,744,400
2019 Certificate of Participation – Fund 73	\$1,475,000	\$1,837,706	\$3,312,706
2019 Revenue Bonds (Refunding of 2009 COPs) – Fund 12	\$2,155,000	\$2,273,625	\$4,428,625
2025 Certificate of Participation — Fund 75	\$525,000	\$1,682,528	\$2,207,528
<b>Total Debt Service</b>	<b>\$4,810,000</b>	<b>\$5,675,731</b>	<b>\$10,485,731</b>

## Debt Fund Descriptions

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

On March 1, 2019, the District issued \$60,000,000 of 2019 Revenue Refunding Bonds (2019 Refunding Bonds). Proceeds from the issuance were used to refund the 2009 Certificates of Participation (COP) federally taxable “Build America Bonds” and pay the cost of issuing the 2019 Refunding Bonds. The refunded COPs were originally issued to construct the Baker Water Treatment Plant, Upper Chiquita Reservoir, Emergency Interconnection with the Orange County groundwater basin and additional projects that provide greater water system reliability for the distribution of potable and recycled water.

### **Fund 73 – 2019 Certificates of Participation**

On November 6, 2019, the District issued \$64,570,000 of 2019 Certificates of Participation. 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**

On December 16, 2021, the District issued \$60,000,000 of 2021 Revenue Refunding Bonds. Due to the historic low interest rates, District staff identified an opportunity to advance a planned debt issuance, which ultimately reduced total issuance costs by \$14

million compared to if the certificates were issued when originally planned. Proceeds from the issuance have been used to finance construction and other project costs related to the District’s adopted Capital Improvement Program.

### ***Fund 75 – 2025 Certificates of Participation***

On March 11, 2025, the District issued \$71,260,000 of 2025 Certificates of Participation. Due to favorable market conditions, the District issued at a premium and received approximately \$80 million in proceeds from the issuance which were used to finance the costs of acquiring and constructing replacements and upgrades to the District’s reservoir management system and pump stations, lift station enhancements, transmission main improvements, and other projects that have been identified as part of the District’s most recently adopted Capital Improvement Program.

**Table 36: Debt Service Payment Schedules**

FY	2021 Certificate of Participation			2019 Certificate of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2025-2026	\$1,180,000	\$1,564,400	\$2,744,400	\$1,475,000	\$1,837,706	\$3,312,706
2026-2027	\$1,235,000	\$1,504,025	\$2,739,025	\$1,550,000	\$1,762,081	\$3,312,081
2027-2028	\$1,300,000	\$1,440,650	\$2,740,650	\$1,625,000	\$1,682,706	\$3,307,706
2028-2029	\$1,365,000	\$1,374,025	\$2,739,025	\$1,710,000	\$1,599,331	\$3,309,331
2029-2030	\$1,430,000	\$1,304,150	\$2,734,150	\$1,795,000	\$1,511,706	\$3,306,706
2030-2031	\$1,505,000	\$1,230,775	\$2,735,775	\$1,885,000	\$1,419,706	\$3,304,706
2031-2032	\$1,580,000	\$1,153,650	\$2,733,650	\$1,975,000	\$1,333,081	\$3,308,081
2032-2033	\$1,655,000	\$1,081,050	\$2,736,050	\$2,055,000	\$1,273,031	\$3,328,031
2033-2034	\$1,725,000	\$1,013,450	\$2,738,450	\$2,095,000	\$1,230,222	\$3,325,222
2034-2035	\$1,795,000	\$943,050	\$2,738,050	\$2,140,000	\$1,183,888	\$3,323,888
2035-2036	\$1,865,000	\$879,175	\$2,744,175	\$2,190,000	\$1,126,963	\$3,316,963
2036-2037	\$1,920,000	\$822,400	\$2,742,400	\$2,255,000	\$1,065,925	\$3,320,925
2037-2038	\$1,980,000	\$763,900	\$2,743,900	\$2,310,000	\$1,008,863	\$3,318,863
2038-2039	\$2,035,000	\$703,675	\$2,738,675	\$2,370,000	\$950,363	\$3,320,363
2039-2040	\$2,100,000	\$652,150	\$2,752,150	\$2,430,000	\$888,844	\$3,318,844
2040-2041	\$2,140,000	\$609,750	\$2,749,750	\$2,490,000	\$819,600	\$3,309,600
2041-2042	\$2,185,000	\$566,500	\$2,751,500	\$2,565,000	\$743,775	\$3,308,775
2042-2043	\$2,225,000	\$522,400	\$2,747,400	\$2,645,000	\$665,625	\$3,310,625
2043-2044	\$2,270,000	\$476,031	\$2,746,031	\$2,725,000	\$585,075	\$3,310,075
2044-2045	\$2,320,000	\$425,813	\$2,745,813	\$2,805,000	\$502,125	\$3,307,125
2045-2046	\$2,370,000	\$373,050	\$2,743,050	\$2,890,000	\$416,700	\$3,306,700
2046-2047	\$2,425,000	\$319,106	\$2,744,106	\$2,975,000	\$328,725	\$3,303,725
2047-2048	\$2,480,000	\$263,925	\$2,743,925	\$3,065,000	\$238,125	\$3,303,125
2048-2049	\$2,535,000	\$207,506	\$2,742,506	\$3,155,000	\$144,825	\$3,299,825
2049-2050	\$2,595,000	\$149,794	\$2,744,794	\$3,250,000	\$48,750	\$3,298,750
2050-2051	\$2,650,000	\$90,788	\$2,740,788			
2051-2052	\$2,710,000	\$30,488	\$2,740,488			
2052-2053						
2053-2054						
2054-2055						
<b>Total by Issue</b>	<b>\$ 53,575,000</b>	<b>\$ 20,465,676</b>	<b>\$ 74,040,676</b>	<b>\$58,425,000</b>	<b>\$24,367,741</b>	<b>\$82,792,741</b>

FY	2019 Revenue Refunding Bonds			2025 Certificate of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2025-2026	\$2,155,000	\$2,273,625	\$4,428,625	\$525,000	\$1,682,528	\$2,207,528
2026-2027	\$2,265,000	\$2,163,125	\$4,428,125	\$1,135,000	\$3,536,750	\$4,671,750
2027-2028	\$2,380,000	\$2,046,100	\$4,426,100	\$1,190,000	\$3,480,000	\$4,670,000
2028-2029	\$2,500,000	\$1,925,000	\$4,425,000	\$1,250,000	\$3,420,500	\$4,670,500
2029-2030	\$2,620,000	\$1,797,000	\$4,417,000	\$1,315,000	\$3,358,000	\$4,673,000
2030-2031	\$2,755,000	\$1,662,625	\$4,417,625	\$1,380,000	\$3,292,250	\$4,672,250
2031-2032	\$2,890,000	\$1,521,500	\$4,411,500	\$1,450,000	\$3,223,250	\$4,673,250
2032-2033	\$3,035,000	\$1,373,375	\$4,408,375	\$1,520,000	\$3,150,750	\$4,670,750
2033-2034	\$3,185,000	\$1,217,875	\$4,402,875	\$1,600,000	\$3,074,750	\$4,674,750
2034-2035	\$3,345,000	\$1,054,625	\$4,399,625	\$1,675,000	\$2,994,750	\$4,669,750
2035-2036	\$3,515,000	\$883,125	\$4,398,125	\$1,760,000	\$2,911,000	\$4,671,000
2036-2037	\$3,690,000	\$703,000	\$4,393,000	\$1,850,000	\$2,823,000	\$4,673,000
2037-2038	\$3,875,000	\$513,875	\$4,388,875	\$1,940,000	\$2,730,500	\$4,670,500
2038-2039	\$4,070,000	\$315,250	\$4,385,250	\$2,040,000	\$2,633,500	\$4,673,500
2039-2040	\$4,270,000	\$106,750	\$4,376,750	\$2,140,000	\$2,531,500	\$4,671,500
2040-2041				\$2,245,000	\$2,424,500	\$4,669,500
2041-2042				\$2,360,000	\$2,312,250	\$4,672,250
2042-2043				\$2,480,000	\$2,194,250	\$4,674,250
2043-2044				\$2,600,000	\$2,070,250	\$4,670,250
2044-2045				\$2,730,000	\$1,940,250	\$4,670,250
2045-2046				\$2,870,000	\$1,803,750	\$4,673,750
2046-2047				\$3,010,000	\$1,660,250	\$4,670,250
2047-2048				\$3,160,000	\$1,509,750	\$4,669,750
2048-2049				\$3,320,000	\$1,351,750	\$4,671,750
2049-2050				\$3,485,000	\$1,185,750	\$4,670,750
2050-2051				\$3,660,000	\$1,011,500	\$4,671,500
2051-2052				\$3,845,000	\$828,500	\$4,673,500
2052-2053				\$4,035,000	\$636,250	\$4,671,250
2053-2054				\$4,240,000	\$434,500	\$4,674,500
2054-2055				\$4,450,000	\$222,500	\$4,672,500
<b>Total by Issue</b>	<b>\$46,550,000</b>	<b>\$19,556,850</b>	<b>\$66,106,850</b>	<b>\$71,260,000</b>	<b>\$66,429,028</b>	<b>\$137,689,028</b>

# Glossary

<b>Acre-Foot</b>	The volume of water necessary to cover one acre to a depth of one foot, equal to 435.6 units/ccf or 325,850 gallons.
<b>Appropriation</b>	A funding authorization made by the Board of Directors, which permits the District to incur obligations and to make expenditures of resources.
<b>Assets</b>	Resources owned or held by the District that have monetary value.
<b>Balanced Budget</b>	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.
<b>Basis of Accounting</b>	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.
<b>Bond</b>	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). They are used for construction of long-lasting capital assets such as buildings, reservoirs, pipelines and pump stations.
<b>Capital Budget</b>	Funds appropriated within the annual budget for investment into Capital Infrastructure and capital equipment. These are independent and separate from normal operating expenses such as staffing resources and purchased water.
<b>Capital Improvement Program (CIP)</b>	Expenses related to the construction, replacement, rehabilitation and modernization of District owned and operated infrastructure.
<b>Capital Outlays</b>	Expenditure on an item that meets the District's \$5,000 threshold for capitalization. This includes purchases of various types of vehicles and equipment.
<b>Certificates of Participation (COPs)</b>	A long-term financing instrument authorized for construction or acquisition of facilities, equipment, and more.
<b>Debt Service</b>	The District's obligation to pay the principal and interest of bonds and other debt instruments according to a predetermined payment schedule.
<b>Enterprise Fund</b>	Fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public for determined fees.
<b>Expenditures/Expenses</b>	A charge incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges presumed to benefit the current fiscal period.
<b>Fiscal Year</b>	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.

<b>Generally Accepted Accounting Principles (GAAP)</b>	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).
<b>Geographic Information System (GIS)</b>	A system combining computer hardware, software, and geographic data for collecting, storing, analyzing and displaying geographically referenced information.
<b>Government Finance Officers Association (GFOA)</b>	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.
<b>Infrastructure</b>	The accumulated pipelines, storage facilities, and treatment plants of the District, including meters, valves, pumps, filters and other appurtenances.
<b>Interest Income</b>	Earnings (realized gains) from the investment portfolio.
<b>Liabilities</b>	Present obligations of the District arising from past events.
<b>Operating Budget</b>	The portion of the budget that pertains to daily operations that provide basic district services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel and fuel, and does not include purchases of major capital plant or equipment which is budgeted separately in the Capital Budget.
<b>Operating Expenses</b>	All costs associated with the day-to-day business of the District, which are not considered capital improvements or debt repayments.
<b>Purchased Import Water</b>	All imported water obtained from Metropolitan Water District of Southern California (MET) through the Municipal Water District of Orange County (MWDOC).
<b>Reserve Fund</b>	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.
<b>Revenue</b>	Revenues measure the value of District services provided to customers.
<b>Special District</b>	An independent unit of local government organized to perform a single governmental function or a restricted number of related functions.
<b>Supervisory Control and Data Acquisition (SCADA)</b>	The system that collects operational data from remote units to monitor and control water and wastewater systems and facilities throughout the District service area.
<b>Uncollectible Accounts</b>	Includes the write-off of unpaid water and sewer charges.
<b>User Charge</b>	A charge levied against users of a service or purchasers of a product.
<b>Variable Water Costs</b>	Water costs based on a set price per unit that varies on the quantity of units purchased or produced. Variable water costs for the District are related to the quantity of water purchased through imports and associated treatment costs, if applicable.

# Acronym Guidebook

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

# Appendix A: Salary Schedules

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
GENERAL UNIT**

<b>JOB CLASSIFICATION</b>	<b>RANGE</b>
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 Mechanic I	G13
Maintenance Mechanic II	G25
Maintenance Mechanic II/ Truck Driver	G25
Maintenance Mechanic III	G35
Maintenance Worker I - Collections	G10
Maintenance Worker I - Facilities	G13
Maintenance Worker I - Streets	G10

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
GENERAL UNIT**

Maintenance Worker II - Collections	G21
Maintenance Worker II - Facilities	G25
Maintenance Worker II - Streets	G21
Maintenance Worker III - Collections	G32
Maintenance Worker III - Facilities	G35
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 Inventory Control Technician	G29
Senior Inventory Control Technician	G29
Senior Leak Detection Technician	G40
Senior Maintenance Mechanic	G45
Senior Maintenance Specialist	G49
Senior Maintenance Worker - Collections	G40
Senior Maintenance Worker - Facilities	G45
Senior Maintenance Worker - Streets	G40
Senior Mechanic	G41
Senior Recycled Water Inspector	G42
Senior SCADA Specialist	G49
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

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
GENERAL UNIT**

Water Efficiency Analyst	G39
Water Efficiency Representative I	G3
Water Efficiency Representative II	G8
Water Efficiency Representative III	G18
Water Systems Operator I	G13
Water Systems Operator II	G25
Water Systems Operator III	G35

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
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	4,957.33	5,082.13	5,208.67	5,338.67	5,472.13	5,609.07	5,749.47	5,893.33	6,040.67	6,191.47	6,345.73
		Hourly	28.60	29.32	30.05	30.80	31.57	32.36	33.17	34.00	34.85	35.72	36.61
		Annually	59,488.00	60,985.60	62,504.00	64,064.00	65,665.60	67,308.80	68,993.60	70,720.00	72,488.00	74,297.60	76,148.80
-													
	G2	Monthly	5,257.20	5,388.93	5,524.13	5,661.07	5,803.20	5,948.80	6,096.13	6,248.67	6,404.67	6,565.87	6,728.80
		Hourly	30.33	31.09	31.87	32.66	33.48	34.32	35.17	36.05	36.95	37.88	38.82
		Annually	63,086.40	64,667.20	66,289.60	67,932.60	69,638.40	71,385.60	73,153.60	74,984.00	76,856.00	78,790.40	80,745.60
-													
Accounting Assistant I Customer Account Representative I Customer Service Field Technician I Inventory Clerk Water Efficiency Representative I	G3	Monthly	5,262.40	5,394.13	5,529.33	5,666.27	5,808.40	5,954.00	6,103.07	6,255.60	6,411.60	6,572.80	6,735.73
		Hourly	30.36	31.12	31.90	32.69	33.51	34.35	35.21	36.09	36.99	37.92	38.86
		Annually	63,148.80	64,729.60	66,352.00	67,995.20	69,700.80	71,448.00	73,236.80	75,067.20	76,939.20	78,873.60	80,828.80
-													
	G4	Monthly	5,577.87	5,716.53	5,860.40	6,006.00	6,156.80	6,311.07	6,468.80	6,630.00	6,796.40	6,966.27	7,139.60
		Hourly	32.18	32.98	33.81	34.65	35.52	36.41	37.32	38.25	39.21	40.19	41.19
		Annually	66,934.40	68,598.40	70,324.80	72,072.00	73,881.60	75,732.80	77,625.60	79,560.00	81,556.80	83,595.20	85,675.20
-													
	G5	Monthly	5,661.07	5,803.20	5,947.07	6,096.13	6,248.67	6,404.67	6,565.87	6,728.80	6,896.93	7,070.27	7,247.07
		Hourly	32.66	33.48	34.31	35.17	36.05	36.95	37.88	38.82	39.79	40.79	41.81
		Annually	67,932.80	69,638.40	71,364.80	73,153.60	74,984.00	76,856.00	78,790.40	80,745.60	82,763.20	84,843.20	86,964.80
-													
	G6	Monthly	5,671.47	5,813.60	5,959.20	6,108.27	6,260.80	6,416.80	6,578.00	6,740.93	6,910.80	7,082.40	7,259.20
		Hourly	32.72	33.54	34.38	35.24	36.12	37.02	37.95	38.89	39.87	40.86	41.88
		Annually	68,057.60	69,763.20	71,510.40	73,299.20	75,129.60	77,001.60	78,936.00	80,891.20	82,929.60	84,988.80	87,110.40
-													
	G7	Monthly	5,919.33	6,066.67	6,219.20	6,375.20	6,534.67	6,697.60	6,864.00	7,035.60	7,212.40	7,392.67	7,576.40
		Hourly	34.15	35.00	35.88	36.78	37.70	38.64	39.60	40.59	41.61	42.65	43.71
		Annually	71,032.00	72,800.00	74,630.40	76,502.40	78,416.00	80,371.20	82,368.00	84,427.20	86,548.80	88,712.00	90,916.80
-													
Accounting Assistant II Customer Account Representative II Customer Service Field Technician II Water Efficiency Representative II	G8	Monthly	5,922.80	6,070.13	6,222.67	6,378.67	6,538.13	6,701.07	6,869.20	7,040.80	7,215.87	7,396.13	7,581.60
		Hourly	34.17	35.02	35.90	36.80	37.72	38.66	39.63	40.62	41.63	42.67	43.74
		Annually	71,073.60	72,841.60	74,672.00	76,544.00	78,457.60	80,412.80	82,430.40	84,489.60	86,590.40	88,753.60	90,979.20
-													
Administrative Assistant I	G9	Monthly	5,943.60	6,092.67	6,245.20	6,401.20	6,560.67	6,725.33	6,893.47	7,065.07	7,241.87	7,422.13	7,607.60
		Hourly	34.29	35.15	36.03	36.93	37.85	38.80	39.77	40.76	41.78	42.82	43.89
		Annually	71,323.20	73,112.00	74,942.40	76,814.40	78,728.00	80,704.00	82,721.60	84,780.80	86,902.40	89,065.60	91,291.20
-													
Leak Detection Technician I Maintenance Worker I - Collections Maintenance Worker I - Streets	G10	Monthly	6,014.67	6,165.47	6,319.73	6,477.47	6,638.67	6,805.07	6,974.93	7,150.00	7,328.53	7,512.27	7,699.47
		Hourly	34.70	35.57	36.46	37.37	38.30	39.26	40.24	41.25	42.28	43.34	44.42
		Annually	72,176.00	73,985.60	75,836.80	77,729.60	79,664.00	81,660.80	83,699.20	85,800.00	87,942.40	90,147.20	92,393.60
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Mechanic I	G11	Monthly	6,030.27	6,181.07	6,335.33	6,494.80	6,656.00	6,822.40	6,994.00	7,167.33	7,347.60	7,531.33	7,718.53
		Hourly	34.79	35.66	36.55	37.47	38.40	39.36	40.35	41.35	42.39	43.45	44.53
		Annually	72,363.20	74,172.80	76,024.00	77,937.60	79,872.00	81,868.80	83,928.00	86,008.00	88,171.20	90,376.00	92,622.40

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
GENERAL UNIT**

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2.5% Increase Between Each Step

JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Cross Connection Inspector I Recycled Water Inspector I Inspector I	G12	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	
Maintenance Worker I - Facilities Maintenance Mechanic I Water Systems Operator I	G13	Monthly	6,212.27	6,368.27	6,526.00	6,690.67	6,857.07	7,028.67	7,203.73	7,384.00	7,569.47	7,758.40	7,952.53
Hourly		35.84	36.74	37.65	38.60	39.56	40.55	41.56	42.60	43.67	44.76	45.88	
Annually		74,547.20	76,419.20	78,312.00	80,288.00	82,284.80	84,344.00	86,444.80	88,608.00	90,833.60	93,100.80	95,430.40	
	G14	Monthly	6,274.67	6,432.40	6,591.87	6,756.53	6,926.40	7,099.73	7,276.53	7,458.53	7,645.73	7,836.40	8,032.27
Hourly		36.20	37.11	38.03	38.98	39.96	40.96	41.98	43.03	44.11	45.21	46.34	
Annually		75,296.00	77,188.80	79,102.40	81,078.40	83,116.80	85,196.80	87,318.40	89,502.40	91,748.80	94,036.80	96,387.20	
	G15	Monthly	6,378.67	6,538.13	6,701.07	6,869.20	7,040.80	7,217.60	7,397.87	7,581.60	7,772.27	7,966.40	8,165.73
Hourly		36.80	37.72	38.66	39.63	40.62	41.64	42.68	43.74	44.84	45.96	47.11	
Annually		76,544.00	78,457.60	80,412.80	82,430.40	84,489.60	86,611.20	88,774.40	90,979.20	93,267.20	95,596.80	97,988.80	
	G16	Monthly	6,390.80	6,550.27	6,714.93	6,881.33	7,054.67	7,231.47	7,411.73	7,597.20	7,786.13	7,982.00	8,181.33
Hourly		36.87	37.79	38.74	39.70	40.70	41.72	42.76	43.83	44.92	46.05	47.20	
Annually		76,689.60	78,603.20	80,579.20	82,576.00	84,656.00	86,777.60	88,940.80	91,166.40	93,433.60	95,784.00	98,176.00	
	G17	Monthly	6,656.00	6,822.40	6,992.27	7,167.33	7,347.60	7,531.33	7,718.53	7,912.67	8,110.27	8,313.07	8,521.07
Hourly		38.40	39.36	40.34	41.35	42.39	43.45	44.53	45.65	46.79	47.96	49.16	
Annually		79,872.00	81,868.80	83,907.20	86,008.00	88,171.20	90,376.00	92,622.40	94,952.00	97,323.20	99,756.80	102,252.80	
Accounting Assistant III Customer Account Representative III Customer Service Field Technician III Inventory Control Technician Water Efficiency Representative III	G18	Monthly	6,657.73	6,824.13	6,994.00	7,169.07	7,349.33	7,533.07	7,720.27	7,914.40	8,112.00	8,314.80	8,522.80
Hourly		38.41	39.37	40.35	41.36	42.40	43.46	44.54	45.66	46.80	47.97	49.17	
Annually		79,892.80	81,889.60	83,928.00	86,028.80	88,192.00	90,396.80	92,643.20	94,972.80	97,344.00	99,777.60	102,273.60	
Administrative Assistant II	G19	Monthly	6,706.27	6,874.40	7,046.00	7,221.07	7,403.07	7,586.80	7,777.47	7,971.60	8,170.93	8,375.47	8,585.20
Hourly		38.69	39.66	40.65	41.66	42.71	43.77	44.87	45.99	47.14	48.32	49.53	
Annually		80,475.20	82,492.80	84,552.00	86,652.80	88,836.80	91,041.60	93,329.60	95,659.20	98,051.20	100,505.60	103,022.40	
GIS Technician Permit Technician Records & Mapping Technician	G20	Monthly	6,749.60	6,917.73	7,091.07	7,267.87	7,449.87	7,637.07	7,827.73	8,023.60	8,222.93	8,429.20	8,640.67
Hourly		38.94	39.91	40.91	41.93	42.98	44.06	45.16	46.29	47.44	48.63	49.85	
Annually		80,995.20	83,012.80	85,092.80	87,214.40	89,398.40	91,644.80	93,932.80	96,283.20	98,675.20	101,130.40	103,688.00	
Leak Detection Technician II Maintenance Worker II - Collections Maintenance Worker II - Streets	G21	Monthly	6,761.73	6,931.60	7,103.20	7,281.73	7,463.73	7,650.93	7,841.60	8,037.47	8,238.53	8,444.80	8,656.27
Hourly		39.01	39.99	40.98	42.01	43.06	44.14	45.24	46.37	47.53	48.72	49.94	
Annually		81,140.80	83,179.20	85,238.40	87,380.80	89,564.80	91,811.20	94,099.20	96,449.60	98,862.40	101,337.60	103,875.20	
Mechanic II	G22	Monthly	6,782.53	6,952.40	7,125.73	7,304.27	7,486.27	7,673.47	7,865.87	8,061.73	8,264.53	8,470.80	8,682.27
Hourly		39.13	40.11	41.11	42.14	43.19	44.27	45.38	46.51	47.68	48.87	50.09	
Annually		81,390.40	83,428.80	85,508.80	87,651.20	89,835.20	92,081.60	94,390.40	96,740.80	99,174.40	101,649.60	104,187.20	

**MOULTON NIGUEL WATER DISTRICT  
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GENERAL UNIT**

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JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
Wastewater Treatment Plant Operator in Training	G22.1	Monthly	6,818.93	6,988.80	7,163.87	7,342.40	7,526.13	7,715.07	7,907.47	8,105.07	8,307.87	8,515.87	8,729.07
		Hourly	39.34	40.32	41.33	42.36	43.42	44.51	45.62	46.76	47.93	49.13	50.36
		Annually	81,827.20	83,865.60	85,966.40	88,108.80	90,313.60	92,580.80	94,889.60	97,260.80	99,694.40	102,190.40	104,748.80
Inspector II	G23	Monthly	6,893.47	7,065.07	7,241.87	7,423.87	7,609.33	7,800.00	7,994.13	8,193.47	8,399.73	8,609.47	8,824.40
		Hourly	39.77	40.76	41.78	42.83	43.90	45.00	46.12	47.27	48.46	49.67	50.91
		Annually	82,721.60	84,780.80	86,902.40	89,086.40	91,312.00	93,600.00	95,929.60	98,321.60	100,796.80	103,313.60	105,892.80
Cross Connection Inspector II Recycled Water Inspector II	G24	Monthly	6,947.20	7,120.53	7,299.07	7,481.07	7,668.27	7,860.67	8,056.53	8,257.60	8,463.87	8,675.33	8,893.73
		Hourly	40.08	41.08	42.11	43.16	44.24	45.35	46.48	47.64	48.83	50.05	51.31
		Annually	83,366.40	85,446.40	87,588.80	89,772.80	92,019.20	94,328.00	96,678.40	99,091.20	101,566.40	104,104.00	106,724.80
Water Systems Operator II Maintenance Mechanic II Maintenance Mechanic II/ Truck Driver Maintenance Worker II - Facilities	G25	Monthly	6,987.07	7,162.13	7,340.67	7,524.40	7,711.60	7,905.73	8,103.33	8,306.13	8,512.40	8,725.60	8,944.00
		Hourly	40.31	41.32	42.35	43.41	44.49	45.61	46.75	47.92	49.11	50.34	51.60
		Annually	83,844.80	85,945.60	88,088.00	90,292.80	92,539.20	94,868.80	97,240.00	99,673.60	102,148.80	104,707.20	107,328.00
	G26	Monthly	7,061.60	7,238.40	7,418.67	7,604.13	7,794.80	7,988.93	8,190.00	8,394.53	8,604.27	8,819.20	9,039.33
		Hourly	40.74	41.76	42.80	43.87	44.97	46.09	47.25	48.43	49.64	50.88	52.15
		Annually	84,739.20	86,860.80	89,024.00	91,249.60	93,537.60	95,867.20	98,280.00	100,734.40	103,251.20	105,830.40	108,472.00
Electrical/Instrumentation Technician I	G26.1	Monthly	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	9,100.00
		Hourly	41.01	42.04	43.09	44.16	45.27	46.40	47.56	48.75	49.97	51.22	52.50
		Annually	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	109,200.00
	G27	Monthly	7,163.87	7,342.40	7,526.13	7,715.07	7,907.47	8,105.07	8,307.87	8,515.87	8,729.07	8,947.47	9,171.07
		Hourly	41.33	42.36	43.42	44.51	45.62	46.76	47.93	49.13	50.36	51.62	52.91
		Annually	85,966.40	88,108.80	90,313.60	92,580.80	94,889.60	97,260.80	99,694.40	102,190.40	104,748.80	107,369.60	110,052.80
	G28	Monthly	7,179.47	7,359.73	7,543.47	7,730.67	7,924.80	8,122.40	8,325.20	8,534.93	8,748.13	8,966.53	9,190.13
		Hourly	41.42	42.46	43.52	44.60	45.72	46.86	48.03	49.24	50.47	51.73	53.02
		Annually	86,153.60	88,316.80	90,521.60	92,768.00	95,097.60	97,468.80	99,902.40	102,419.20	104,977.60	107,598.40	110,281.60
Buyer Senior Inventory Control Technician	G29	Monthly	7,401.33	7,586.80	7,775.73	7,969.87	8,169.20	8,373.73	8,583.47	8,798.40	9,018.53	9,243.87	9,474.40
		Hourly	42.70	43.77	44.86	45.98	47.13	48.31	49.52	50.76	52.03	53.33	54.66
		Annually	88,816.00	91,041.60	93,308.80	95,638.40	98,030.40	100,484.80	103,001.60	105,580.80	108,222.40	110,926.40	113,692.80
	G30	Monthly	7,486.27	7,673.47	7,865.87	8,061.73	8,262.80	8,470.80	8,682.27	8,898.93	9,120.80	9,349.60	9,583.60
		Hourly	43.19	44.27	45.38	46.51	47.67	48.87	50.09	51.34	52.62	53.94	55.29
		Annually	89,835.20	92,081.60	94,390.40	96,740.80	99,153.60	101,649.60	104,187.20	106,787.20	109,449.60	112,195.20	115,003.20

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
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
Accountant Records & Mapping Analyst Senior Customer Account Representative Senior Customer Service Field Technician Senior Water Efficiency Representative	G31	Monthly	7,489.73	7,676.93	7,869.33	8,065.20	8,268.00	8,474.27	8,685.73	8,902.40	9,126.00	9,353.07	9,587.07
Hourly		43.21	44.29	45.40	46.53	47.70	48.89	50.11	51.36	52.65	53.96	55.31	
Annually		89,876.80	92,123.20	94,432.00	96,782.40	99,216.00	101,691.20	104,228.80	106,828.80	109,512.00	112,236.80	115,044.80	
Facilities Coordinator Leak Detection Technician III Maintenance Worker III - Collections Maintenance Worker III - Streets	G32	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	
Mechanic III	G33	Monthly	7,631.87	7,822.53	8,018.40	8,219.47	8,424.00	8,635.47	8,850.40	9,072.27	9,299.33	9,531.60	9,769.07
Hourly		44.03	45.13	46.26	47.42	48.60	49.82	51.06	52.34	53.65	54.99	56.36	
Annually		91,582.40	93,870.40	96,220.80	98,633.60	101,088.00	103,625.60	106,204.80	108,867.20	111,592.00	114,379.20	117,228.80	
Wastewater Treatment Plant Operator I	G33.1	Monthly	7,671.73	7,864.13	8,060.00	8,261.07	8,467.33	8,680.53	8,897.20	9,119.07	9,347.87	9,580.13	9,821.07
Hourly		44.26	45.37	46.50	47.66	48.85	50.08	51.33	52.61	53.93	55.27	56.66	
Annually		92,060.80	94,369.60	96,720.00	99,132.80	101,608.00	104,166.40	106,766.40	109,428.80	112,174.40	114,961.60	117,852.80	
Cross Connection Inspector III Inspector III Recycled Water Inspector III	G34	Monthly	7,756.67	7,950.80	8,150.13	8,352.93	8,562.67	8,775.87	8,996.00	9,219.60	9,450.13	9,687.60	9,928.53
Hourly		44.75	45.87	47.02	48.19	49.40	50.63	51.90	53.19	54.52	55.89	57.28	
Annually		93,080.00	95,409.60	97,801.60	100,235.20	102,752.00	105,310.40	107,952.00	110,635.20	113,401.60	116,251.20	119,142.40	
Maintenance Mechanic III Maintenance Worker III - Facilities Water Systems Operator III	G35	Monthly	7,864.13	8,060.00	8,262.80	8,469.07	8,680.53	8,897.20	9,120.80	9,347.87	9,581.87	9,821.07	10,067.20
Hourly		45.37	46.50	47.67	48.86	50.08	51.33	52.62	53.93	55.28	56.66	58.08	
Annually		94,369.60	96,720.00	99,153.60	101,628.80	104,166.40	106,766.40	109,449.60	112,174.40	114,982.40	117,852.80	120,806.40	
Electrical/Instrumentation Technician II	G36	Monthly	8,001.07	8,200.40	8,406.67	8,616.40	8,831.33	9,053.20	9,278.53	9,510.80	9,748.27	9,992.67	10,242.27
Hourly		46.16	47.31	48.50	49.71	50.95	52.23	53.53	54.87	56.24	57.65	59.09	
Annually		96,012.80	98,404.80	100,880.00	103,396.80	105,976.00	108,638.40	111,342.40	114,129.60	116,979.20	119,912.00	122,907.20	

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
GENERAL UNIT**

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2.5% Increase Between Each Step

JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
			-	-	-	-	-	-	-	-	-	-	-
	G37	Monthly	8,063.47	8,264.53	8,472.53	8,684.00	8,900.67	9,122.53	9,351.33	9,585.33	9,824.53	10,070.67	10,322.00
		Hourly	46.52	47.68	48.88	50.10	51.35	52.63	53.95	55.30	56.68	58.10	59.55
		Annually	96,761.60	99,174.40	101,670.40	104,208.00	106,808.00	109,470.40	112,216.00	115,024.00	117,894.40	120,848.00	123,864.00
			-	-	-	-	-	-	-	-	-	-	-
	G38	Monthly	8,079.07	8,281.87	8,488.13	8,699.60	8,918.00	9,139.87	9,368.67	9,602.67	9,843.60	10,089.73	10,341.07
		Hourly	46.61	47.78	48.97	50.19	51.45	52.73	54.05	55.40	56.79	58.21	59.66
		Annually	96,948.80	99,382.40	101,857.60	104,395.20	107,016.00	109,678.40	112,424.00	115,232.00	118,123.20	121,076.80	124,092.80
			-	-	-	-	-	-	-	-	-	-	-
GIS Analyst Senior Accountant Water Efficiency Analyst	G39	Monthly	8,543.60	8,756.80	8,976.93	9,200.53	9,431.07	9,666.80	9,907.73	10,155.60	10,410.40	10,670.40	10,937.33
		Hourly	49.29	50.52	51.79	53.08	54.41	55.77	57.16	58.59	60.06	61.56	63.10
		Annually	102,523.20	105,081.60	107,723.20	110,406.40	113,172.80	116,001.60	118,892.80	121,867.20	124,924.80	128,044.80	131,248.00
			-	-	-	-	-	-	-	-	-	-	-
Senior Leak Detection Technician Senior Maintenance Worker - Collections Senior Maintenance Worker - Streets	G40	Monthly	8,560.93	8,774.13	8,994.27	9,219.60	9,450.13	9,685.87	9,928.53	10,176.40	10,431.20	10,691.20	10,958.13
		Hourly	49.39	50.62	51.89	53.19	54.52	55.88	57.28	58.71	60.18	61.68	63.22
		Annually	102,731.20	105,289.60	107,931.20	110,635.20	113,401.60	116,230.40	119,142.40	122,116.80	125,174.40	128,294.40	131,497.60
			-	-	-	-	-	-	-	-	-	-	-
Senior Mechanic	G41	Monthly	8,581.73	8,796.67	9,016.80	9,242.13	9,472.67	9,710.13	9,952.80	10,200.67	10,455.47	10,717.20	10,985.87
		Hourly	49.51	50.75	52.02	53.32	54.65	56.02	57.42	58.85	60.32	61.83	63.38
		Annually	102,980.80	105,560.00	108,201.60	110,905.60	113,672.00	116,521.60	119,433.60	122,408.00	125,465.60	128,606.40	131,830.40
			-	-	-	-	-	-	-	-	-	-	-
Wastewater Treatment Plant Operator II	G41.1	Monthly	8,628.53	8,843.47	9,065.33	9,292.40	9,524.67	9,762.13	10,006.53	10,256.13	10,512.67	10,776.13	11,044.80
		Hourly	49.78	51.02	52.30	53.61	54.95	56.32	57.73	59.17	60.65	62.17	63.72
		Annually	103,542.40	106,121.60	108,784.00	111,508.80	114,296.00	117,145.60	120,078.40	123,073.60	126,152.00	129,313.60	132,537.60
			-	-	-	-	-	-	-	-	-	-	-
Senior Cross Connection Inspector Senior Inspector Senior Recycled Water Inspector	G42	Monthly	8,725.60	8,944.00	9,167.60	9,396.40	9,632.13	9,873.07	10,119.20	10,372.27	10,630.53	10,897.47	11,169.60
		Hourly	50.34	51.60	52.89	54.21	55.57	56.96	58.38	59.84	61.33	62.87	64.44
		Annually	104,707.20	107,328.00	110,011.20	112,756.80	115,585.60	118,476.80	121,430.40	124,467.20	127,566.40	130,769.60	134,035.20
			-	-	-	-	-	-	-	-	-	-	-
	G43	Monthly	8,748.13	8,966.53	9,191.87	9,420.67	9,656.40	9,897.33	10,145.20	10,398.27	10,658.27	10,925.20	11,199.07
		Hourly	50.47	51.73	53.03	54.35	55.71	57.10	58.53	59.99	61.49	63.03	64.61
		Annually	104,977.60	107,598.40	110,302.40	113,048.00	115,876.80	118,768.00	121,742.40	124,779.20	127,899.20	131,102.40	134,388.80
			-	-	-	-	-	-	-	-	-	-	-
Information Systems Analyst I	G44	Monthly	8,829.60	9,049.73	9,276.80	9,509.07	9,746.53	9,989.20	10,238.80	10,495.33	10,758.80	11,027.47	11,303.07
		Hourly	50.94	52.21	53.52	54.86	56.23	57.63	59.07	60.55	62.07	63.62	65.21
		Annually	105,955.20	108,596.80	111,321.60	114,108.80	116,958.40	119,870.40	122,865.60	125,944.00	129,105.60	132,329.60	135,636.80
			-	-	-	-	-	-	-	-	-	-	-
Senior Maintenance Mechanic Senior Maintenance Worker - Facilities Senior Water Systems Operator	G45	Monthly	8,845.20	9,067.07	9,292.40	9,524.67	9,763.87	10,008.27	10,257.87	10,514.40	10,777.87	11,046.53	11,322.13
		Hourly	51.03	52.31	53.61	54.95	56.33	57.74	59.18	60.66	62.18	63.73	65.32
		Annually	106,142.40	108,804.80	111,508.80	114,296.00	117,166.40	120,099.20	123,094.40	126,172.80	129,334.40	132,558.40	135,865.60
			-	-	-	-	-	-	-	-	-	-	-
	G46	Monthly	8,994.27	9,219.60	9,450.13	9,685.87	9,928.53	10,176.40	10,431.20	10,691.20	10,958.13	11,232.00	11,512.80
		Hourly	51.89	53.19	54.52	55.88	57.28	58.71	60.18	61.68	63.22	64.80	66.42
		Annually	107,931.20	110,635.20	113,401.60	116,230.40	119,142.40	122,116.80	125,174.40	128,294.40	131,497.60	134,784.00	138,153.60

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
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
Electrical/Instrumentation Technician III	G46.1	Monthly	8,997.73	9,223.07	9,453.60	9,689.33	9,932.00	10,179.87	10,434.67	10,694.67	10,963.33	11,237.20	11,518.00
		Hourly	51.91	53.21	54.54	55.90	57.30	58.73	60.20	61.70	63.25	64.83	66.45
		Annually	107,972.80	110,676.80	113,443.20	116,272.00	119,184.00	122,158.40	125,216.00	128,336.00	131,560.00	134,846.40	138,216.00
Purchasing Agent	G47	Monthly	9,245.60	9,476.13	9,713.60	9,956.27	10,205.87	10,460.67	10,722.40	10,989.33	11,264.93	11,545.73	11,835.20
		Hourly	53.34	54.67	56.04	57.44	58.88	60.35	61.86	63.40	64.99	66.61	68.28
		Annually	110,947.20	113,713.60	116,563.20	119,475.20	122,470.40	125,528.00	128,668.80	131,872.00	135,179.20	138,548.80	142,022.40
Senior GIS Analyst Senior Wastewater Treatment Plant Operator	G47.1	Monthly	9,710.13	9,952.80	10,202.40	10,457.20	10,718.93	10,985.87	11,261.47	11,542.27	11,830.00	12,126.40	12,429.73
		Hourly	56.02	57.42	58.86	60.33	61.84	63.38	64.97	66.59	68.25	69.96	71.71
		Annually	116,521.60	119,433.60	122,428.80	125,486.40	128,627.20	131,830.40	135,137.60	138,507.20	141,960.00	145,516.80	149,156.80
Information Systems Analyst II	G48	Monthly	9,930.27	10,178.13	10,432.93	10,694.67	10,961.60	11,235.47	11,516.27	11,804.00	12,098.67	12,402.00	12,712.27
		Hourly	57.29	58.72	60.19	61.70	63.24	64.82	66.44	68.10	69.80	71.55	73.34
		Annually	119,163.20	122,137.60	125,195.20	128,336.00	131,539.20	134,825.60	138,195.20	141,648.00	145,184.00	148,824.00	152,547.20
Senior Electrical/Instrumentation Technician	G48.1	Monthly	10,122.67	10,375.73	10,635.73	10,900.93	11,173.07	11,452.13	11,739.87	12,032.80	12,332.67	12,641.20	12,958.40
		Hourly	58.40	59.86	61.36	62.89	64.46	66.07	67.73	69.42	71.15	72.93	74.76
		Annually	121,472.00	124,508.80	127,628.80	130,811.20	134,076.80	137,425.60	140,878.40	144,393.60	147,992.00	151,694.40	155,500.80
Senior Maintenance Specialist Senior SCADA Specialist	G49	Monthly	11,173.07	11,452.13	11,738.13	12,032.80	12,332.67	12,641.20	12,956.67	13,280.80	13,613.60	13,953.33	14,301.73
		Hourly	64.46	66.07	67.72	69.42	71.15	72.93	74.75	76.62	78.54	80.50	82.51
		Annually	134,076.80	137,425.60	140,857.60	144,393.60	147,992.00	151,694.40	155,480.00	159,369.60	163,363.20	167,440.00	171,620.80

**MOULTON NIGUEL WATER DISTRICT  
 JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
 SUPERVISORY UNIT**

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

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
SUPERVISORY 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
Accounting Supervisor Collection System Supervisor Cross Connection Supervisor Customer Account Supervisor Customer Service Field Supervisor Inspection Supervisor Street Crew Supervisor Support Services Supervisor Water Efficiency Supervisor	SU1	Monthly	10,164.27	10,419.07	10,679.07	10,946.00	11,219.87	11,500.67	11,786.67	12,081.33	12,384.67	12,693.20	13,010.40
Hourly		58.64	60.11	61.61	63.15	64.73	66.35	68.00	69.70	71.45	73.23	75.06	
Annually		121,971.20	125,028.80	128,148.80	131,352.00	134,638.40	138,008.00	141,440.00	144,976.00	148,616.00	152,318.40	156,124.80	
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Assistant Chief Plant Operator Electrical/Instrumentation Supervisor Plant Maintenance Supervisor Station Maintenance Supervisor Water Distribution Supervisor Wastewater Treatment Plant Supervisor	SU2	Monthly	11,389.73	11,674.00	11,966.93	12,265.07	12,571.87	12,885.60	13,208.00	13,539.07	13,877.07	14,223.73	14,579.07
Hourly		65.71	67.35	69.04	70.76	72.53	74.34	76.20	78.11	80.06	82.06	84.11	
Annually		136,676.80	140,088.00	143,603.20	147,180.80	150,862.40	154,627.20	158,496.00	162,468.80	166,524.80	170,684.80	174,948.80	

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
EXEMPT EMPLOYEES**

<b>JOB CLASSIFICATION</b>	<b>RANGE</b>
Accounting Manager	E11
Administrative Analyst	E1
Administrative Services Manager	E13
Assistant Director of Construction	E15
Assistant Director of Engineering	E15.1
Assistant Director of Operations	E15
Assistant Director of Water Reuse	E15
Board Secretary/Executive Assistant	E4.1
Business Systems Manager	E11
Chief Plant Operator	E12
Communications Coordinator	E4.1
Communications Manager	E11
Communications Specialist	E1
Computerized Maintenance Management System (CMMS) Administrator	E5
Construction Administrator	E5
Contracts Analyst	E2
Controller	E16
Customer Accounts Manager	E11
Customer Engagement Coordinator	E3
Customer Engagement Manager	E11
Deputy General Manager	E17
Development Services Specialist	E1
Director of Engineering	E16
Director of Financial Planning & Innovation	E16
Director of Human Resources	E16
Director of Infrastructure & Reuse	E16
Director of Operations	E16
Director of Technology	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

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
EXEMPT EMPLOYEES**

<b>JOB CLASSIFICATION</b>	<b>RANGE</b>
Principal Accountant	E4
Principal Engineer	E13
Principal Human Resources Analyst	E4
Procurement & Contracts Manager	E11
Regulatory Compliance Coordinator	E5
Regulatory Compliance Manager	E11
Reuse Operations Eng. Manager	E15
Safety & Emergency Manager	E11
Senior Administrative Analyst	E3
Senior Communications Coordinator	E5
Senior Construction Analyst	E4
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 Water Efficiency Specialist	E3
Senior Water Resources Analyst	E4
Senior Water Resources Planner	E8
Superintendent of Engineering	E12
Superintendent of Electrical/Instrumentation Operations	E12
Superintendent of Operations	E12
Sustainable Resources Officer	E15.1
Superintendent of Wastewater Operations	E12
Water Efficiency Manager	E11
Water Efficiency Specialist	E1
Water Resources Analyst	E2
Water Resources Manager	E11

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
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
Administrative Analyst Communications Specialist Development Services Specialist Human Resources Analyst Water Efficiency Specialist	E1	Monthly	7,753.20	7,907.47	8,066.93	8,228.13	8,392.80	8,560.93	8,730.80	8,905.87	9,084.40	9,266.40	9,451.87	9,640.80	9,833.20	10,029.07	10,230.13	10,434.67
		Hourly	44.73	45.62	46.54	47.47	48.42	49.39	50.37	51.38	52.41	53.46	54.53	55.62	56.73	57.86	59.02	60.20
		Annually	93,038.40	94,889.60	96,803.20	98,737.60	100,713.60	102,731.20	104,769.60	106,870.40	109,012.80	111,196.80	113,422.40	115,689.60	117,998.40	120,348.80	122,761.60	125,216.00
Contracts Analyst Financial Data Analyst Water Resources Analyst	E2	Monthly	8,287.07	8,453.47	8,621.60	8,794.93	8,970.00	9,150.27	9,332.27	9,519.47	9,710.13	9,904.27	10,101.87	10,304.67	10,509.20	10,720.67	10,933.87	11,154.00
		Hourly	47.81	48.77	49.74	50.74	51.75	52.79	53.84	54.92	56.02	57.14	58.28	59.45	60.63	61.85	63.08	64.35
		Annually	99,444.80	101,441.60	103,459.20	105,539.20	107,640.00	109,803.20	111,987.20	114,233.60	116,521.60	118,851.20	121,222.40	123,656.00	126,110.40	128,648.00	131,206.40	133,848.00
Customer Engagement Coordinator Sr. Administrative Analyst Sr. Human Resources Analyst Sr. Water Efficiency Specialist	E3	Monthly	9,342.67	9,529.87	9,720.53	9,914.67	10,112.27	10,315.07	10,521.33	10,731.07	10,946.00	11,166.13	11,388.00	11,616.80	11,849.07	12,086.53	12,327.47	12,573.60
		Hourly	53.90	54.98	56.08	57.20	58.34	59.51	60.70	61.91	63.15	64.42	65.70	67.02	68.36	69.73	71.12	72.54
		Annually	112,112.00	114,358.40	116,646.40	118,976.00	121,347.20	123,780.80	126,256.00	128,772.80	131,352.00	133,993.60	136,656.00	139,401.60	142,188.80	145,038.40	147,929.60	150,883.20
Principal Accountant Principal Human Resources Analyst Sr. Construction Analyst Sr. Contracts Analyst Sr. Financial Data Analyst Sr. Operations Analyst Sr. Water Resources Analyst	E4	Monthly	9,635.60	9,828.00	10,025.60	10,224.93	10,429.47	10,639.20	10,850.67	11,069.07	11,289.20	11,516.27	11,745.07	11,980.80	12,220.00	12,464.40	12,714.00	12,968.80
		Hourly	55.59	56.70	57.84	58.99	60.17	61.38	62.60	63.86	65.13	66.44	67.76	69.12	70.50	71.91	73.35	74.82
		Annually	115,627.20	117,936.00	120,307.20	122,699.20	125,153.60	127,670.40	130,208.00	132,828.80	135,470.40	138,195.20	140,940.80	143,769.60	146,640.00	149,572.80	152,568.00	155,625.60
Board Secretary/Executive Assistant Communications Coordinator Marketing & Social Media Coordinator	E4.1	Monthly	10,549.07	10,760.53	10,975.47	11,195.60	11,419.20	11,646.27	11,880.27	12,117.73	12,360.40	12,606.53	12,859.60	13,116.13	13,379.60	13,646.53	13,918.67	14,197.73
		Hourly	60.86	62.08	63.32	64.59	65.88	67.19	68.54	69.91	71.31	72.73	74.19	75.67	77.19	78.73	80.30	81.91
		Annually	126,588.80	129,126.40	131,705.60	134,347.20	137,030.40	139,755.20	142,563.20	145,412.80	148,324.80	151,278.40	154,315.20	157,393.60	160,555.20	163,758.40	167,024.00	170,372.80
CMMS Administrator Construction Administrator GIS Administrator Information Systems Administrator Regulatory Compliance Coordinator Sr. Communications Coordinator Sr. Customer Engagement Coordinator	E5	Monthly	11,504.13	11,734.67	11,968.67	12,207.87	12,452.27	12,701.87	12,954.93	13,214.93	13,478.40	13,748.80	14,022.67	14,303.47	14,589.47	14,882.40	15,178.80	15,483.87
		Hourly	66.37	67.70	69.05	70.43	71.84	73.28	74.74	76.24	77.76	79.32	80.90	82.52	84.17	85.86	87.57	89.33
		Annually	138,049.60	140,816.00	143,624.00	146,494.40	149,427.20	152,422.40	155,459.20	158,579.20	161,740.80	164,985.60	168,272.00	171,641.60	175,073.60	178,588.80	182,145.60	185,806.40
Information Systems Manager	E6	Monthly	11,951.33	12,190.53	12,434.93	12,682.80	12,935.87	13,195.87	13,459.33	13,728.00	14,003.60	14,282.67	14,568.67	14,859.87	15,158.00	15,459.60	15,769.87	16,085.33
		Hourly	68.95	70.33	71.74	73.17	74.63	76.13	77.65	79.20	80.79	82.40	84.05	85.73	87.45	89.19	90.98	92.80
		Annually	143,416.00	146,286.40	149,219.20	152,193.60	155,230.40	158,350.40	161,512.00	164,736.00	168,043.20	171,392.00	174,824.00	178,318.40	181,896.00	185,515.20	189,238.40	193,024.00
	E6.1	Monthly	11,197.33	11,420.93	11,649.73	11,882.00	12,121.20	12,366.13	12,610.00	12,863.07	13,119.60	13,381.33	13,650.00	13,922.13	14,201.20	14,485.47	14,774.93	15,069.60
		Hourly	64.60	65.89	67.21	68.55	69.93	71.32	72.75	74.21	75.69	77.20	78.75	80.32	81.93	83.57	85.24	86.94
		Annually	134,368.00	137,051.20	139,796.80	142,584.00	145,454.40	148,345.60	151,320.00	154,356.80	157,435.20	160,576.00	163,800.00	167,065.60	170,414.40	173,825.60	177,299.20	180,835.20
	E7	Monthly	12,266.80	12,512.93	12,762.53	13,017.33	13,277.33	13,544.27	13,814.67	14,090.27	14,372.80	14,660.53	14,953.47	15,251.60	15,556.67	15,868.67	16,185.87	16,510.00
		Hourly	70.77	72.19	73.63	75.10	76.60	78.14	79.70	81.29	82.92	84.58	86.27	87.99	89.75	91.55	93.38	95.25
		Annually	147,201.60	150,155.20	153,150.40	156,208.00	159,328.00	162,531.20	165,776.00	169,083.20	172,473.60	175,926.40	179,441.60	183,019.20	186,680.00	190,424.00	194,230.40	198,120.00

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
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
Senior Engineer Senior Water Resources Planner	E8	Monthly	12,379.47	12,627.33	12,880.40	13,136.93	13,400.40	13,667.33	13,941.20	14,220.27	14,504.53	14,794.00	15,090.40	15,392.00	15,700.53	16,014.27	16,334.93	16,660.80
		Hourly	71.42	72.85	74.31	75.79	77.31	78.85	80.43	82.04	83.68	85.35	87.06	88.80	90.58	92.39	94.24	96.12
		Annually	148,553.60	151,528.00	154,564.80	157,643.20	160,804.80	164,008.00	167,294.40	170,643.20	174,054.40	177,528.00	181,048.80	184,704.00	188,406.40	192,171.20	196,019.20	199,929.60
	E9	Monthly	12,800.67	13,057.20	13,317.20	13,584.13	13,856.27	14,133.60	14,416.13	14,703.87	14,996.53	15,294.40	15,603.47	15,915.47	16,234.40	16,558.53	16,889.60	17,227.60
		Hourly	73.85	75.33	76.83	78.37	79.94	81.54	83.17	84.83	86.53	88.26	90.02	91.82	93.66	95.53	97.44	99.39
		Annually	153,608.00	156,686.40	159,806.40	163,009.60	166,275.20	169,603.20	172,993.60	176,446.40	179,962.40	183,580.80	187,241.60	190,985.60	194,812.80	198,702.40	202,675.20	206,731.20
	E10	Monthly	12,824.93	13,081.47	13,343.20	13,610.13	13,882.27	14,159.60	14,442.13	14,731.60	15,026.27	15,326.13	15,632.93	15,946.67	16,266.60	16,589.73	16,922.53	17,260.53
		Hourly	73.99	75.47	76.98	78.52	80.09	81.69	83.32	84.99	86.69	88.42	90.19	92.00	93.84	95.71	97.63	99.58
		Annually	153,899.20	156,977.60	160,118.40	163,321.60	166,587.20	169,915.20	173,305.60	176,779.20	180,315.20	183,913.60	187,595.20	191,360.00	195,187.20	199,076.80	203,070.40	207,126.40
Accounting Manager Business Systems Manager Communications Manager Customer Accounts Manager Customer Engagement Manager Financial Planning Manager Human Resources Manager Procurement & Risk Manager Regulatory Compliance Manager Safety & Emergency Manager Water Efficiency Manager Water Resources Manager	E11	Monthly	12,868.27	13,124.80	13,388.27	13,655.20	13,929.07	14,208.13	14,492.40	14,781.87	15,076.53	15,378.13	15,686.67	16,000.40	16,319.33	16,646.93	16,979.73	17,319.47
		Hourly	74.24	75.72	77.24	78.78	80.36	81.97	83.61	85.28	86.98	88.72	90.50	92.31	94.15	96.04	97.96	99.92
		Annually	154,419.20	157,497.60	160,659.20	163,862.40	167,148.80	170,497.60	173,908.80	177,382.40	180,918.40	184,537.60	188,240.00	192,004.80	195,832.00	199,763.20	203,756.80	207,833.60
Superintendent of Electrical/Instrumentation Operations Superintendent of Engineering Superintendent of Operations Superintendent of Wastewater Operations Chief Plant Operator	E12	Monthly	13,138.67	13,402.13	13,669.07	13,942.93	14,222.00	14,506.27	14,795.73	15,092.13	15,393.73	15,702.27	16,016.00	16,336.67	16,662.53	16,997.07	17,336.80	17,683.47
		Hourly	75.80	77.32	78.86	80.44	82.05	83.69	85.36	87.07	88.81	90.59	92.40	94.25	96.13	98.06	100.02	102.02
		Annually	157,664.00	160,825.60	164,028.80	167,315.20	170,664.00	174,075.20	177,548.80	181,105.60	184,724.80	188,427.20	192,192.00	196,040.00	199,950.40	203,964.80	208,041.60	212,201.60
Principal Engineer	E13	Monthly	13,781.73	14,057.33	14,338.13	14,625.87	14,917.07	15,216.93	15,520.27	15,830.53	16,147.73	16,470.13	16,799.47	17,135.73	17,478.93	17,827.33	18,184.40	18,548.40
		Hourly	79.51	81.10	82.72	84.38	86.06	87.79	89.54	91.33	93.16	95.02	96.92	98.86	100.84	102.85	104.91	107.01
		Annually	165,380.80	168,688.00	172,057.60	175,510.40	179,004.80	182,603.20	186,243.20	189,966.40	193,772.80	197,641.60	201,593.60	205,628.80	209,747.20	213,928.00	218,212.80	222,580.80
	E14	Monthly	14,019.20	14,300.00	14,586.00	14,877.20	15,175.33	15,478.67	15,787.20	16,104.40	16,425.07	16,754.40	17,088.93	17,430.40	17,780.53	18,135.67	18,498.13	18,867.33
		Hourly	80.88	82.50	84.15	85.83	87.55	89.30	91.08	92.91	94.76	96.66	98.59	100.56	102.58	104.63	106.72	108.85
		Annually	168,230.40	171,600.00	175,032.00	178,526.40	182,104.00	185,744.00	189,446.40	193,252.80	197,100.80	201,052.80	205,067.20	209,164.80	213,366.40	217,630.40	221,977.60	226,408.00

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
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 Assistant Director of Construction Assistant Director of Water Reuse Reuse Operations Engineering Manager Engineering Manager Information Systems Officer	E15	Monthly	14,847.73	15,144.13	15,447.47	15,756.00	16,071.47	16,393.87	16,721.47	17,056.00	17,395.73	17,744.13	18,099.47	18,461.73	18,830.93	19,207.07	19,591.87	19,983.60
		Hourly	85.66	87.37	89.12	90.90	92.72	94.58	96.47	98.40	100.36	102.37	104.42	106.51	108.64	110.81	113.03	115.29
		Annually	178,172.80	181,729.60	185,369.60	189,072.00	192,857.60	196,726.40	200,657.60	204,672.00	208,748.80	212,929.60	217,193.60	221,540.80	225,971.20	230,484.80	235,102.40	239,803.20
Assistant Director of Engineering Government Affairs Officer Sustainable Resources Officer	E15.1	Monthly	15,840.93	16,158.13	16,480.53	16,809.87	17,146.13	17,489.33	17,839.47	18,196.53	18,560.53	18,931.47	19,309.33	19,695.87	20,089.33	20,491.47	20,902.27	21,320.00
		Hourly	91.39	93.22	95.08	96.98	98.92	100.90	102.92	104.98	107.08	109.22	111.40	113.63	115.90	118.22	120.59	123.00
		Annually	190,091.20	193,897.60	197,766.40	201,718.40	205,753.60	209,872.00	214,073.60	218,358.40	222,726.40	227,177.60	231,712.00	236,350.40	241,072.00	245,897.60	250,827.20	255,840.00
Controller Director of Engineering Director of Financial Planning & Innovation Director of Human Resources Director of Infrastructure and Reuse Director of Operations Director of Technology	E16	Monthly	16,903.47	17,241.47	17,586.40	17,938.27	18,297.07	18,662.80	19,035.47	19,416.80	19,805.07	20,202.00	20,605.87	21,016.67	21,437.87	21,866.00	22,304.53	22,750.00
		Hourly	97.52	99.47	101.46	103.49	105.56	107.67	109.82	112.02	114.26	116.55	118.88	121.25	123.68	126.15	128.68	131.25
		Annually	202,841.60	206,897.60	211,036.80	215,259.20	219,564.80	223,953.60	228,425.60	233,001.60	237,660.80	242,424.00	247,270.40	252,200.00	257,254.40	262,392.00	267,654.40	273,000.00
Deputy General Manager	E17	Monthly	18,187.87	18,551.87	18,922.80	19,300.67	19,687.20	20,080.67	20,482.80	20,891.87	21,309.60	21,736.00	22,171.07	22,614.80	23,067.20	23,528.27	23,998.00	24,478.13
		Hourly	104.93	107.03	109.17	111.35	113.58	115.85	118.17	120.53	122.94	125.40	127.91	130.47	133.08	135.74	138.45	141.22
		Annually	218,254.40	222,622.40	227,073.60	231,608.00	236,246.40	240,968.00	245,793.60	250,702.40	255,715.20	260,832.00	266,052.80	271,377.60	276,806.40	282,339.20	287,976.00	293,737.60
	E18	Monthly	20,403.07	20,810.40	21,228.13	21,651.07	22,084.40	22,526.40	22,977.07	23,436.40	23,906.13	24,382.80	24,871.60	25,369.07	25,875.20	26,393.47	26,922.13	27,459.47
		Hourly	117.71	120.06	122.47	124.91	127.41	129.96	132.56	135.21	137.92	140.67	143.49	146.36	149.28	152.27	155.32	158.42
		Annually	244,836.80	249,724.80	254,737.60	259,812.80	265,012.80	270,316.80	275,724.80	281,236.80	286,873.60	292,593.60	298,459.20	304,428.80	310,502.40	316,721.60	323,065.60	329,513.60

**MOULTON NIGUEL WATER DISTRICT  
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 28, 2025  
GENERAL MANAGER**

<b>JOB CLASSIFICATION</b>	<b>RANGE</b>
General Manager	\$380,601.00
Assistant General Manager	\$336,000.00

# Appendix B: Budget Resolution

**RESOLUTION NO. 25-\_\_**

**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 2025-26**

**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 2025-26 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 12, 2025 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 2025-26 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, 2025, and ending June 30, 2026, 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 \$77,427,370 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 \$77,427,370.
  3. The maximum amount which may be transferred by the General Manager from the Capacity Fee Fund 15 to Fund 7 shall be \$65,201 to be spent on the identified projects in Table 1.

**Table 1.**

Description	FY 2025-26 Budget
PLANT 3A SOLIDS HANDLING FACILITIES IMPROVEMENTS	\$30,000,000
REGIONAL LIFT STATION FORCE MAIN REPLACEMENT	\$20,000,000
<b>Total</b>	<b>\$50,000,000</b>

4. The maximum amount which may be transferred by the General Manager from Fund 1 to Funds 12, 73 and 74 shall be \$14,835,438 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 \$594,630 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, 2025, are hereby appropriated for such Capital Projects for the 2025-26 Fiscal Year.

**SECTION 6.** All appropriations and outstanding encumbrances for non-Capital Projects as of June 30, 2025, expire as of said date.

**SECTION 7.** The Board of Directors does hereby approve and adopt the General Manager, Assistant General Manager, General Unit, Supervisory Unit and Exempt Employees' Job Classification Salary Schedules effective June 28, 2025, for Fiscal Year 2025-26.

**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 12<sup>th</sup> day of June, 2025.

**MOULTON NIGUEL WATER DISTRICT**

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President/Vice President  
MOULTON NIGUEL WATER DISTRICT  
and of the Board of Directors thereof

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Secretary/Assistant Secretary  
MOULTON NIGUEL WATER DISTRICT  
and of the Board of Directors thereof

# Appendix C: GANN Appropriation Limit Resolution

**RESOLUTION NO. 25-XX**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
MOULTON NIGUEL WATER DISTRICT  
APPROVING ITS APPROPRIATIONS LIMIT FOR FISCAL YEAR 2025-26 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 2025-26; and

**WHEREAS**, the Board of Directors desires to establish an Appropriations Limit for Fiscal Year 2025-26 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 2025-26 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 **\$11,530,265** 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 2025-26.

**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 12<sup>th</sup> day of June, 2025.

**MOULTON NIGUEL WATER DISTRICT**

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President  
MOULTON NIGUEL WATER DISTRICT  
and of the Board of Directors thereof

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Secretary  
MOULTON NIGUEL WATER DISTRICT  
and of the Board of Directors thereof

# Appendix D: 10-Year CIP Schedule & Project Description

APPENDIX D  
FY 2025-26 | 10-YEAR CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29 to 2034-35
<b>MULTI-SYSTEM</b>								
2021014	7	Building E Rehabilitation	Construction	\$3,417,176	\$1,500,000			
2022015	7	CMMS Phase II Implementation / Integration	Construction	\$365,000	\$50,000			
2023031	14	Solar Panels at Headquarters	Construction	\$2,093,610	\$2,000,000			
2024003	7	AMI Communications Network Improvements	Construction	\$400,000	\$400,000			
2021019	14	Video Site Surveillance System	Design	\$300,000	\$150,000	\$150,000		
2022014	7	Billing System Upgrade	Design	\$1,727,414	\$1,500,000			
2023023	14	SCADA Communications Monopole at Mandeville Park	Design	\$250,000	\$125,000	\$125,000		
2023024	14	Data and Resource Enterprise Analytics and Management	Design	\$1,000,000	\$550,000	\$300,000	\$100,000	
CAPOUTLAYS	1	Capital Outlays	Program	\$5,380,000	\$880,000	\$500,000	\$500,000	\$3,500,000
OPSLEDMS	7	Operations-Led Capital Improvements - Multi-System	Program	\$1,100,000	\$200,000	\$100,000	\$100,000	\$700,000
SOFTWARE	14	Software Subscriptions	Program	\$5,000,000	\$500,000	\$500,000	\$500,000	\$3,500,000
2019004	7	Cyber Security Enhancements		\$185,000	\$70,000			
2024004	7	Enterprise Resource Planning System Enhancement		\$250,000		\$250,000		
	7	Document Management System Implementation Phase 2		\$300,000		\$150,000	\$150,000	
<b>Subtotal - Multi-System Projects</b>					<b>\$7,925,000</b>	<b>\$2,075,000</b>	<b>\$1,350,000</b>	<b>\$7,700,000</b>
<b>POTABLE</b>								
2018004	7	Electrical System Improvements Phase IV - PW	Construction	\$973,307	\$740,000			
2019029	7	Reservoir Management System Replacement Phase IV	Construction	\$10,988,454	\$1,500,000			
2020017	7	Rehabilitation of the Marguerite Reservoir	Construction	\$2,190,780	\$200,000			
2022013	6	Low Resolution Meter Replacement	Construction	\$2,000,000	\$150,000			
2022029	14	Micro-Hydro Turbine at Bridlewood Flow Control Facility	Construction	\$1,700,000	\$850,000			
2023025	14	Highlands 790-Zone Pipeline Loop	Construction	\$1,098,857	\$500,000			
2024001	7	2024-25 Valve Replacements - PW	Construction	\$3,900,000	\$3,700,000			
2024006	7	Saddleback Reservoir Site Paving Replacement	Construction	\$125,000	\$125,000			
NEWVALVES	14	New System Valves	Construction	\$250,000	\$250,000			
2017016	12	South County Pipeline Takeout Facility	Design	\$10,000,000				\$9,800,000
2017019	14	1050-Zone Secondary Feed Pump Station and Transmission Main	Design	\$8,500,000		\$3,800,000	\$3,800,000	\$350,000
2020018	7	Reservoir Management System Replacement Phase V	Design	\$11,350,000		\$5,200,000	\$5,200,000	\$450,000
2022016	7	Eastern Transmission Main Rehabilitation	Design	\$2,170,000				\$2,000,000
2022016	7	Eastern Transmission Main Rehabilitation - SMWD Reimbursement	Reimbursement	-\$1,400,000				-\$1,400,000
2022032	12	OCWD Basin Emergency Interconnection	Design	\$30,000,000	\$500,000	\$900,000	\$14,000,000	\$14,100,000
2023014	7	Beacon Hill Pump Station Replacement	Design	\$10,035,000	\$350,000			\$9,135,000
2023019	7	Northern Transmission Main Rehabilitation	Design	\$1,100,000				\$1,050,000
2023022	14	Highlands Pump Station Improvements	Design	\$170,000	\$150,000			
2024009	14	P.I.D. Pump Station No. 1 Site Drainage Improvements	Design	\$300,000	\$200,000			
	7	2025-26 Easement Pipeline Rehabilitation - PW	New	\$600,000	\$600,000			
HYDRANTS	7	Fire Hydrant Replacements	Program	\$2,750,000	\$500,000	\$250,000	\$250,000	\$1,750,000
METERSPW	7	Meter Replacements - PW	Program	\$9,750,000	\$750,000	\$1,000,000	\$1,000,000	\$7,000,000
OPSLEDPW	7	Operations-Led Capital Improvements - PW	Program	\$2,500,000	\$250,000	\$250,000	\$250,000	\$1,750,000
PIPELINESPW	7	Pipeline Rehabilitation and Replacement Program - PW	Program	\$87,000,000				\$87,000,000
RESERVOIRSPW	7	Reservoir Recoating Program - PW	Program	\$5,000,000				\$5,000,000
SERVICESPW	7	Service Line Replacements - PW	Program	\$30,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$21,000,000
VALVESPW	7	Valve Replacements - PW	Program	\$31,000,000	\$1,500,000	\$1,500,000	\$3,500,000	\$24,500,000
VERTICALPW	7	Vertical Assets Rehabilitation and Replacement Program - PW	Program	\$13,400,000				\$13,400,000
2018021	7	Sheep Hills Pump Station Improvements		\$1,400,000				\$1,400,000
2018025	14	750-Zone PW System Extension at Salt Spray Drive		\$475,000				\$475,000
2019005	7	East Aliso Creek Reservoir Site Paving Replacement		\$200,000	\$200,000			
2023013	7	Crown Valley Reservoir No. 3 Roof Plate Replacement and Interior Recoating		\$2,175,000				\$2,175,000
2023015	7	Electrical System Improvements Phase V - PW		\$1,250,000				\$1,250,000
	7	450-Zone Aliso Creek Potable Water 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				\$850,000
	12	CIP Takeout Facility at Marguerite Pump Station		\$5,000,000				\$5,000,000
	7	Country Village Pump Station Auxiliary Generator Replacement		\$850,000				\$850,000

APPENDIX D  
FY 2025-26 | 10-YEAR CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29 to 2034-35
	7	Crown Valley Parkway and Forbes Road PW Pipeline Replacement		\$600,000				\$600,000
	7	Crown Valley Parkway Transmission Main Upper Reach Rehabilitation		\$10,000,000				\$10,000,000
	7	Hidden Hills and Laguna Serrano Apartments Pipeline Replacement		\$360,000				\$360,000
	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		\$845,000				\$845,000
	14	Rancho Capistrano 450-Zone Service		\$410,000				\$410,000
	7	Rehabilitation of the Pacific Park Reservoir		\$2,340,000				\$2,340,000
	14	Rolling Hills Pump Station Auxiliary Generator		\$850,000				\$850,000
	7	Southwestern Transmission Main Rehabilitation		\$7,000,000				\$6,900,000
<b>Subtotal - Potable Projects</b>					<b>\$16,015,000</b>	<b>\$15,900,000</b>	<b>\$31,000,000</b>	<b>\$236,760,000</b>
<b>RECYCLED</b>								
2018005	7	Electrical System Improvements Phase IV - RW	Construction	\$2,680,525	\$2,335,000			
2024005	7	Recycled Water Optimization Study (RWOS) - RW Main Replacement From Galivan PS to La Paz PS	Construction	\$11,000,000		\$3,100,000		\$7,900,000
2023010	7	2024-25 Pressure Reducing Station Rehabilitation - RW	Design	\$580,000				\$500,000
2024008	7	Rehabilitation of the Aliso Viejo RW Reservoir	Design	\$2,200,000	\$250,000			\$2,000,000
METERSRW	7	Meter Replacements - RW	Program	\$1,250,000	\$125,000	\$125,000	\$125,000	\$875,000
OPSLDRW	7	Operations-Led Capital Improvements - RW	Program	\$2,400,000	\$150,000	\$250,000	\$250,000	\$1,750,000
RESERVOIRSRW	7	Reservoir Recoating Program - RW	Program	\$2,500,000				\$2,500,000
RWRETROFITS	6	Recycled Water Optimization Study (RWOS) - Recycled Water Retrofits Program	Program	\$2,800,000	\$50,000	\$50,000	\$50,000	\$2,650,000
SERVICERSRW	7	Service Line Replacements - RW	Program	\$500,000	\$50,000	\$50,000	\$50,000	\$350,000
VALVESRW	7	Valve Replacements - RW	Program	\$2,500,000	\$250,000	\$250,000	\$250,000	\$1,750,000
VERTICALRW	7	Vertical Assets Rehabilitation and Replacement Program - RW	Program	\$800,000			\$100,000	\$700,000
2023016	7	Electrical System Improvements Phase V - RW		\$325,000				\$325,000
	7	Crown Point Pump Station Pump Replacement and VFD Installation		\$490,000				\$490,000
	7	Laguna Niguel Regional Park RW Meter Vault Reconfiguration		\$150,000				\$150,000
	7	Oakgrove Drive RW Pipeline Replacement		\$750,000				\$750,000
	6	Recycled Water Optimization Study (RWOS) - RW Main Replacement From Cabot Road To Galivan PS		\$850,000				\$850,000
	6	Recycled Water Optimization Study (RWOS) - RW Main Replacement From Crown Valley Reservoir to Cabot Road		\$1,725,000				\$1,725,000
	7	Rehabilitation Of 20-Inch Recycled Water Main To Laguna Heights Reservoir		\$910,000				\$910,000
	7	RW Reservoir Drainage Improvements at 3 Sites		\$725,000				\$725,000
<b>Subtotal - Recycled Projects</b>					<b>\$3,210,000</b>	<b>\$3,825,000</b>	<b>\$825,000</b>	<b>\$26,900,000</b>
<b>WASTEWATER</b>								
2013004	7	Regional Lift Station Force Main Replacement	Construction	\$29,155,499	\$20,000,000	\$6,500,000		
2019007	7	North Aliso Lift Station Reconstruction	Construction	\$12,274,212	\$6,400,000	\$2,200,000		
2020015	7	Lift Station Ventilation System Improvements	Construction	\$500,000	\$350,000			
2021011	7	Aliso Creek Lift Station Rehabilitation	Construction	\$9,018,301	\$6,200,000			
2023017	7	Lower Salada Lift Station Reconstruction	Design	\$11,025,000	\$500,000			\$10,175,000
2023030	14	Lower Salada Lift Station Overflow Wetwell	Design	\$1,475,000	\$100,000			\$1,325,000
	7	Del Avion Lift Station DIP Force Main Replacement	New	\$350,000	\$325,000			
	7	Montanoso Drive Sewer Main Replacement	New	\$1,200,000				\$1,200,000
MANHOLES	7	Manhole Rehabilitations	Program	\$2,500,000	\$250,000	\$250,000	\$250,000	\$1,750,000
OPSLDDWW	7	Operations-Led Capital Improvements - WW	Program	\$2,500,000	\$250,000	\$250,000	\$250,000	\$1,750,000
PIPELINESWW	7	Pipeline Rehabilitation and Replacement Program - WW	Program	\$7,500,000				\$7,500,000
VERTICALWW	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				\$250,000
2020009	7	Niguel West Sewer Lining		\$1,500,000				\$1,500,000
2022020	7	Upper Boundary Oak Lift Station Auxiliary Generator Replacement		\$1,000,000				\$1,000,000
2024009	7	Pacific Island Drive Sewer Lining		\$1,500,000				\$1,500,000
	7	3A Effluent Transmission Main (ETM) Replacement		\$2,000,000	\$100,000			\$1,900,000
	7	3A Effluent Transmission Main (ETM) Replacement - SMWD Reimbursement	Reimbursement	-\$4,437,500	-\$50,000			-\$4,387,500
	7	3A Effluent Transmission Main (ETM) Replacement Avenida De La Vista		\$2,475,000				\$2,475,000
	7	3A Effluent Transmission Main (ETM) Replacement Camino Capistrano		\$3,500,000				\$3,500,000
	7	3A Effluent Transmission Main (ETM) Replacement San Juan Creek County Of Orange Phase VIII		\$900,000				\$900,000
	7	Crown Valley Parkway Sewer Lining		\$2,400,000				\$2,400,000

APPENDIX D  
FY 2025-26 | 10-YEAR CAPITAL IMPROVEMENT PROGRAM

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29 to 2034-35
	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
<b>Subtotal - Wastewater Projects</b>					<b>\$34,425,000</b>	<b>\$9,200,000</b>	<b>\$500,000</b>	<b>\$65,066,838</b>
<b>WASTEWATER TREATMENT</b>								
2019302	7	Plant 3A Solids Handling Facilities Improvements	Construction	\$49,371,120	\$30,000,000	\$13,000,000		
2021303	14	Plant 3A Solids Loadout Facility	Construction	\$7,407,737	\$4,500,000	\$2,000,000		
2022502	14	RTP AWT Salinity Management	Construction	\$40,500,000	\$21,000,000	\$16,500,000		
2024015	7	RTP SCADA Improvements - COM	Construction	\$400,000	\$150,000	\$200,000		
2024010	7	RTP MCC Replacements - COM	Design	\$912,500	\$25,000	\$887,500		
2024010	7	RTP MCC Replacements - LIQ	Design	\$912,500	\$25,000	\$887,500		
2024010	7	RTP MCC Replacements - SOL	Design	\$1,875,000	\$50,000	\$1,825,000		
2024011	7	RTP Gratings and Gates Replacements - LIQ	Design	\$7,000,000	\$3,000,000	\$3,950,000		
2024012	7	RTP 3W Water System Improvements - LIQ	Design	\$250,000	\$150,000			
2024014	7	RTP Digester Building HVAC Improvements - SOL	Design	\$200,000	\$75,000	\$75,000		
	14	RTP Network Cabling Improvements	New	\$200,000		\$200,000		
OPSLD3A	7	Operations-Led Capital Improvements - 3A	Program	\$1,600,000	\$250,000	\$150,000	\$150,000	\$1,050,000
OPSLDRTP	7	Operations-Led Capital Improvements - RTP - COM	Program	\$1,312,500	\$232,500	\$120,000	\$120,000	\$840,000
OPSLDRTP	7	Operations-Led Capital Improvements - RTP - LIQ	Program	\$2,144,000	\$434,000	\$190,000	\$190,000	\$1,330,000
OPSLDRTP	7	Operations-Led Capital Improvements - RTP - SOL	Program	\$1,893,500	\$183,500	\$190,000	\$190,000	\$1,330,000
OPSLDRTPAWT	7	Operations-Led Capital Improvements - RTPAWT	Program	\$1,200,000	\$300,000	\$100,000	\$100,000	\$700,000
	7	RTP - COM	Program	\$22,514,570	\$50,500	\$1,918,012	\$11,245,288	\$9,300,770
	7	RTP - COM - CLB Reimbursement	Reimbursement	-\$1,573,119	-\$28,717	-\$195,970	-\$712,604	-\$635,828
	7	RTP - COM - EBSD Reimbursement	Reimbursement	-\$82,795	-\$1,511	-\$10,314	-\$37,505	-\$33,465
	7	RTP - COM - ETWD Reimbursement	Reimbursement	-\$2,574,192	-\$46,991	-\$320,678	-\$1,166,079	-\$1,040,444
	7	RTP - COM - SCWD Reimbursement	Reimbursement	-\$1,257,203	-\$22,950	-\$156,615	-\$569,499	-\$508,139
	7	RTP - LIQ	Program	\$141,295,369	\$500,000	\$1,000,000	\$4,000,000	\$135,795,369
	7	RTP - SOL	Program	\$35,046,711	\$26,789	\$754,000	\$9,961,010	\$24,304,912
	7	RTP - SOL - CLB Reimbursement	Reimbursement	-\$4,371,896	-\$37,619	-\$319,097	-\$1,138,943	-\$2,876,237
	7	RTP - SOL - EBSD Reimbursement	Reimbursement	-\$229,894	-\$1,978	-\$16,780	-\$59,891	-\$151,245
	7	RTP - SOL - ETWD Reimbursement	Reimbursement	-\$7,952,801	-\$68,433	-\$580,460	-\$2,071,821	-\$5,232,087
	7	RTP - SOL - SCWD Reimbursement	Reimbursement	-\$3,491,281	-\$30,042	-\$254,822	-\$909,530	-\$2,296,887
2021302	14	Plant 3A Security Improvements		\$125,000	\$125,000			
2022301	7	Plant 3A Liquids Handling Facilities Improvements		\$14,500,000				\$14,500,000
	7	Plant 3A AWT Replacement		\$3,500,000				\$3,500,000
<b>Subtotal - Wastewater Treatment Projects</b>					<b>\$60,839,048</b>	<b>\$42,092,276</b>	<b>\$19,290,426</b>	<b>\$179,876,719</b>
<b>EXTERNAL</b>								
ETWD	7	ETWD R6 Reservoir Capital Projects	Program	\$36,150	\$25,000	\$11,150		
IRWD	7	IRWD Baker Water Treatment Plant Capital Projects	Program	\$1,500,000	\$150,000	\$150,000	\$150,000	\$1,050,000
SCWD	7	SCWD Joint Transmission Main	Program	\$13,851,978	\$842,553	\$1,446,114	\$3,049,661	\$8,513,650
SMWD	7	SMWD Joint Facilities	Program	\$1,067,700	\$608,000	\$459,700		
ACOO	7	Aliso Creek Ocean Outfall c/o ETWD	Program	\$3,784,082	\$24,116	\$54,810	\$10,962	\$3,694,194
ETM	7	Effluent Transmission Main c/o ETWD	Program	\$1,534,167	\$89,156			\$1,445,011
JBL	7	J.B. Latham Treatment Plant c/o SCWD	Program	\$20,058,224	\$1,572,886	\$1,817,399	\$6,807,873	\$9,860,066
SJCOO	7	San Juan Creek Ocean Outfall c/o SCWD	Program	\$141,014	\$636	\$12,082	\$12,718	\$115,578
SJCOO	7	San Juan Creek Ocean Outfall c/o SMWD	Program	\$202,923	\$915	\$17,387	\$18,302	\$166,319
<b>Subtotal - External Projects</b>					<b>\$3,313,262</b>	<b>\$3,968,642</b>	<b>\$10,049,516</b>	<b>\$24,844,818</b>
<b>TOTAL</b>					<b>\$125,727,310</b>	<b>\$77,060,918</b>	<b>\$63,014,942</b>	<b>\$541,148,375</b>

NOTE: TOTAL 10-YEAR CIP PROJECTION (FY 2025-26 THROUGH FY 2034-35) = \$806,951,545

APPENDIX D  
PROPOSED FY 2025-26 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2025-26 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
<b>GENERAL (G) (FUND 1)</b>					
CAPOUTLAYS	CAPITAL OUTLAYS	\$5,380,000	\$712,844	\$880,000	Program
<b>Subtotal - Fund 1 Projects</b>				<b>\$880,000</b>	
<b>WATER EFFICIENCY (WE) (FUND 6)</b>					
2022013	Low Resolution Meter Replacement	\$2,000,000	\$935,456	\$150,000	6/30/26
RWRETROFITS	Recycled Water Optimization Study (RWOS) - Recycled Water Retrofits Program	\$2,800,000	\$0	\$50,000	Program
<b>Subtotal - Fund 6 Projects</b>				<b>\$200,000</b>	
<b>REPLACEMENT &amp; REFURBISHMENT (R&amp;R) (FUND 7)</b>					
2013004	Regional Lift Station Force Main Replacement	\$29,155,499	\$1,925,266	\$20,000,000	12/31/26
2018004	Electrical System Improvements Phase IV - PW	\$973,307	\$182,594	\$740,000	6/30/26
2018005	Electrical System Improvements Phase IV - RW	\$2,680,525	\$338,743	\$2,335,000	6/30/26
2019004	Cyber Security Enhancements	\$185,000	\$46,681	\$70,000	6/30/26
2019005	East Aliso Creek Reservoir Site Paving Replacement	\$200,000	\$0	\$200,000	6/30/26
2019007	North Aliso Lift Station Reconstruction	\$12,274,212	\$998,879	\$6,400,000	12/31/26
2019029	Reservoir Management System Replacement Phase IV	\$10,988,454	\$7,344,075	\$1,500,000	9/30/25
2019302	Plant 3A Solids Handling Facilities Improvements	\$49,371,120	\$5,783,652	\$30,000,000	12/31/26
2020015	Lift Station Ventilation System Improvements	\$500,000	\$176,533	\$350,000	3/31/26
2020017	Rehabilitation of the Marguerite Reservoir	\$2,190,780	\$67,733	\$200,000	9/30/25
2021011	Aliso Creek Lift Station Rehabilitation	\$9,018,301	\$2,001,614	\$6,200,000	12/31/25
2021014	Building E Rehabilitation	\$3,417,176	\$177,090	\$1,500,000	12/31/25
2022014	Billing System Upgrade	\$1,727,414	\$315,695	\$1,500,000	6/30/26
2022015	CMMS Phase II Implementation / Integration	\$365,000	\$265,442	\$50,000	6/30/26
2023014	Beacon Hill Pump Station Replacement	\$10,035,000	\$401,601	\$350,000	12/31/31
2023017	Lower Salada Lift Station Reconstruction	\$11,025,000	\$98,094	\$500,000	9/30/31
2024001	2024-25 Valve Replacements - PW	\$3,900,000	\$136,543	\$3,700,000	6/30/26
2024003	AMI Communications Network Improvements	\$400,000	\$15,469	\$400,000	6/30/26
2024006	Saddleback Reservoir Site Paving Replacement	\$125,000	\$0	\$125,000	6/30/26
2024008	Rehabilitation of the Aliso Viejo RW Reservoir	\$2,200,000	\$10,003	\$250,000	6/30/26
2024010	RTP MCC Replacements - COM	\$912,500	\$93,453	\$25,000	6/30/27
2024010	RTP MCC Replacements - LIQ	\$912,500	\$93,453	\$25,000	6/30/27
2024010	RTP MCC Replacements - SOL	\$1,875,000	\$93,453	\$50,000	6/30/27
2024011	RTP Gratings and Gates Replacements - LIQ	\$7,000,000	\$74,096	\$3,000,000	6/30/27
2024012	RTP 3W Water System Improvements - LIQ	\$250,000	\$640	\$150,000	6/30/26
2024014	RTP Digester Building HVAC Improvements - SOL	\$200,000	\$1,606	\$75,000	6/30/27
2024015	RTP SCADA Improvements - COM	\$400,000	\$0	\$150,000	6/30/27
HYDRANTS	Fire Hydrant Replacements	\$2,750,000	\$441,821	\$500,000	Program
MANHOLES	Manhole Rehabilitations	\$2,500,000	\$317,687	\$250,000	Program
METERSPW	Meter Replacements - PW	\$9,750,000	\$179,138	\$750,000	Program
METERSRW	Meter Replacements - RW	\$1,250,000	\$24,395	\$125,000	Program
OPSLED3A	Operations-Led Capital Improvements - 3A	\$1,600,000	\$64,130	\$250,000	Program
OPSLEDMS	Operations-Led Capital Improvements - Multi-System	\$1,100,000	\$120,882	\$200,000	Program
OPSLEDPW	Operations-Led Capital Improvements - PW	\$2,500,000	\$296,588	\$250,000	Program
OPSLED RTP	Operations-Led Capital Improvements - RTP - COM	\$1,312,500	\$208,802	\$232,500	Program
OPSLED RTP	Operations-Led Capital Improvements - RTP - LIQ	\$2,144,000	\$208,802	\$434,000	Program
OPSLED RTP	Operations-Led Capital Improvements - RTP - SOL	\$1,893,500	\$208,802	\$183,500	Program
OPSLED RTPAWT	Operations-Led Capital Improvements - RTPAWT	\$1,200,000	\$13,110	\$300,000	Program
OPSLED RW	Operations-Led Capital Improvements - RW	\$2,400,000	\$42,997	\$150,000	Program
OPSLED WW	Operations-Led Capital Improvements - WW	\$2,500,000	\$100,091	\$250,000	Program
SERVICESPW	Service Line Replacements - PW	\$30,000,000	\$2,774,890	\$3,000,000	Program
SERVICSRW	Service Line Replacements - RW	\$500,000	\$10,095	\$50,000	Program

APPENDIX D  
PROPOSED FY 2025-26 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2025-26 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
VALVESPW	Valve Replacements - PW	\$31,000,000	\$1,701,735	\$1,500,000	Program
VALVESRW	Valve Replacements - RW	\$2,500,000	\$13,216	\$250,000	Program
	2025-26 Easement Pipeline Rehabilitation - PW	\$600,000	\$0	\$600,000	6/30/26
	3A Effluent Transmission Main (ETM) Replacement	\$2,000,000	\$0	\$100,000	6/30/33
	3A Effluent Transmission Main (ETM) Replacement - SMWD Reimbursement	-\$4,437,500	\$0	-\$50,000	Reimbursement
	Del Avion Lift Station DIP Force Main Replacement	\$350,000	\$0	\$325,000	6/30/26
	RTP - COM	\$22,514,570	\$0	\$50,500	Program
	RTP - COM - CLB Reimbursement	-\$1,573,119	\$0	-\$28,717	Reimbursement
	RTP - COM - EBSD Reimbursement	-\$82,795	\$0	-\$1,511	Reimbursement
	RTP - COM - ETWD Reimbursement	-\$2,574,192	\$0	-\$46,991	Reimbursement
	RTP - COM - SCWD Reimbursement	-\$1,257,203	\$0	-\$22,950	Reimbursement
	RTP - LIQ	\$141,295,369	\$0	\$500,000	Program
	RTP - SOL	\$35,046,711	\$0	\$26,789	Program
	RTP - SOL - CLB Reimbursement	-\$4,371,896	\$0	-\$37,619	Reimbursement
	RTP - SOL - EBSD Reimbursement	-\$229,894	\$0	-\$1,978	Reimbursement
	RTP - SOL - ETWD Reimbursement	-\$7,952,801	\$0	-\$68,433	Reimbursement
	RTP - SOL - SCWD Reimbursement	-\$3,491,281	\$0	-\$30,042	Reimbursement
ETWD	ETWD R6 Reservoir Capital Projects	\$36,150	NA	\$25,000	External
IRWD	IRWD Baker Water Treatment Plant Capital Projects	\$1,500,000	NA	\$150,000	External
SCWD	SCWD Joint Transmission Main	\$13,851,978	NA	\$842,553	External
SMWD	SMWD Joint Facilities	\$1,067,700	NA	\$608,000	External
ACOO	Aliso Creek Ocean Outfall c/o ETWD	\$3,784,082	NA	\$24,116	External
ETM	Effluent Transmission Main c/o ETWD	\$1,534,167	NA	\$89,156	External
JBL	J.B. Latham Treatment Plant c/o SCWD	\$20,058,224	NA	\$1,572,886	External
SJCOO	San Juan Creek Ocean Outfall c/o SCWD	\$141,014	NA	\$636	External
SJCOO	San Juan Creek Ocean Outfall c/o SMWD	\$202,923	NA	\$915	External
<b>Subtotal - Fund 7 Projects</b>				<b>\$93,147,310</b>	
<b>WATER SUPPLY RELIABILITY (WSR) (FUND 12)</b>					
2022032	OCWD Basin Emergency Interconnection	\$30,000,000	\$437,642	\$500,000	12/31/29
<b>Subtotal - Fund 12 Projects</b>				<b>\$500,000</b>	
<b>PLANNING &amp; CONSTRUCTION (P&amp;C) (FUND 14)</b>					
2023031	Solar Panels at Headquarters	\$2,093,610	\$175,562	\$2,000,000	12/31/25
2021019	Video Site Surveillance System	\$300,000	\$202	\$150,000	6/30/27
2023023	SCADA Communications Monopole at Mandeville Park	\$250,000	\$0	\$125,000	6/30/27
2023024	Data and Resource Enterprise Analytics and Management	\$1,000,000	\$15,107	\$550,000	6/30/28
SOFTWARE	Software Subscriptions	\$5,000,000	\$0	\$500,000	Program
2022029	Micro-Hydro Turbine at Bridlewood Flow Control Facility	\$1,700,000	\$235,809	\$850,000	6/30/26
2023025	Highlands 790-Zone Pipeline Loop	\$1,098,857	\$149,100	\$500,000	3/30/26
NEWVALVES	New System Valves	\$250,000	\$0	\$250,000	Program
2023022	Highlands Pump Station Improvements	\$170,000	\$2,722	\$150,000	6/30/26
2024009	P.I.D. Pump Station No. 1 Site Drainage Improvements	\$300,000	\$3,445	\$200,000	6/30/26
2023030	Lower Salada Lift Station Overflow Wetwell	\$1,475,000	\$0	\$100,000	9/30/31
2021303	Plant 3A Solids Loadout Facility	\$7,407,737	\$188,626	\$4,500,000	12/31/26
2022502	RTP AWT Salinity Management	\$40,500,000	\$2,074,963	\$21,000,000	6/30/27
2021302	Plant 3A Security Improvements	\$125,000	\$649	\$125,000	6/30/26
<b>Subtotal - Fund 14 Projects</b>				<b>\$31,000,000</b>	
<b>TOTAL</b>				<b>\$125,727,310</b>	

## Capital Outlays

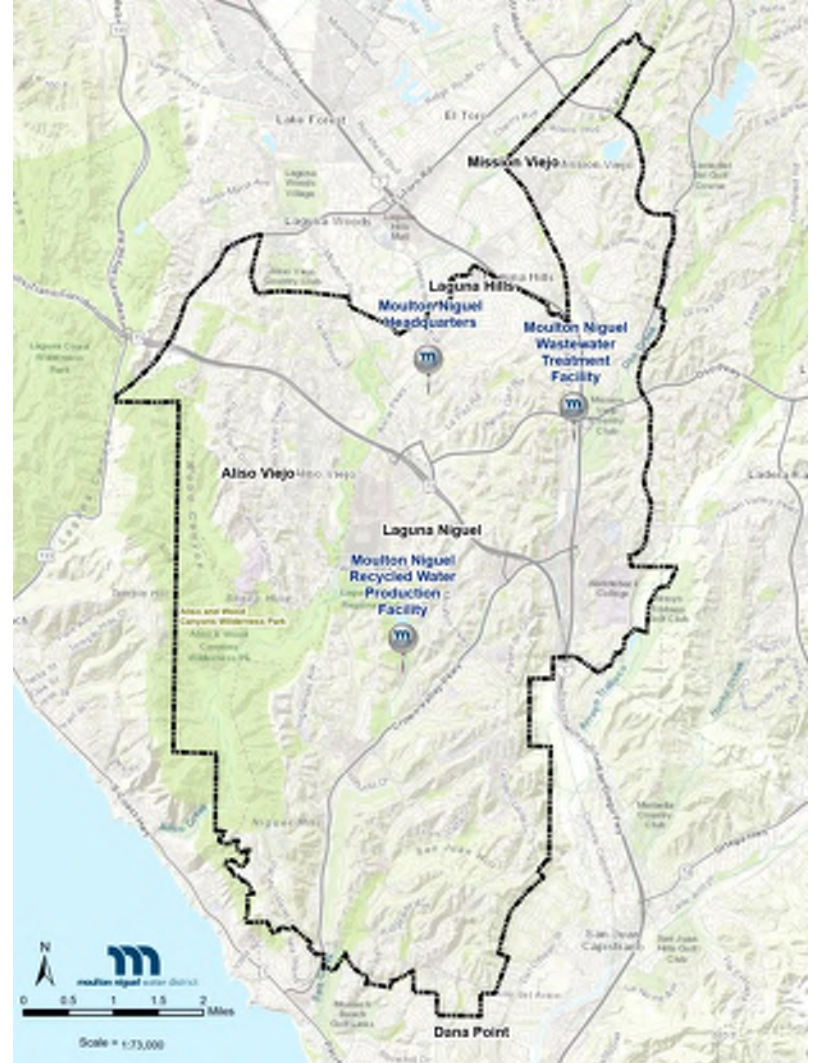
**Project No:** CAPOUTLAYS  
**System:** Multi-System  
**Fund:** 1  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers 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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 5,000,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 5,000,000</b>



## Low Resolution Meter Replacement

**Project No:** 2022013  
**System:** Potable  
**Fund:** 6  
**Project Status:** Construction

**Project Location:** District-Wide

**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.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 1,950,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 50,000
	<b>Total Project Budget</b>	<b>\$ 2,000,000</b>



## Recycled Water Optimization Study (RWOS) - Recycled Water Retrofits Program

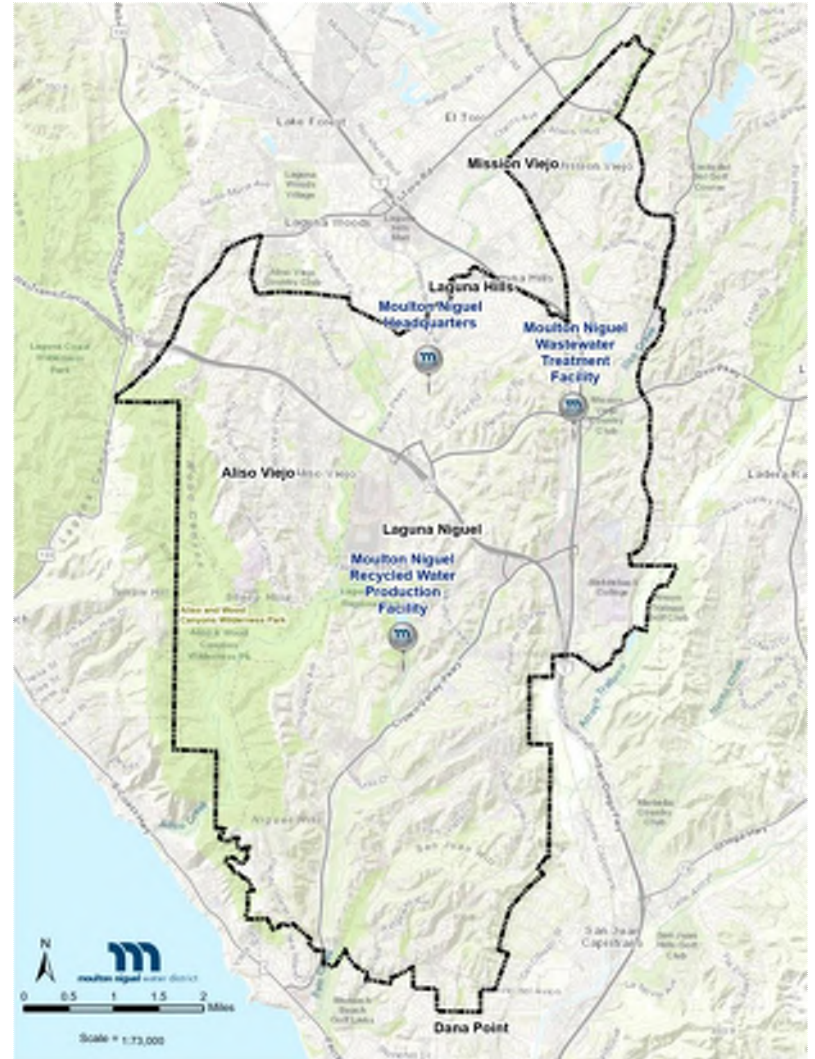
**Project No:** RWRETROFITS  
**System:** Recycled  
**Fund:** 6  
**Project Status:** Program

**Project Location:** Install recycled water service connection and irrigation pumps.

**Description:** This program covers the installation of recycled water service connections and irrigation pumps throughout the recycled water system.

**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. This project occurs on an annual basis.

Project Estimate:	Category	Estimated Cost
	Design	\$ 250,000
	CEQA Compliance	Exempt
	Construction	\$ 2,150,000
	Inspection	\$ 400,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 2,800,000</b>



## Recycled Water Optimization Study (RWOS) - RW Main Replacement From Cabot Road To Galivan PS

**Project No:** TBD  
**System:** Recycled  
**Fund:** 6  
**Project Status:** Not Started

**Project Location:** Mission Viejo

**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 Estimate:	Category	Estimated Cost	
	Design	\$	60,000
	CEQA Compliance	\$	150,000
	Construction	\$	540,000
	Inspection	\$	-
	District Labor / Permits / Other	\$	100,000
	<b>Total Project Budget</b>	<b>\$</b>	<b>850,000</b>



## Recycled Water Optimization Study (RWOS) - RW Main Replacement From Crown Valley Reservoir to Cabot Road

**Project No:** TBD  
**System:** Recycled  
**Fund:** 6  
**Project Status:** Not Started

**Project Location:** Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ 250,000
	CEQA Compliance	Exempt
	Construction	\$ 1,150,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 325,000
	<b>Total Project Budget</b>	<b>\$ 1,725,000</b>



## Regional Lift Station Force Main Replacement

**Project No:** 2013004  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** Laguna Niguel Regional Park, Laguna Niguel

**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. Extensive environmental permitting will be required.

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

Project Estimate:	Category	Estimated Cost
	Design	\$ 1,334,400
	CEQA Compliance	MND
	Construction	\$ 24,712,155
	Inspection	\$ 2,422,444
	District Labor / Permits / Other	\$ 686,500
	<b>Total Project Budget</b>	<b>\$ 29,155,499</b>



## Electrical System Improvements Phase IV - PW

**Project No:** 2018004  
**System:** Potable  
**Fund:** 7  
**Project Status:** Construction

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

**Description:** Replace 1600A MCC, 600A E-MCC, and Load Bank Circuit Breaker at Country Village PS. Temporary power provisions are required to maintain operations for Country Village PS 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.

Project Estimate:	Category	Estimated Cost
	Design	\$ 122,297
	CEQA Compliance	Exempt
	Construction	\$ 759,110
	Inspection	\$ 20,100
	District Labor / Permits / Other	\$ 71,800
	<b>Total Project Budget</b>	<b>\$ 973,307</b>



## Electrical System Improvements Phase IV - RW

**Project No:** 2018005  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** Various Pump Stations in Laguna Niguel, Aliso Viejo, and Mission Viejo

**Description:** Replace meter/main section and MCCs at Alicia, Aliso Viejo, and Galivan Recycled Water Pump Stations. Temporary power 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.

Project Estimate:	Category	Estimated Cost
	Design	\$ 334,035
	CEQA Compliance	Exempt
	Construction	\$ 2,173,390
	Inspection	\$ 54,900
	District Labor / Permits / Other	\$ 118,200
	<b>Total Project Budget</b>	<b>\$ 2,680,525</b>



## Sheep Hills Pump Station Improvements

**Project No:** 2018021  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Sheep Hills Pump Station, Aliso Viejo

**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 outlived its life expectancy and can no longer be refurbished. A new diesel generator will add reliability to the station.

Project Estimate:	Category	Estimated Cost
	Design	\$ 250,000
	CEQA Compliance	Exempt
	Construction	\$ 1,100,000
	Inspection	\$ 50,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,400,000</b>



## Upper Salada Lift Station Bypass Improvements

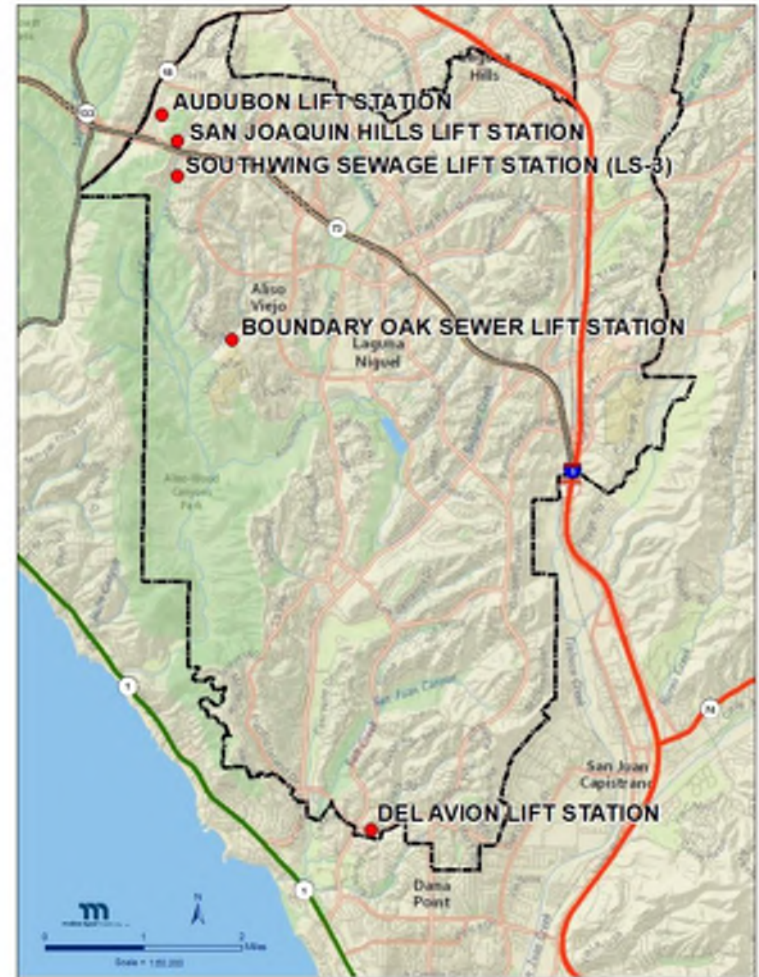
**Project No:** 2018028  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Upper Salada Lift Station, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ 75,000
	CEQA Compliance	Exempt
	Construction	\$ 200,000
	Inspection	\$ 25,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 300,000</b>



## Cyber Security Enhancements

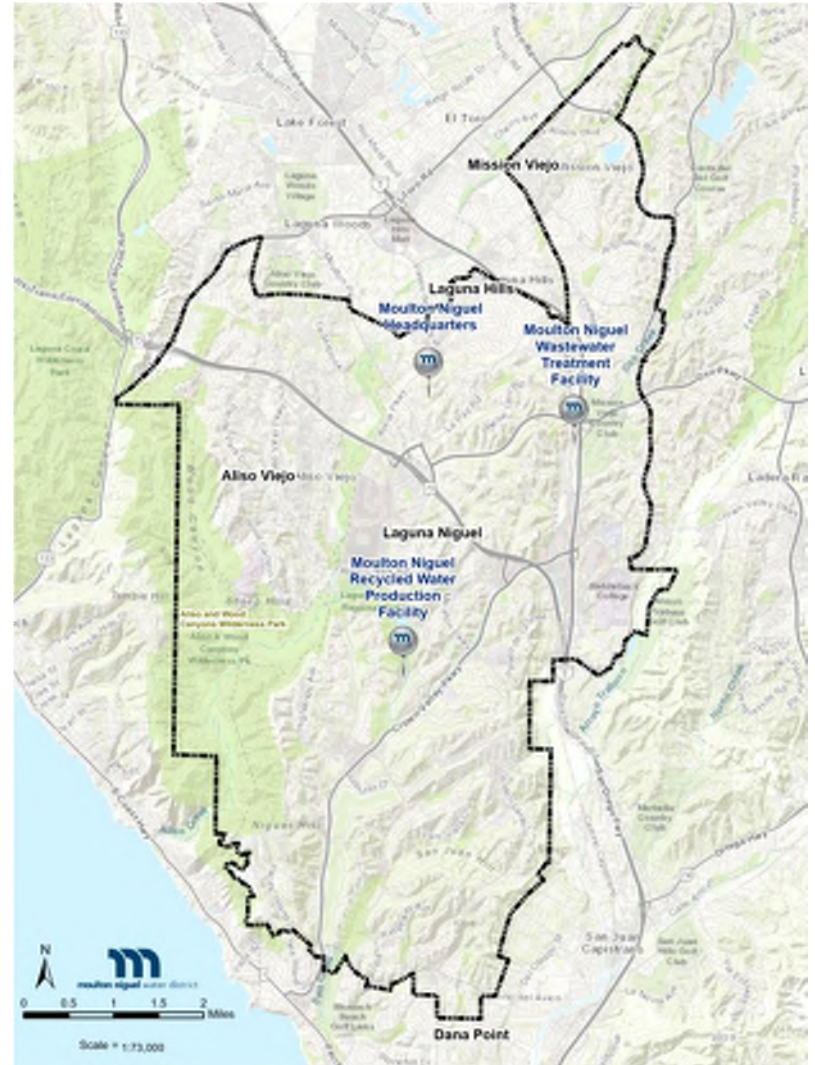
**Project No:** 2019004  
**System:** Multi-System  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** MNWD Headquarters, Laguna Hills

**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 true for many other public agencies. To stay current with changing threats, it is recommended to perform continuous assessments and make continuous improvements to cyber defense strategies.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ -
	Inspection	\$ -
	District Labor / Permits / Other	\$ 185,000
	<b>Total Project Budget</b>	<b>\$ 185,000</b>



## East Aliso Creek Reservoir Site Paving Replacement

**Project No:** 2019005  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** East Aliso Creek Reservoir, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 190,000
	Inspection	\$ 10,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 200,000</b>



## North Aliso Lift Station Reconstruction

**Project No:** 2019007  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** North Aliso Lift Station, Mission Viejo

**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 Estimate:	Category	Estimated Cost
	Design	\$ 897,820
	CEQA Compliance	Exempt
	Construction	\$ 10,075,742
	Inspection	\$ 1,200,650
	District Labor / Permits / Other	\$ 100,000
	<b>Total Project Budget</b>	<b>\$ 12,274,212</b>



## Reservoir Management System Replacement Phase IV

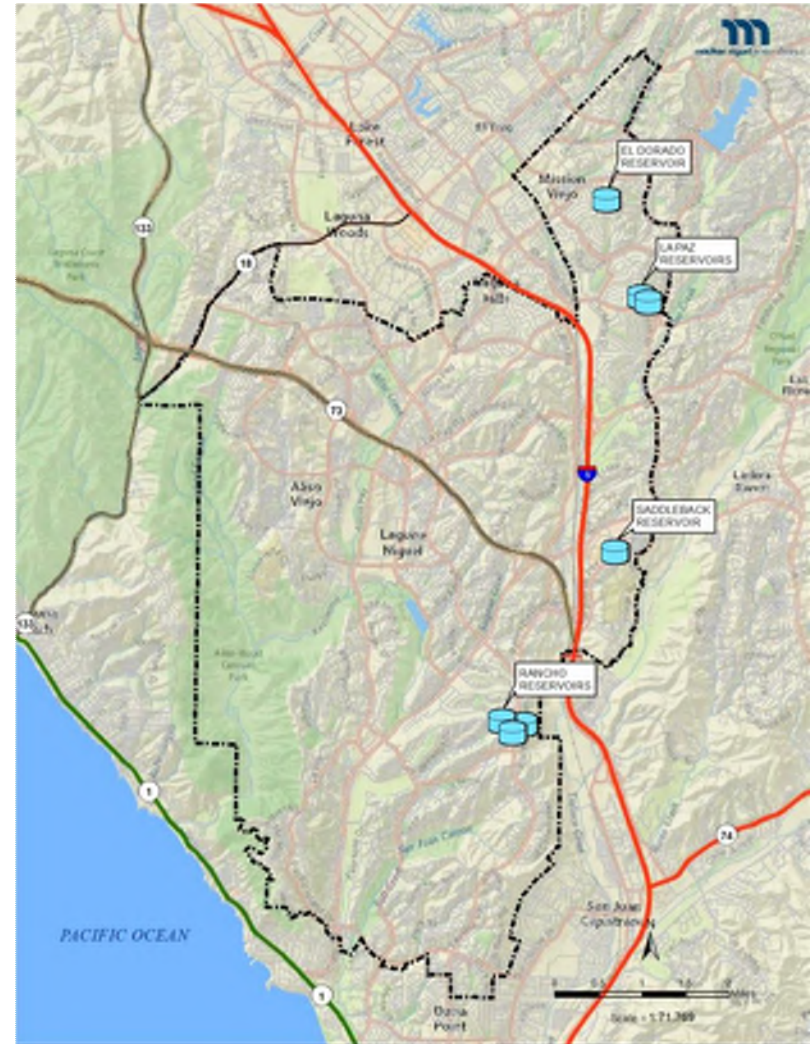
**Project No:** 2019029  
**System:** Potable  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** El Dorado, La Paz, Rancho Reservoirs, and Saddleback (Laguna Niguel and Mission Viejo)

**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 Estimate:	Category	Estimated Cost
	Design	\$ 524,071
	CEQA Compliance	Exempt
	Construction	\$ 9,663,014
	Inspection	\$ 755,440
	District Labor / Permits / Other	\$ 45,929
	<b>Total Project Budget</b>	<b>\$ 10,988,454</b>



## Plant 3A Solids Handling Facilities Improvements

**Project No:** 2019302  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** Plant 3A, Mission Viejo

**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, pumping systems, digester covers), and dewatering system upgrades. 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. Over time, the solids handling facilities have required frequent repairs and increased maintenance and are no longer functionally redundant and in need of rehabilitation. This project will rehabilitate and improve the entirety of the solids handling facilities within Plant 3A and re-establish the desired level of service and redundancy of the solids handling processes.

Project Estimate:	Category	Estimated Cost
	Design	\$ 3,097,788
	CEQA Compliance	Exempt
	Construction	\$ 43,373,917
	Inspection	\$ 2,649,415
	District Labor / Permits / Other	\$ 250,000
	<b>Total Project Budget</b>	<b>\$ 49,371,120</b>



## Niguel West Sewer Lining

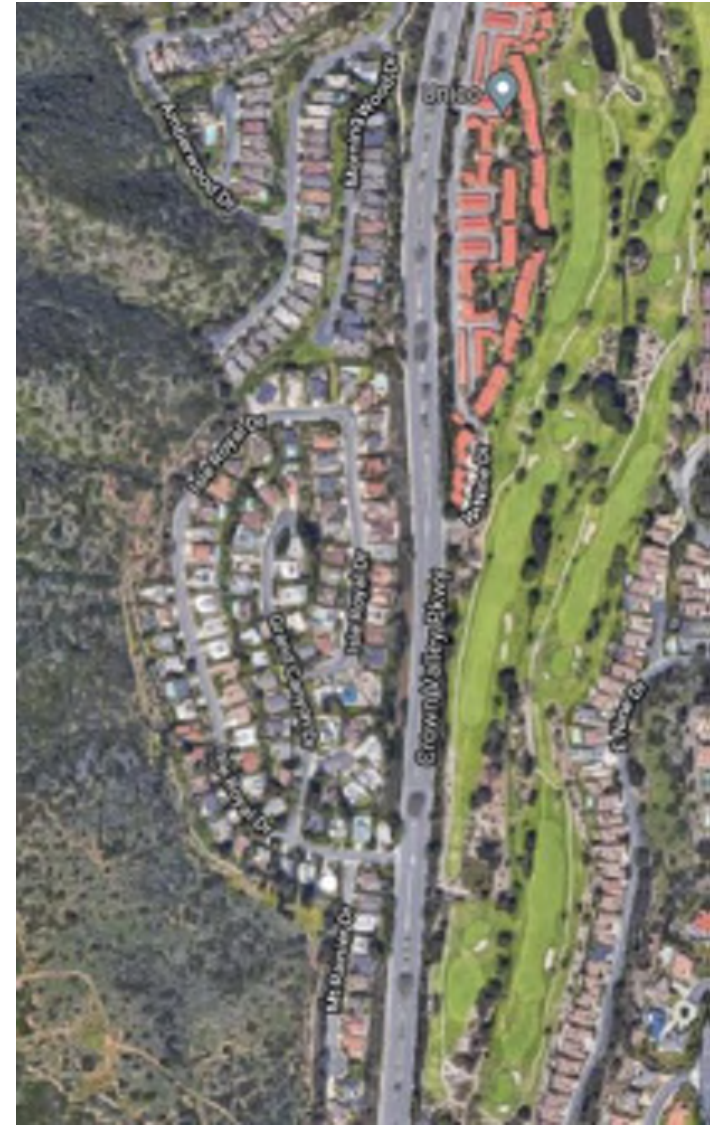
**Project No:** 2020009  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Niguel West, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ 150,000
	CEQA Compliance	Exempt
	Construction	\$ 1,200,000
	Inspection	\$ 150,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,500,000</b>



## Lift Station Ventilation System Improvements

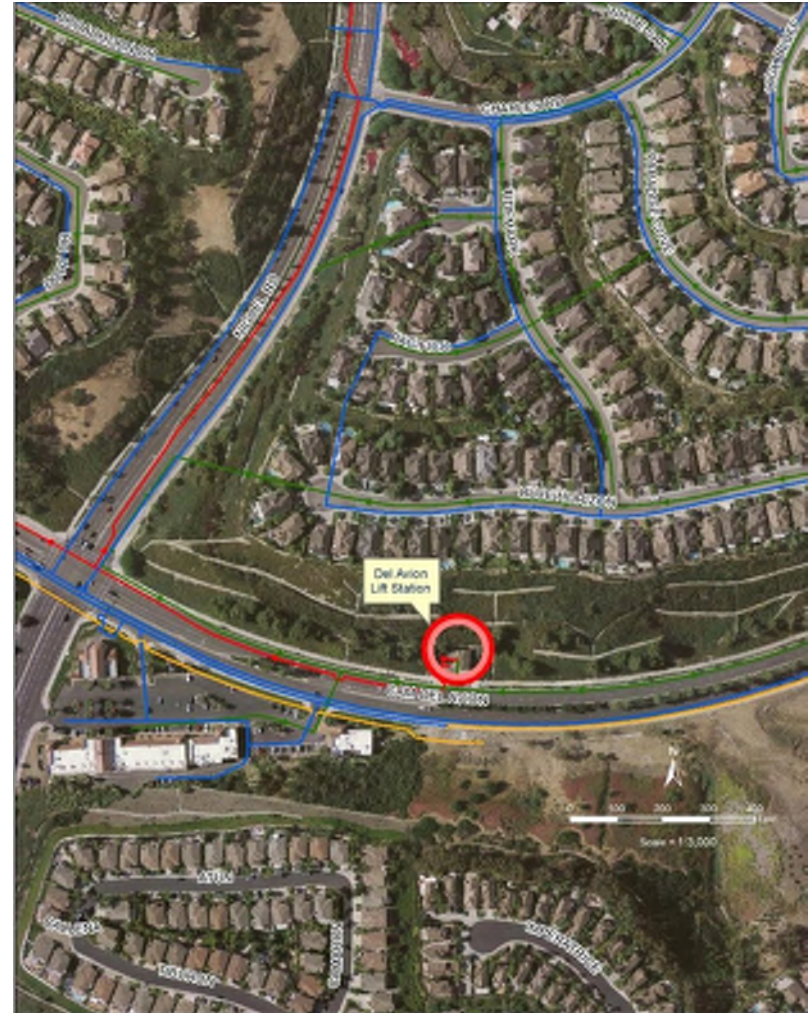
**Project No:** 2020015  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** Del Avion Lift Station, Laguna Niguel

**Description:** Reconfigure and reconstruct the ventilation system to provide clean air and maintain safe atmospheric conditions within the equipment rooms of the sewage lift station. New ductwork and ventilation fans are to be installed and configured with air intakes away from the lift station wet well to avoid bringing foul air 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. The equipment at Del Avion is in need of replacement.

Project Estimate:	Category	Estimated Cost
	Design	\$ 100,000
	CEQA Compliance	Exempt
	Construction	\$ 300,000
	Inspection	\$ 100,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 500,000</b>



## Rehabilitation of the Marguerite Reservoir

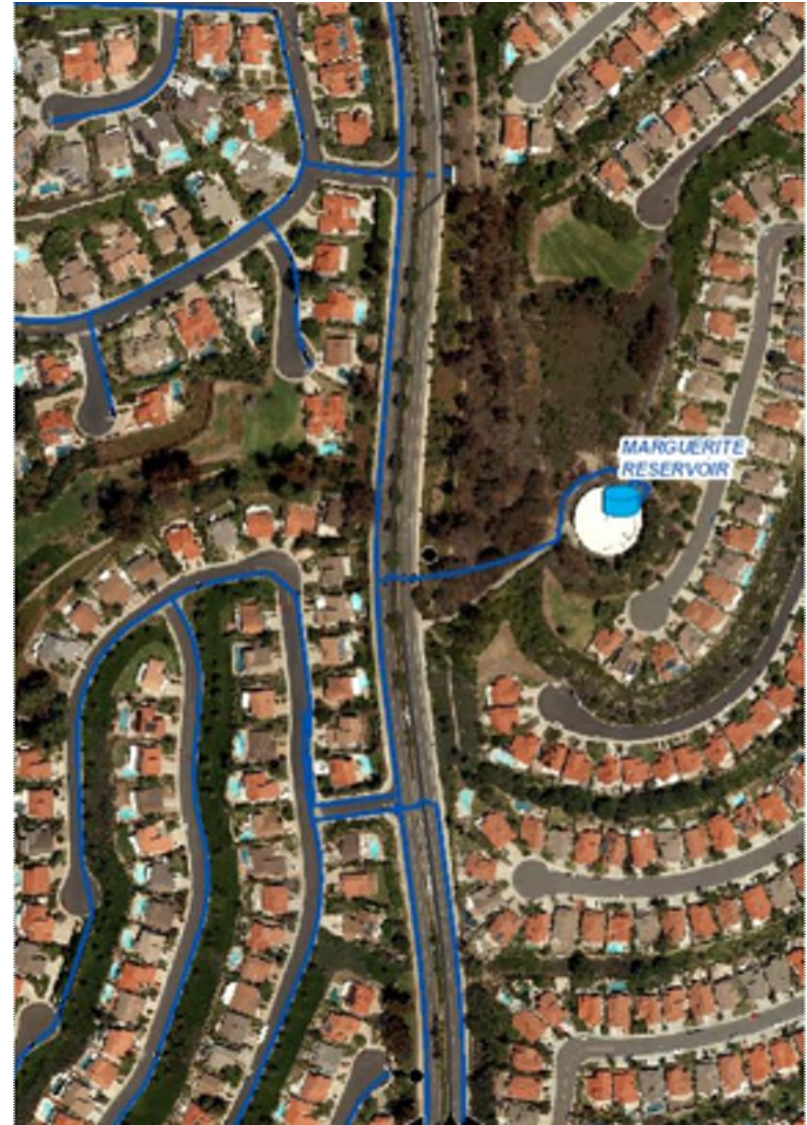
**Project No:** 2020017  
**System:** Potable  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** Marguerite Reservoir, Mission Viejo

**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 when recoating is needed.

Project Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 1,990,780
	Inspection	\$ 100,000
	District Labor / Permits / Other	\$ 50,000
	<b>Total Project Budget</b>	<b>\$ 2,190,780</b>



## Reservoir Management System Replacement Phase V

**Project No:** 2020018  
**System:** Potable  
**Fund:** 7  
**Project Status:** Design

**Project Location:** PID1, PID2, Laguna Sur, and Wood Canyon (Aliso Viejo and Laguna Niguel)

**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 Estimate:	Category	Estimated Cost
	Design	\$ 600,000
	CEQA Compliance	Exempt
	Construction	\$ 10,000,000
	Inspection	\$ 700,000
	District Labor / Permits / Other	\$ 50,000
	<b>Total Project Budget</b>	<b>\$ 11,350,000</b>



## Aliso Creek Lift Station Rehabilitation

**Project No:** 2021011  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** Aliso Creek Lift Station, Aliso Viejo

**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 Estimate:	Category	Estimated Cost
	Design	\$ 835,519
	CEQA Compliance	Exempt
	Construction	\$ 7,932,782
	Inspection	\$ 150,000
	District Labor / Permits / Other	\$ 100,000
	<b>Total Project Budget</b>	<b>\$ 9,018,301</b>



## Building E Rehabilitation

**Project No:** 2021014  
**System:** Multi-System  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** MNWD Headquarters, Laguna Hills

**Description:** 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 will include tenant improvements, furniture, and audio-visual equipment.

**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 Estimate:	Category	Estimated Cost
	Design	\$ 175,000
	CEQA Compliance	Exempt
	Construction	\$ 3,017,176
	Inspection	\$ 75,000
	District Labor / Permits / Other	\$ 150,000
	<b>Total Project Budget</b>	<b>\$ 3,417,176</b>



## Billing System Upgrade

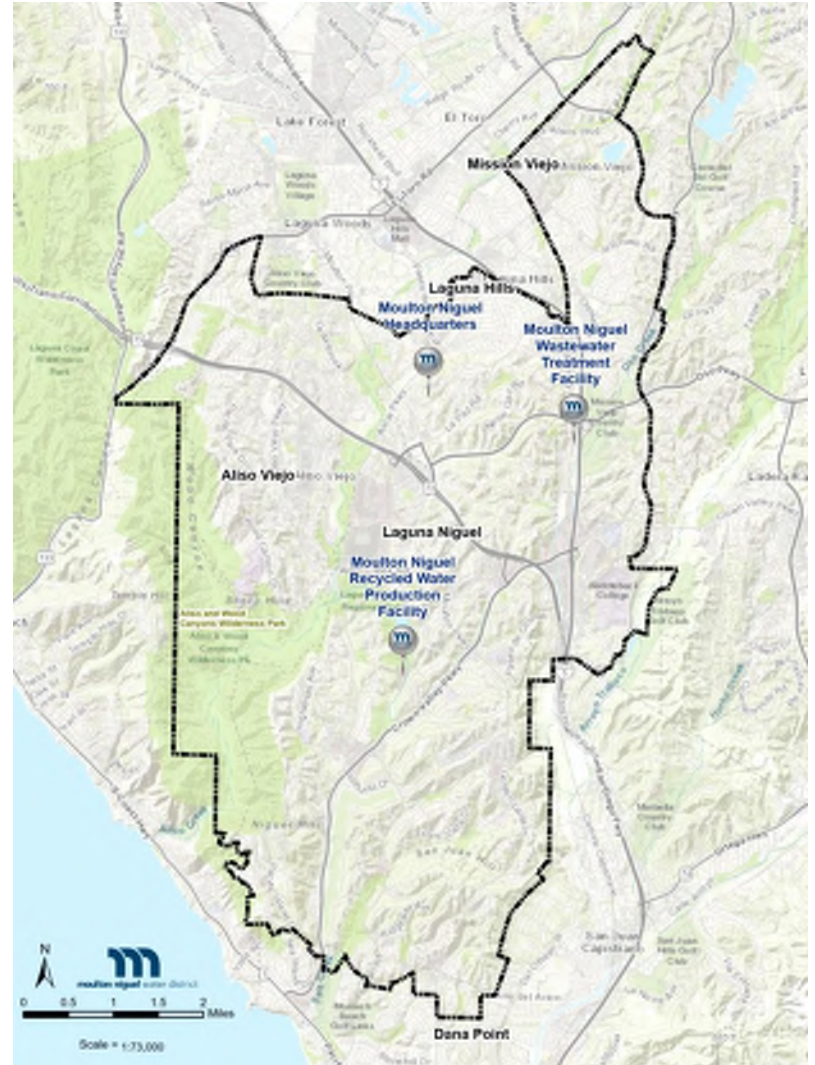
**Project No:** 2022014  
**System:** Multi-System  
**Fund:** 7  
**Project Status:** Design

**Project Location:** MNWD Headquarters, Laguna Hills

**Description:** Implement a new utility billing system to replace our existing legacy software. The project includes needs assessment, procurement, selection, data conversion, and implementation.

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ -
	Inspection	\$ -
	District Labor / Permits / Other	\$ 1,727,414
	<b>Total Project Budget</b>	<b>\$ 1,727,414</b>



## CMMS Phase II Implementation / Integration

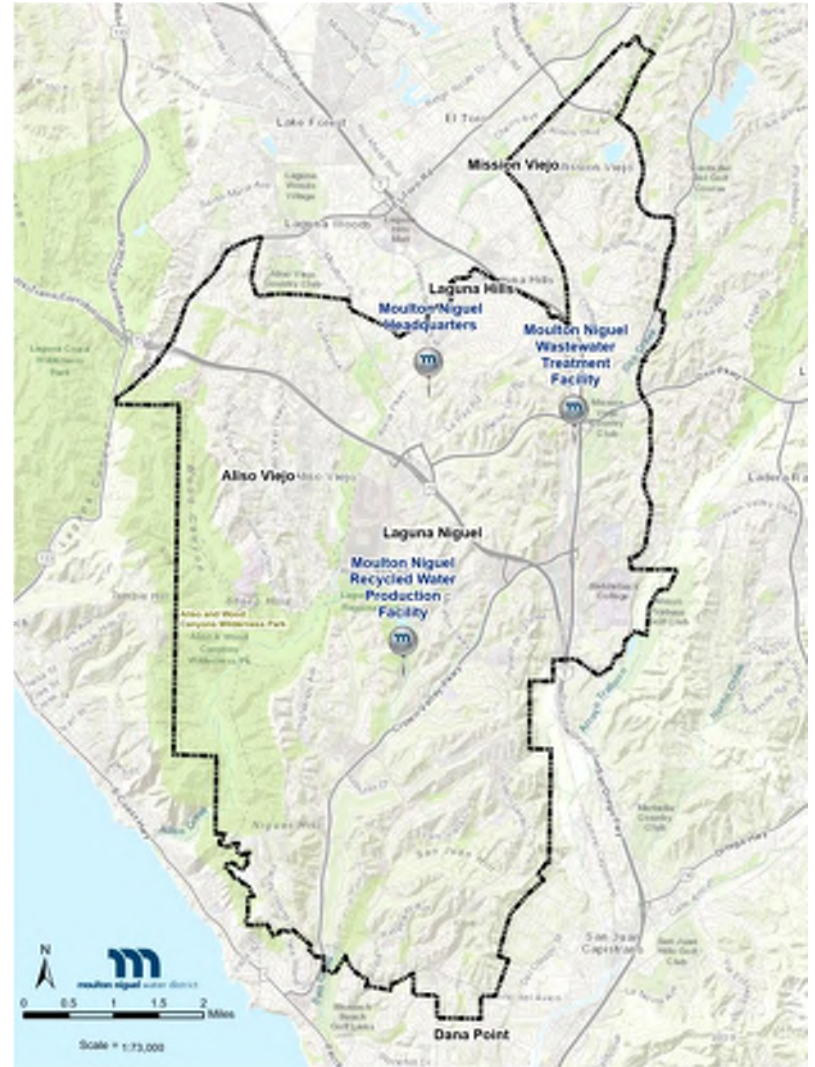
**Project No:** 2022015  
**System:** Multi-System  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** MNWD Headquarters, Laguna Hills

**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 work order 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. 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 well as tracking and managing related operating costs.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ -
	Inspection	\$ -
	District Labor / Permits / Other	\$ 365,000
	<b>Total Project Budget</b>	<b>\$ 365,000</b>



## Eastern Transmission Main Rehabilitation

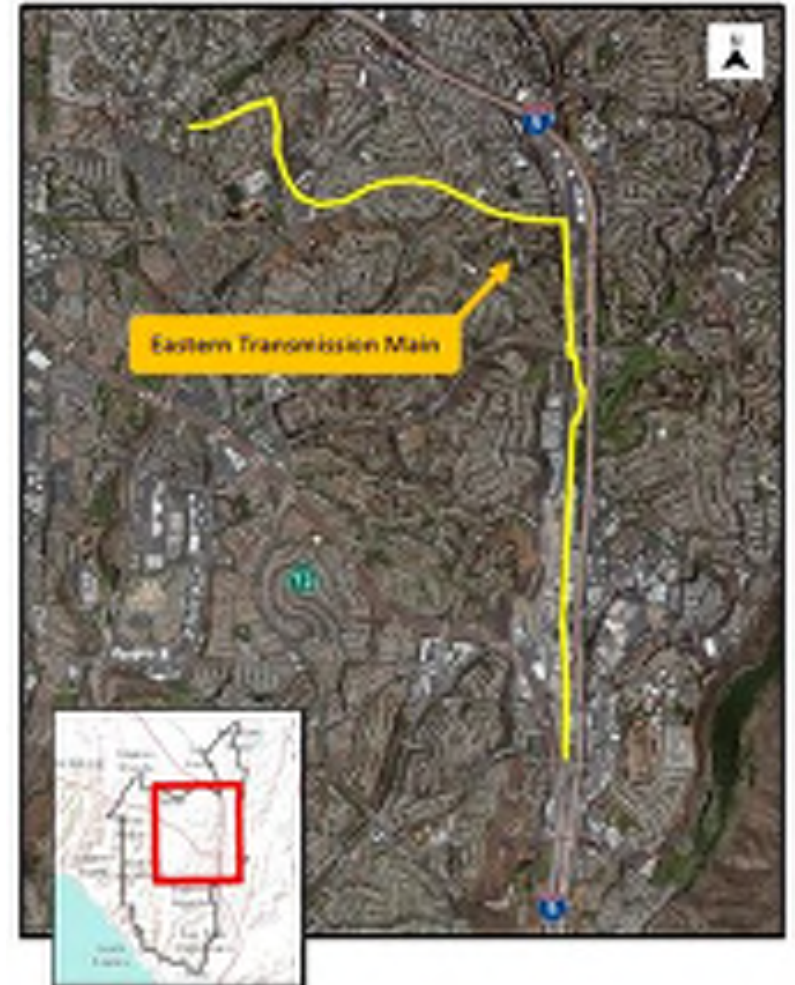
**Project No:** 2022016  
**System:** Potable  
**Fund:** 7  
**Project Status:** Design

**Project Location:** Eastern Transmission Main

**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 Estimate:	Category	Estimated Cost
	Design	\$ 120,000
	CEQA Compliance	Exempt
	Construction	\$ 2,000,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 50,000
	<b>Total Project Budget</b>	<b>\$ 2,170,000</b>



## Upper Boundary Oak Lift Station Auxiliary Generator Replacement

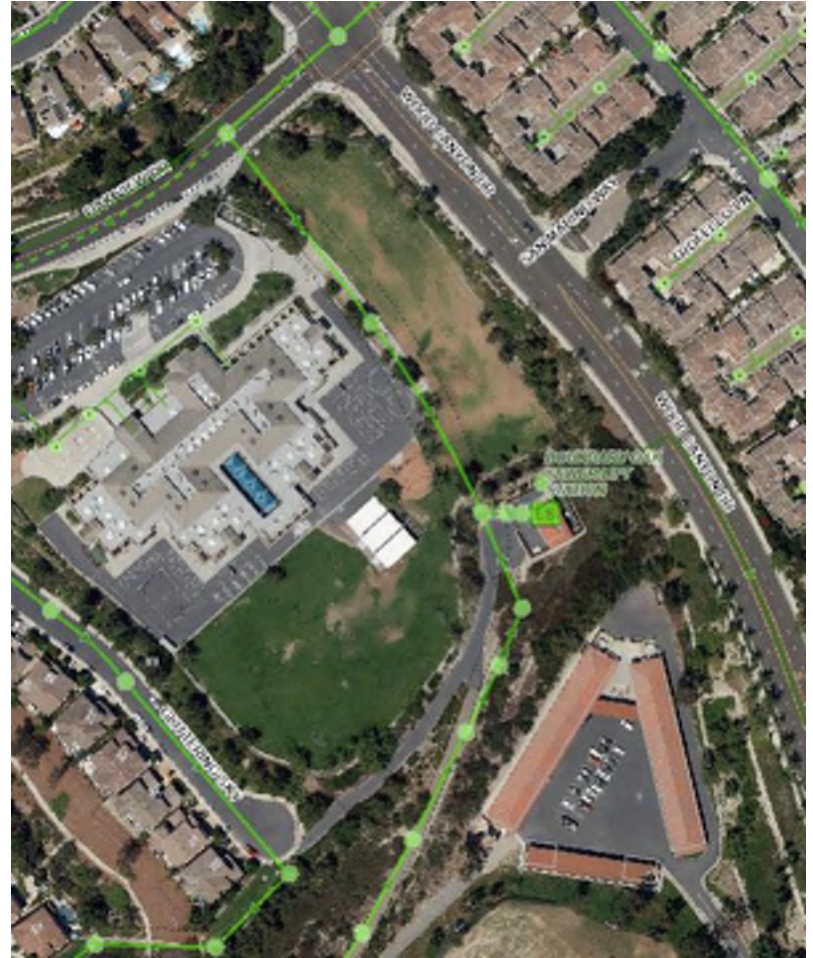
**Project No:** 2022020  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Upper Boundary Oak Lift Station, Aliso Viejo

**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 Estimate:	Category	Estimated Cost
	Design	\$ 100,000
	CEQA Compliance	Exempt
	Construction	\$ 850,000
	Inspection	\$ 25,000
	District Labor / Permits / Other	\$ 25,000
	<b>Total Project Budget</b>	<b>\$ 1,000,000</b>



## Plant 3A Liquids Handling Facilities Improvements

**Project No:** 2022301  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Plant 3A, Mission Viejo

**Description:** This project will rehabilitate and re-establish the desired level of service for the liquid treatment facilities at Plant 3A. This project will include Headworks/Preliminary Treatment, Primary Treatment, Secondary Treatment, Administration Building, and support systems. In conjunction with this project are other projects to upgrade the AWT facilities and emergency power system.

**Project Need:** Most of the existing liquid treatment facilities have been in operation since 1991 and are at the end of their useful life. This project will evaluate new technologies to improve overall treatment and efficiency of the plant.

Project Estimate:	Category	Estimated Cost
	Design	\$ 2,500,000
	CEQA Compliance	Exempt
	Construction	\$ 10,000,000
	Inspection	\$ 2,000,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 14,500,000</b>



## 2024-25 Pressure Reducing Station Rehabilitation - RW

**Project No:** 2023010  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Design

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

**Description:** Rehabilitate the Aliso Creek PRS structure and replace the pressure reducing station valves, mechanical equipment and appurtenances that have reached the end of their useful lives. Relocation the El Niguel PRS and bring above grade in coordination with El Niguel Country Club's Maintenance Facility project.

**Project Need:** The equipment within the pressure reducing stations is reaching its useful life, is requiring increased maintenance, and needs to be replaced. The current El Niguel PRS is adjacent to golf course fairway and will be relocated per shared preferences of MNWD and El Niguel Country Club.

Project Estimate:	Category	Estimated Cost
	Design	\$ 60,000
	CEQA Compliance	Exempt
	Construction	\$ 500,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 20,000
	<b>Total Project Budget</b>	<b>\$ 580,000</b>



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

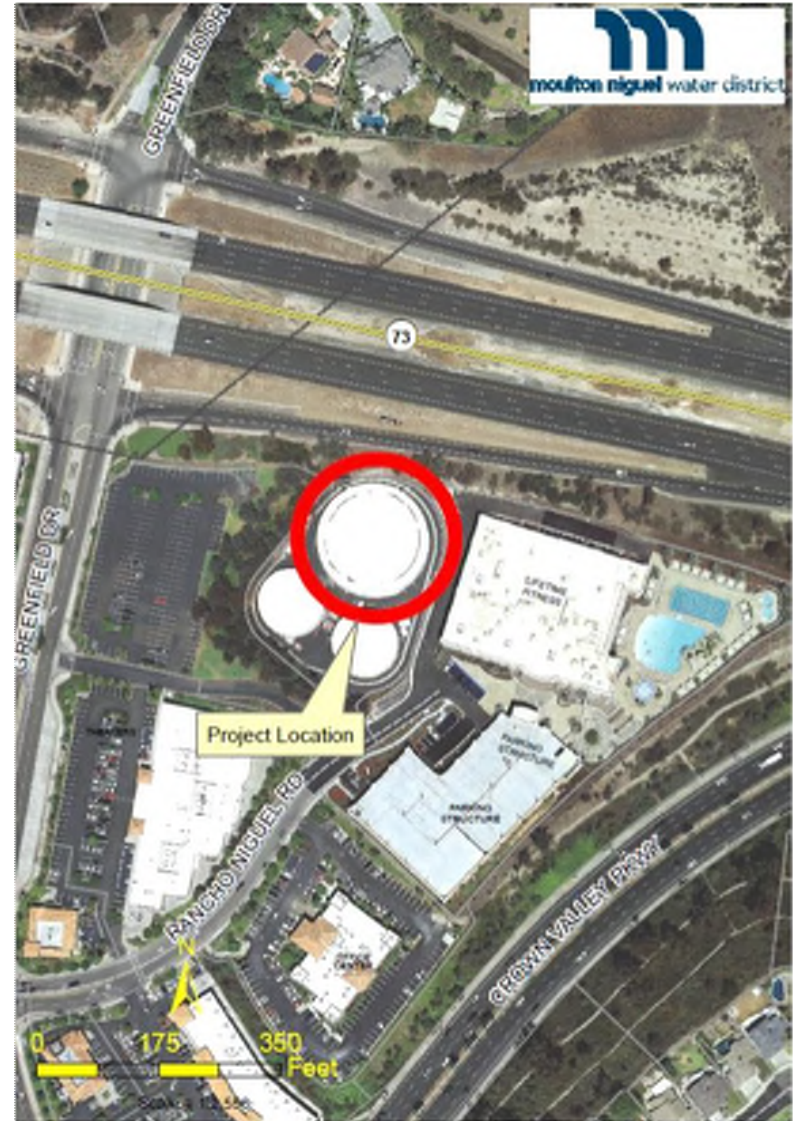
**Project No:** 2023013  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Crown Valley Reservoir, Laguna Niguel

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

**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 Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 2,000,000
	Inspection	\$ 95,000
	District Labor / Permits / Other	\$ 30,000
	<b>Total Project Budget</b>	<b>\$ 2,175,000</b>



## Beacon Hill Pump Station Replacement

**Project No:** 2023014  
**System:** Potable  
**Fund:** 7  
**Project Status:** Design

**Project Location:** Beacon Hill Pump Station, Laguna Niguel

**Description:** A new Beacon Hill Pump Station will be constructed in its entirety at the Bear Brand Reservoir site.

**Project Need:** Although periodic improvements have been made, much of the equipment is obsolete, requires increased maintenance, and needs replacement. A conceptual design memorandum, including an alternatives analysis, was completed in December 2024 and a new pump station at the Bear Brand Reservoir site was identified as the preferred option.



Project Estimate:	Category	Estimated Cost
	Design	\$ 935,000
	CEQA Compliance	Exempt
	Construction	\$ 8,000,000
	Inspection	\$ 1,000,000
	District Labor / Permits / Other	\$ 100,000
	<b>Total Project Budget</b>	<b>\$ 10,035,000</b>

## Electrical System Improvements Phase V - PW

**Project No:** 2023015  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Various Pump Stations

**Description:** Remove and replace the main switchboard and MCC at the Rolling Hills Pump Station, install auxiliary generator connection at Rancho Pump Station, remove and replace the main switchboard and MCC at Sheep Hills Pump Station, and install portable generator connections 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 Estimate:	Category	Estimated Cost
	Design	\$ 300,000
	CEQA Compliance	Exempt
	Construction	\$ 900,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 50,000
	<b>Total Project Budget</b>	<b>\$ 1,250,000</b>



## Electrical System Improvements Phase V - RW

**Project No:** 2023016  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Southridge Recycled Water Pump Station, Aliso Viejo

**Description:** Replace the existing MCC and Switchgear compatible with District installed pump variable frequency drives.

**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 Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 250,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 25,000
	<b>Total Project Budget</b>	<b>\$ 325,000</b>



## Lower Salada Lift Station Reconstruction

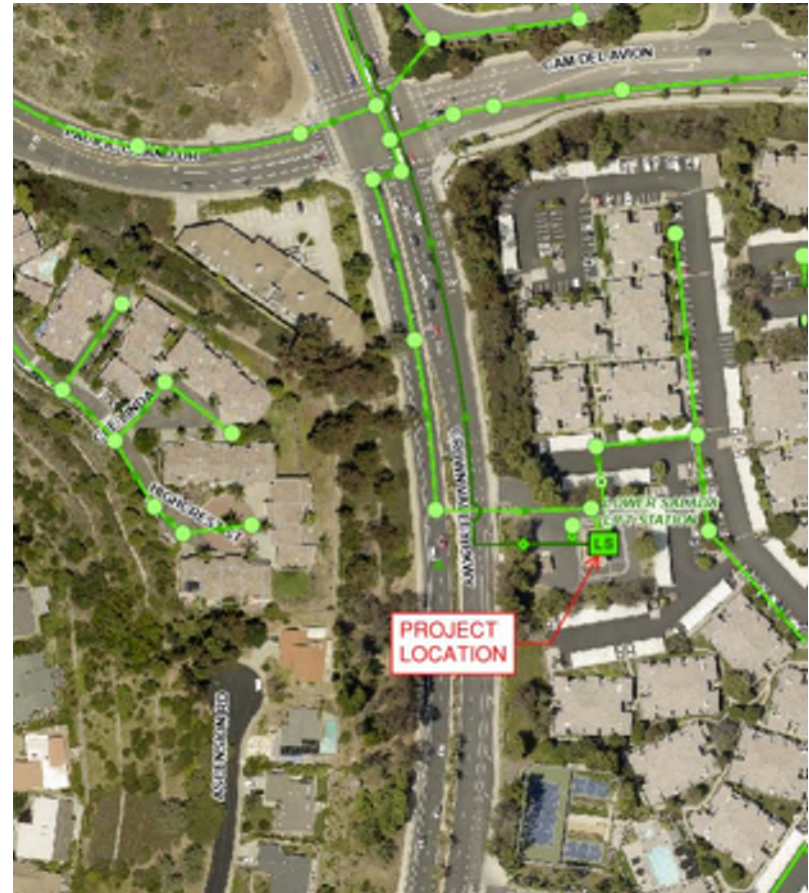
**Project No:** 2023017  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Design

**Project Location:** Lower Salada Lift Station, Laguna Niguel

**Description:** Rehabilitate the Lower Salada Lift Station in its entirety, including wet well rehabilitation, construction of a new overflow wet well, 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. The construction of a new overflow wet well will allow the District more time to respond to an emergency event.

Project Estimate:	Category	Estimated Cost
	Design	\$ 1,100,000
	CEQA Compliance	Exempt
	Construction	\$ 9,000,000
	Inspection	\$ 800,000
	District Labor / Permits / Other	\$ 125,000
	<b>Total Project Budget</b>	<b>\$ 11,025,000</b>



## Northern Transmission Main Rehabilitation

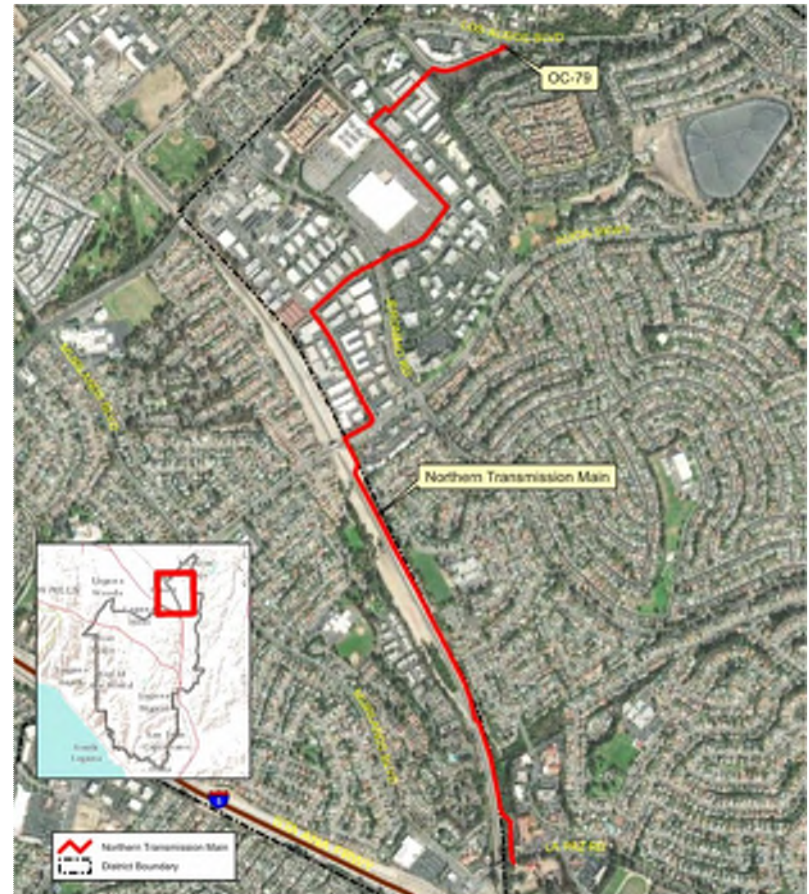
**Project No:** 2023019  
**System:** Potable  
**Fund:** 7  
**Project Status:** Design

**Project Location:** Northern Transmission Main, Mission Viejo

**Description:** Abandon existing 36-inch transmission main isolation valve vaults and install new direct buried valves.

**Project Need:** A condition assessment was completed in April 2023. Results of the condition assessment identified specific isolation valves and associated vaults in need of rehabilitation.

Project Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 1,020,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 30,000
	<b>Total Project Budget</b>	<b>\$ 1,100,000</b>



## 2024-25 Valve Replacements - PW

**Project No:** 2024001  
**System:** Potable  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** Various

**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 Estimate:	Category	Estimated Cost
	Design	\$ 150,000
	CEQA Compliance	Exempt
	Construction	\$ 3,600,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 150,000
	<b>Total Project Budget</b>	<b>\$ 3,900,000</b>



## AMI Communications Network Improvements

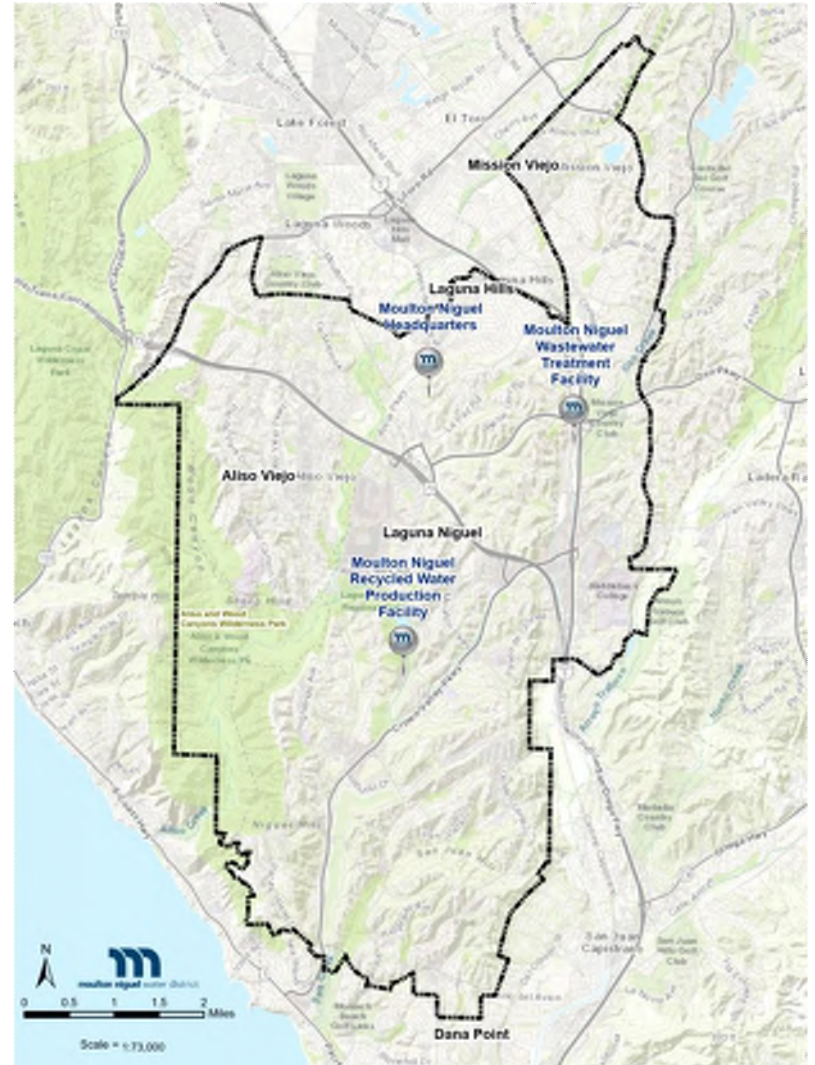
**Project No:** 2024003  
**System:** Multi-System  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** Various

**Description:** This project will consist of hardware upgrades and additional towers to improve the District’s AMI communications network.

**Project Need:** The project will provide additional redundancy and improve system reliability of the District’s AMI communications network.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 390,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 10,000
	<b>Total Project Budget</b>	<b>\$ 400,000</b>



# Enterprise Resource Planning System Enhancement

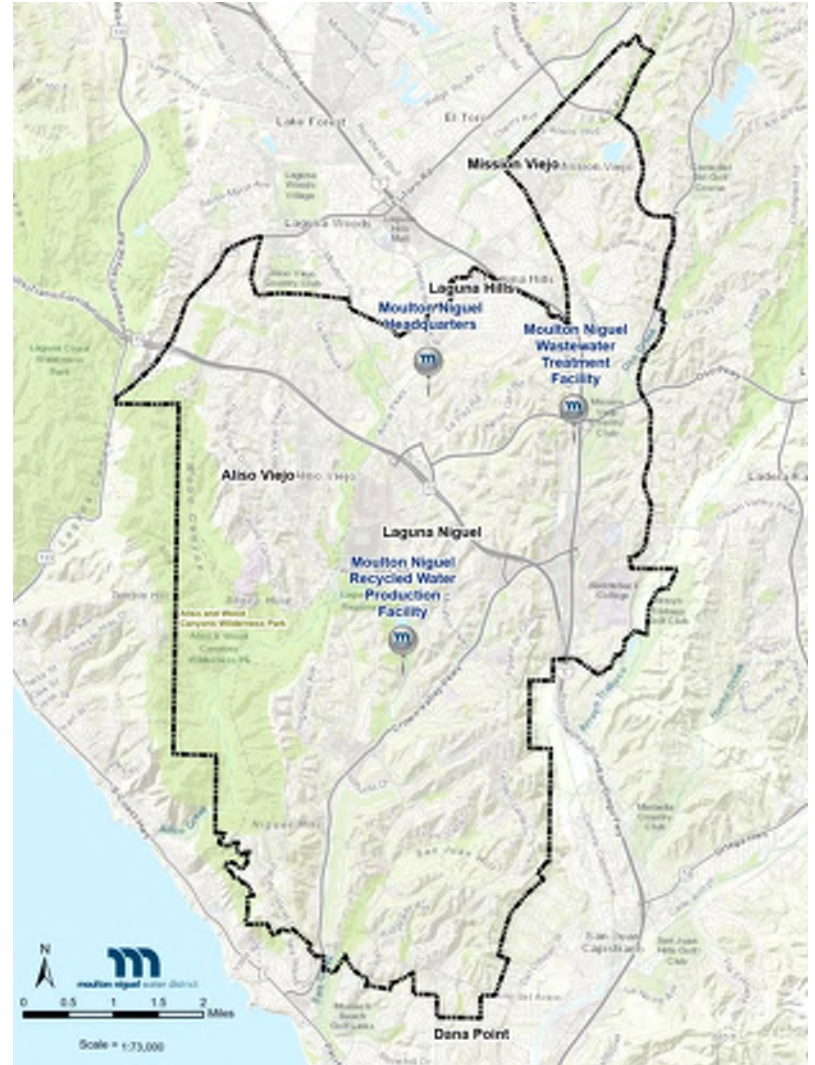
**Project No:** 2024004  
**System:** Multi-System  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** MNWD Headquarters, Laguna Hills

**Description:** This project would install the latest software code base for the District’s Enterprise Resource Planning (ERP) system software and migrate years of financial, human resources, and payroll data to the new system. Training for new features and functionality would be provided.

**Project Need:** The existing ERP system relies on a software code base that will no longer be supported. An unsupported code base would be open to risk of cyberbreaches and/or data loss of critical financial and human resource information.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ -
	Inspection	\$ -
	District Labor / Permits / Other	\$ 250,000
	<b>Total Project Budget</b>	<b>\$ 250,000</b>



## Recycled Water Optimization Study (RWOS) - RW Main Replacement From Galivan PS to La Paz PS

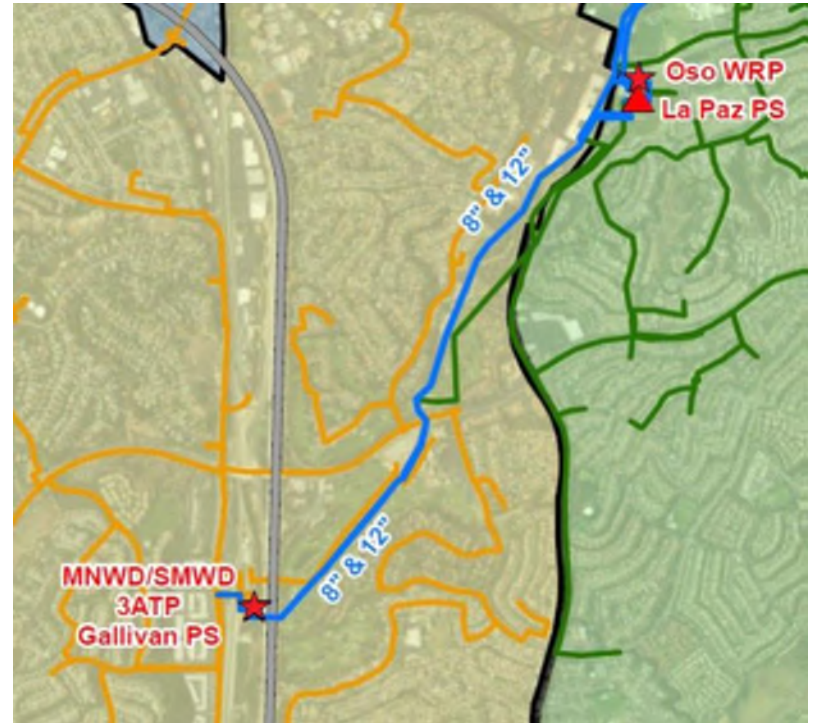
**Project No:** 2024005  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** Mission Viejo

**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 Estimate:	Category	Estimated Cost	
	Design	\$	1,500,000
	CEQA Compliance	\$	500,000
	Construction	\$	7,500,000
	Inspection	\$	-
	District Labor / Permits / Other	\$	1,500,000
	<b>Total Project Budget</b>	<b>\$</b>	<b>11,000,000</b>



## Saddleback Reservoir Site Paving Replacement

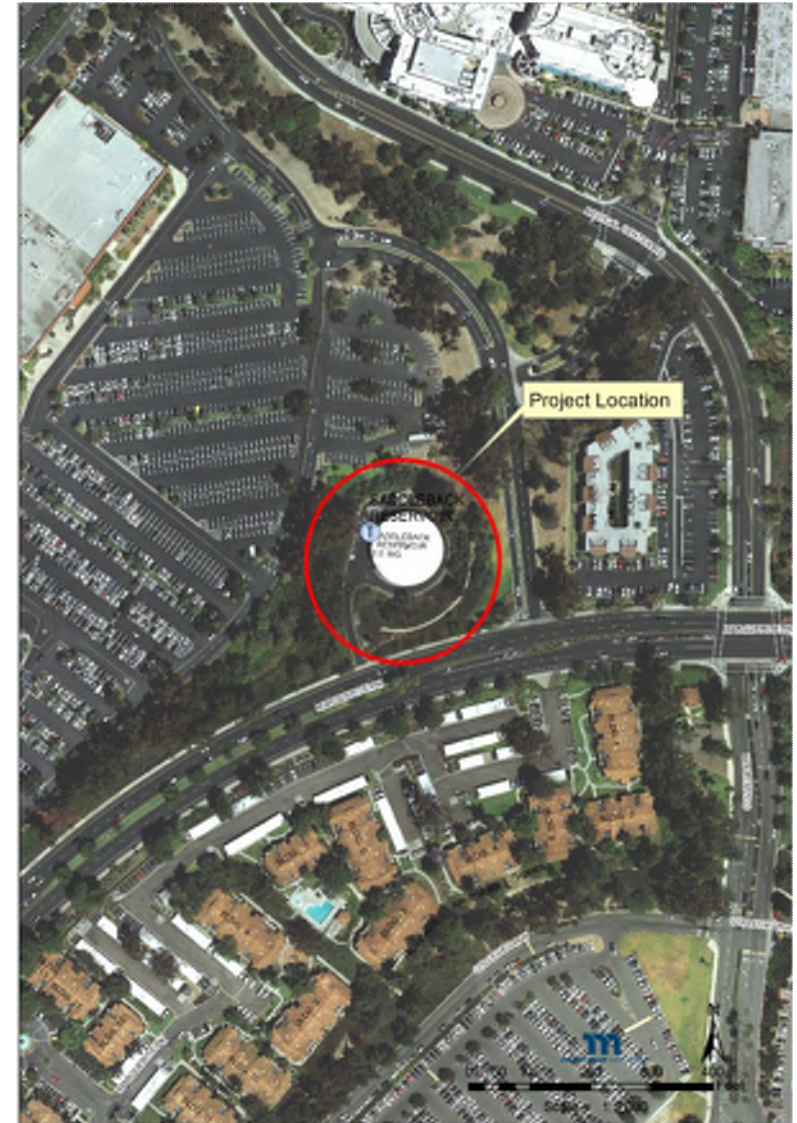
**Project No:** 2024006  
**System:** Potable  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** Saddleback Reservoir, Mission Viejo

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 100,000
	Inspection	\$ 25,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 125,000</b>



## Rehabilitation of the Aliso Viejo RW Reservoir

**Project No:** 2024008  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Design

**Project Location:** Aliso Viejo Reservoir, Aliso Viejo

**Description:** Re-coat the interior and exterior of the Aliso Viejo 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 when recoating is needed. A condition assessment for this reservoir was completed in August 2024.



Project Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 2,000,000
	Inspection	\$ 100,000
	District Labor / Permits / Other	\$ 50,000
	<b>Total Project Budget</b>	<b>\$ 2,200,000</b>

# Pacific Island Drive Sewer Lining

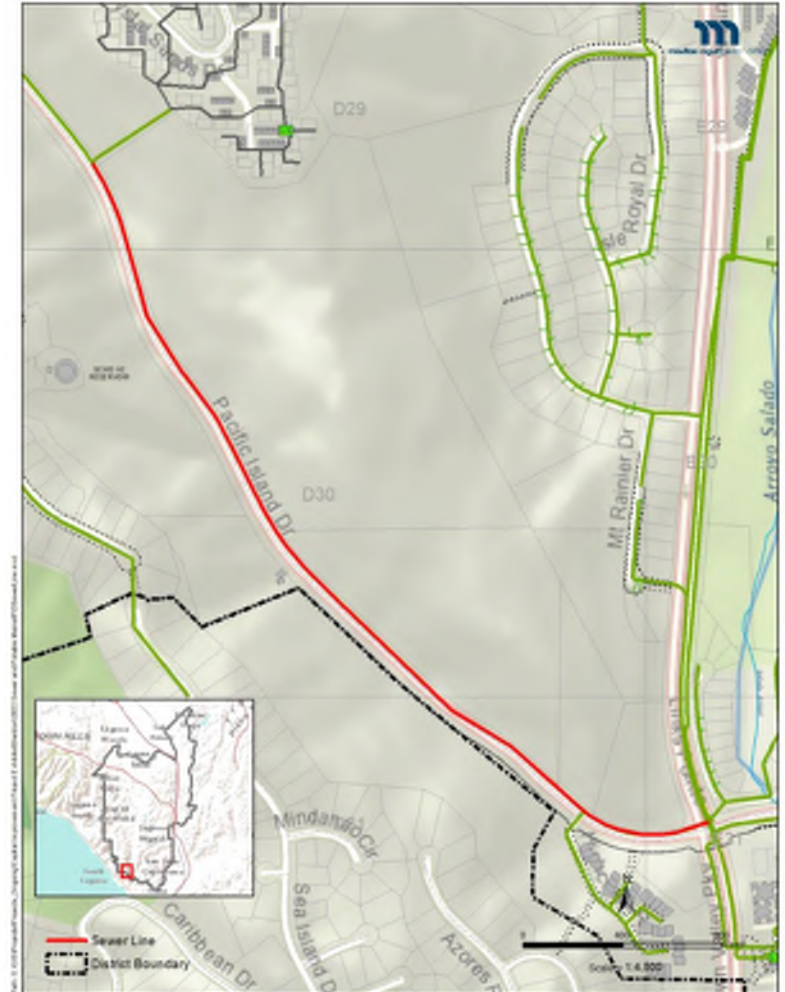
**Project No:** 2024009  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Pacific Island Drive, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ 150,000
	CEQA Compliance	Exempt
	Construction	\$ 1,200,000
	Inspection	\$ 150,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,500,000</b>



## RTP MCC Replacements - LIQ

**Project No:** 2024010  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Design

**Project Location:** Regional Treatment Plant, Laguna Niguel

**Description:** Replace MCC A, C, G, and H

**Project Need:** MCC A, C, G, and H have not been updated since their original installation over 40 years ago and are in need of replacement due to both safety and functionality concerns. The majority of equipment on these MCCs will not be replaced within the next 10 years.

Project Estimate:	Category	Estimated Cost
	Design	\$ 93,750
	CEQA Compliance	Exempt
	Construction	\$ 773,750
	Inspection	\$ 20,000
	District Labor / Permits / Other	\$ 25,000
	<b>Total Project Budget</b>	<b>\$ 912,500</b>



## RTP MCC Replacements - SOL

**Project No:** 2024010  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Design

**Project Location:** Regional Treatment Plant, Laguna Niguel

**Description:** Replace MCC A, C, G, and H

**Project Need:** MCC A, C, G, and H have not been updated since their original installation over 40 years ago and are in need of replacement due to both safety and functionality concerns. The majority of equipment on these MCCs will not be replaced within the next 10 years.

Project Estimate:	Category	Estimated Cost
	Design	\$ 187,500
	CEQA Compliance	Exempt
	Construction	\$ 1,597,500
	Inspection	\$ 40,000
	District Labor / Permits / Other	\$ 50,000
	<b>Total Project Budget</b>	<b>\$ 1,875,000</b>



## RTP MCC Replacements - COM

**Project No:** 2024010  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Design

**Project Location:** Regional Treatment Plant, Laguna Niguel

**Description:** Replace MCC A, C, G, and H

**Project Need:** MCC A, C, G, and H have not been updated since their original installation over 40 years ago and are in need of replacement due to both safety and functionality concerns. The majority of equipment on these MCCs will not be replaced within the next 10 years.

Project Estimate:	Category	Estimated Cost
	Design	\$ 93,750
	CEQA Compliance	Exempt
	Construction	\$ 773,750
	Inspection	\$ 20,000
	District Labor / Permits / Other	\$ 25,000
	<b>Total Project Budget</b>	<b>\$ 912,500</b>



## RTP Gratings and Gates Replacements - LIQ

**Project No:** 2024011  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Design

**Project Location:** Regional Treatment Plant, Laguna Niguel

**Description:** Rehabilitate Primary and Aeration Gratings and Gates

**Project Need:** The grating and gates in the primary and aeration area of the facility are beyond their useful life, and their current condition poses safety risks to operations staff. Repairing the channel concrete and procuring and installing new gates and covers will bring this treatment area back to safety standards.

<b>Project Estimate:</b>	<b>Category</b>	<b>Estimated Cost</b>
	Design	\$ 253,000
	CEQA Compliance	Exempt
	Construction	\$ 6,497,000
	Inspection	\$ 150,000
	District Labor / Permits / Other	\$ 100,000
	<b>Total Project Budget</b>	<b>\$ 7,000,000</b>



## RTP 3W Water System Improvements - LIQ

**Project No:** 2024012  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Design

**Project Location:** Regional Treatment Plant, Laguna Niguel

**Description:** Convert the plant water system (3W) from disinfected secondary effluent to use recycled water

**Project Need:** The 3W system is used throughout the treatment plant for daily activities such as cleaning. Using recycled water is safer for plant staff and provides a more reliable source and allows for pumps and tanks to be removed from the plant, saving energy and maintenance costs.

Project Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 160,000
	Inspection	\$ 20,000
	District Labor / Permits / Other	\$ 20,000
	<b>Total Project Budget</b>	<b>\$ 250,000</b>



## RTP Digester Building HVAC Improvements - SOL

**Project No:** 2024014  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Design

**Project Location:** Regional Treatment Plant, Laguna Niguel

**Description:** Replace the fans and ducting of the existing HVAC system in the digester building

**Project Need:** The digester building HVAC system is original to the building (1980s) and needs to be improved to adequately ventilate the building to provide a safe working environment for staff.

Project Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 150,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 200,000</b>



## RTP SCADA Improvements - COM

**Project No:** 2024015  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Construction

**Project Location:** Regional Treatment Plant, Laguna Niguel

**Description:** Migrate SCADA system from historical adopted SOCWA software to MNWD standard to align with MNWD's other SCADA systems. This also includes upgrade to latest version.

**Project Need:** Current RTP SCADA software was inherited in the transition to MNWD management. This software needs to be replaced with the MNWD standard SCADA software and upgraded to latest version for long term reliability.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 400,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 400,000</b>



## Operations-Led Capital Improvements - Multi-System

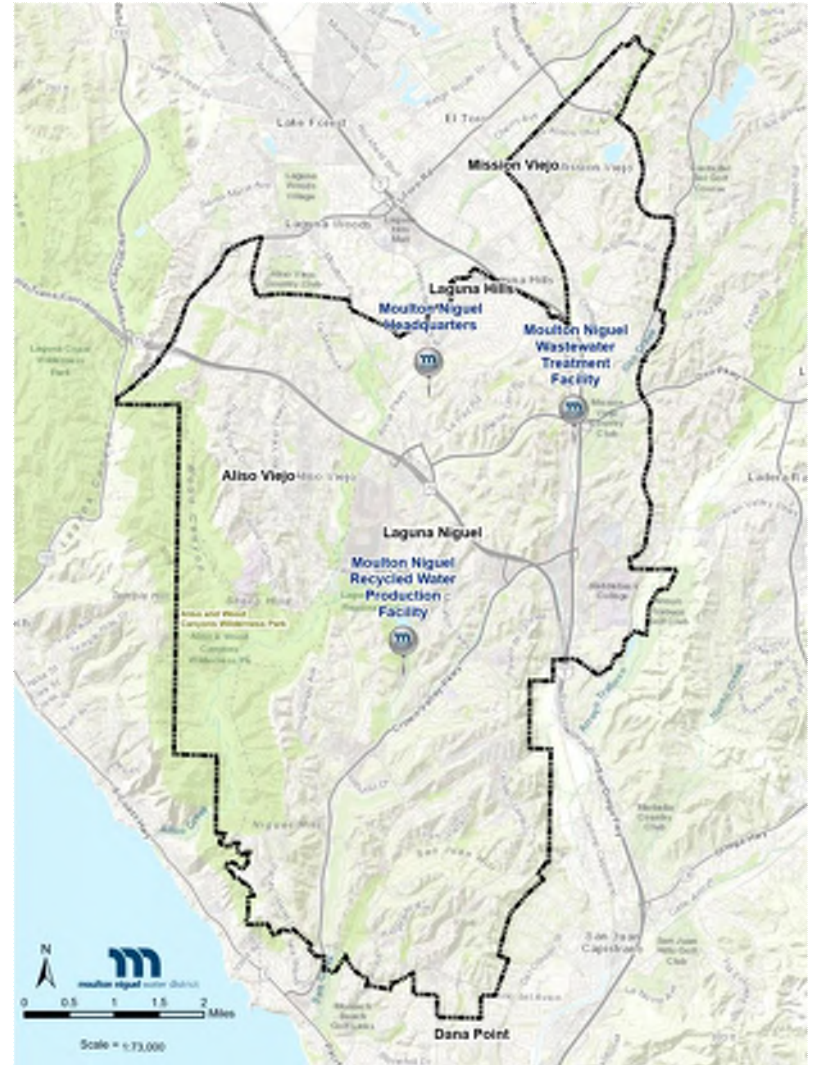
**Project No:** OPSLEDMS  
**System:** Multi-System  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 1,100,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,100,000</b>



## Fire Hydrant Replacements

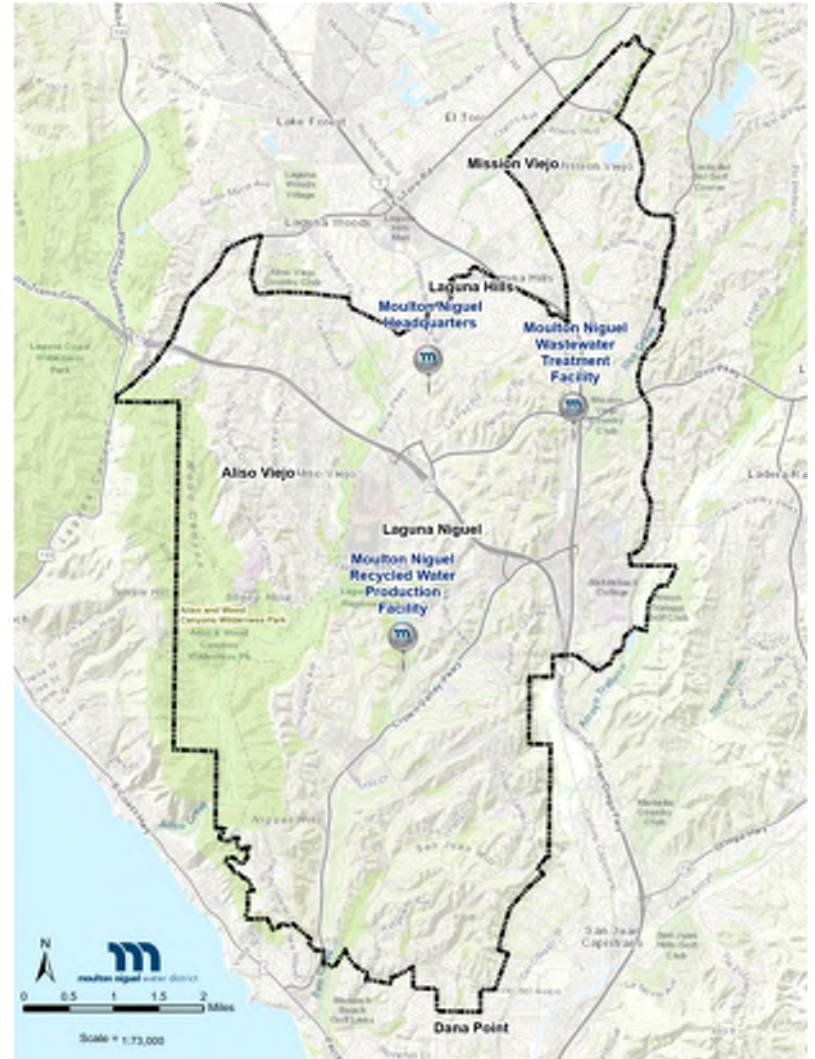
**Project No:** HYDRANTS  
**System:** Potable  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers the replacement of existing fire hydrants throughout the service area.

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 2,750,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 2,750,000</b>



## Meter Replacements - PW

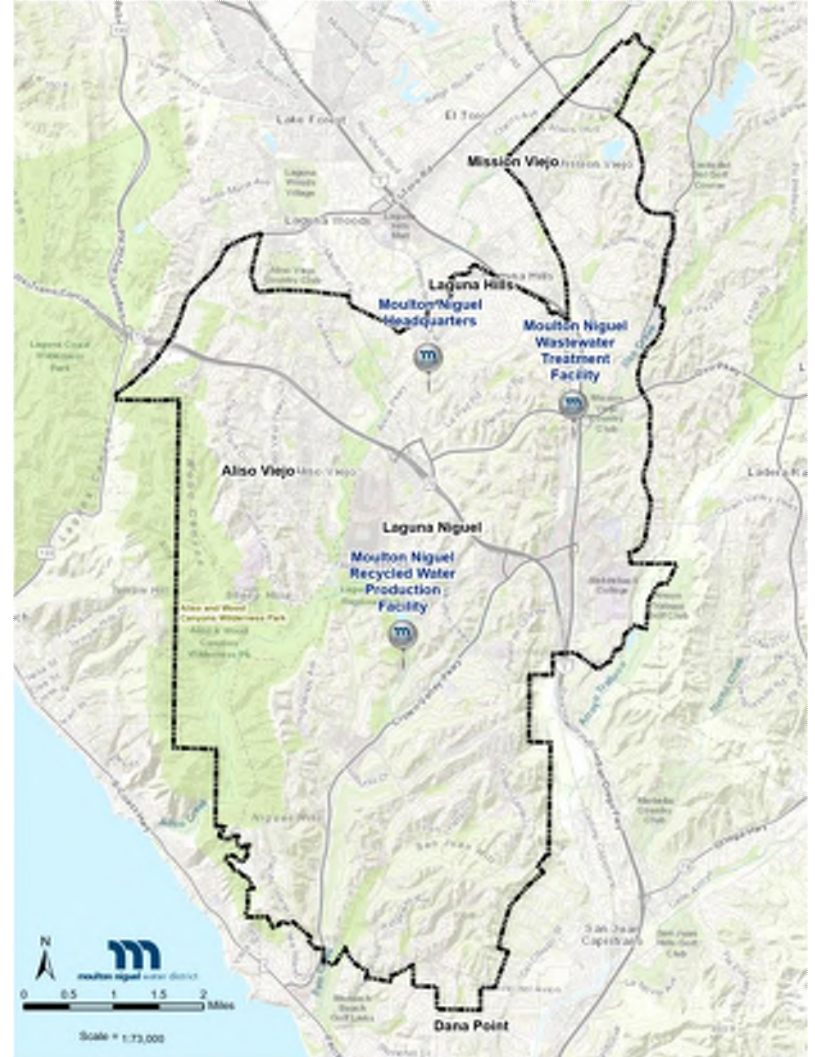
**Project No:** METERSPW  
**System:** Potable  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** 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 Need:** The District has more than 50,000 meters in the potable water system. This program will replace existing meters as they reach the end of their useful lives.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 9,750,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 9,750,000</b>



## Operations-Led Capital Improvements - PW

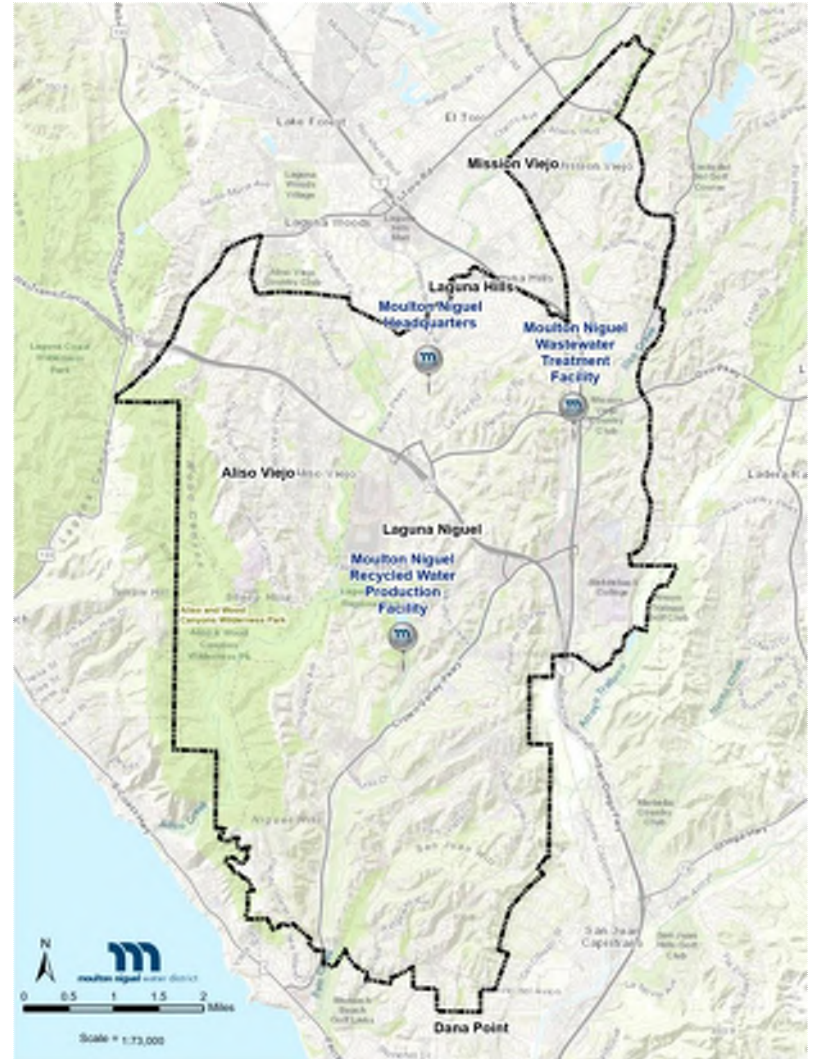
**Project No:** OPSLEDPW  
**System:** Potable  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 2,500,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 2,500,000</b>



## Pipeline Rehabilitation and Replacement Program - PW

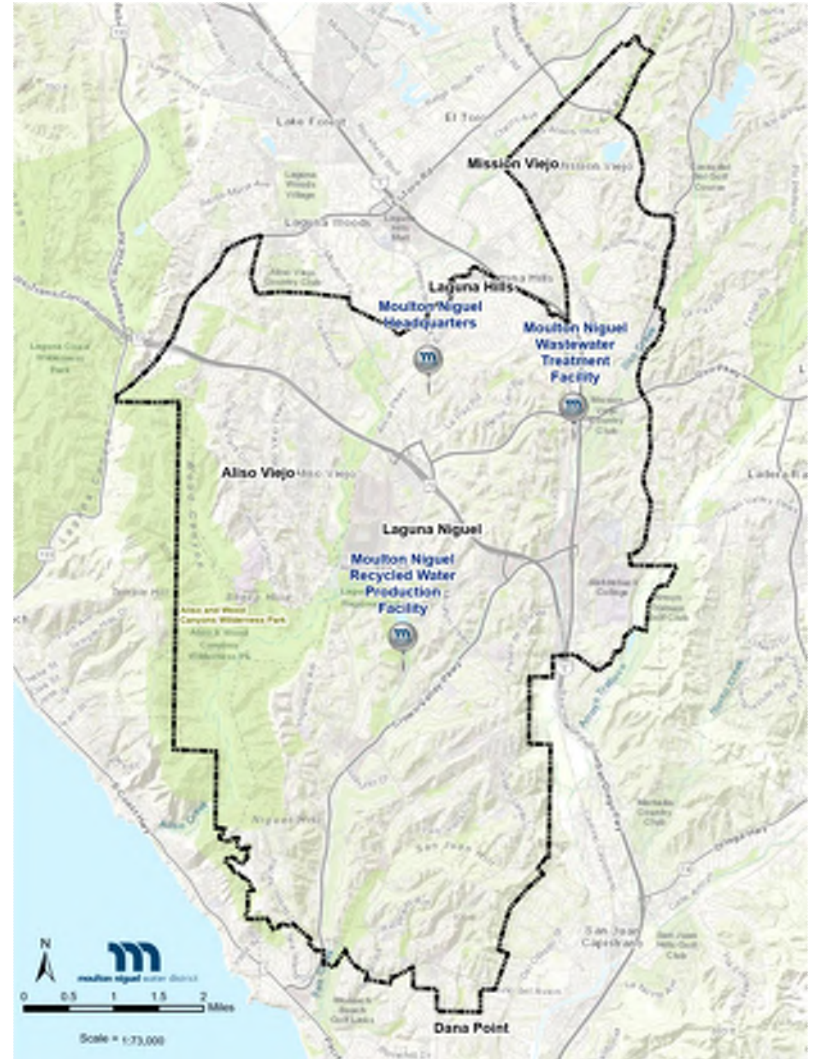
**Project No:** PIPELINESPW  
**System:** Potable  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers the rehabilitation or replacement of 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 Estimate:	Category	Estimated Cost
	Design	\$ 15,000,000
	CEQA Compliance	Exempt
	Construction	\$ 80,000,000
	Inspection	\$ 5,000,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 100,000,000</b>



## Reservoir Recoating Program - PW

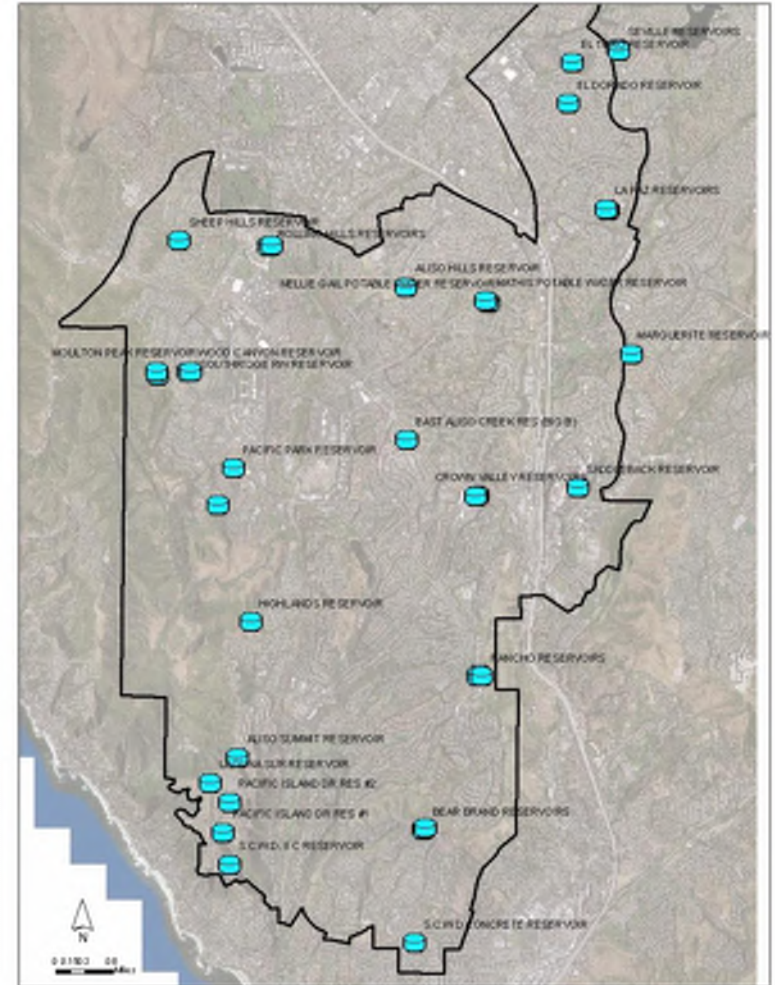
**Project No:** RESERVOIRSPW  
**System:** Potable  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers recoating 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 Estimate:	Category	Estimated Cost
	Design	\$ 250,000
	CEQA Compliance	Exempt
	Construction	\$ 4,250,000
	Inspection	\$ 500,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 5,000,000</b>



## Service Line Replacements - PW

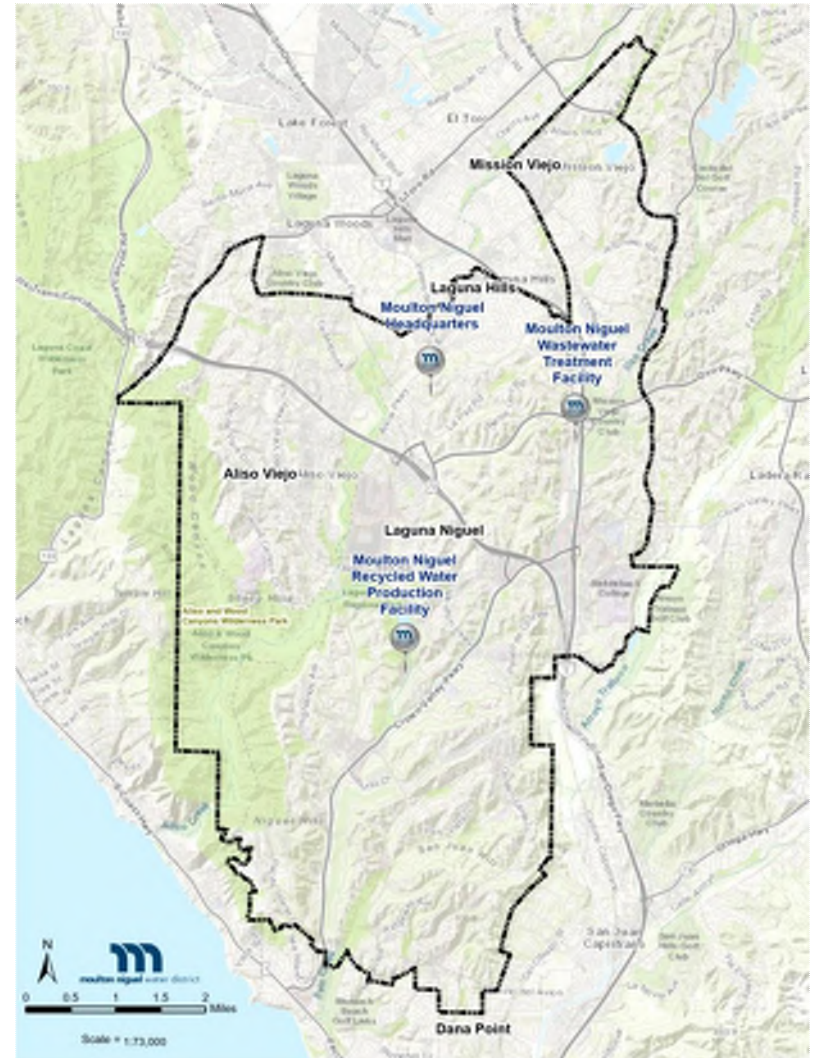
**Project No:** SERVICESPW  
**System:** Potable  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers the replacement of existing service lines throughout the service area.

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 30,000,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 30,000,000</b>



## Valve Replacements - PW

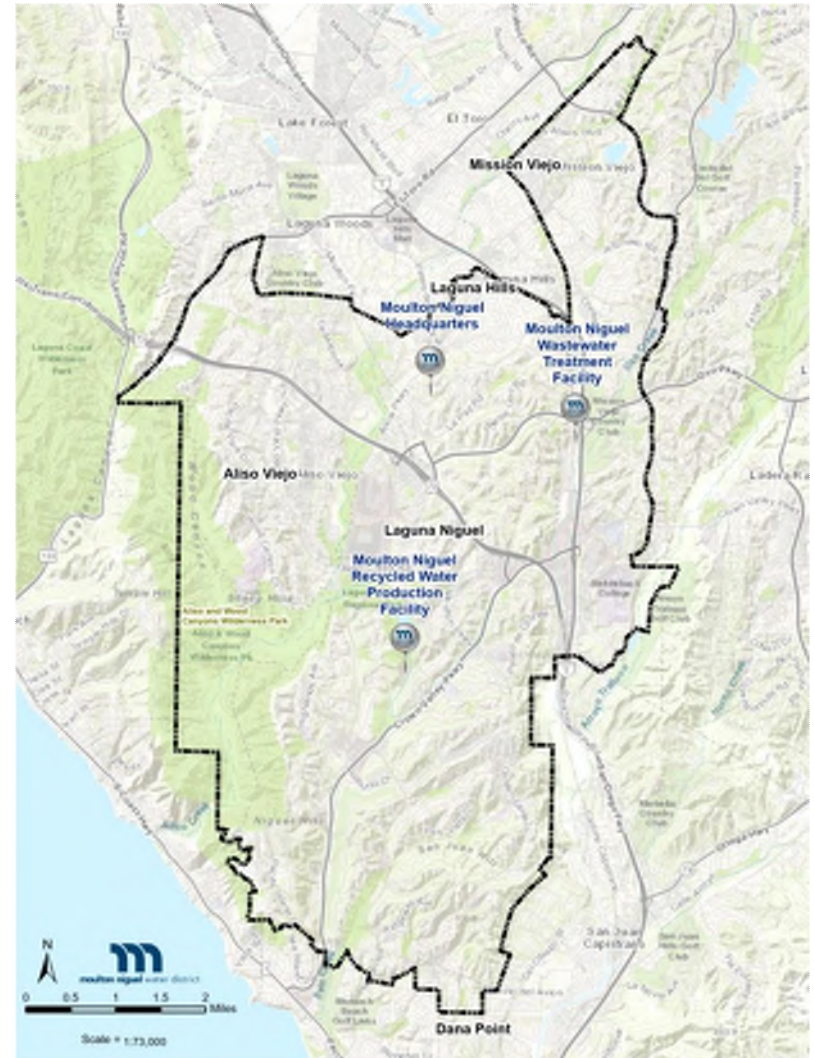
**Project No:** VALVESPW  
**System:** Potable  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers the replacement of pipeline valves throughout the service area.

**Project Need:** The District has approximately 12,940 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 system wide valve replacement program study was completed in January 2016. Critical valves are prioritized to reduce the quantity of customers required to be taken out of service during future pipeline repair and connections.

Project Estimate:	Category	Estimated Cost
	Design	\$ 500,000
	CEQA Compliance	Exempt
	Construction	\$ 29,000,000
	Inspection	\$ 500,000
	District Labor / Permits / Other	\$ 1,000,000
	<b>Total Project Budget</b>	<b>\$ 31,000,000</b>



## Vertical Assets Rehabilitation and Replacement Program - PW

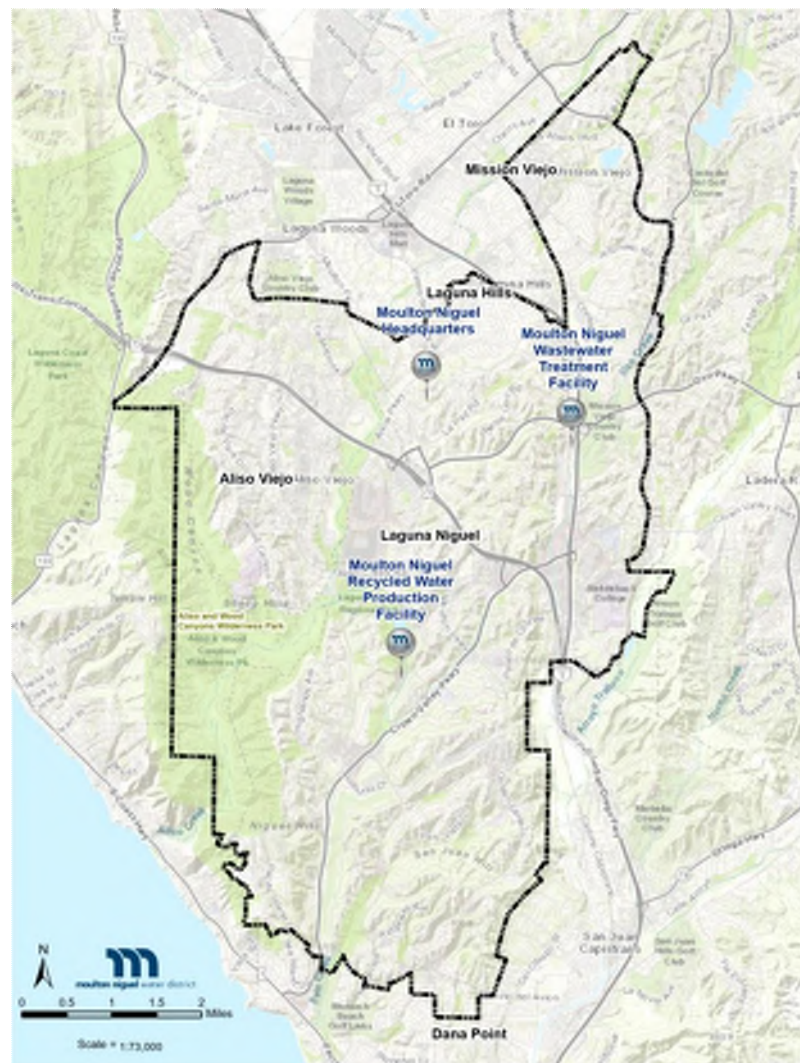
**Project No:** VERTICALPW  
**System:** Potable  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers the rehabilitation or replacement of 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 Estimate:	Category	Estimated Cost
	Design	\$ 2,000,000
	CEQA Compliance	Exempt
	Construction	\$ 7,400,000
	Inspection	\$ 1,000,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 10,400,000</b>



## Meter Replacements - RW

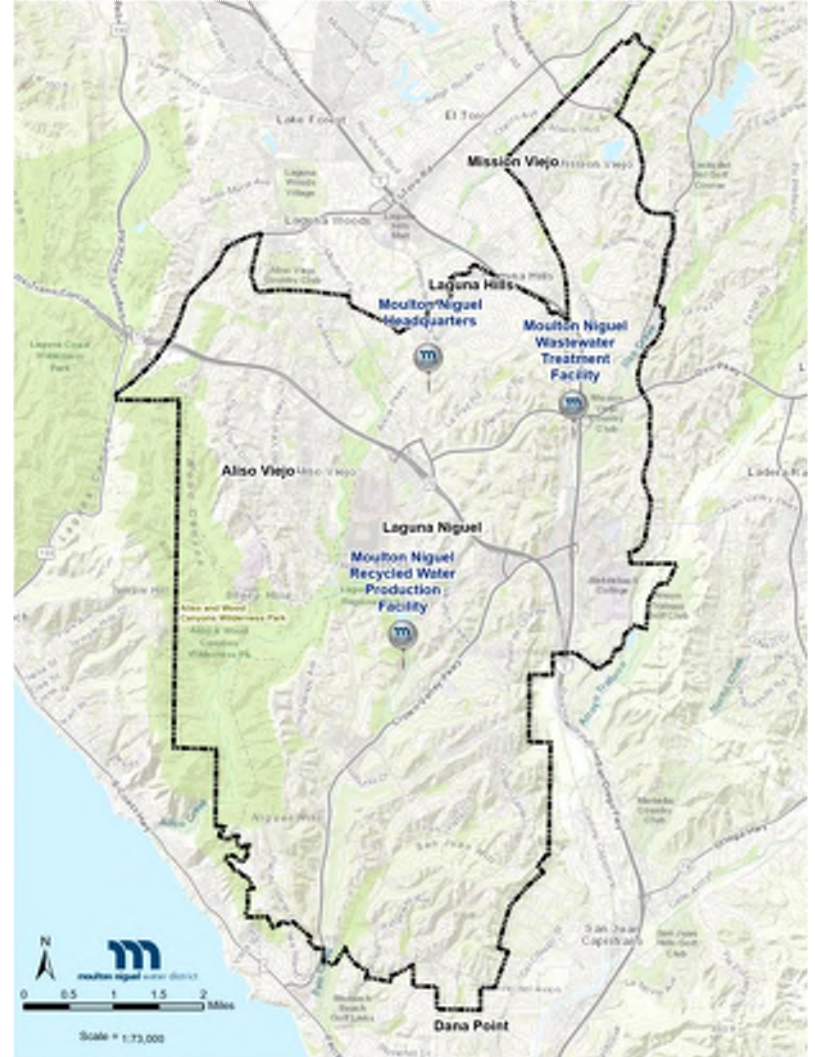
**Project No:** METERSRW  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers the replacement of existing meters throughout the recycled water system.

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 1,250,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,250,000</b>



## Operations-Led Capital Improvements - RW

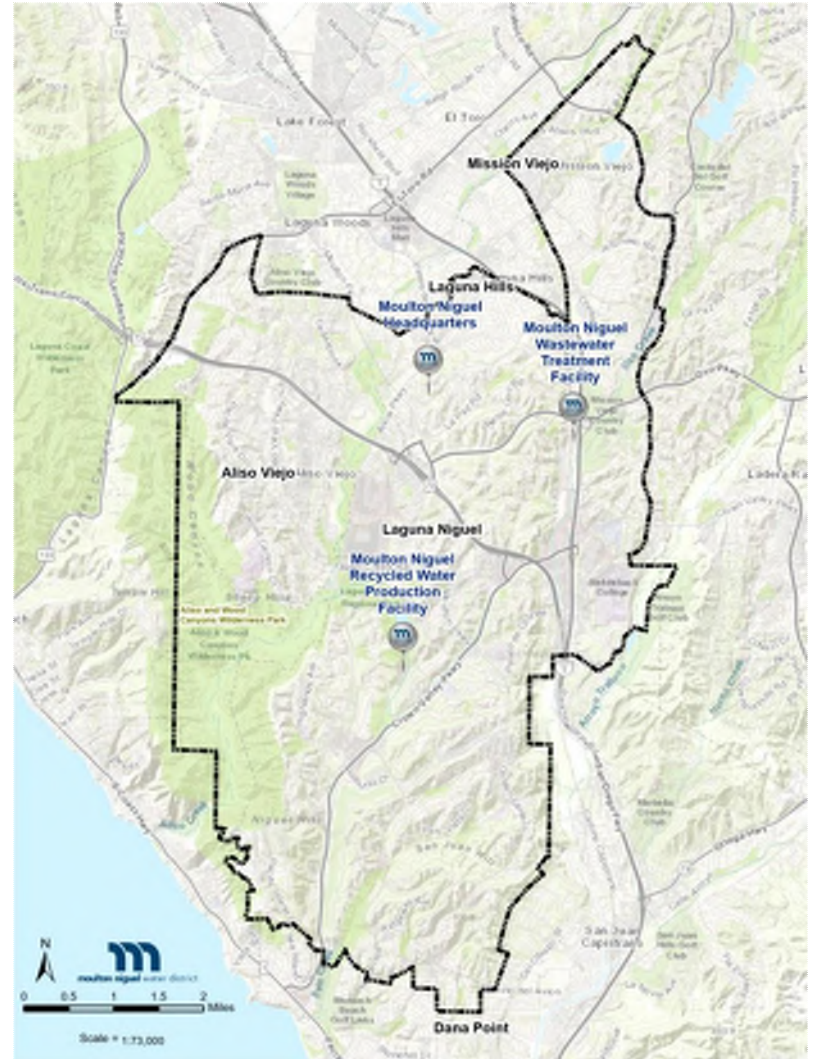
**Project No:** OPSLEDRW  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 2,400,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 2,400,000</b>



## Reservoir Recoating Program - RW

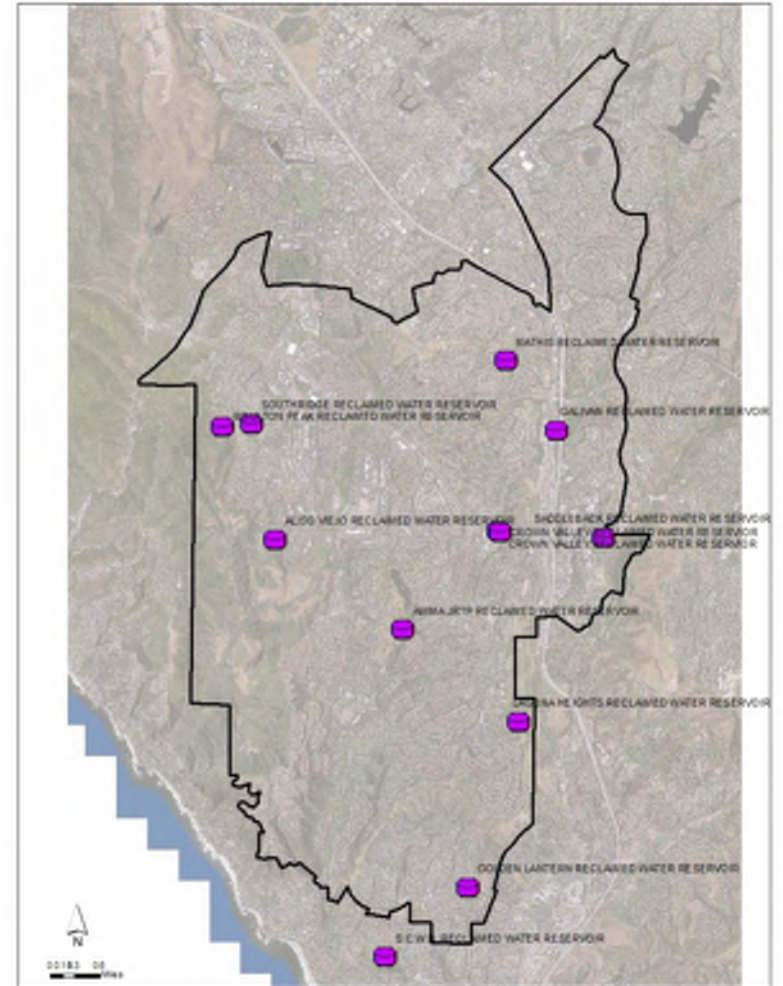
**Project No:** RESERVOIRSRW  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers recoating the interior and exterior of steel reservoirs in the recycled water 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 Estimate:	Category	Estimated Cost
	Design	\$ 100,000
	CEQA Compliance	Exempt
	Construction	\$ 2,150,000
	Inspection	\$ 250,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 2,500,000</b>



## Service Line Replacements - RW

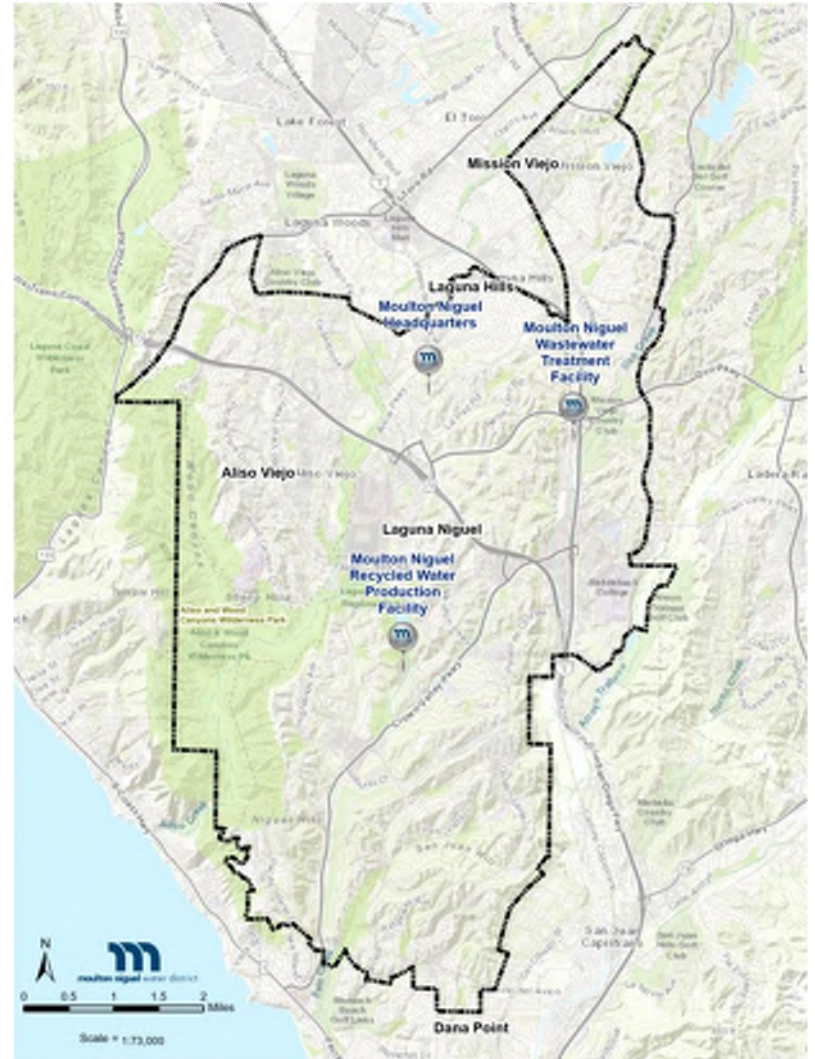
**Project No:** SERVICESRW  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers replacement of existing service lines throughout the recycled water system.

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 500,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 500,000</b>



## Valve Replacements - RW

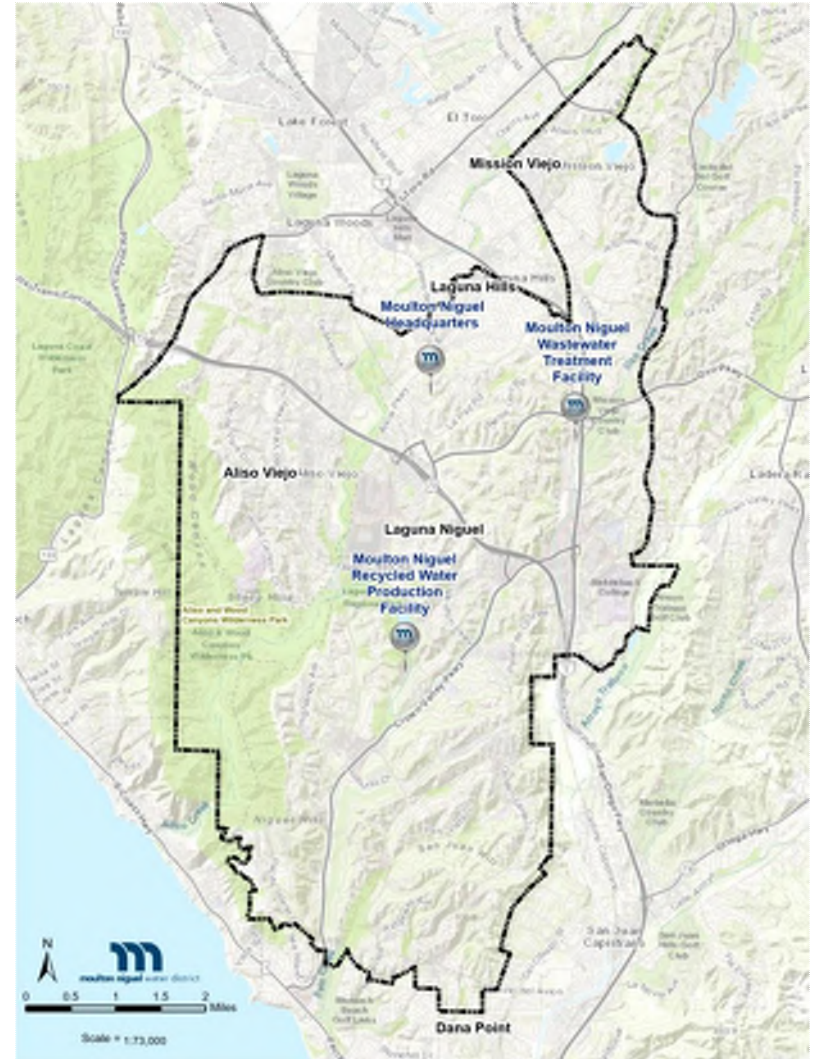
**Project No:** VALVESRW  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers replacement of existing pipeline valves throughout the recycled water system.

**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 system-wide valve replacement program study was completed in January 2016. Critical valves are prioritized to reduce the quantity of customers required to be taken out of service during future pipeline repair and connections.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 2,500,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 2,500,000</b>



## Vertical Assets Rehabilitation and Replacement Program - RW

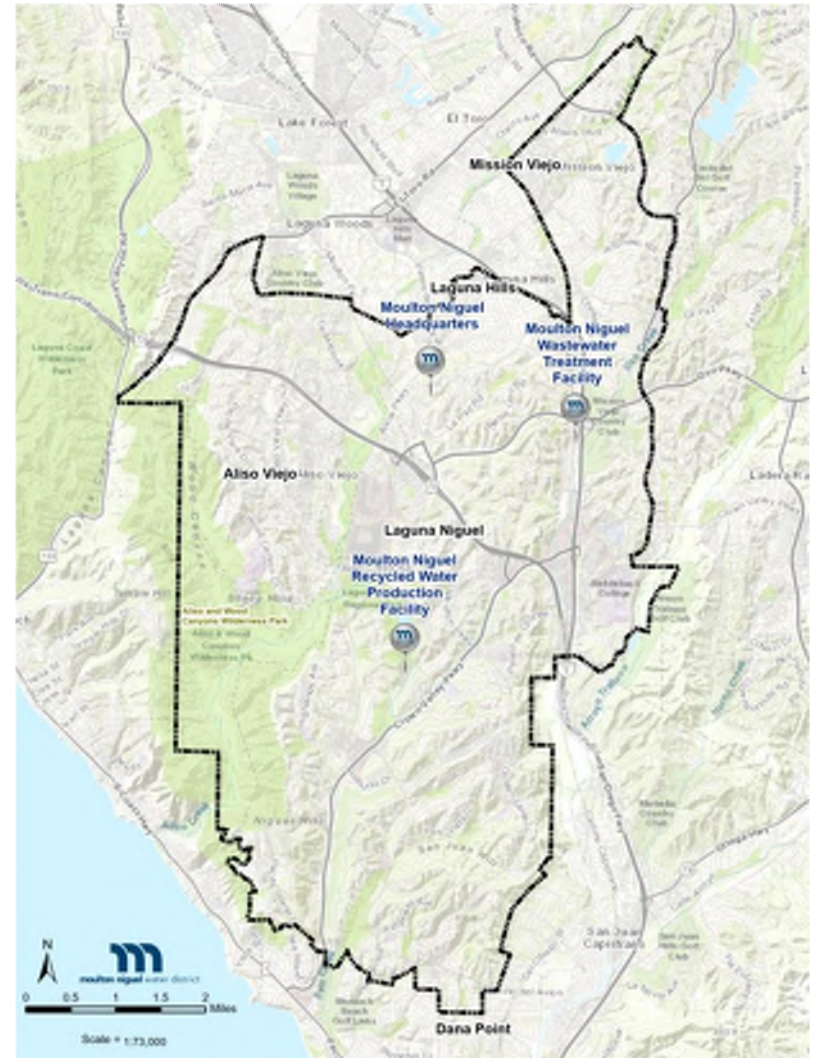
**Project No:** VERTICALRW  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers rehabilitation or replacement of structures and equipment at pumpstation 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 Estimate:	Category	Estimated Cost
	Design	\$ 100,000
	CEQA Compliance	Exempt
	Construction	\$ 600,000
	Inspection	\$ 100,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 800,000</b>



## Manhole Rehabilitations

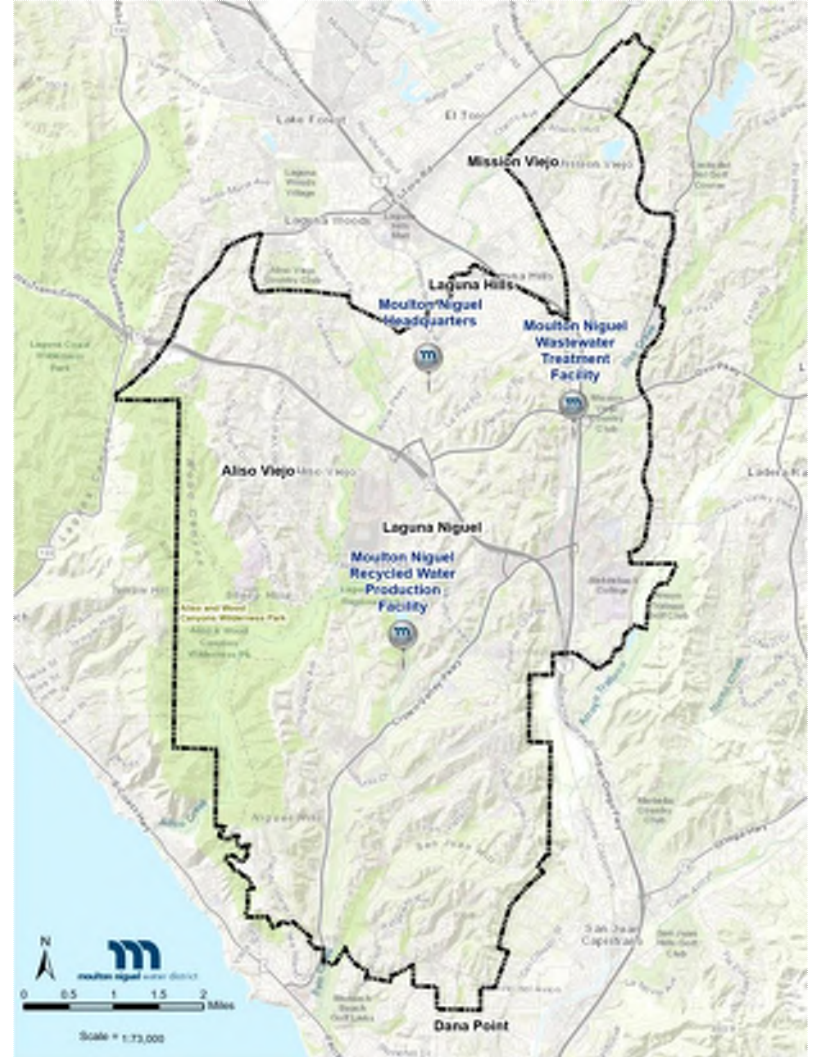
**Project No:** MANHOLES  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers rehabilitation of existing sewer manholes throughout the service area.

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 2,500,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 2,500,000</b>



## Operations-Led Capital Improvements - WW

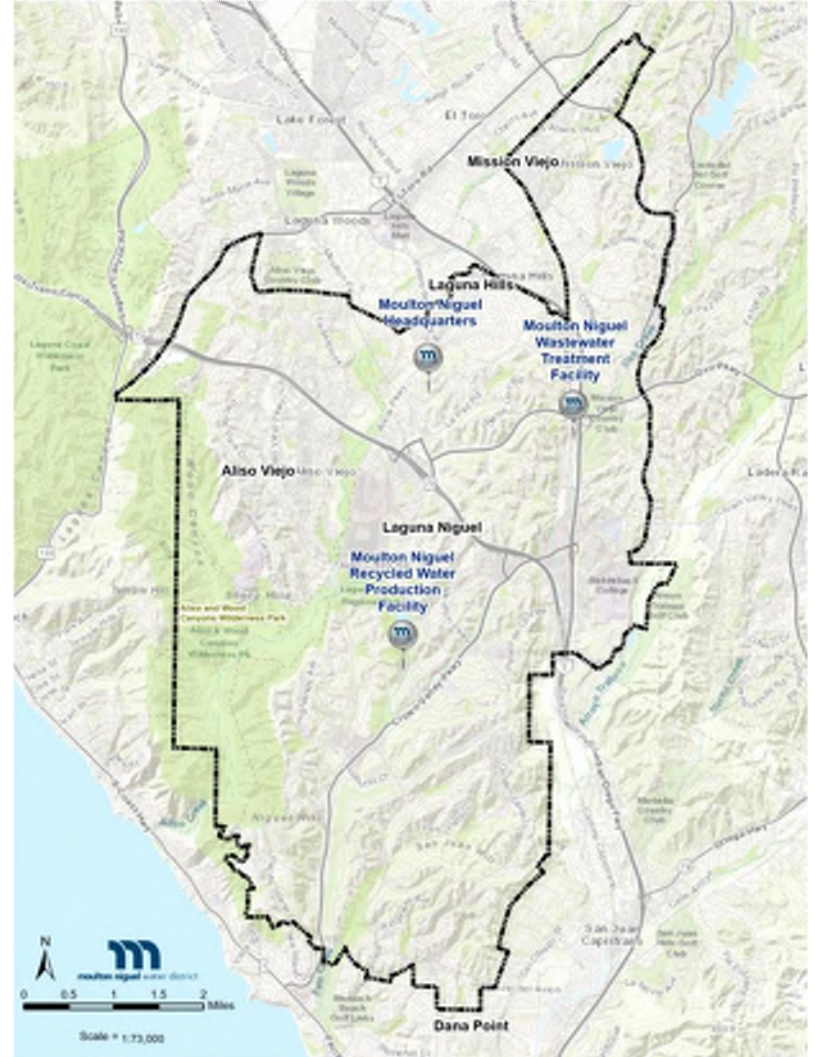
**Project No:** OPSLEDWW  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 2,500,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 2,500,000</b>



## Pipeline Rehabilitation and Replacement Program - WW

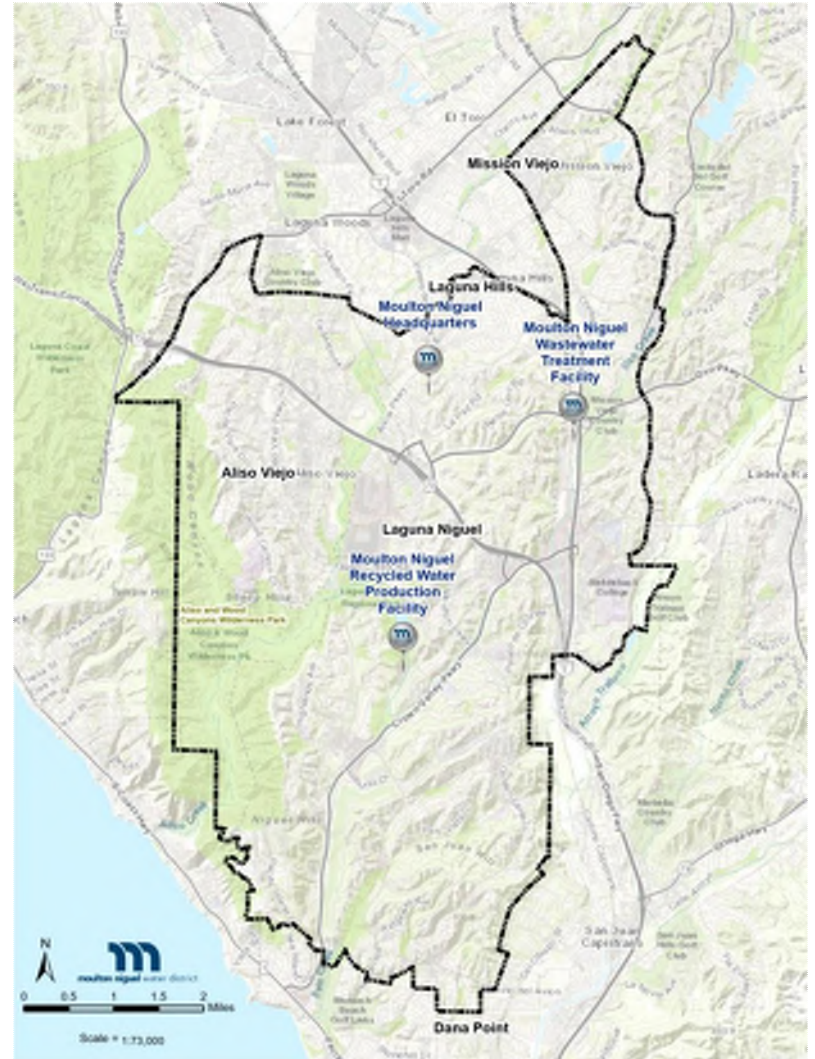
**Project No:** PIPELINESWW  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers rehabilitation or replacement of 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 Estimate:	Category	Estimated Cost
	Design	\$ 750,000
	CEQA Compliance	Exempt
	Construction	\$ 6,250,000
	Inspection	\$ 500,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 7,500,000</b>



## Vertical Assets Rehabilitation and Replacement Program - WW

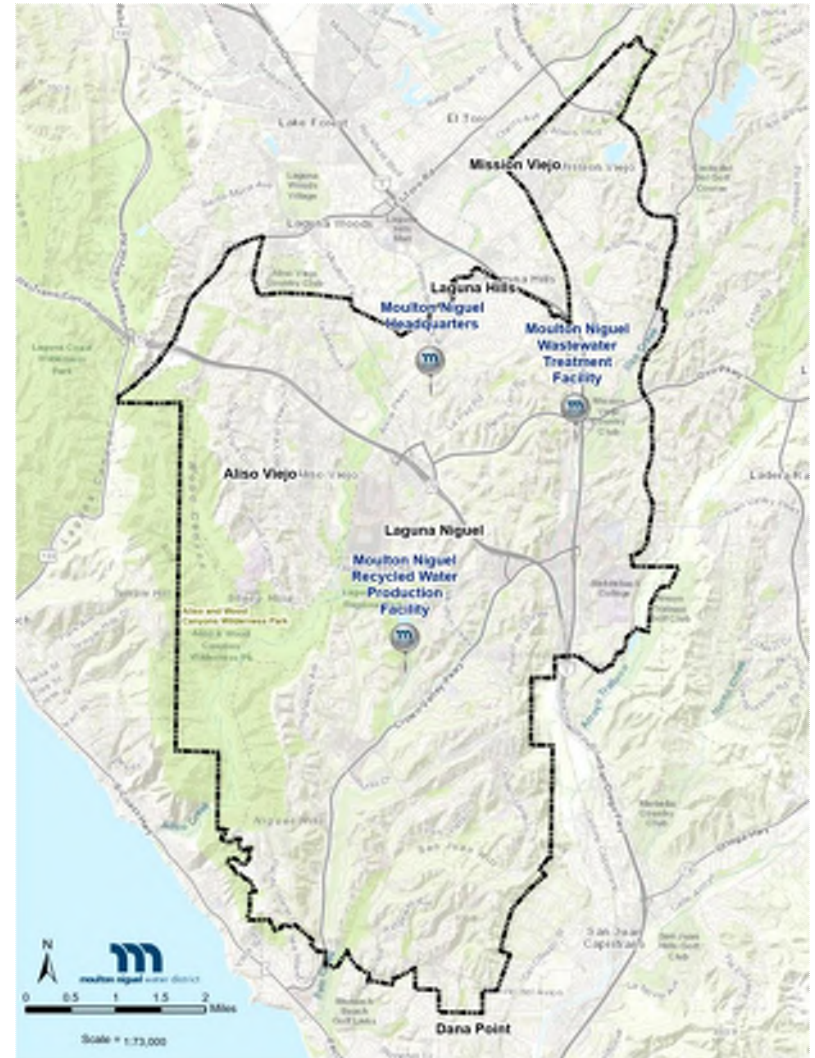
**Project No:** VERTICALWW  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers rehabilitation or replacement of 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 Estimate:	Category	Estimated Cost
	Design	\$ 3,600,000
	CEQA Compliance	Exempt
	Construction	\$ 18,000,000
	Inspection	\$ 2,400,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 24,000,000</b>



## Operations-Led Capital Improvements - 3A

**Project No:** OPSLED3A  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Plant 3A, Mission Viejo

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 1,600,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,600,000</b>



## Operations-Led Capital Improvements - RTP - SOL

**Project No:** OPSLED RTP  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Regional Treatment Plant, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 1,893,500
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,893,500</b>



## Operations-Led Capital Improvements - RTP - LIQ

**Project No:** OPSLED RTP  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Regional Treatment Plant, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 2,144,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 2,144,000</b>



## Operations-Led Capital Improvements - RTP - COM

**Project No:** OPSLED RTP  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Regional Treatment Plant, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 1,312,500
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,312,500</b>



## Operations-Led Capital Improvements - RTPAWT

**Project No:** OPSLEDRTPAWT  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Regional Treatment Plant, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 1,200,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,200,000</b>



## Document Management System Implementation Phase 2

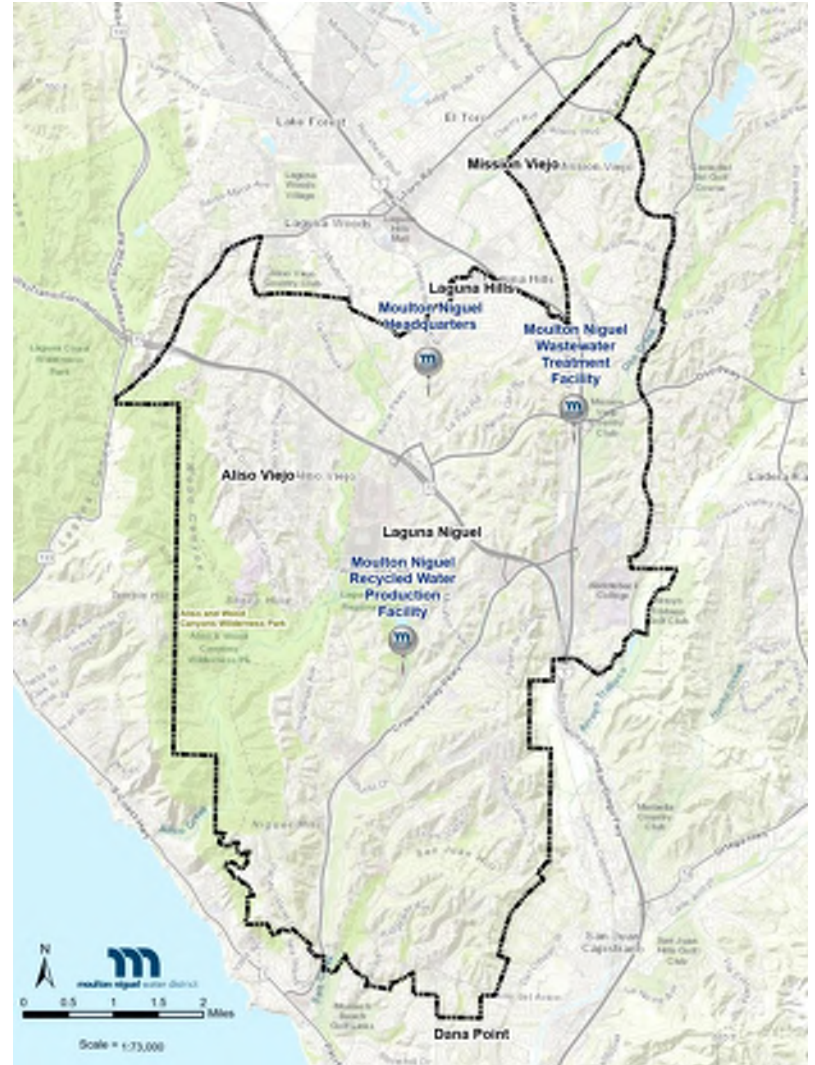
**Project No:** TBD  
**System:** Multi-System  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** MNWD Headquarters, Laguna Hills

**Description:** The District will select and procure a document management solution for storage of District’s records and documents and migrate all historical digital records from legacy system to new document management solution.

**Project Need:** This project will improve security, access, and processing of important documents and records of the District. The new system will streamline workflows related to capturing digital records including drawings, agreements, plans, contracts, and develop methods for automated purging of records according to Records Retention schedule and be able to provide records as necessary to support Public Records Act requests.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ -
	Inspection	\$ -
	District Labor / Permits / Other	\$ 300,000
	<b>Total Project Budget</b>	<b>\$ 300,000</b>



## 2025-26 Easement Pipeline Rehabilitation - PW

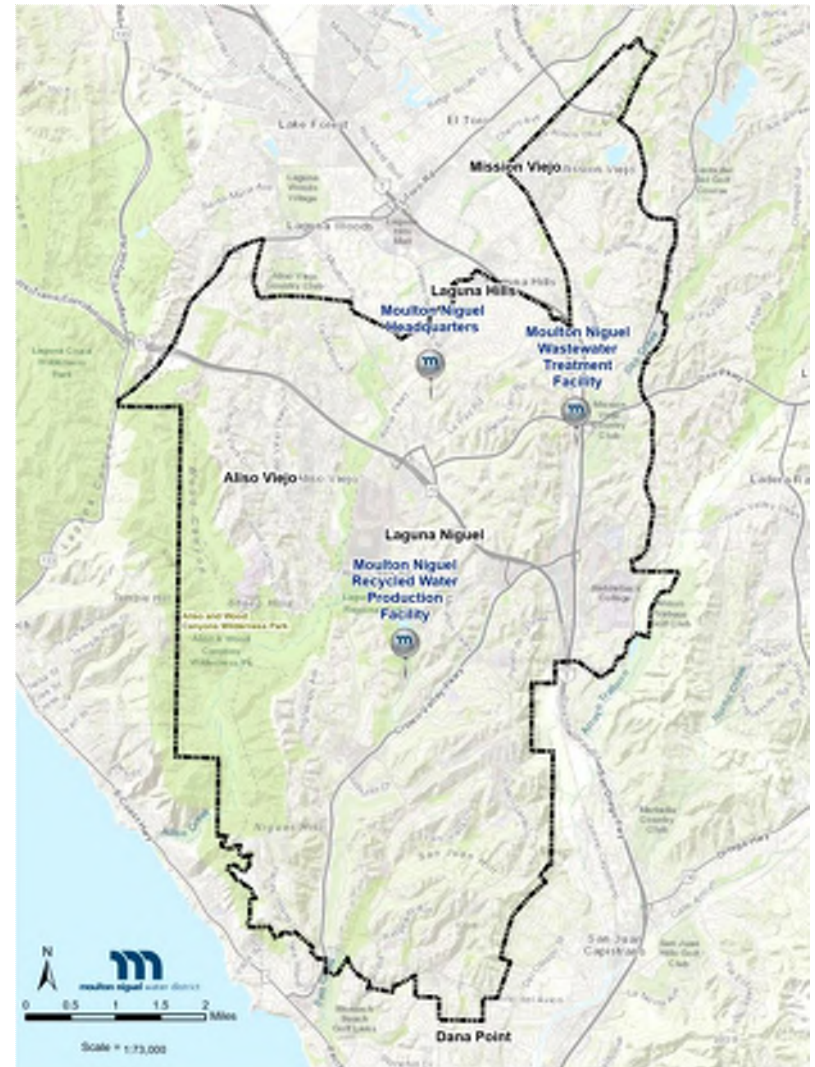
**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** New

**Project Location:** Various

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 600,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 600,000</b>



## 450-Zone Aliso Creek Potable Water Pipeline Relocation

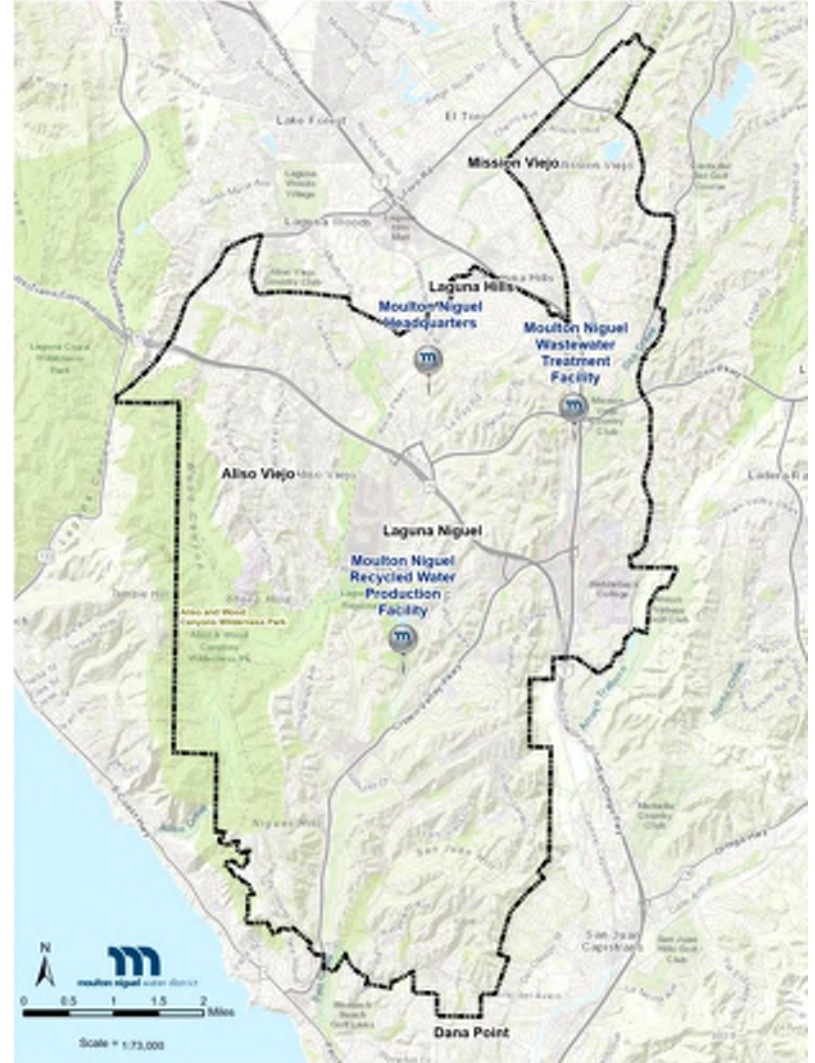
**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

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

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

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

Project Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 350,000
	Inspection	\$ 20,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 420,000</b>



## Aliso Viejo MOV Replacement

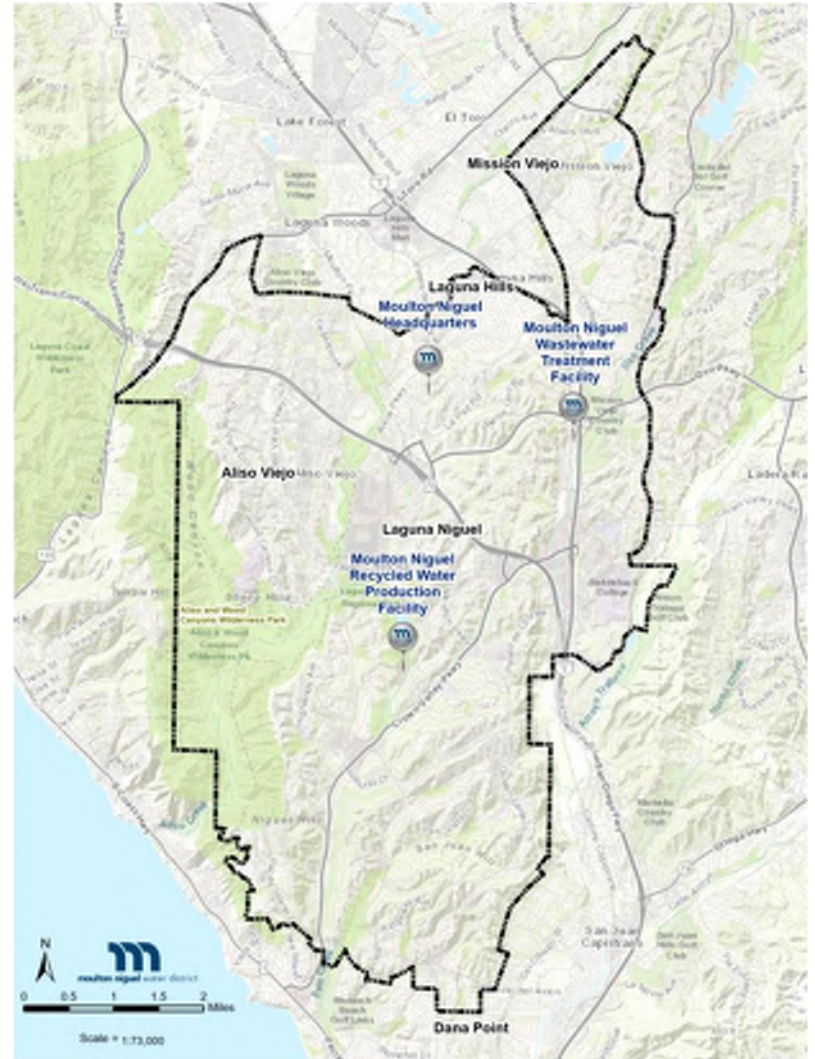
**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Aliso Viejo

**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 Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 600,000
	Inspection	\$ 25,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 675,000</b>



## Bear Brand Pump Station Pump Replacement

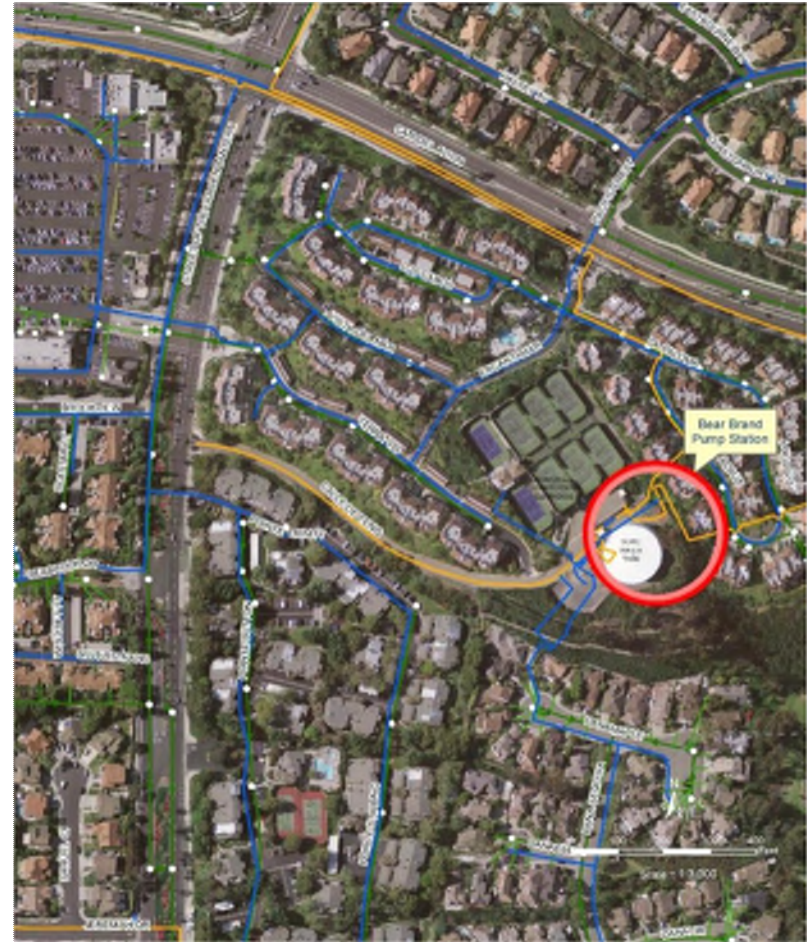
**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Bear Brand Pump Station, Dana Point

**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 Estimate:	Category	Estimated Cost
	Design	\$ 75,000
	CEQA Compliance	Exempt
	Construction	\$ 515,000
	Inspection	\$ 10,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 600,000</b>



## Casa Del Oso Pump Station Auxiliary Generator Replacement

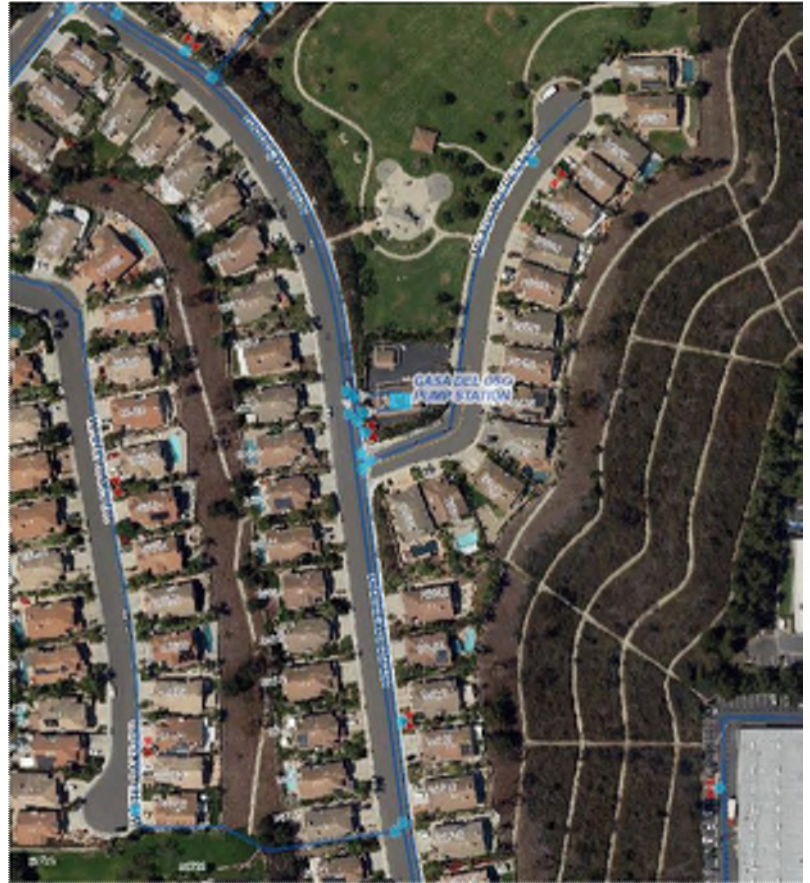
**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Casa Del Oso Pump Station, Laguna Hills

**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 Estimate:	Category	Estimated Cost
	Design	\$ 100,000
	CEQA Compliance	Exempt
	Construction	\$ 700,000
	Inspection	\$ 25,000
	District Labor / Permits / Other	\$ 25,000
	<b>Total Project Budget</b>	<b>\$ 850,000</b>



## Country Village Pump Station Auxiliary Generator Replacement

**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Country Village Pump Station, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ 100,000
	CEQA Compliance	Exempt
	Construction	\$ 700,000
	Inspection	\$ 25,000
	District Labor / Permits / Other	\$ 25,000
	<b>Total Project Budget</b>	<b>\$ 850,000</b>



## Crown Valley Parkway and Forbes Road PW Pipeline Replacement

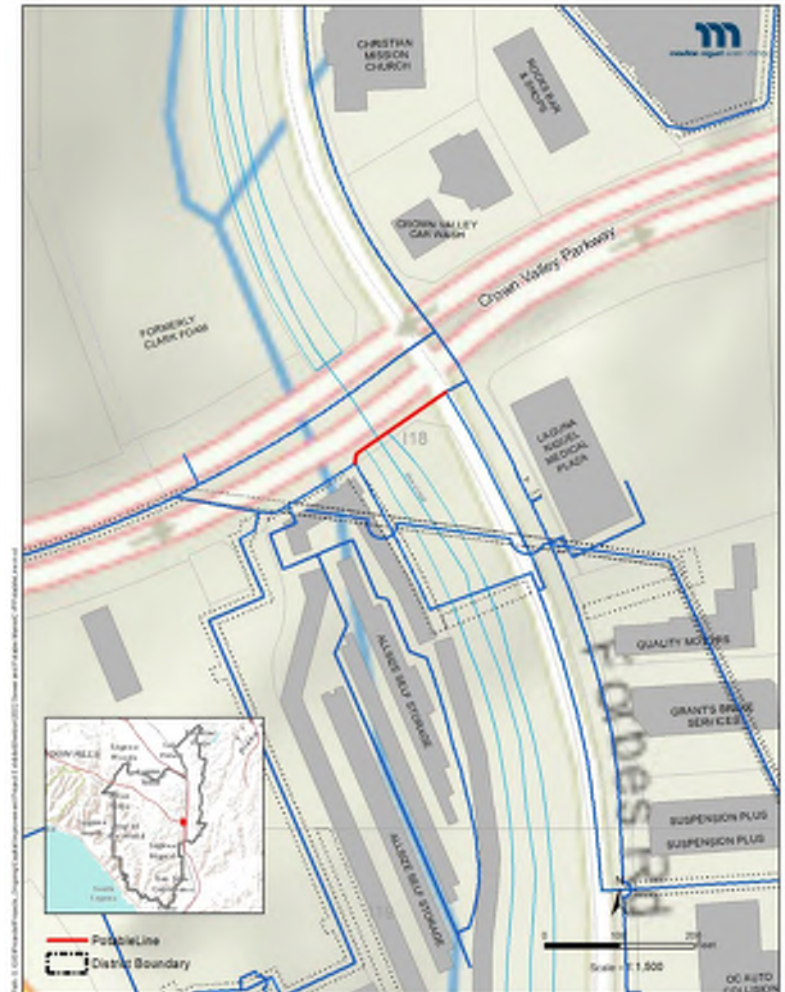
**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

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

**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 Estimate:	Category	Estimated Cost
	Design	\$ 150,000
	CEQA Compliance	\$ 25,000
	Construction	\$ 250,000
	Inspection	\$ 175,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 600,000</b>



## Crown Valley Parkway Transmission Main Upper Reach Rehabilitation

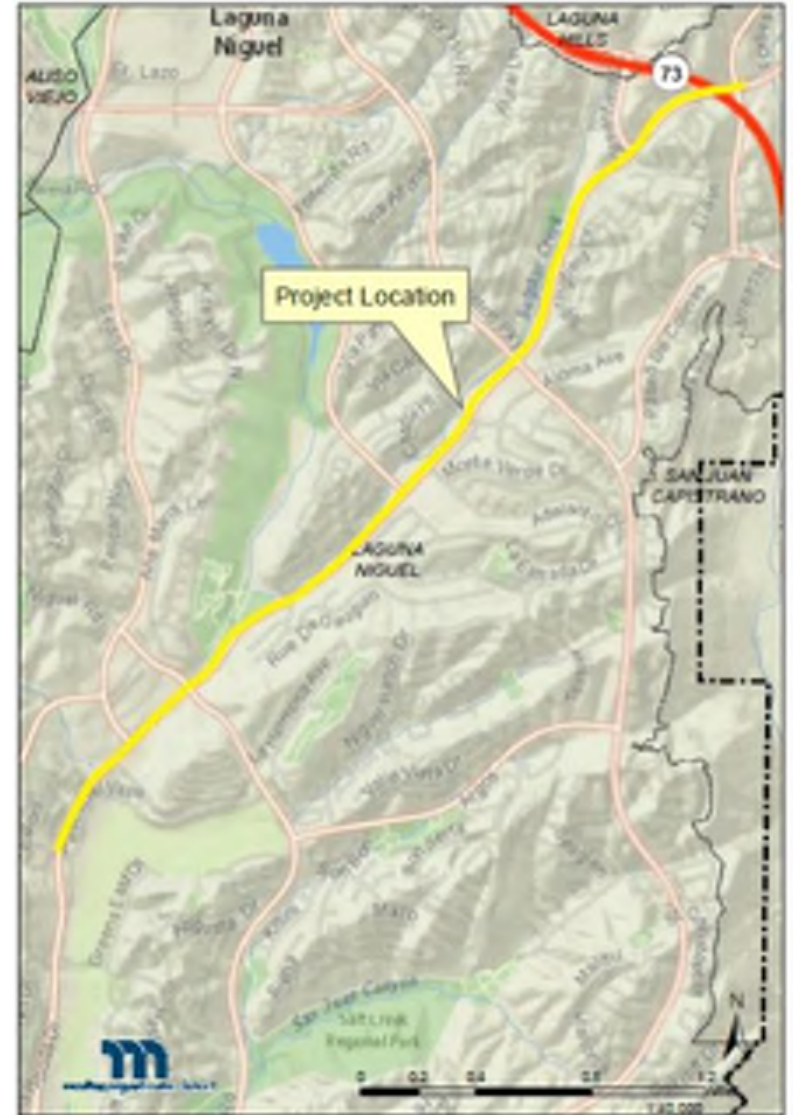
**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Crown Valley Parkway, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ 800,000
	CEQA Compliance	\$ 100,000
	Construction	\$ 8,300,000
	Inspection	\$ 800,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 10,000,000</b>



## Hidden Hills and Laguna Serrano Apartments Pipeline Replacement

**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

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

**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 Estimate:	Category	Estimated Cost
	Design	\$ 75,000
	CEQA Compliance	Exempt
	Construction	\$ 275,000
	Inspection	\$ 10,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 360,000</b>



## High-Low Valve Replacement

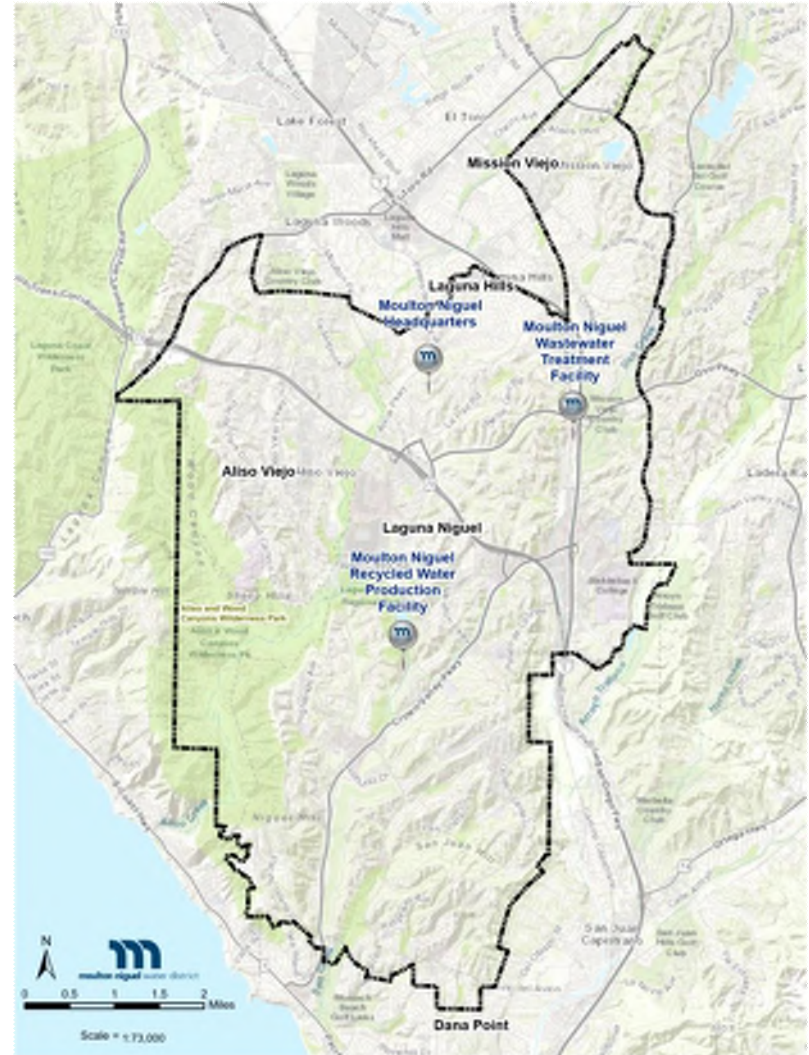
**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Various

**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 Estimate:	Category	Estimated Cost
	Design	\$ 100,000
	CEQA Compliance	Exempt
	Construction	\$ 1,000,000
	Inspection	\$ 25,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,125,000</b>



## La Paz and Cabot PW Pipeline Replacement

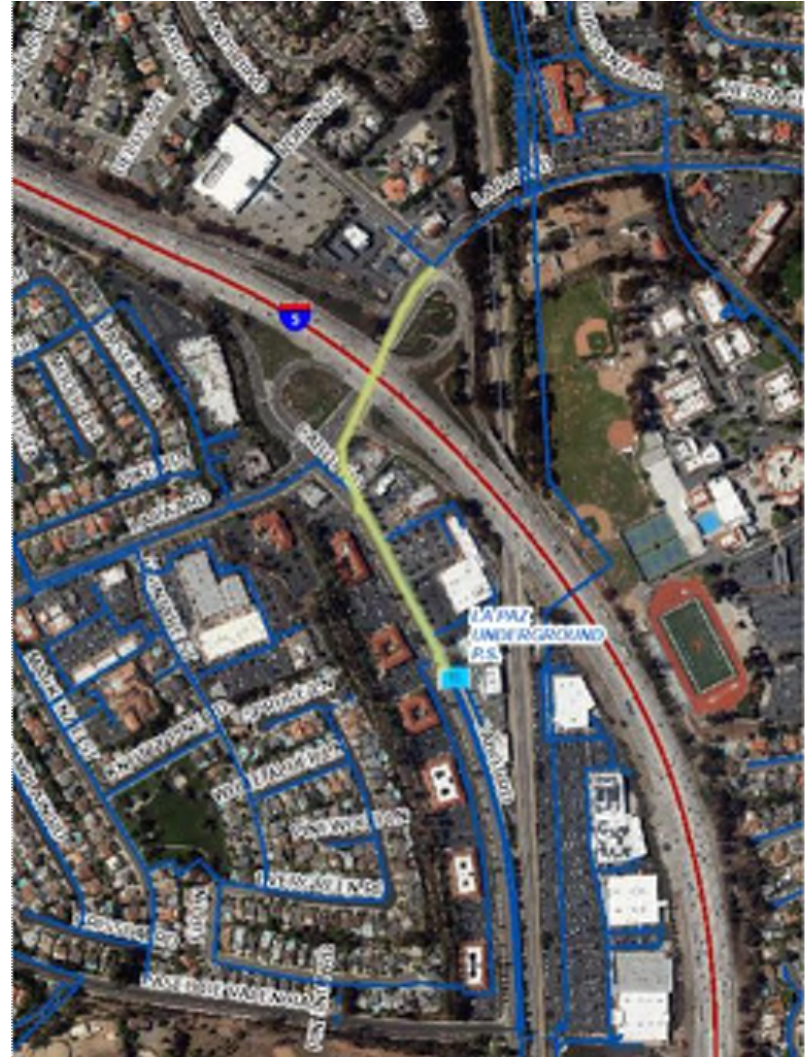
**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

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

**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 Estimate:	Category	Estimated Cost
	Design	\$ 150,000
	CEQA Compliance	Exempt
	Construction	\$ 1,000,000
	Inspection	\$ 100,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,250,000</b>



## Southwestern Transmission Main Rehabilitation

**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Mission Viejo

**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 Estimate:	Category	Estimated Cost
	Design	\$ 500,000
	CEQA Compliance	Exempt
	Construction	\$ 6,000,000
	Inspection	\$ 500,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 7,000,000</b>



## Rehabilitation of the Pacific Park Reservoir

**Project No:** TBD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Pacific Park Reservoir, Aliso Viejo

**Description:** Re-coat the interior and exterior of the Pacific Park 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 when recoating is needed. A condition assessment for this project was completed in May 2020.



Project Estimate:	Category	Estimated Cost
	Design	\$ 60,000
	CEQA Compliance	Exempt
	Construction	\$ 2,130,000
	Inspection	\$ 100,000
	District Labor / Permits / Other	\$ 50,000
	<b>Total Project Budget</b>	<b>\$ 2,340,000</b>

## Crown Point Pump Station Pump Replacement and VFD Installation

**Project No:** TBD  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Crown Point Pump Station, Laguna Niguel

**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 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.

Project Estimate:	Category	Estimated Cost
	Design	\$ 80,000
	CEQA Compliance	Exempt
	Construction	\$ 400,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 10,000
	<b>Total Project Budget</b>	<b>\$ 490,000</b>



## Laguna Niguel Regional Park RW Meter Vault Reconfiguration

**Project No:** TBD  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** La Paz Road Entrance to Laguna Niguel Regional Park, Laguna Niguel

**Description:** This project would clear existing vegetation, reconfigure the existing fencing, and reconfigure/replace existing valves at the recycled water meter vault.

**Project Need:** The isolation valves are in need of replacement. As currently configured, the District’s recycled water meter vault is not accessible due to existing fencing and landscaping.

Project Estimate:	Category	Estimated Cost
	Design	\$ 25,000
	CEQA Compliance	\$ 25,000
	Construction	\$ 75,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 25,000
	<b>Total Project Budget</b>	<b>\$ 150,000</b>



## Oakgrove Drive RW Pipeline Replacement

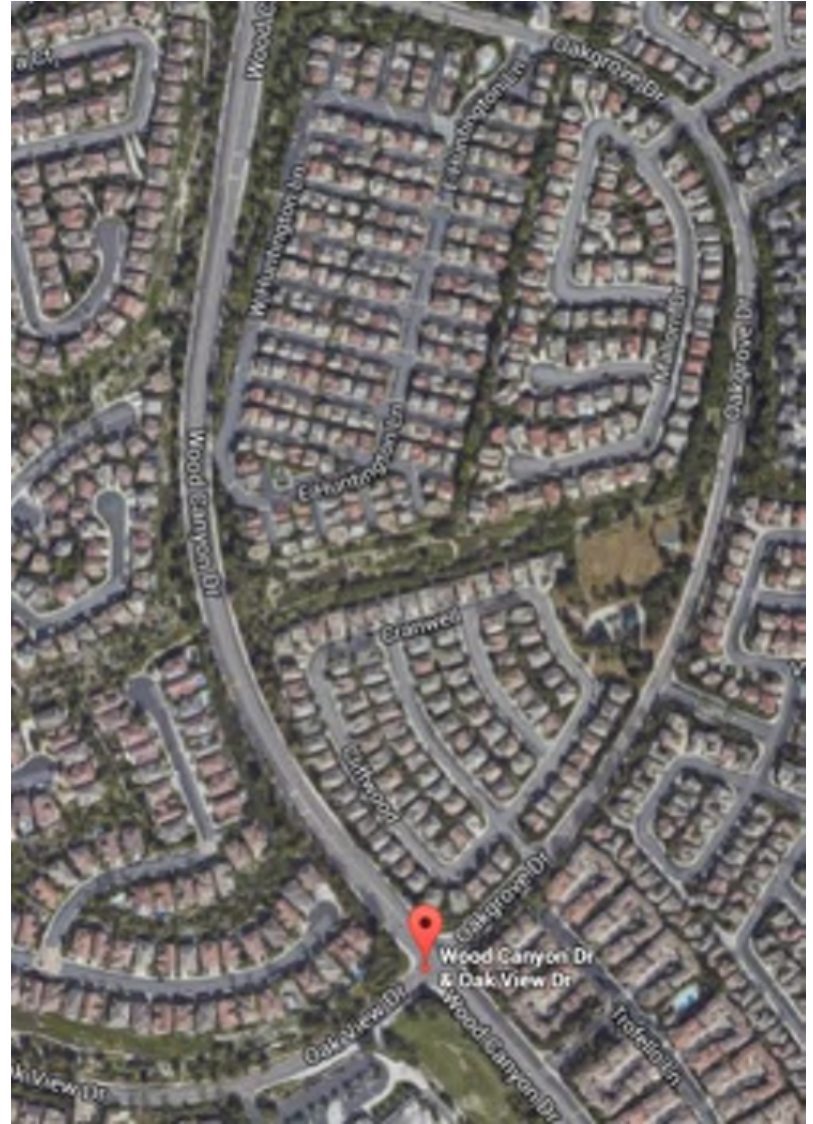
**Project No:** TBD  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Oakgrove Drive, Aliso Viejo

**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 Estimate:	Category	Estimated Cost
	Design	\$ 100,000
	CEQA Compliance	Exempt
	Construction	\$ 625,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 25,000
	<b>Total Project Budget</b>	<b>\$ 750,000</b>



## Rehabilitation Of 20-Inch Recycled Water Main To Laguna Heights Reservoir

**Project No:** TBD  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Serenity Lane and Knob Hills, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ 90,000
	CEQA Compliance	Exempt
	Construction	\$ 750,000
	Inspection	\$ 65,000
	District Labor / Permits / Other	\$ 5,000
	<b>Total Project Budget</b>	<b>\$ 910,000</b>

## RW Reservoir Drainage Improvements at 3 Sites

**Project No:** TBD  
**System:** Recycled  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Golden Lantern RW Reservoir; Laguna Heights RW Reservoir; Saddleback RW Reservoir (Laguna Niguel, Mission Viejo)

**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 Estimate:	Category	Estimated Cost
	Design	\$ 125,000
	CEQA Compliance	Exempt
	Construction	\$ 560,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 40,000
	<b>Total Project Budget</b>	<b>\$ 725,000</b>



## Del Avion Lift Station DIP Force Main Replacement

**Project No:** TBD  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** New

**Project Location:** Del Avion Lift Station, Laguna Niguel

**Description:** Replace the existing 10" ductile iron sewer force main yard piping.

**Project Need:** The Del Avion Lift Station conveys wastewater to a nearby summit manhole. The existing 10" ductile iron sewer force main piping at the site is beyond its useful life and requires replacement.

Project Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 275,000
	Inspection	\$ 25,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 350,000</b>



## Montanoso Drive Sewer Main Replacement

**Project No:** TBD  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** New

**Project Location:** Montanoso Drive, Mission Viejo

**Description:** Replace the existing 10" sewer pipe between Estanciero Dr and Cerrito.

**Project Need:** The existing pipeline requires frequent maintenance and is in need of replacement.

Project Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 1,050,000
	Inspection	\$ 75,000
	District Labor / Permits / Other	\$ 25,000
	<b>Total Project Budget</b>	<b>\$ 1,200,000</b>



### 3A Effluent Transmission Main (ETM) Replacement

**Project No:** TBD  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** San Juan Capistrano

**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 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 Estimate:	Category	Estimated Cost
	Design	\$ 100,000
	CEQA Compliance	\$ 50,000
	Construction	\$ 1,800,000
	Inspection	\$ 50,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 2,000,000</b>



### 3A Effluent Transmission Main (ETM) Replacement Avenida De La Vista

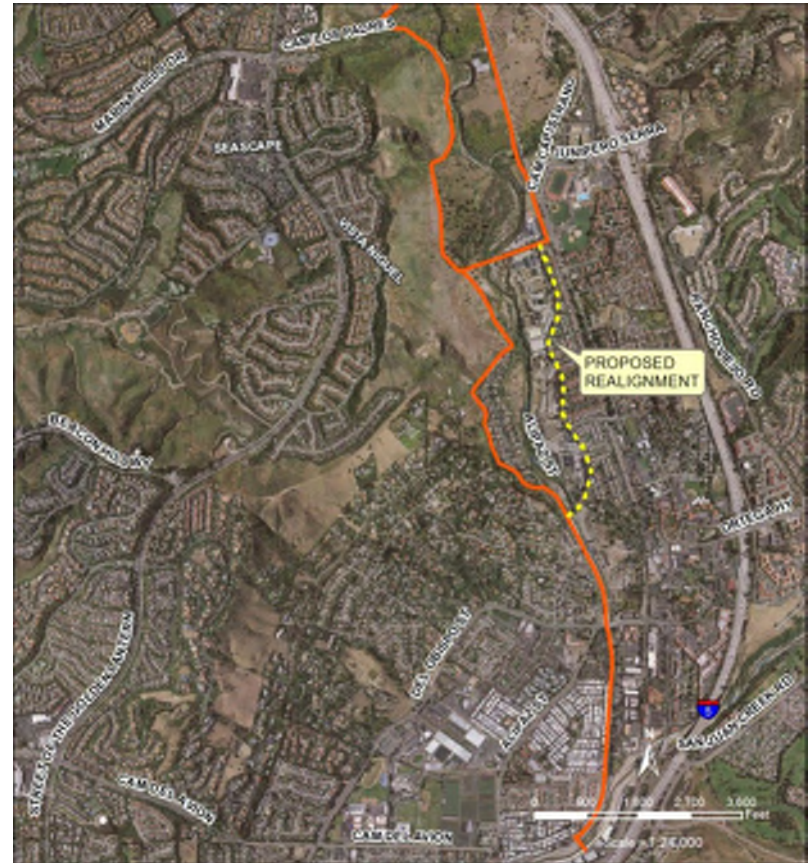
**Project No:** TBD  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** San Juan Capistrano

**Description:** Abandon a portion of the existing ETM and construct a 30-inch ductile iron pipe along Avenida De La Vista. The alignment will proceed 1,000 feet on Trabuco Creek Trail until it is jacked and bored under Trabuco Creek. The project will require acquisition of several easements from private properties and a 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 Estimate:	Category	Estimated Cost
	Design	\$ 150,000
	CEQA Compliance	\$ 75,000
	Construction	\$ 2,100,000
	Inspection	\$ 150,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 2,475,000</b>



### 3A Effluent Transmission Main (ETM) Replacement Camino Capistrano

**Project No:** TBD  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Camino Capistrano in Mission Viejo, Laguna Niguel and San Juan Capistrano

**Description:** Replace a portion of the existing 20-inch asbestos cement pipe 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 Estimate:	Category	Estimated Cost
	Design	\$ 250,000
	CEQA Compliance	\$ 100,000
	Construction	\$ 3,000,000
	Inspection	\$ 150,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 3,500,000</b>



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

**Project No:** TBD  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** San Juan Capistrano

**Description:** Replacement of the existing 20-inch diameter ETM pipeline with a new 30-inch diameter pipeline along the San Juan and Trabuco Creek Channel Levees.

**Project Need:** The need for this project will be determined during construction of sheet piles along the creek levees. Replacement of the pipeline is contingent on the need for relocation or replacement of the existing pipeline that may be damaged during construction of sheet piles as part of the Orange County Flood Control Phase VIII project.

Project Estimate:	Category	Estimated Cost
Design	\$	-
CEQA Compliance		Exempt
Construction	\$	900,000
Inspection	\$	-
District Labor / Permits / Other	\$	-
<b>Total Project Budget</b>	<b>\$</b>	<b>900,000</b>



## Crown Valley Parkway Sewer Lining

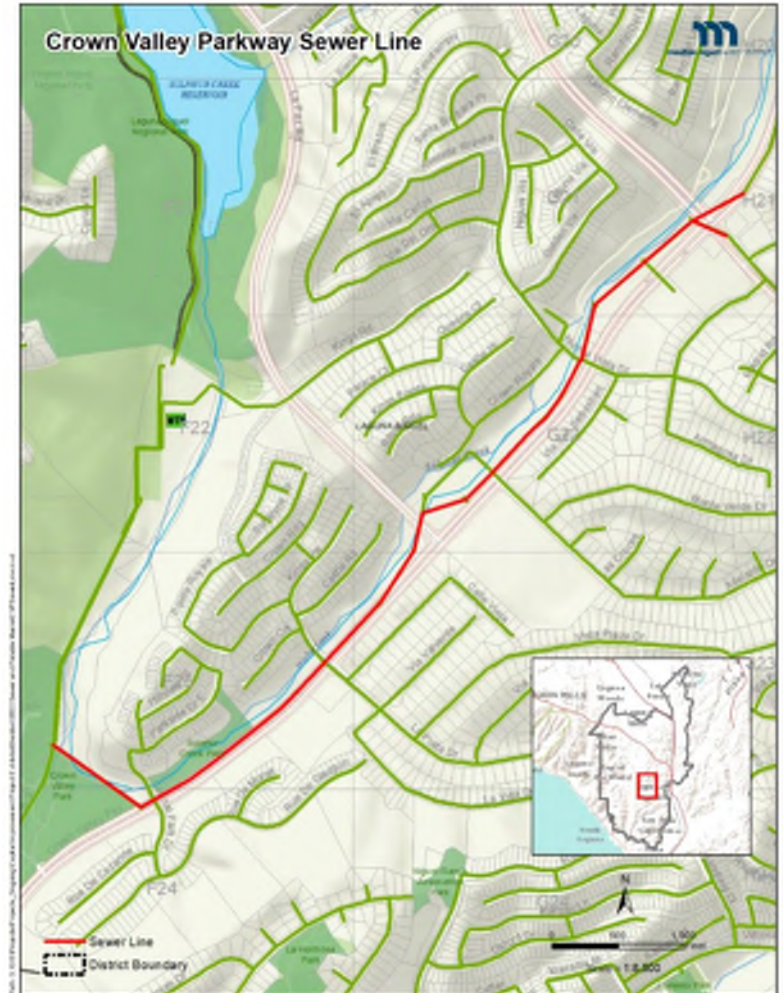
**Project No:** TBD  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Crown Valley Parkway, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ 200,000
	CEQA Compliance	Exempt
	Construction	\$ 2,000,000
	Inspection	\$ 200,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 2,400,000</b>



## Manhole Adjustments On Oso / Trabuco Interceptor Sewer

**Project No:** TBD  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Metrolink Railroad, San Juan Capistrano

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

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

Project Estimate:	Category	Estimated Cost
	Design	\$ 25,000
	CEQA Compliance	Exempt
	Construction	\$ 200,000
	Inspection	\$ 25,000
	District Labor / Permits / Other	\$ 10,000
	<b>Total Project Budget</b>	<b>\$ 260,000</b>



## Upper Salada Lift Station Force Main Rehabilitation and Replacement

**Project No:** TBD  
**System:** Wastewater  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Niguel Road, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ 650,000
	CEQA Compliance	\$ 100,000
	Construction	\$ 4,600,000
	Inspection	\$ 650,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 6,000,000</b>



## Plant 3A AWT Replacement

**Project No:** TBD  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Not Started

**Project Location:** Plant 3A, Mission Viejo

**Description:** Design and construction of a replacement for the existing sand filters that produce Title 22 recycled water at Plant 3A. This project will include an evaluation of various treatment technologies that meet the District’s recycled water goals. In conjunction with this project are the Plant 3A Liquids Handling Facilities Improvements project (2022.301) and the Salinity Management project.

**Project Need:** The existing sand filters that produce recycled water at Plant3A were constructed in 1991. The filters require increased maintenance and are in need of replacement with more advanced technology.



Project Estimate:	Category	Estimated Cost
	Design	\$ 400,000
	CEQA Compliance	Exempt
	Construction	\$ 3,000,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 100,000
	<b>Total Project Budget</b>	<b>\$ 3,500,000</b>

## RTP - SOL

**Project No:** TBD  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Regional Treatment Plant, Laguna Niguel

**Description:** This program covers long-term capital improvements to the solids handling facilities of the Regional Treatment Plant

**Project Need:** The solids treatment process equipment has not been substantially rehabilitated or improved since the original construction of the facility. The main items included in this program are the solids thickening equipment, digesters, solids dewatering equipment, solids load out facility, odor scrubbers, gas condition system, co-generation equipment, flare, motor control centers, and supporting infrastructure.

Project Estimate:	Category	Estimated Cost
	Design	\$ 2,529,000
	CEQA Compliance	\$ 100,000
	Construction	\$ 28,036,711
	Inspection	\$ 2,629,000
	District Labor / Permits / Other	\$ 1,752,000
	<b>Total Project Budget</b>	<b>\$ 35,046,711</b>



## RTP - LIQ

**Project No:** TBD  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Regional Treatment Plant, Laguna Niguel

**Description:** This program covers long-term capital improvements to the liquid handling facilities of the Regional Treatment Plant

**Project Need:** The liquids treatment process equipment has not been substantially rehabilitated or improved since the original construction of the facility. The main items included in this program are the influent diversion structure, bar screens and grit removal equipment, primary sedimentation tanks and pumps, interstage pumping station, aeration tanks and blowers, secondary sedimentation tanks, flow equalization pond, odor scrubbers, motor control centers, and supporting infrastructure.

<b>Project Estimate:</b>	<b>Category</b>	<b>Estimated Cost</b>
	Design	\$ 10,397,000
	CEQA Compliance	\$ 200,000
	Construction	\$ 113,036,369
	Inspection	\$ 10,597,000
	District Labor / Permits / Other	\$ 7,065,000
	<b>Total Project Budget</b>	<b>\$ 141,295,369</b>



## RTP - COM

**Project No:** TBD  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Regional Treatment Plant, Laguna Niguel

**Description:** This program covers long-term capital improvements to the common facilities of the Regional Treatment Plant

**Project Need:** The common facility infrastructure and equipment has not been substantially rehabilitated or improved since the original construction of the facility. The main items included in this program are the administration building, paving, landscaping, fencing, facility access equipment, SCADA, facility lighting, and utility connections.

<b>Project Estimate:</b>	<b>Category</b>	<b>Estimated Cost</b>
	Design	\$ 1,589,000
	CEQA Compliance	\$ 100,000
	Construction	\$ 18,010,570
	Inspection	\$ 1,689,000
	District Labor / Permits / Other	\$ 1,126,000
	<b>Total Project Budget</b>	<b>\$ 22,514,570</b>



## Aliso Creek Ocean Outfall c/o ETWD

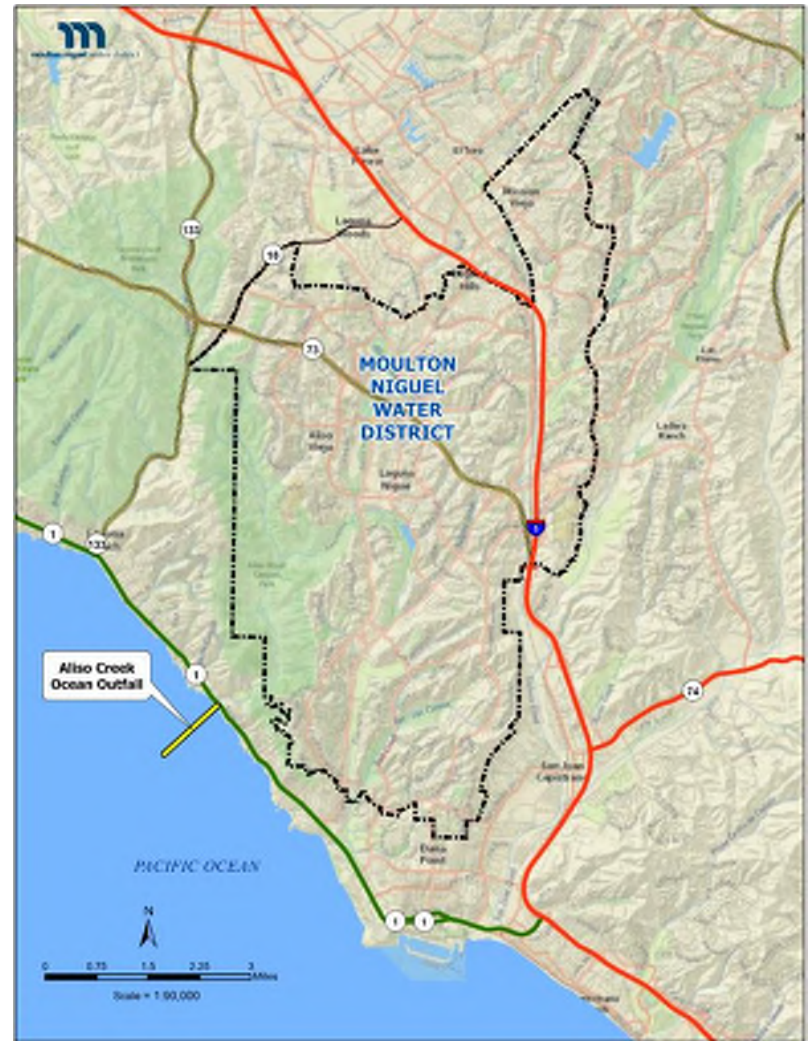
**Project No:** ACOO  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Laguna Beach

**Description:** This program covers capital improvements on the ocean outfall managed by the South Orange County Wastewater Authority (SOCWA).

**Project Need:** The Aliso Creek Ocean Outfall discharges treated secondary effluent from the District's service area. SOCWA develops and executes a capital improvement program for improvements to the outfall.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	ETWD
	Construction	\$ -
	Inspection	\$ -
	District Labor / Permits / Other	\$ 3,784,082
	<b>Total Project Budget</b>	<b>\$ 3,784,082</b>



## Effluent Transmission Main c/o ETWD

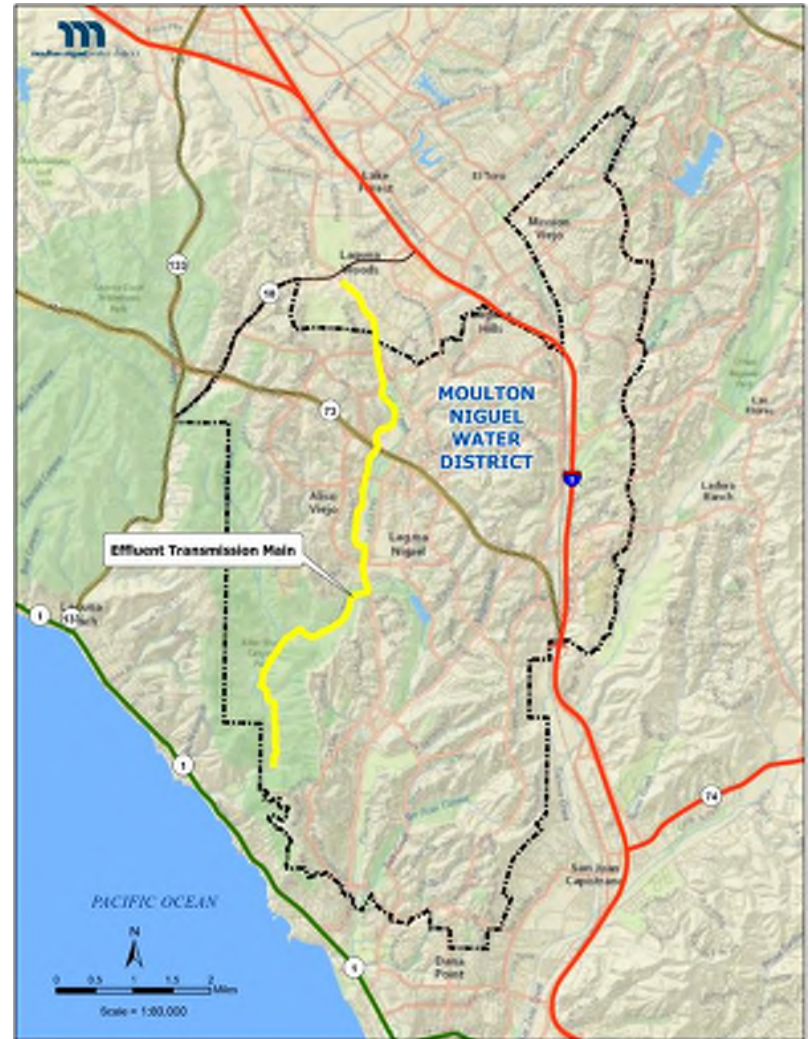
**Project No:** ETM  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Laguna Niguel

**Description:** This program covers capital improvements on the effluent transmission main managed by the South Orange County Wastewater Authority (SOCWA).

**Project Need:** The Effluent Transmission Main (ETM) conveys treated secondary effluent from the District's service area to the Aliso Creek Ocean Outfall. SOCWA develops and executes a capital improvement program for improvements to the ETM.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	ETWD
	Construction	\$ -
	Inspection	\$ -
	District Labor / Permits / Other	\$ 1,534,167
	<b>Total Project Budget</b>	<b>\$ 1,534,167</b>



## ETWD R6 Reservoir Capital Projects

**Project No:** ETWD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Program

**Project Location:** R6 Reservoir, Mission Viejo

**Description:** This program covers capital improvements on the R6 Reservoir managed by the El Toro Water District (ETWD).

**Project Need:** The R6 Reservoir provides water to the District's service area. ETWD develops and executes a capital improvement program (CIP) for improvements to the facility.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	ETWD
	Construction	\$ -
	Inspection	\$ -
	District Labor / Permits / Other	\$ 36,150
	<b>Total Project Budget</b>	<b>\$ 36,150</b>



## ***IRWD Baker Water Treatment Plant Capital Projects***

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**Project No:** IRWD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Baker Water Treatment Plant, Lake Forest

**Description:** This program covers capital improvements at the treatment plant managed by the Irvine Ranch Water District (IRWD).

**Project Need:** The Baker treatment plant provides water to the District’s service area. IRWD develops and executes a capital improvement program for improvements to the facility.



<b>Project Estimate:</b>	<b>Category</b>	<b>Estimated Cost</b>	
	Design	\$	-
	CEQA Compliance		IRWD
	Construction	\$	1,500,000
	Inspection	\$	-
	District Labor / Permits / Other	\$	-
	<b>Total Project Budget</b>	<b>\$</b>	<b>1,500,000</b>

## ***J.B. Latham Treatment Plant c/o SCWD***

**Project No:** JBL  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** J.B. Latham Wastewater Treatment Plant, Dana Point

**Description:** This program covers capital improvements at the treatment plant managed by the South Orange County Wastewater Authority (SOCWA).

**Project Need:** The J.B. Latam treatment plant provides wastewater treatment to the District's service area. SOCWA develops and executes a capital improvement program for improvements to the facility.

<b>Project Estimate:</b>	<b>Category</b>	<b>Estimated Cost</b>
	Design	\$ -
	CEQA Compliance	SCWD
	Construction	\$ -
	Inspection	\$ -
	District Labor / Permits / Other	\$ 20,058,224
	<b>Total Project Budget</b>	<b>\$ 20,058,224</b>



## SCWD Joint Transmission Main

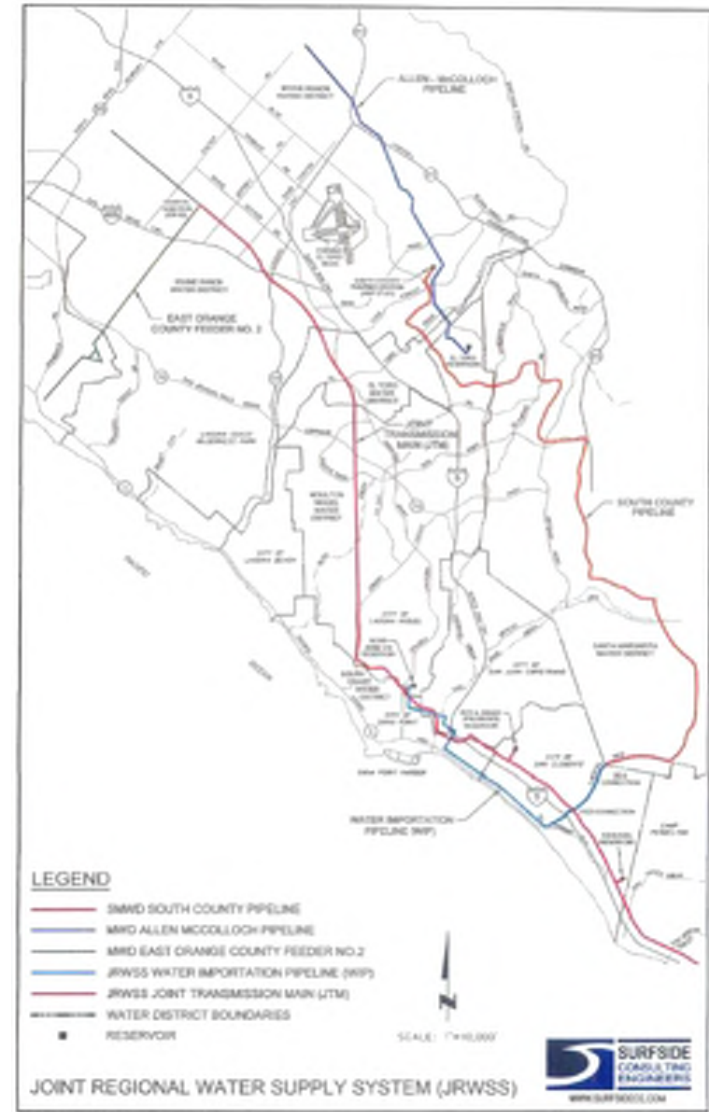
**Project No:** SCWD  
**System:** Potable  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Joint Transmission Main

**Description:** This program covers capital improvements to the Joint Transmission Main (JTM) managed by South Coast Water District (SCWD).

**Project Need:** The JTM is operated and maintained by the 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 5-year CIP annual and provides that information to the District.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	SCWD
	Construction	\$ 13,851,978
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 13,851,978</b>



## San Juan Creek Ocean Outfall c/o SMWD

**Project No:** SJCOO  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Dana Point

**Description:** This program covers capital improvements on the ocean outfall managed by the South Orange County Wastewater Authority (SOCWA).

**Project Need:** The San Juan Creek Ocean Outfall discharges treated secondary effluent from the District's service area. SOCWA develops and executes a capital improvement program for improvements to the outfall.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	SMWD
	Construction	\$ -
	Inspection	\$ -
	District Labor / Permits / Other	\$ 202,923
	<b>Total Project Budget</b>	<b>\$ 202,923</b>



## San Juan Creek Ocean Outfall c/o SCWD

**Project No:** SJCOO  
**System:** Wastewater Treatment  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Dana Point

**Description:** This program covers capital improvements on the ocean outfall managed by the South Orange County Wastewater Authority (SOCWA).

**Project Need:** The San Juan Creek Ocean Outfall discharges treated secondary effluent from the District's service area. SOCWA develops and executes a capital improvement program for improvements to the outfall.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	SCWD
	Construction	\$ -
	Inspection	\$ -
	District Labor / Permits / Other	\$ 141,014
	<b>Total Project Budget</b>	<b>\$ 141,014</b>



## SMWD Joint Facilities

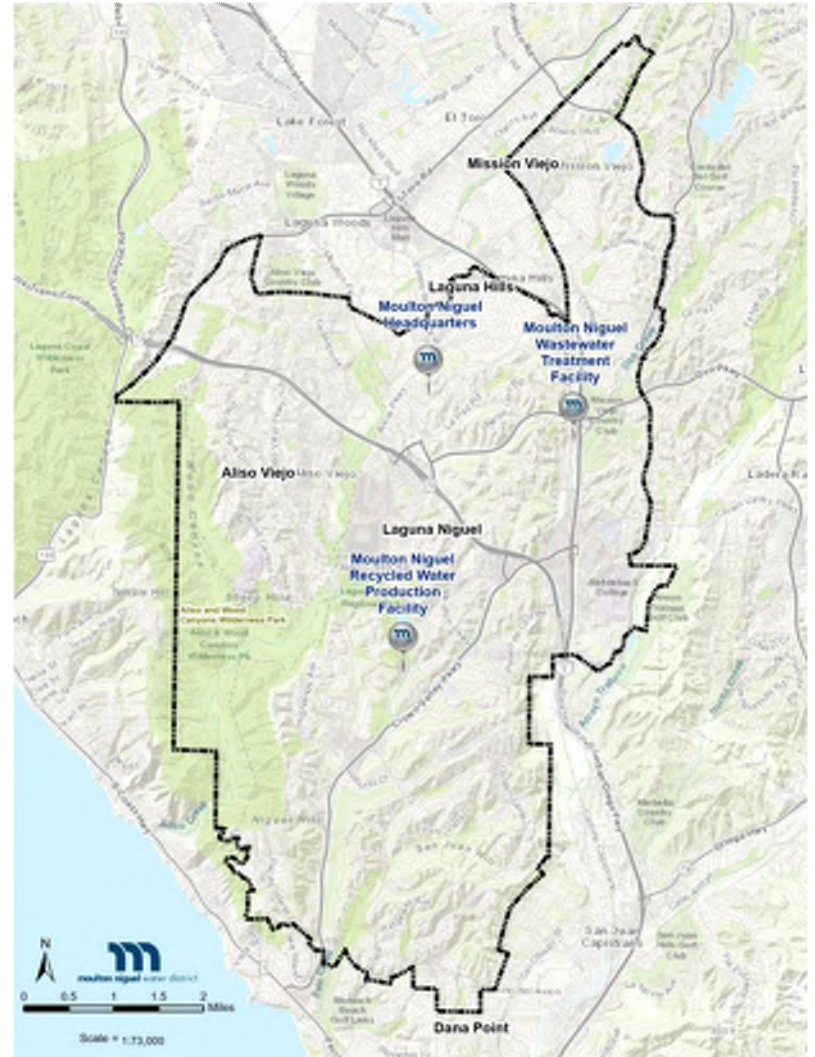
**Project No:** SMWD  
**System:** Potable & Wastewater  
**Fund:** 7  
**Project Status:** Program

**Project Location:** Various

**Description:** This program covers 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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	SMWD
	Construction	\$ 1,067,700
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,067,700</b>



## South County Pipeline Takeout Facility

**Project No:** 2017016  
**System:** Potable  
**Fund:** 12  
**Project Status:** Design

**Project Location:** Along the South County Pipeline, Mission Viejo

**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 Estimate:	Category	Estimated Cost
	Design	\$ 600,000
	CEQA Compliance	\$ 100,000
	Construction	\$ 8,700,000
	Inspection	\$ 400,000
	District Labor / Permits / Other	\$ 200,000
	<b>Total Project Budget</b>	<b>\$ 10,000,000</b>



## OCWD Basin Emergency Interconnection

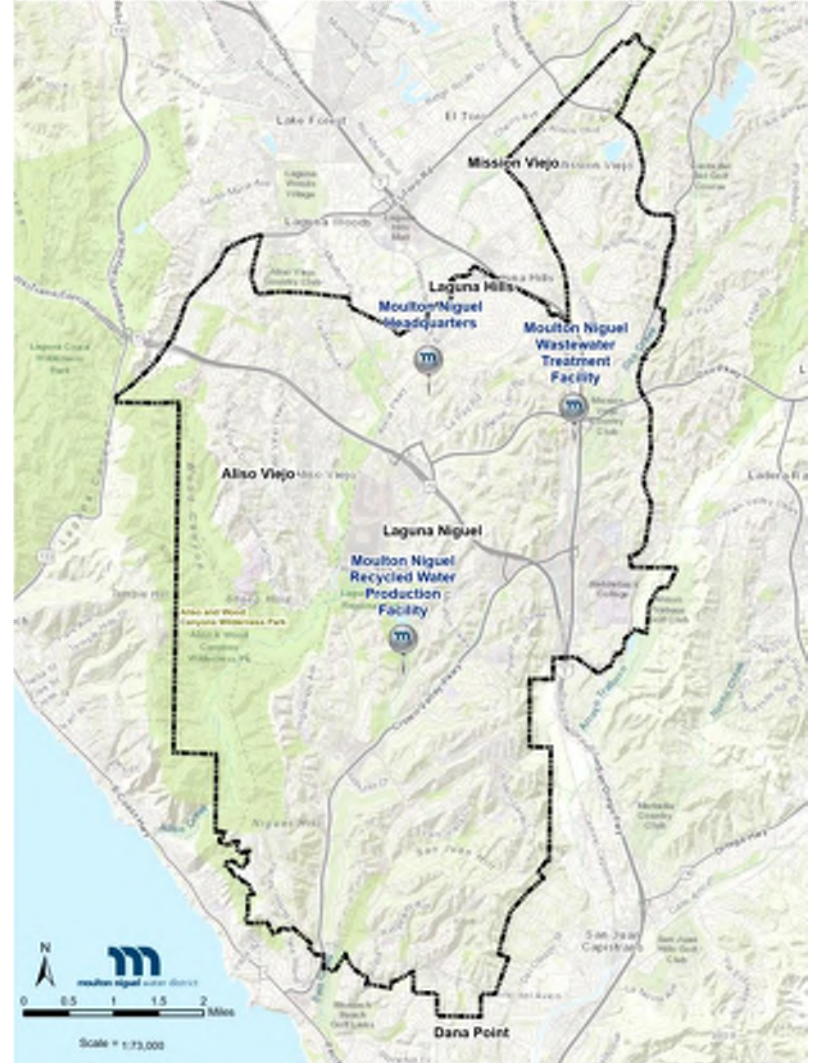
**Project No:** 2022032  
**System:** Potable  
**Fund:** 12  
**Project Status:** Design

**Project Location:** TBD

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

**Project Need:** This project will increase water supply reliability. MNWD currently relies on IRWD to provide access to OCWD's Groundwater Basin during an emergency where MWD cannot provide imported water. However, due to IRWD's rising water demands, this agreement is set to expire in 2029. This project will continue to provide the same water supply reliability for MNWD's customers post 2029.

Project Estimate:	Category	Estimated Cost
	Design	\$ 1,750,000
	CEQA Compliance	\$ 500,000
	Construction	\$ 27,000,000
	Inspection	\$ 750,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 30,000,000</b>



## CIP Takeout Facility at Marguerite Pump Station

**Project No:** TBD  
**System:** Potable  
**Fund:** 12  
**Project Status:** Not Started

**Project Location:** Marguerite Pump Station, Mission Viejo

**Description:** Construct a flow control facility from the Central Intertie Pipeline (CIP) to the 650 & 750 pressure zones via Marguerite Pump Station. The 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 Estimate:	Category	Estimated Cost
	Design	\$ 500,000
	CEQA Compliance	\$ 100,000
	Construction	\$ 4,000,000
	Inspection	\$ 400,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 5,000,000</b>



## 3A Outfall Line Valves

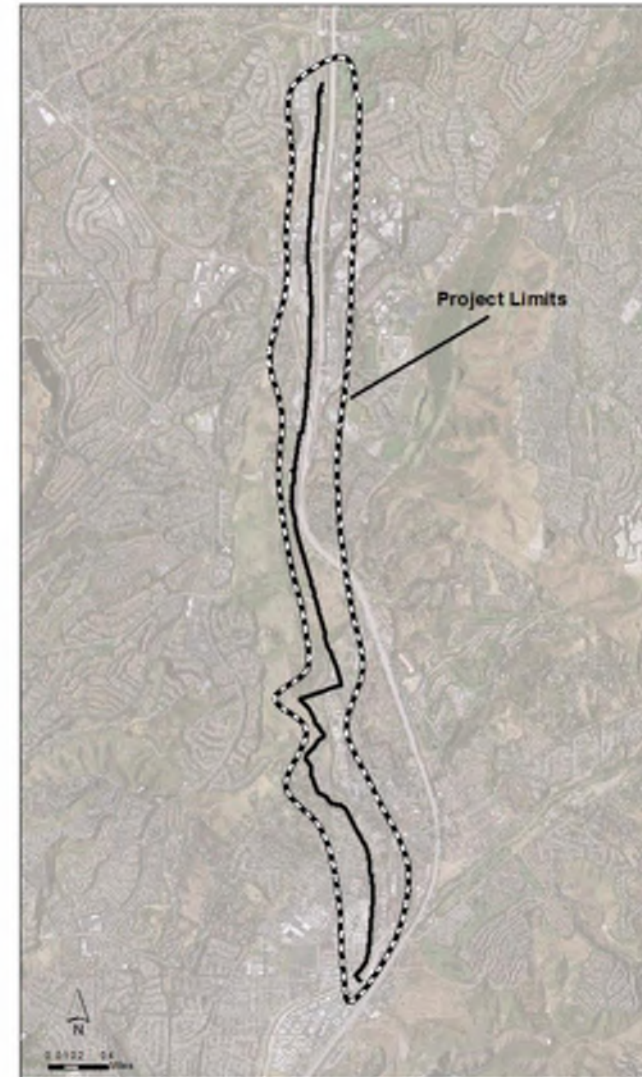
**Project No:** 2011043  
**System:** Wastewater  
**Fund:** 14  
**Project Status:** Not Started

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

**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 Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 380,000
	Inspection	\$ 20,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 450,000</b>



## 1050-Zone Secondary Feed Pump Station and Transmission Main

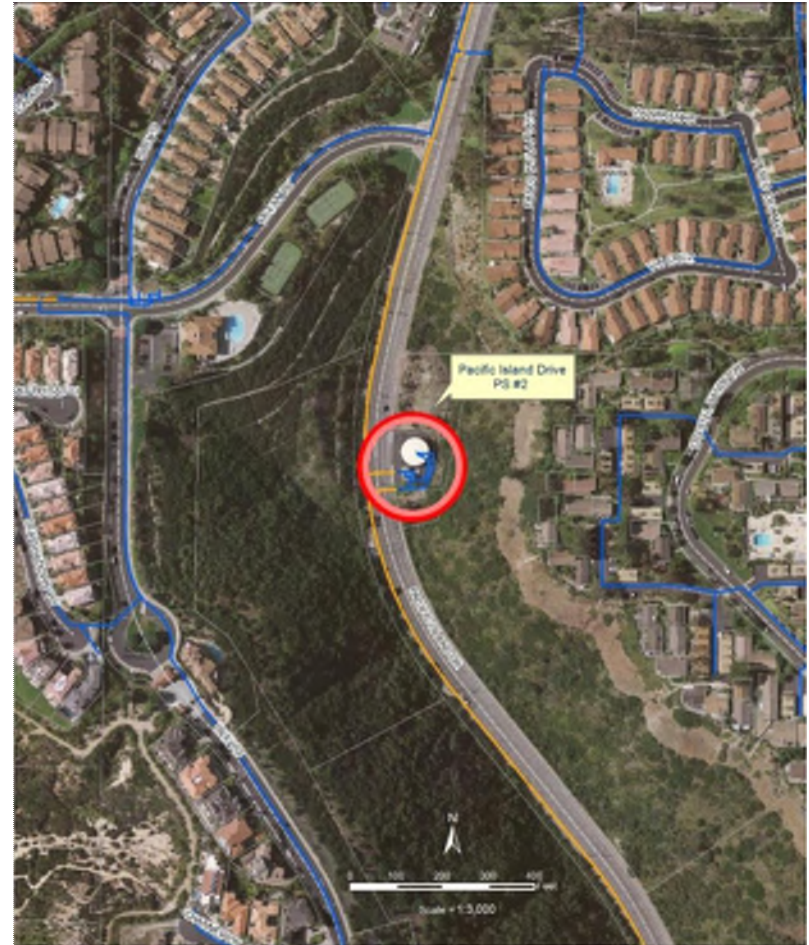
**Project No:** 2017019  
**System:** Potable  
**Fund:** 14  
**Project Status:** Design

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

**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 improve reliability to the 1050 zone.

Project Estimate:	Category	Estimated Cost
	Design	\$ 500,000
	CEQA Compliance	\$ 50,000
	Construction	\$ 7,300,000
	Inspection	\$ 500,000
	District Labor / Permits / Other	\$ 150,000
	<b>Total Project Budget</b>	<b>\$ 8,500,000</b>



## 750-Zone PW System Extension at Salt Spray Drive

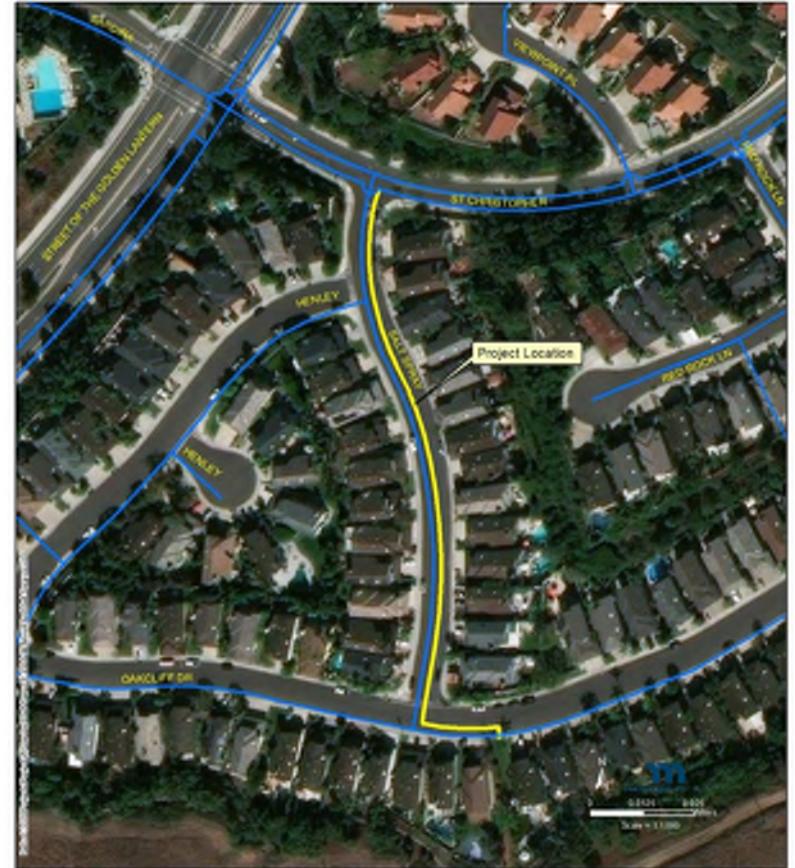
**Project No:** 2018025  
**System:** Potable  
**Fund:** 14  
**Project Status:** Not Started

**Project Location:** Salt Spray Drive, Laguna Niguel

**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 zone. The project is contingent upon the installation of a new developer installed pipeline.

Project Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 400,000
	Inspection	\$ 25,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 475,000</b>



## Video Site Surveillance System

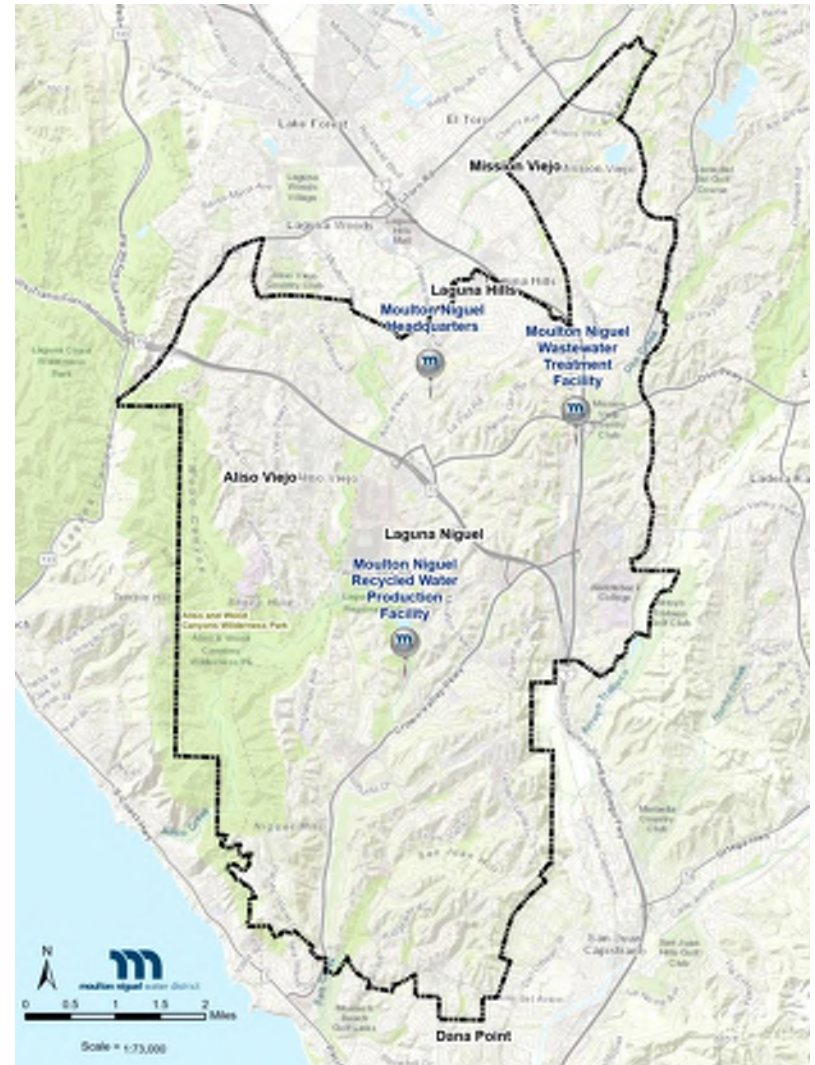
**Project No:** 2021019  
**System:** Multi-System  
**Fund:** 14  
**Project Status:** Design

**Project Location:** Various

**Description:** The installation of video surveillance at various District facilities and the installation of additional data storage capacity at MNWH Headquarters.

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 300,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 300,000</b>





## Plant 3A Solids Loadout Facility

**Project No:** 2021303  
**System:** Wastewater Treatment  
**Fund:** 14  
**Project Status:** Construction

**Project Location:** Plant 3A, Mission Viejo

**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. 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, and reduced risk associated with uncertain upcoming biosolids disposal regulations.

Project Estimate:	Category	Estimated Cost
	Design	\$ 350,000
	CEQA Compliance	Exempt
	Construction	\$ 6,440,193
	Inspection	\$ 467,544
	District Labor / Permits / Other	\$ 150,000
	<b>Total Project Budget</b>	<b>\$ 7,407,737</b>



## Micro-Hydro Turbine at Bridlewood Flow Control Facility

**Project No:** 2022029  
**System:** Potable  
**Fund:** 14  
**Project Status:** Construction

**Project Location:** Bridlewood Flow Control Facility, Laguna Hills

**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 Estimate:	Category	Estimated Cost
	Design	\$ 200,000
	CEQA Compliance	Exempt
	Construction	\$ 1,300,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 200,000
	<b>Total Project Budget</b>	<b>\$ 1,700,000</b>



## RTP AWT Salinity Management

**Project No:** 2022502  
**System:** Wastewater Treatment  
**Fund:** 14  
**Project Status:** Construction

**Project Location:** Regional Treatment Plant, Laguna Niguel

**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 4.0 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 Estimate:	Category	Estimated Cost
	Design	\$ 3,350,000
	CEQA Compliance	\$ 150,000
	Construction	\$ 36,400,000
	Inspection	-
	District Labor / Permits / Other	\$ 600,000
	<b>Total Project Budget</b>	<b>\$ 40,500,000</b>



## Highlands Pump Station Improvements

**Project No:** 2023022  
**System:** Potable  
**Fund:** 14  
**Project Status:** Design

**Project Location:** Highlands Pump Station, Laguna Niguel

**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 Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 110,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 10,000
	<b>Total Project Budget</b>	<b>\$ 170,000</b>



## SCADA Communications Monopole at Mandeville Park

**Project No:** 2023023  
**System:** Multi-System  
**Fund:** 14  
**Project Status:** Design

**Project Location:** Mandeville Park, Laguna Hills

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 250,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 250,000</b>



## Data and Resource Enterprise Analytics and Management

**Project No:** 2023024  
**System:** Multi-System  
**Fund:** 14  
**Project Status:** Design

**Project Location:** MNWD Headquarters, Laguna Hills

**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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 1,000,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 1,000,000</b>



## Highlands 790-Zone Pipeline Loop

**Project No:** 2023025  
**System:** Potable  
**Fund:** 14  
**Project Status:** Construction

**Project Location:** Niguel Road, Highlands Avenue, and Braxton Drive, Laguna Niguel

**Description:** Install approximately 800 feet of 12-inch diameter pipeline from Niguel Road and Via Napoli to Braxton Drive and Preston Drive.

**Project Need:** This project would enhance reliability for the area supplied by the 790-Zone by adding an additional feed.

Project Estimate:	Category	Estimated Cost
	Design	\$ 150,000
	CEQA Compliance	Exempt
	Construction	\$ 873,857
	Inspection	\$ -
	District Labor / Permits / Other	\$ 75,000
	<b>Total Project Budget</b>	<b>\$ 1,098,857</b>



## Lower Salada Lift Station Overflow Wetwell

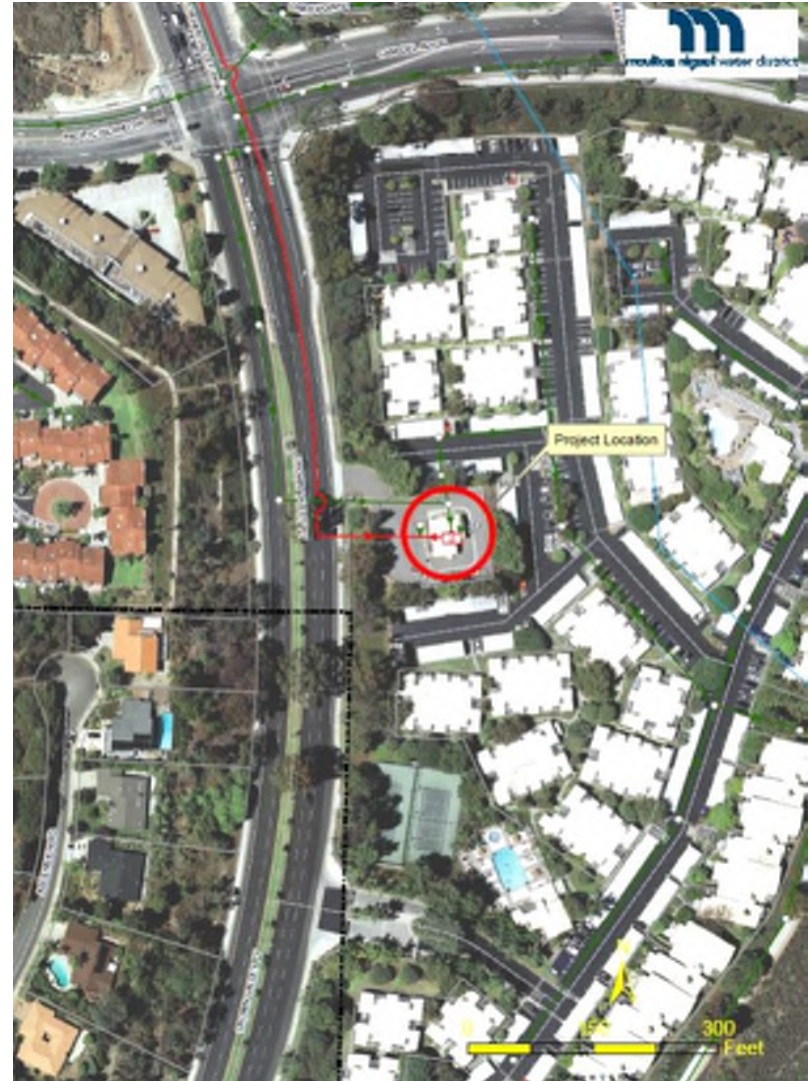
**Project No:** 2023030  
**System:** Wastewater  
**Fund:** 14  
**Project Status:** Design

**Project Location:** Lower Salada Lift Station, Laguna Niguel

**Description:** The construction of a new overflow wet well at the Lower Salada Lift Station.

**Project Need:** The Lower Salada Lift Station flows the second most wastewater flow in the District. The lift station's existing wet well has an 8-inch overflow outlet that gravity feeds to a South Coast Water District sewer main, but it is undersized for the flow entering the station. The construction of a new overflow wet well will allow the District more time to mobilize in the event of a sewage overflow.

Project Estimate:	Category	Estimated Cost
	Design	\$ 250,000
	CEQA Compliance	Exempt
	Construction	\$ 1,000,000
	Inspection	\$ 200,000
	District Labor / Permits / Other	\$ 25,000
	<b>Total Project Budget</b>	<b>\$ 1,475,000</b>



## Solar Panels at Headquarters

**Project No:** 2023031  
**System:** Multi-System  
**Fund:** 14  
**Project Status:** Construction

**Project Location:** MNWD Headquarters, Laguna Hills

**Description:** The project includes construction of two (2) additional parking canopies with solar panels, installation of solar panels on the existing parking canopies and building rooftops, battery storage, and associated electrical work.

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

Project Estimate:	Category	Estimated Cost
	Design	\$ 150,444
	CEQA Compliance	Exempt
	Construction	\$ 1,863,166
	Inspection	\$ 50,000
	District Labor / Permits / Other	\$ 30,000
	<b>Total Project Budget</b>	<b>\$ 2,093,610</b>



## P.I.D. Pump Station No. 1 Site Drainage Improvements

**Project No:** 2024009  
**System:** Potable  
**Fund:** 14  
**Project Status:** Design

**Project Location:** P.I.D. Pump Station No. 1

**Description:** Improve the site drainage at PID 1 Pump Station.

**Project Need:** The PID1 Pump Station site is experiencing drainage issues near the exterior of the building. The project will regrade and install drainage to convey water away from the facility.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 300,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 300,000</b>



## New System Valves

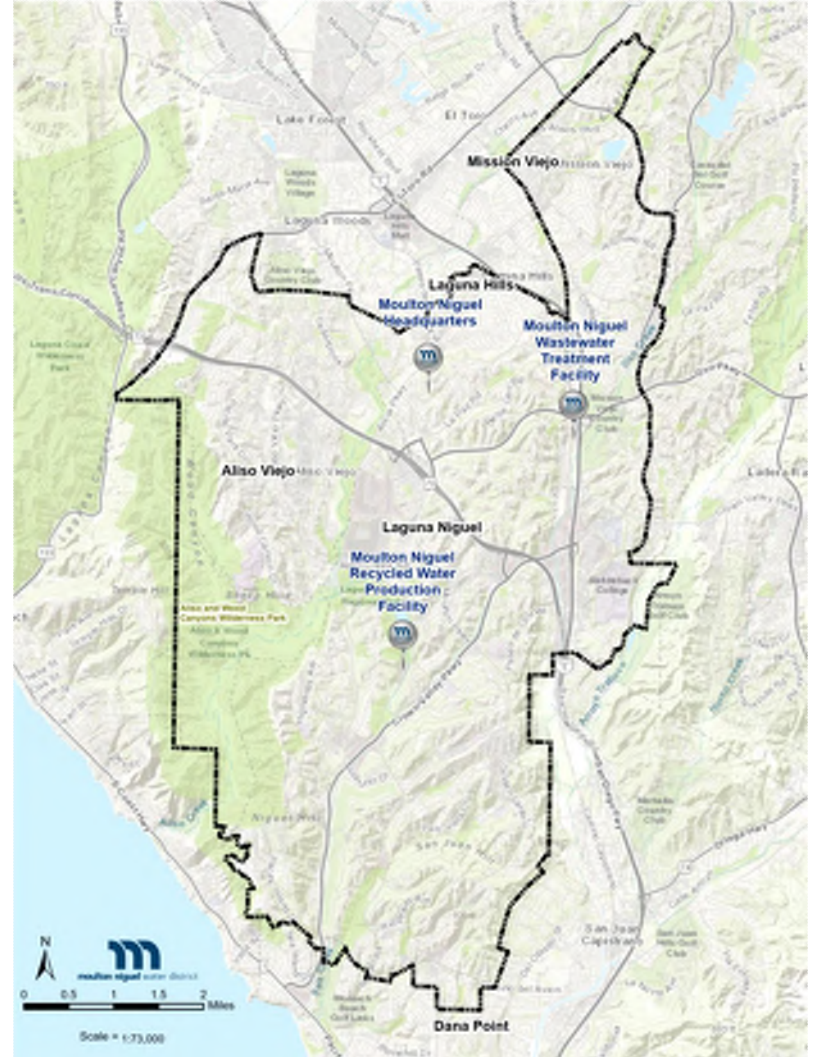
**Project No:** NEWVALVES  
**System:** Potable  
**Fund:** 14  
**Project Status:** Construction

**Project Location:** Various

**Description:** Install new 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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 240,000
	Inspection	\$ 10,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 250,000</b>



## Software Subscriptions

**Project No:** SOFTWARE  
**System:** Multi-System  
**Fund:** 14  
**Project Status:** Program

**Project Location:** District-Wide

**Description:** This is a program to track and account for Information Technology software based subscriptions that qualify under Government Accounting Standards Board (GASB) Statement 96.

**Project Need:** Based on new accounting standards, certain long term software based subscriptions need to be tracked separately.

Project Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ -
	Inspection	\$ -
	District Labor / Permits / Other	\$ 5,000,000
	<b>Total Project Budget</b>	<b>\$ 5,000,000</b>



## 750-Zone Beacon-Rancho Improvements

**Project No:** TBD  
**System:** Potable  
**Fund:** 14  
**Project Status:** Not Started

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

**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 Estimate:	Category	Estimated Cost
	Design	\$ 225,000
	CEQA Compliance	Exempt
	Construction	\$ 1,200,000
	Inspection	\$ 50,000
	District Labor / Permits / Other	\$ 25,000
	<b>Total Project Budget</b>	<b>\$ 1,500,000</b>

## Rancho Capistrano 450-Zone Loop

**Project No:** TBD  
**System:** Potable  
**Fund:** 14  
**Project Status:** Not Started

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

**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 Estimate:	Category	Estimated Cost
	Design	\$ 50,000
	CEQA Compliance	Exempt
	Construction	\$ 750,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ 45,000
	<b>Total Project Budget</b>	<b>\$ 845,000</b>



## Rancho Capistrano 450-Zone Service

**Project No:** TBD  
**System:** Potable  
**Fund:** 14  
**Project Status:** Not Started

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

**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 Estimate:	Category	Estimated Cost	
	Design	\$	60,000
	CEQA Compliance		Exempt
	Construction	\$	325,000
	Inspection	\$	-
	District Labor / Permits / Other	\$	25,000
	<b>Total Project Budget</b>	<b>\$</b>	<b>410,000</b>



## Rolling Hills Pump Station Auxiliary Generator

**Project No:** TBD  
**System:** Potable  
**Fund:** 14  
**Project Status:** Not Started

**Project Location:** Rolling Hills Pump Station, Aliso Viejo

**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 Estimate:	Category	Estimated Cost
	Design	\$ 110,000
	CEQA Compliance	Exempt
	Construction	\$ 690,000
	Inspection	\$ 50,000
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 850,000</b>



## RTP Network Cabling Improvements

**Project No:** TBD  
**System:** Wastewater Treatment  
**Fund:** 14  
**Project Status:** New

**Project Location:** Regional Treatment Plant, Laguna Niguel

**Description:** Install new network cabling, patch panels, and related conduit and/or equipment throughout the plant campus 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 Estimate:	Category	Estimated Cost
	Design	\$ -
	CEQA Compliance	Exempt
	Construction	\$ 200,000
	Inspection	\$ -
	District Labor / Permits / Other	\$ -
	<b>Total Project Budget</b>	<b>\$ 200,000</b>



# Appendix E: Managing Water District Debt (Policy A-3)

## **POLICY A-3: MANAGING WATER DISTRICT DEBT**

This Policy may be amended by the Board as it deems appropriate 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 re-financings or prepayment (refunding) when economically beneficial. A refinancing may include the issuance of bonds to refund existing bonds or the issuance of bonds in order to 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 lowest level of risk. 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.

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 target 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 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 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. Bond proceeds will be deposited and recorded in separate accounts.

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 trustee

will administer the disbursement of bond proceeds pursuant to the applicable Indenture of Trust or similar document. Requisition for reimbursement will be submitted only after obtaining the signature of either the District's General Manager, Controller or Director of Financial Planning & Innovation. 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 Financial Report (ACFR).

## 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 or Controller shall provide continuing 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 undertakings. 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 funds 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 ACFR. The ACFR shall describe in detail all funds and fund balances established as part of any direct debt financing of the District.

The ACFR may also contain a report detailing any material or rate covenants contained in any direct offering of the District and whether or not such covenants have been satisfied.

### **22. Updates to this Policy**

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

## APPENDIX A: Types of Debt and Uses

**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 or rate reset periods 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.

Short-term debt may be structured as:

- **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.
- **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.
- Revolving Line of Credit – A revolving line of credit is a private lending agreement with a bank under which the District can borrow money from the bank up to a specified amount at pre-agreed upon terms. When the District repays the bank, it renews its borrowing capacity on the line of credit so that the District can borrow on the line of credit again. The District may choose to enter into a revolving line of credit agreement as a source of interim financing.
- Letters of Credit – The District shall have the ability to enter into a letter-of-credit agreement as appropriate. 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.

**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.



## POLICY A-3: MANAGING WATER DISTRICT DEBT

See also:  
POL A-7

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5.16.2024

**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.

# Appendix F: Capitalization & Surplus (Policy A-4)

## **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. Individual assets that are less than \$5,000 with a useful life of five or more years, will be capitalized if purchased as a group and are collectively significant to the District.

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:



# POLICY A-4: CAPITALIZATION & SURPLUS

See also:

6.12.2025

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Last Revised:

5.08.2025

- 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
- Software and IT Infrastructure 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 |
| • Recycled 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 or Division Head 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. There is also an exception for assets purchased as a group that are determined to be collectively significant and have a useful life of five or more years but individual asset cost is below \$5,000.

**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: Purchasing Services, Materials & Public Works Projects (Policy A-5)



# 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 purchasing 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



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specific vendor, brand, product, thing, or service, except for the exempt items listed in this policy. (See Item #14)

#### **4. Purchase Amounts Include Taxes and Shipping**

Purchase amounts include taxes and the cost of shipping, freight fees, and any other charges billed by the supplier or contractor within the authorized limits in this Policy.

#### **5. Online Purchases and Utilization of Electronic Signatures**

The District may use electronic commerce whenever reasonable or cost-effective. The District may accept electronic signatures and records for District procurement.

#### **6. Requisitions for Purchasing Materials and Services**

District staff who require materials or services to carry out the defined duties of their positions shall submit Requisitions, in advance, for purchases in accordance with this Policy. The Purchasing Department will generate a Purchase Order (PO) from the Requisition.

#### **7. Check Requests**

A check request can be used for certain limited materials or services without a PO. Check requests may be used to request payment for Non-Discretionary Purchases, such as services rendered, subscriptions, membership dues, workshop/seminar/conference registrations, and use of facilities. Check requests are subject to the authorization limits established in Table 2.

#### **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.



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

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## **9. Blanket Purchase Orders**

A Blanket Purchase Order is issued to cover all amounts expected to be paid to the supplier/contractor/Consultant for the fiscal year or through a Contract term. Blanket Purchase Orders expire at the end of the fiscal year or as soon as a Contract ends.

For Blanket Purchase Orders exceeding \$75,000, the District will utilize work order forms to initiate work with the supplier/contractor/Consultant. The work order forms will indicate the estimated cost for the work order and must be signed by a Staff Director or Staff Officer prior to initiating the work with the supplier/contractor/Consultant. If the Director or Officer for a given work order is absent, the next highest authority in Table 2 may provide the authorization.

## **10. References and Financial Responsibility Before Awarding Contracts**

Before awarding any Contract, the District will verify the references and financial responsibility of the contracting parties. After award, all Contracts shall be executed on behalf of the District by the appropriate authorized signatory indicated in Table 2.

No Contract will be awarded if funds are not available to make payment upon delivery or completion, or by payment schedule, unless authorized and approved by the Board or General Manager.

## **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. Non-Discretionary Purchases of \$25,000 or greater, require approval by a Division Head. 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.

### **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.
  - 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, Assistant General Manager, or Deputy 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.



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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**

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

The District may issue Change Orders, as required by changes in the specifications or conditions of a project, services performed, or materials issued.

Change orders or amendments that extend the expiration date of the original or Board approved contract by no more than 12 months, but do not affect the total contract price can be approved subject to the contract signing authority indicated in Table 2.

The Purchasing department may issue Change Orders up to 10 percent over the original PO without further approvals if the original purchase amount was \$10,000 or less. For any Change Order request over the original PO by more than 10 percent or the \$1,000 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).

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 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.



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### **24. Maintenance of this Policy**

The General Manager and assigned representatives, working with the District's legal counsel, will maintain and propose revisions to this policy as needed. All changes to this policy shall require the approval of the Board of Directors. In all cases, the District shall implement this policy in a manner that is consistent with Federal, State or local regulations.



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## TABLE 1: Definitions

**Administrative Personnel** – District administrative employees authorized by the General Manager to purchase miscellaneous items, food and travel in support of District functions; includes Administrative Assistant, Administrative Analyst, Human Resources Analyst 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”, “product release form” and “statement of work”. For District purposes, these items will be treated as “work orders”. (These typically apply to on call or as needed contracts or Blanket Purchase Orders).



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**TABLE 2: Procurement Limits and Contract Signature Authority**

Procurement Limits and Contract Signature Authority		
Title	Expenditures	Contract Signature Authority
<i>General Manager</i>	up to \$75,000	\$75,001 and over with Board authorization  up to \$75,000 without Board authorization
<i>Assistant General Manager Deputy General Manager</i>	up to \$50,000	up to \$50,000
<i>Staff Directors, 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, Coordinators, Senior/Principal Engineers, Chief Plant Operators</i>	up to \$10,000	None
<i>Supervisors, Purchasing Agent, Administrative Personnel, Sr. Water Efficiency Specialist, Assistant Chief Plant Operators, Sr. Wastewater Treatment Plant Operators, Administrators, Sr. Construction &amp; Ops Analysts</i>	up to \$5,000	None

# Appendix H: Federal Grant Management (Policy A-6)

## **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.

Indirect cost recovery or indirect cost rates may be capped to allowable amounts under specific terms included in each grant. Although infrequent, these indirect amounts and/or rates may differ from the standard indirect cost rates of the District.

**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 during regular Board Meetings.
- e. The Controller maintains the Schedule of Federal Expenditures of Awards.

**11. Monitoring Grant Program - Legal requirement: 2 CFR 200.328 and 2 CFR 200.331**

The District will monitor the activities and progress of its federal grants and any problems, delays or adverse conditions that will materially impact the ability to meet a grant's objectives will be reported to the federal funding agency by the project manager. This will include making sure activities follow laws, regulations and the provisions of the grant agreements; and that performance goals are achieved.

**12. Timesheets - Legal requirement: 2 CFR 200.430(i) and 2 CFR 200.306**

All District employees that work on projects funded through federal grants, are responsible for completing their timesheets on a bi-weekly basis. Employees must record all time spent on grant and non-grant activities. Grant activities will be monitored by a unique identifier in the time sheets, and the actual cost of those hours will be allocated to the project business unit.

The payroll department will maintain a file with all timesheets, and the project manager will maintain a file that documents hours charged to the project.

**13. Contract Administration and Payment** - *Legal requirement: 2 CFR 200.318(b)*

The project manager and Contracts Analyst shall be responsible for monitoring administration of the contract and shall ensure the fulfillment of all written requirements. Disbursement of federal funds will follow the same accounts payable process as nonfederal payments.

**14. Standards of Conduct** - *Legal requirement: 2 CFR 200.318(c)(1) and 2 CFR 200.318(c)(2)*

District employees and members of the Board of Directors must comply with the District's conflict of interest policy. The Board Secretary shall maintain conflict of interest statements for all employees and Board members.

**15. Procurement Records and Files** - *Legal requirement: 2 CFR 200.318(i)*

The District will retain historical records of federal procurements in accordance with the District's records retention policy.

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

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](http://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.



# POLICY A-6: FEDERAL GRANT MANAGEMENT

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To ensure full and open competition, the District will abide by the following guidelines:

Procurement Amount	Action
Greater than \$75,000	Formal solicitations shall be conducted, and a cost/price analysis shall be conducted
\$10,001 - \$75,000	Cost/price analysis shall be conducted
\$1 - \$10,000	Formal solicitations or cost/price analysis are not required

The District reserves the right to award purchase orders, consultant agreements or project contracts on a sole source/noncompetitive basis when one or more of the following circumstances apply: (1) the item or service is available only from a single source that has predominate capability; (2) there is a public emergency that will not permit a delay from competitive solicitations; (3) The District received prior approval from the awarding agency; or (4) competition is determined to be inadequate after solicitation from a number of sources. A written justification will be prepared and kept on file for any noncompetitive procurement.

## 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.



# POLICY A-6: FEDERAL GRANT MANAGEMENT

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	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: Maintaining Water District Investment Funds (Policy A-7)

## 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).

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).

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.

The 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.

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 principal, 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 the 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:

- 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, and 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 it is 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.

#### 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.

#### **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.

## 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 District's Treasurer, Deputy General Manager or Director of Financial Planning & Innovation. 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 the Administrative/Technical Committee & 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.

### **20. Changes to This Policy Must Be Approved by the Board**

This Policy may be amended by the Board as it deems appropriate. 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 the 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 the 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: Maintaining Water District Cash Reserve Funds (Policy A-8)



# POLICY A-8: MAINTAINING WATER DISTRICT CASH RESERVE FUNDS

See also:

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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 identified 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

See also:

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## **4. District May Use Certain Reserves for Cash Flow Requirements**

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

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

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

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

## **5. Funds Must Be Replenished As Soon As Possible**

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

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

# 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 submit a reserve analysis to the Board of Directors when:

- The Board of Directors consider the annual budget.
- The Board of Directors consider a water and sewer rate increase.
- A major change in conditions threatens the reserve levels.

If analysis indicates projected or actual individual reserve levels would fall 10 percent or more below the target levels outlined in this Policy, at least one of the following actions shall be included with the analysis:

- An explanation of why the reserve levels are not at the targeted level.
- A list of actions needed to bring reserve levels within the target levels prescribed.

The District will also use the internal Long-Range Financial Plan and 10-year and monthly cash flow models to determine forecasted reserve target shortfalls and report on needed corrective actions.