2026-27

FISCAL YEAR

ADOPTED BUDGET









PREPARED BY:

moulton niguel
water district

moulton niguel water district

May 31, 2026

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

Dear President Probolsky and Directors:

On behalf of the entire team at Moulton Niguel Water District, we are pleased to present the Fiscal Year 2026-27 Budget.

Moulton Niguel enters the new fiscal year in a strong financial position with an excellent credit rating from Fitch and S&P Global, healthy reserves, and a responsible long-term investment plan. We are committed to an open and transparent budget process that invites customer feedback and prioritizes the responsible management of ratepayer funds.

This year's $215.5 million budget will reinvest customer revenues into providing safe and reliable drinking water, recycled water, and wastewater collection, conveyance, and treatment services for more than 170,000 customers across South Orange County. Nearly half of the budget is dedicated exclusively to necessary capital infrastructure investments.

Over the next decade, Moulton Niguel's Capital Improvement Program includes more than $800 million of investments in critical infrastructure. This long-range commitment ensures the District can replace aging infrastructure on a responsible schedule, strengthen wildfire and emergency resilience, advance water supply reliability, including planning for the OASIS Water Resource Center and other innovative water reuse opportunities.

We remain committed to keeping rates as low as possible. Moulton Niguel customers will continue to pay the lowest average combined bill in South Orange County, backed by safe and reliable service you can count on.

Respectfully,

Joone Lopez

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

BOARD OF DIRECTORS
Richard Fiore VICE PRESIDENT
Donald Froelich DIRECTOR
Bill Moorhead DIRECTOR
Brian Parker DIRECTOR
Brian S. Probolsky PRESIDENT
Diane Rifkin VICE PRESIDENT
Sherry Wanninger DIRECTOR

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BUDGET HIGHLIGHTS

Moulton Niguel's FY 2026-27 Budget advances priorities that strengthen reliability, expand our local supply, and keep our average bill the lowest in South Orange County.

Reliability and Emergency Preparedness

Wildfires are a year-round threat in South Orange County. Moulton Niguel's water system is the resource our firefighters and first responders rely on to protect lives, homes, and property. This year's budget funds our comprehensive fire hydrant testing program and backup power at critical pump stations, ensuring water and pressure are available when firefighters arrive. We continue to train alongside the Orange County Fire Authority and Orange County Sheriff's Department through multi-agency wildfire exercises that simulate large-scale incidents and power outages.

Reliability also depends on what happens behind the scenes. A new emergency interconnection with the City of Santa Ana and the Orange County Water District will provide a backup source of local groundwater during regional supply disruptions. The South County Pipeline Takeout Facility will give Moulton Niguel additional access to critical water supplies in the event of a disaster. These investments strengthen the systems our community counts on in the moments that matter most.

Building a Local Water Supply

All of the drinking water that flows from our customers' taps is imported from hundreds of miles away. That dependence leaves South Orange County exposed to drought, regulatory cutbacks, and supply disruptions far outside of our control. Moulton Niguel is changing that with the OASIS Water Resource Center.

Once constructed, OASIS will use advanced water purification technology to create a new, locally controlled drinking water supply. This investment is the foundation of a more resilient water future for our customers, reducing our reliance on imported water and strengthening protection against the next prolonged drought.

Reducing the Cost to Ratepayers

Moulton Niguel actively pursues outside funding to reduce the burden on ratepayers. Every grant dollar we secure is a dollar that doesn't come from rates. In November 2023, we were awarded a $10.3 million FEMA grant to replace approximately two miles of sewer force mains, strengthening system reliability at no additional cost to customers.

We continue to pursue additional federal funding, including $10 million in congressional appropriations currently under review and pending FEMA submittals totaling $15 million.

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Generating Our Own Power

Moulton Niguel invests in projects that generate clean power on-site to reduce our reliance on the grid. Treating and delivering water takes significant energy, and the cost of that energy ultimately shows up in customer bills. At our Regional Treatment Plant, a co-generation system converts wastewater solids into biogas, producing electricity that offsets a significant share of the facility's energy needs.

Solar panels recently installed at our Laguna Hills headquarters now produce enough electricity to meet the building's annual demand. At our Bridlewood Flow Control Facility, planned microturbines will generate more than 800,000 kilowatt-hours of clean energy each year over the next two decades. These investments lower our operating costs, support regional grid reliability, and help us keep customer rates as low as possible.

Modernizing Treatment for the Next Generation

Moulton Niguel's wastewater treatment systems have operated continuously since 1984. After more than 40 years of service, key components are reaching the end of their useful life, and we are making the largest investment in our treatment facilities in a generation to replace them. Major construction is underway on the Plant 3A Solids Handling Facilities, which process the byproducts of wastewater treatment.

We are also modernizing our liquids treatment facilities that will produce cleaner treated water and support future water reuse opportunities while maintaining full compliance with ocean discharge requirements. A new salinity management system at our Regional Treatment Plant will reduce salt levels to protect downstream water quality, and structural and electrical upgrades will keep the plant running reliably day and night for decades to come.

Together, these investments reflect a comprehensive, phased approach to ensuring long-term resilience and environmental stewardship.

Investing in Our Community

Moulton Niguel invests in the people we serve and the people who serve them. Last year, our team participated in more than 160 community events to connect directly with customers about water service, conservation, and infrastructure. In partnership with the Moulton Museum, we launched the interactive “Know the Flow” exhibit, which gives visitors a hands-on look at how water reaches their homes. Our Watershed Heroes: Action Linking Education to Stewardship (WHALES) program reaches thousands of students each year, building the next generation of environmental stewards.

We are also investing in the people who keep water flowing. Our Future Leaders of Water Initiative, expanded internship program, and AI for Water Management Professionals partnership with UC Irvine are building the next generation of water professionals, from students and veterans to early-career staff and emerging leaders.

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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 in March 2026, included a strategic planning session with customers, staff, and the Board of Directors. The Fiscal Year 26-27 Budget was presented at a public workshop on May 4, 2026.

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 program 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.

$100.6 Million Investment in Capital Projects

Moulton Niguel will invest more than $100.6 million this year in capital projects that will strengthen our robust infrastructure system, including 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: Strong 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 excellent credit rating 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 and wastewater 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 $215.5 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 $67.8 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 the 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, conveyance, 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 34% of annual revenue that would otherwise need to be collected from customer bills.

Funding Uses

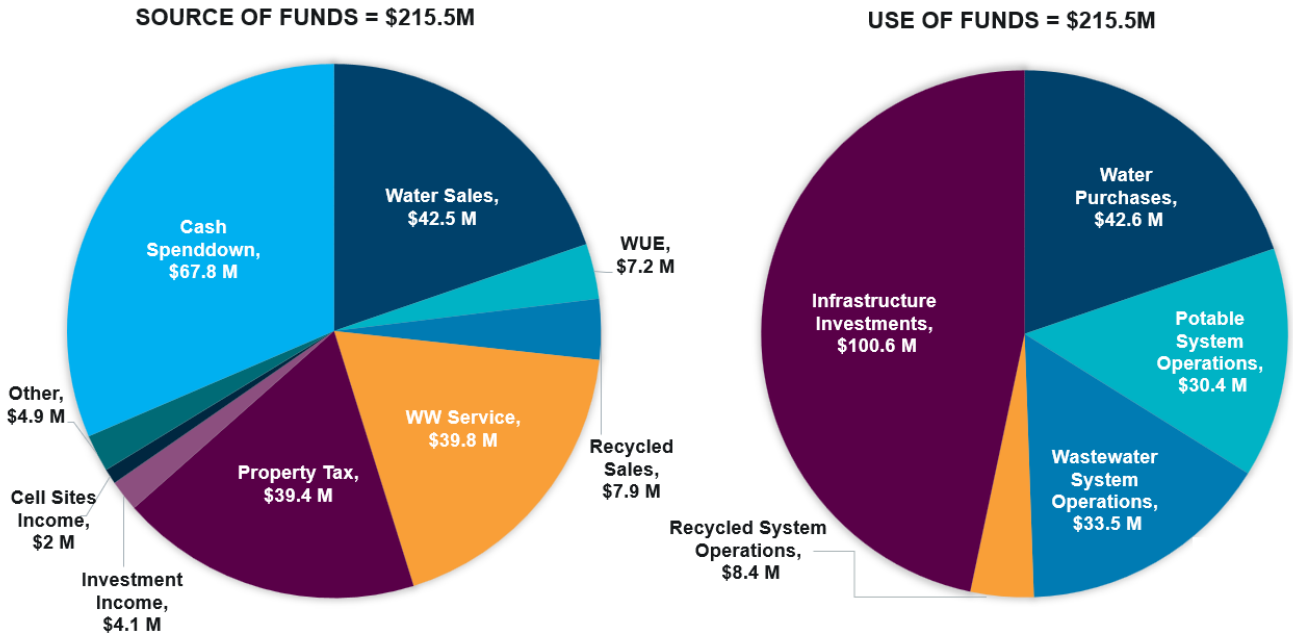
The budget includes total funding uses of $215.5 million. Major categories include Infrastructure Investments, Water Purchases, and System Operations.

Consistent with utility enterprises, the $100.6 million in Infrastructure investment costs represents the largest use of funds, accounting for approximately 47% of total expenditures. The Infrastructure Investments category is comprised of both new capital projects expenditures and bond payments for past projects. New capital project appropriations for the FY 26-27 budget total $91 million. Bond payments total $17.5 million and are drawn from restricted accounts funded through transfers authorized by the budget resolution.

The operating budget of $114.9 million includes Water Purchases and Operation of District's potable water, recycled water, and wastewater systems. Water Purchases of $42.6 million represent over 20% 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



Assumptions & Factors

General assumptions and factors that guided the development of the MNWD FY 26-27 budget included:

- Water supply and reliability investments based on the District's updated Long Range Water Reliability Plan adopted by the Board in March 2026.

- Projections for potable (drinking) water demands are in line with prior year levels and total water purchases are budgeted at 23,175 AF. 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 or increases 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 26-27 budget assumes the Baker Water Treatment Plant will treat 8,908 AF, reflecting a full year of water deliveries. The remaining 14,267 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 5.9% 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 last year 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 60% of the year over year increase in the operating budget, with the significant majority attributable to water purchases and delivery costs.

    - **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's budget. The increase in water purchases reflects MET's overall 6.2% rate increase beginning CY 2027 and another overall 6.2% rate increase beginning CY 2028. 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.

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.

- **F**iscal Responsibility – Ensuring public trust by delivering accurate, timely financial information with well supported financial decisions.
- **O**perational Optimization – Leading in innovation and seeking to utilize technology and workforce creativity to efficiently provide a high level of service throughout the asset lifecycle.
- **C**ommunity & 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.
- **U**nified Workforce – Working together, as one team, to execute the District's strategic priorities.
- **S**ecure 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
1. Fiscal Responsibility	a. Provide actionable, timely financial information through adaptive modeling, regular reporting and third-party reviews, and forecasts to meet changing conditions with a view towards long-term, sustained fiscal health. i. Maintain fiduciary responsibility ii. Provide financial transparency iii. Implementing equitable rates
2. Operational Optimization	a. Develop and implement a comprehensive Asset Management Program that will optimize the life-cycle management of the District's infrastructure and assets. Develop new and improve existing strategies to cost effectively reduce the District's water and energy demands. i. Assess infrastructure condition ii. Replace infrastructure proactively iii. Address infrastructure needs iv. Maximize value of assets v. Pilot potential new technologies to optimize resources
3. Community & Government Relations	a. Promote the District's programs and services to our customers and general public in a positive, purposeful, and cost-effective manner, while also soliciting customer and community feedback. i. Enhance community engagement ii. Increase public awareness 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. 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.
4. Unified Workforce	a. Maintain strong employee morale and enhance organizational performance through: recruitment, selection and retention of the best qualified staff; maintenance and enhancement of staff skills through training and development; utilization of the District's benefit programs; compliance with labor regulations; enforcement of District policies and provisions of the MOUs; and resolution of personnel matters in a timely manner with the highest standards of confidentiality, integrity, courtesy and respect. i. Fill open vacancies ii. Comprehensive recruitments iii. Succession doing iv. Active employee training and engagement
5. Secure & Reliable Service	a. Evaluate, implement, and continuously refine operational procedures and practices for the delivery of water, recycled water, and the collection and treatment of wastewater to protect public health, promote operational efficiencies, and ensure safe and reliable services. i. Proactive physical security for District sites ii. Monitor emerging water and wastewater issues and regulations iii. Emergency preparedness 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. i. Work towards service reliability and efficiency policy goals ii. Provide a sustainable, adequate water supply per Board policy

District Profile

The District delivers high-quality drinking water, recycled water, and wastewater collections and treatment 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 billion for the 2024/25 lien year. Property tax revenues account for approximately 27% of the District's annual revenue.

Local Community

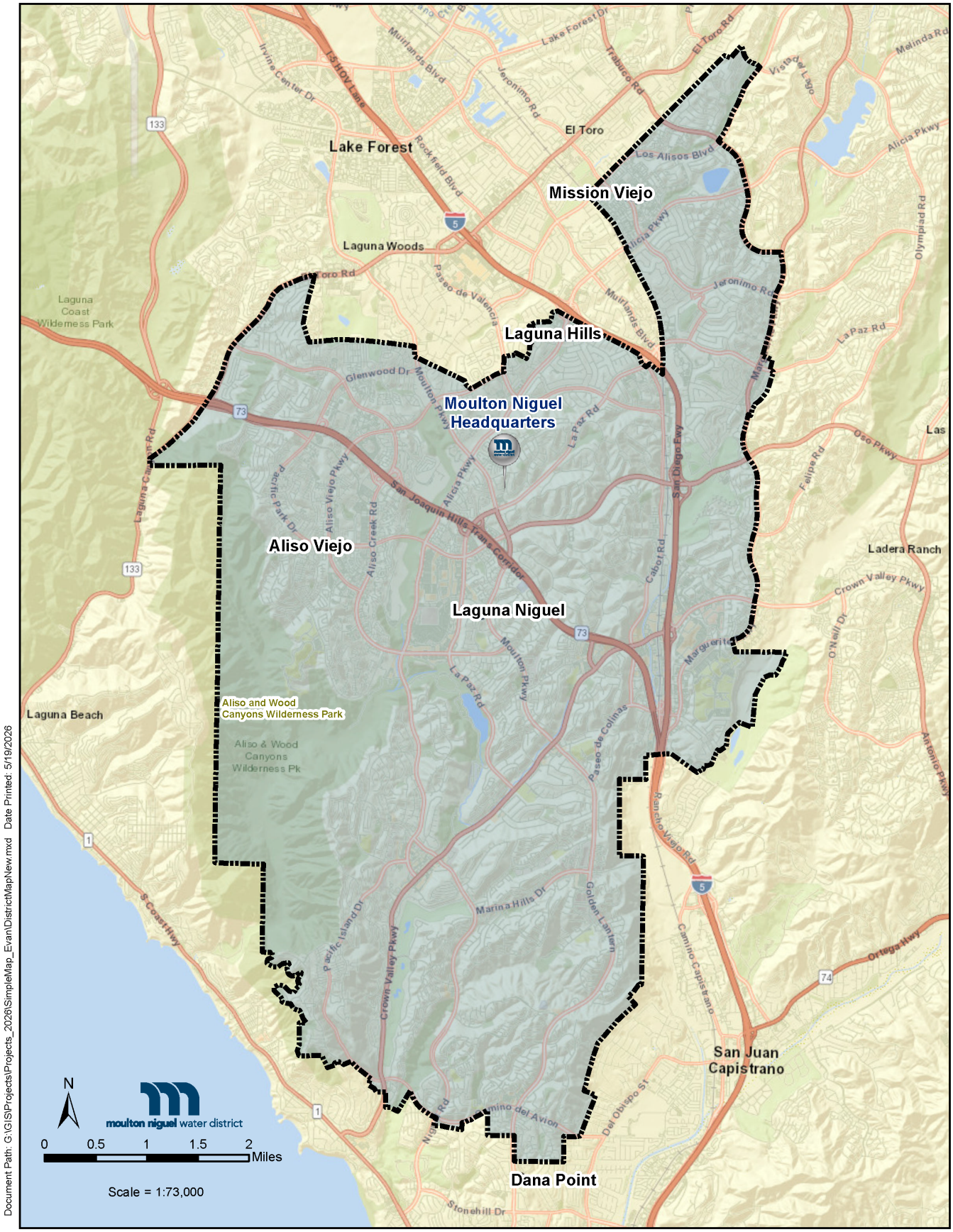
The District serves communities within South Orange County that historically report stronger financial indicators than those of the nation and state. Residential development is the predominant land use throughout the service area. The highest concentration of commercial development is in the City of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



Figure 2: Map of Service Area



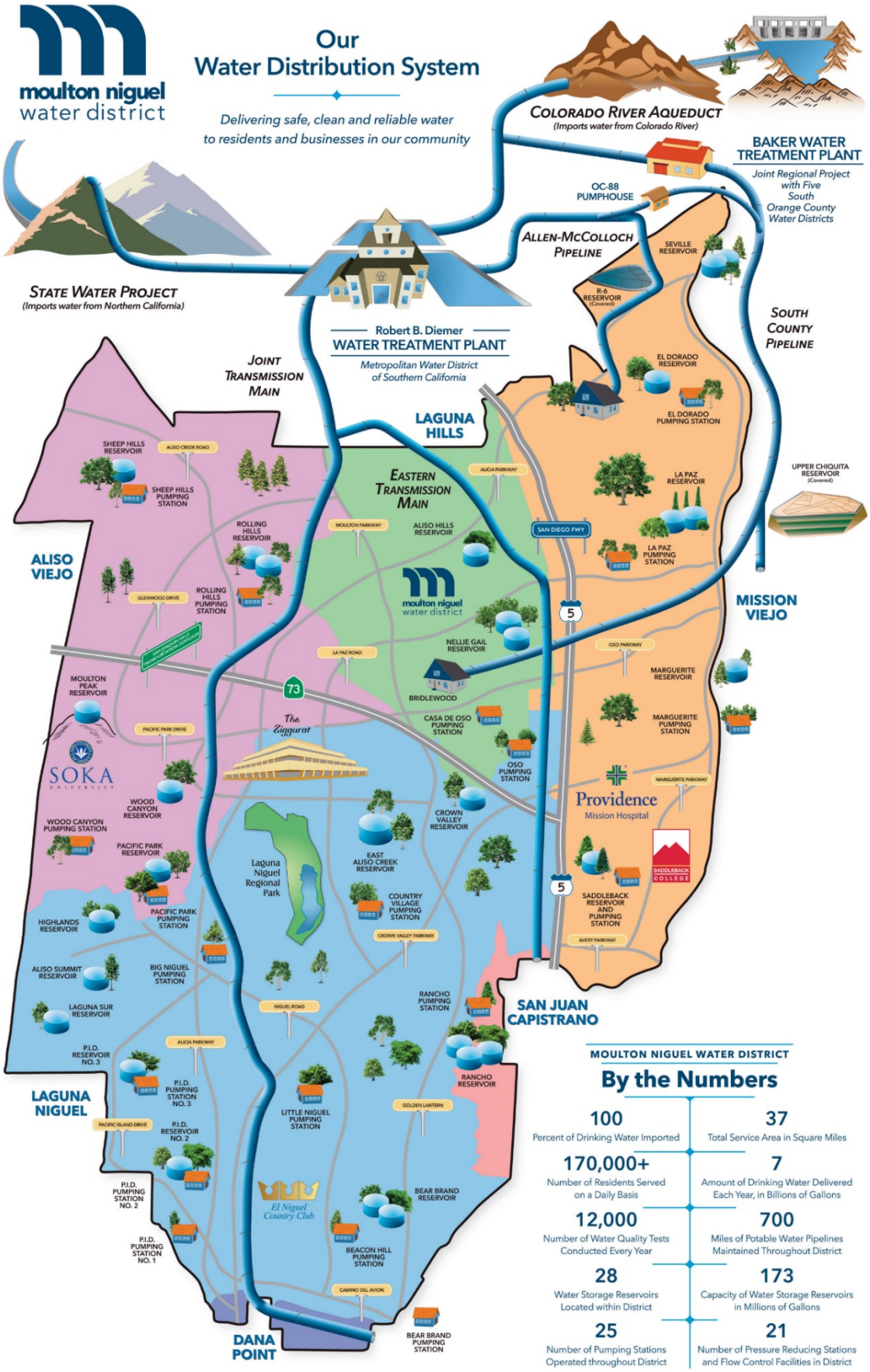
Water Supply & Services

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 updated its Long-Range Water Reliability Plan (LRWRP), which is updated every five years. In March 2026, the District adopted Resolution 26-03 setting forth goals to enhance potable water system and supply reliability based on the results of the 2025 LRWRP. Several of the goals were reaffirmed from the prior policy, including providing a minimum of 31 days and up to 60 days of average annual potable water supply to meet District demands in the event of a short-term interruption of imported supplies from MET. Additional reconfirmed goals included evaluation of up to 15 cubic feet per second (cfs) of emergency water supplies, and consideration of options to develop up to 10,000 acre-feet (AF) of dry-year storage. As part of the recently adopted resolution 26-03, the District added a new policy goal to evaluate Direct Potable Reuse opportunities to develop up to 15 percent of local water supply.

Through prior 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 43 days based on average annual demands with a 20 percent demand reduction in place. The District has continued to pursue expansion of its reuse programs and has initiated several planning studies to evaluate the OASIS Water Resources Center to further expand the District's local water reliability. The District will continue to plan for long-term investments to ensure reliable water supplies for customers and continue to monitor conditions that impact regional reliability.

Figure 3: Potable Water Distribution System



Wastewater Services

The District owns and operates two wastewater treatment plants- the Regional Treatment Plant and Plant 3A. Both of these plants include Advanced Wastewater Treatment (AWT) facilities that together treat secondary effluent to meet Title 22 recycled water, supplying up to 20% of the District's total water demands. They also process approximately 85% of all wastewater generated by District customers and produce all recycled water used within the District's service area. The remaining 15% of wastewater is treated and disposed of 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 two advanced wastewater treatment plants, where it is processed 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 advanced wastewater treatment plants, replacement of critical pipelines, and rehabilitation of lift stations to ensure reliable operation, conveyance, and treatment of wastewater (as shown in the capital budget).

In compliance with the State Water Resources Control Board's wastewater regulations, the District implements its Sewer System Management Plan (SSMP). The SSMP outlines the District's activities for operating and maintaining the wastewater collection system to mitigate any potential causes of a sanitary sewer overflow and includes elements such as: the District's Sanitary Sewer Overflow Prevention Plan, Sanitary Sewer Overflow Response Plan, and pretreatment and engineering programs. The last formal update was in May 2025 with internal audits occurring annually. The subsequent update/re-certification will occur in 2031.

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 Wastewater Treatment (AWT) facilities 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 support 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 Santa Margarita Water District (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 stormwater runoff capture into the recycled water supply and developing an Advanced Water Purification Plant (direct potable reuse) project consistent with State regulatory guidelines as part of the District's OASIS Water Resources Center. Additionally, the District is 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 and wastewater services, 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 drinking water, recycled water, and wastewater collection and treatment. 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



Brian S. Probolsky serves as 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. President 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.



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

Figure 5: Board of Directors



Donald R. Froelich serves on 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.



William "Bill" Moorhead serves on the Moulton Niguel Water District Board of Directors. 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.



Brian Parker serves on the Moulton Niguel Water District Board of Directors. With more than 30 years of senior leadership experience in global operations and corporate governance, Director Parker brings deep expertise in financial oversight, operational efficiency, and infrastructure stewardship. A longtime Laguna Niguel resident and ratepayer, he is committed to responsible governance, watershed protection, and the careful management of the District's water and wastewater systems in service to the community.

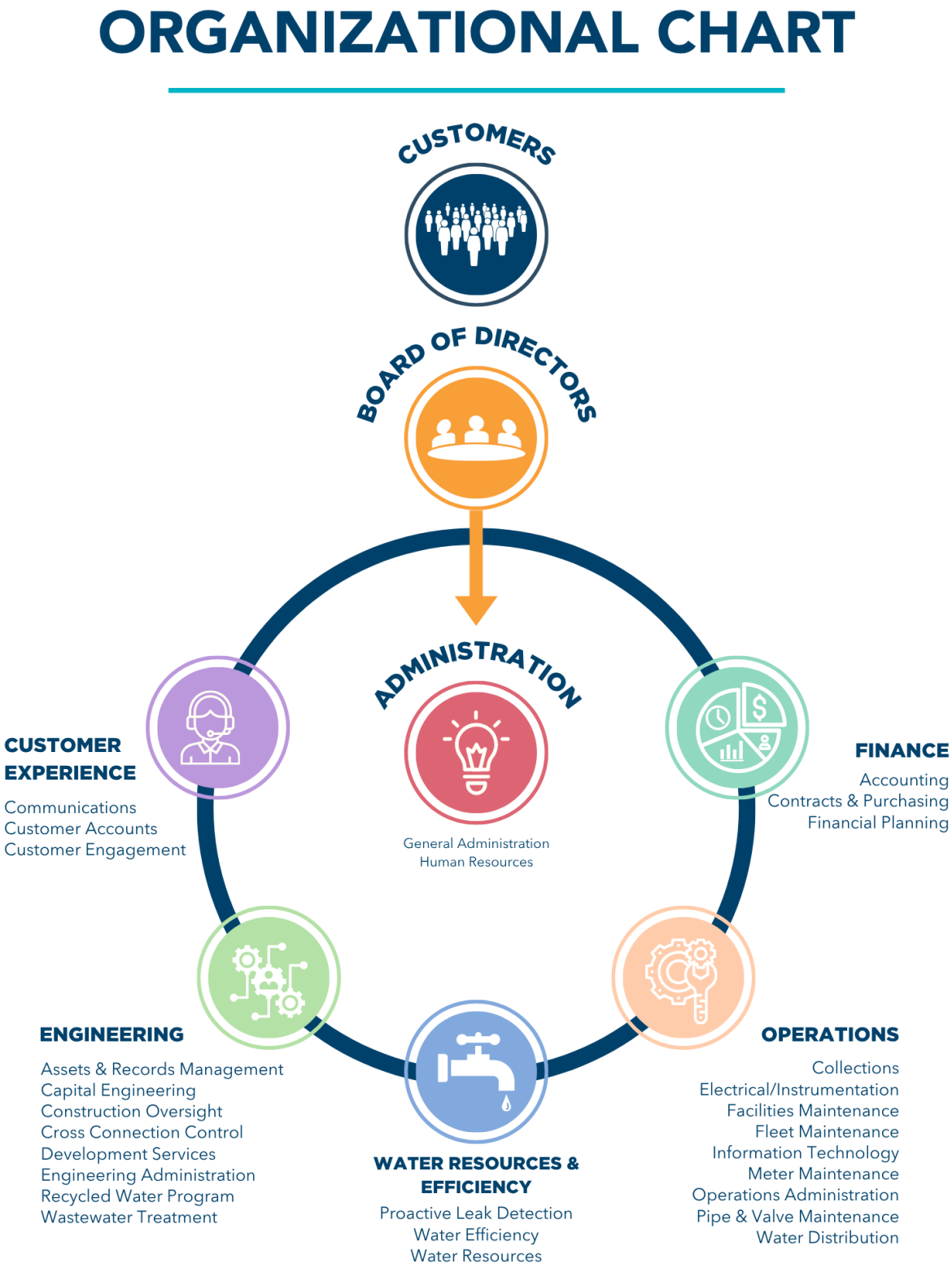


Sherry Wanninger serves on the Moulton Niguel Water District Board of Directors. An expert in finance and contracts, Director Wanninger has contributed to the District's prudent financial management, balanced budgets, and responsible long-term planning. As a Santiago Aqueduct Commissioner, Director Wanninger 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.

Organization Chart (FY 26-27)

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: Organization Chart



moulton niguel
water district

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 and customer water use efficiency.

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

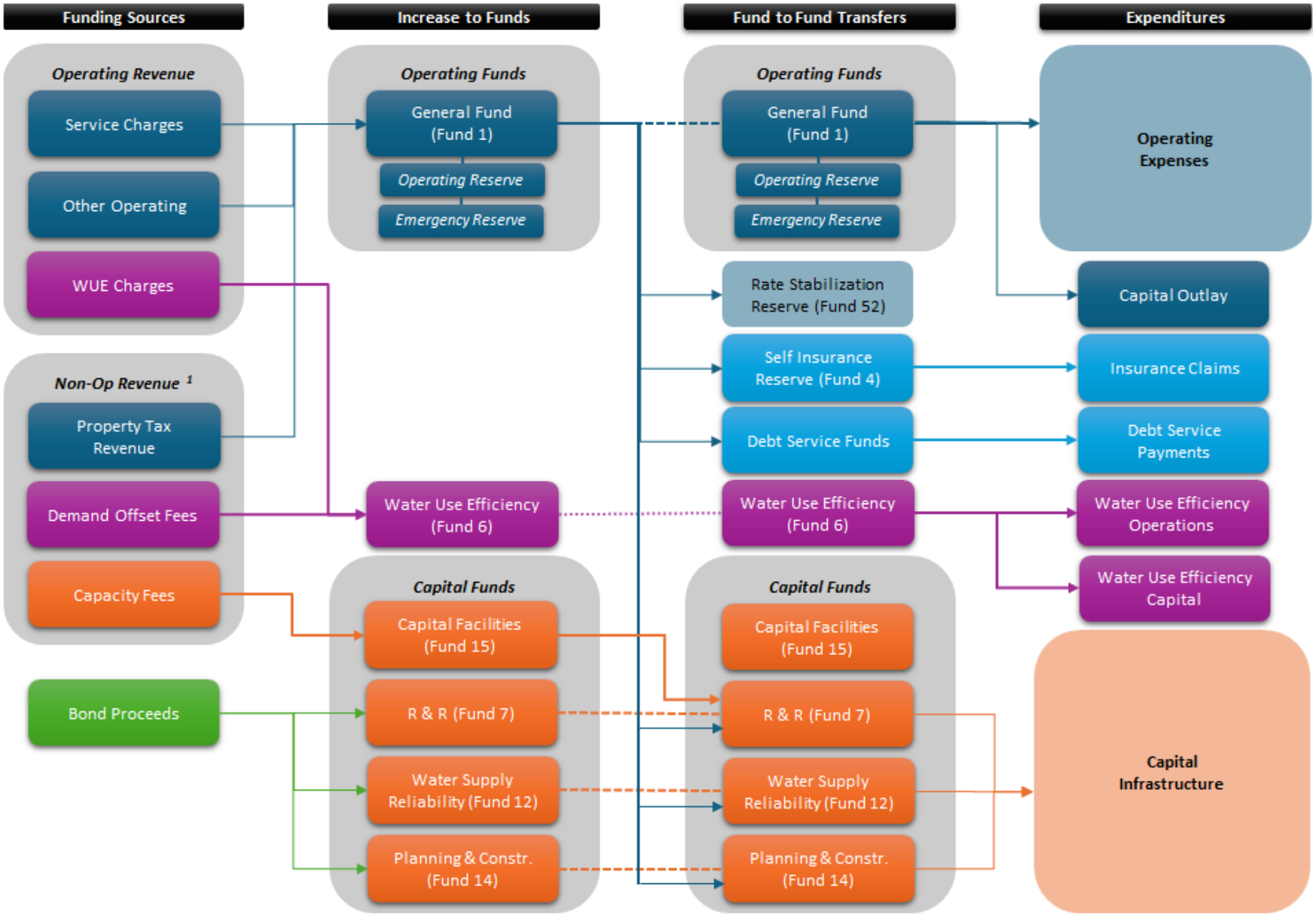
The Planning and Construction Fund is used to pay capital expenditures associated with the development of new District facilities that do not result in new potable or recycled water supplies as identified in the District's Capital Improvement Plan. The Planning and Construction Fund is funded from bond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



[1] *Non-operating revenue also includes investment earnings which are maintained in the fund within which they are earned.*

Budget Process

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 Manager 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.

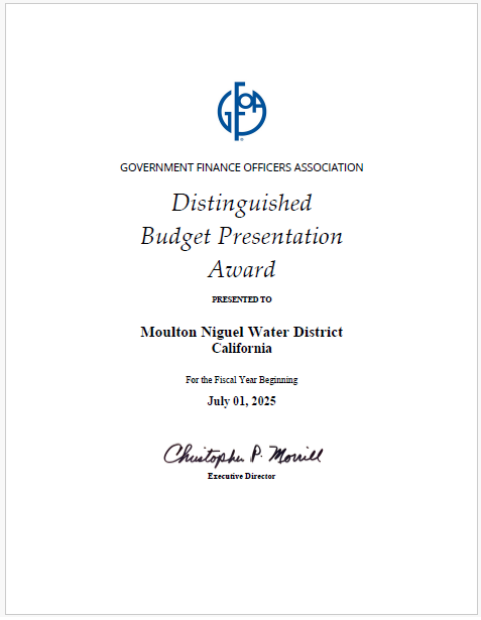
Figure 8: Budget Timeline



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


GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Moulton Niguel Water District
California

For the Fiscal Year Beginning

July 01, 2025

Christopher P. Morrill

Executive Director

Figure 10: CSMFO Operating Excellence Award


California Society of Municipal Finance Officers

Certificate of Award

Operating Budget Excellence Award
Fiscal Year 2025-2026

Presented to the

Moulton Niguel Water District

For meeting the criteria established to achieve a CSMFO Award in Budgeting.

February 5, 2026

Jennifer Wakeman
2025 CSMFO President

James Russell-Field, Chair
Recognition Committee

Dedicated to Excellence in Municipal Financial Reporting

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).

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water district

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 24-25 Budget	FY 24-25 Actual	FY 24-25 $Δ	FY 25-26 Adopted Budget	FY 26-27 Proposed Budget	FY 26-27 Budget Forecast*	FY 26-27 vs FY 25-26 $Δ	FY 26-27 vs FY 25-26 %Δ
Revenue (Operating):								
Water Revenue	36,048,110	34,312,672	(1,735,438)	39,081,957	42,494,278	41,546,515	3,412,321	9 %
Recycled Water Revenue	7,152,192	6,122,280	(1,029,912)	7,682,157	7,891,239	8,308,209	209,082	3 %
Sewer Revenue	30,914,799	33,916,254	3,001,455	33,260,262	39,754,746	39,734,063	6,494,484	20 %
Water Efficiency Revenue	5,927,633	5,200,094	(727,539)	5,927,633	7,146,034	7,146,034	1,218,401	21 %
Other Operating Revenue	1,427,569	1,439,951	12,382	2,610,555	2,281,440	3,005,377	(329,115)	-13 %
Total Operating Revenue	**81,470,303**	**80,991,251**	**(479,052)**	**88,562,564**	**99,567,737**	**99,740,198**	**11,005,173**	**12 %**
Revenue (Non-Operating):								
Property Tax Income	36,048,817	37,029,977	981,160	37,238,076	39,430,616	38,396,908	2,192,540	6 %
Investment Income	2,667,934	3,734,990	1,067,056	4,465,704	4,077,777	3,810,078	(387,927)	-9 %
Cell Site Income	2,249,665	1,710,589	(539,076)	2,333,568	1,994,023	2,420,691	(339,545)	-15 %
Misc. Non-Operating Income	245,090	600,109	367,177	13,817,932	2,313,932	2,447,732	(11,504,000)	-83 %
Capacity Fees	52,154	74,133	21,979	24,012	268,134	956,487	244,122	1017 %
Demand Offset Fees	54,004	-	(54,004)	12,000	56,370	64,505	44,370	370 %
Bond Proceeds	80,000,000	80,000,000	-	-	82,750,000	72,750,000	82,750,000	— %
Total Non-Operating Revenue	**121,305,506**	**123,149,798**	**1,844,292**	**57,891,292**	**130,890,852**	**120,846,401**	**72,999,560**	**126 %**
Total Revenue	**202,775,809**	**204,141,049**	**1,365,240**	**146,453,856**	**230,458,589**	**220,586,599**	**84,004,733**	**57 %**
Expense (Operating):								
Salaries	23,108,362	22,639,092	(469,270)	25,758,235	28,450,410	28,297,976	2,692,175	10 %
Retirement Program	4,623,681	4,252,888	(370,793)	5,186,934	5,440,857	5,656,006	253,923	5 %
Educational Courses	82,499	49,021	(33,478)	91,763	61,520	92,946	(30,243)	-33 %
Travel & Meetings	435,560	381,312	(54,248)	420,895	489,082	429,313	68,187	16 %
Employee Relations	81,510	26,342	(55,168)	81,510	81,250	83,140	(260)	0 %
General Services	473,600	557,935	84,335	464,680	482,450	471,174	17,770	4 %
Annual Audit	68,000	54,375	(13,625)	75,941	79,739	77,460	3,798	5 %
Member Agencies O&M	1,643,222	1,847,575	204,353	3,337,434	3,415,002	3,486,952	77,568	2 %
Dues & Memberships	228,602	233,804	5,202	267,424	532,999	272,772	265,575	99 %
Election Expenses	240,000	233,631	(6,369)	-	240,000	180,000	240,000	0 %
Consulting Services	3,181,500	3,608,784	427,284	5,281,530	2,698,440	2,606,501	(2,583,090)	-49 %
Equipment Rental	36,000	20,615	(15,385)	58,800	70,850	59,976	12,050	20 %
District Fuel	377,000	347,520	(29,480)	377,000	387,950	384,540	10,950	3 %
Insurance - District	1,186,800	1,349,889	163,089	1,663,000	1,687,000	1,696,260	24,000	1 %
Insurance - Personnel	644,658	609,952	(34,706)	772,874	870,125	876,630	97,251	13 %
Insurance - Benefits	4,326,078	3,888,686	(437,392)	4,835,631	5,070,210	5,341,264	234,579	5 %
Legal Services	475,000	687,907	212,907	470,000	520,000	479,400	50,000	11 %
District Office Supplies	925,000	919,362	(5,638)	1,016,017	702,800	1,010,638	(313,217)	-31 %
District Operating Supplies	3,420,405	2,831,543	(588,862)	4,327,400	4,250,100	4,429,818	(77,300)	-2 %
Repairs & Maint. - Equipment	1,685,683	1,694,335	8,652	2,442,921	2,296,312	2,466,280	(146,609)	-6 %
Repairs & Maint. - Facilities	5,503,915	6,340,962	837,047	7,689,698	7,532,189	7,118,520	(157,509)	-2 %
Safety & Compliance	529,233	1,238,779	709,546	584,405	930,590	593,773	346,185	59 %
SOCWA	5,900,086	5,873,165	(26,921)	1,162,600	1,312,135	1,220,730	149,535	13 %
Special Outside Assessments	168,298	225,068	56,770	181,893	182,576	185,531	683	0 %
Utilities	5,388,488	4,882,179	(506,309)	5,332,266	6,191,080	5,667,093	858,814	16 %
Water Purchases	33,508,301	33,760,561	252,260	36,337,987	39,162,269	39,691,196	2,824,282	8 %
Water Efficiency	1,864,000	383,832	(1,480,168)	1,872,000	1,724,500	1,379,990	(147,500)	-8 %
Total Expense (Operating)	**100,105,481**	**98,943,805**	**(1,161,676)**	**110,126,838**	**114,867,435**	**114,292,599**	**4,740,597**	**4 %**
Change in Operating Position	**102,670,328**	**105,197,244**		**36,327,018**	**115,591,154**	**106,294,000**		
Debt Service Payments	**10,490,481**	**10,490,481**	**-**	**14,835,438**	**17,533,378**	**15,122,606**	**2,697,940**	**18 %**
Capital Expense								
General Fund**	393,750	31,730,154	31,336,404	880,000	500,000	500,000	(380,000)	-43 %
R&R Fund	44,983,943	45,725,828	741,885	68,444,988	58,134,894	37,787,067	(10,310,094)	-15 %
Water Supply Reliability Fund	595,877	259,170	(336,707)	372,423	2,125,000	670,362	1,752,577	471 %
Planning & Construction Fund	15,303,105	10,667,267	(4,635,838)	23,090,244	22,250,500	17,559,758	(839,744)	-4 %
Water Efficiency Fund	1,050,000	997,861	(52,139)	50,000	50,000	50,000	-	— %
Total Capital Expense	**62,326,675**	**89,380,280**	**27,053,605**	**92,837,655**	**83,060,394**	**56,567,187**	**(9,777,261)**	**-11 %**
Projected Change in Funds	**29,853,172**	**5,326,483**		**(71,346,075)**	**14,997,382**	**34,604,207**		

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 26-27 projections developed from the latest Long Range Financial Plan used for 2025 Rate Study.*

***General Fund FY 24-25 Capital Expense includes $30.5M acquisition of the Regional Treatment Plant.*

Table 3: General Fund Statement

	FY 24-25 Budget	FY 24-25 Actual	FY 24-25 Difference	FY 25-26 Budget	FY 26-27 Proposed Budget	FY 26-27 Forecast*	FY 26-27 vs FY 25-26 $Δ	FY 26-27 vs FY 25-26 %Δ
Revenue (Operating):								
Water Revenue	36,048,110	34,312,672	(1,735,438)	39,081,957	42,494,278	41,546,515	3,412,321	9 %
Recycled Water Revenue	7,152,192	6,122,280	(1,029,912)	7,682,157	7,891,239	8,308,209	209,082	3 %
Sewer Revenue	30,914,799	33,916,254	3,001,455	33,260,262	39,754,746	39,734,063	6,494,484	20 %
Other Operating Revenue	1,335,469	1,439,951	104,482	2,610,555	2,281,440	3,005,377	(329,115)	(13)%
Total Operating Revenue	**75,450,570**	**75,791,157**	**340,587**	**82,634,931**	**92,421,703**	**92,594,164**	**9,786,772**	**12 %**
Revenue (Non-Operating):								
Property Tax Income	36,048,817	37,029,977	981,160	37,238,076	39,430,616	38,396,908	2,192,540	6 %
Investment Income	2,622,070	3,659,559	1,037,489	4,343,164	3,977,575	3,767,030	(365,589)	(8)%
Cell Site Income	2,249,665	1,710,589	(539,076)	2,333,568	1,994,023	2,420,691	(339,545)	(15)%
Misc. Non-Operating Income	332,932	591,456	258,524	13,917,932	2,413,932	2,549,732	(11,504,000)	(83)%
Total Non-Operating Revenues	**41,253,484**	**42,991,581**	**1,738,097**	**57,832,740**	**47,816,146**	**47,134,361**	**(10,016,594)**	**(17)%**
Total Revenue	**116,704,054**	**118,782,738**	**2,078,684**	**140,467,671**	**140,237,849**	**139,728,525**	**(229,822)**	**0 %**
Expense (Operating)								
Salaries	21,164,717	20,367,974	(796,743)	23,640,370	26,081,941	25,932,017	2,441,571	10 %
Retirement Program	4,428,231	3,968,351	(459,880)	4,969,771	5,197,686	5,410,028	227,915	5 %
Educational Courses	55,266	43,986	(11,280)	85,520	56,520	86,578	(29,000)	-34 %
Travel & Meetings	391,933	345,926	(46,007)	368,321	436,882	375,688	68,561	19 %
Employee Relations	81,510	26,342	(55,168)	81,510	81,250	83,140	(260)	0 %
General Services	473,600	557,935	84,335	464,680	482,450	471,174	17,770	4 %
Annual Audit	68,000	54,375	(13,625)	75,941	79,739	77,460	3,798	5 %
Member Agencies O&M	1,643,222	1,847,575	204,353	3,337,434	3,415,002	3,486,952	77,568	2 %
Dues & Memberships	184,810	205,466	20,656	235,174	500,749	239,877	265,575	113 %
Election Expenses	240,000	233,631	(6,369)	-	240,000	180,000	240,000	0 %
Consulting Services	1,931,500	1,929,048	(2,452)	4,789,530	2,397,940	2,104,661	(2,391,590)	-50 %
Equipment Rental	36,000	20,615	(15,385)	58,800	70,850	59,976	12,050	20 %
District Fuel	377,000	347,520	(29,480)	377,000	387,950	384,540	10,950	3 %
Insurance - District	1,186,800	1,349,889	163,089	1,663,000	1,687,000	1,696,260	24,000	1 %
Insurance - Personnel	598,825	578,595	(20,230)	721,924	808,578	818,428	86,654	12 %
Insurance - Benefits	4,000,073	3,580,086	(419,987)	4,474,651	4,721,853	4,931,245	247,202	6 %
Legal Services	450,000	675,684	225,684	450,000	500,000	459,000	50,000	11 %
District Office Supplies	647,302	760,984	113,682	771,467	496,250	761,197	(275,217)	-36 %
District Operating Supplies	3,409,905	2,819,400	(590,505)	4,315,400	4,234,600	4,425,228	(80,800)	-2 %
Repairs & Maint. - Equipment	1,364,683	1,382,022	17,339	2,072,836	1,857,848	2,114,293	(214,988)	-10 %
Repairs & Maint. - Facilities	5,503,915	6,340,962	837,047	7,689,698	7,532,189	7,118,520	(157,509)	-2 %
Safety & Compliance	523,458	1,236,858	713,400	579,330	925,215	590,917	345,885	60 %
SOCWA	5,900,086	5,873,165	(26,921)	1,162,600	1,312,135	1,220,730	149,535	13 %
Special Outside Assessments	168,298	225,068	56,770	181,893	182,576	185,531	683	0 %
Utilities	5,388,488	4,882,179	(506,309)	5,332,266	6,191,080	5,667,093	858,814	16 %
Water Purchases	33,508,301	33,760,561	252,260	36,337,987	39,162,269	39,691,196	2,824,282	8 %
Total Operating Expense	**93,725,923**	**93,418,888**	**(307,035)**	**104,273,103**	**109,045,552**	**108,608,449**	**4,772,449**	**5 %**
Change in Operating Position	**22,978,131**	**25,363,850**		**36,194,568**	**31,192,297**	**31,120,076**		
Capital Expense								
Capital Outlay Expense**	393,750	31,730,154	31,336,404	880,000	500,000	500,000	(380,000)	-43 %
Total Capital Expense	**393,750**	**31,730,154**	**31,336,404**	**880,000**	**500,000**	**500,000**	**(380,000)**	**-43 %**
Projected Change in Funds	**22,584,381**	**(6,366,304)**		**35,314,568**	**30,692,297**	**30,620,076**		

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 26-27 projections developed from the latest Long Range Financial Plan used for 2025 Rate Study.*

***General Fund FY 24-25 Capital Expense includes $30.5M acquisition of the Regional Treatment Plant.*

Table 4: Water Efficiency Fund Statement

	FY 24-25 Budget	FY 24-25 Actual	FY 24-25 Difference	FY 25-26 Budget	FY 26-27 Proposed Budget	FY 26-27 Forecast*	FY 26-27 vs FY 25-26 $Δ	FY 26-27 vs FY 25-26 %Δ
Revenue (Operating):								
Projected Water Efficiency Revenue	5,927,633	5,200,094	(727,539)	5,927,633	7,146,034	7,146,034	1,218,401	21 %
Total Operating Revenues	**5,927,633**	**5,200,094**	**(727,539)**	**5,927,633**	**7,146,034**	**7,146,034**	**(7)**	**— %**
Revenue (Non-Operating):								— %
Investment Income	45,864	75,432	29,568	122,540	100,202	43,049	(22,338)	(18)%
Demand Offset Fees	54,004	—	(54,004)	12,000	56,370	64,505	44,370	370 %
Total Non-Operating Revenues	**99,868**	**75,432**	**(24,436)**	**134,540**	**156,572**	**107,554**	**22,032**	**16 %**
Total Revenue	**6,027,501**	**5,275,526**	**(751,975)**	**6,062,173**	**7,302,606**	**7,253,588**	**1,240,426**	**20 %**
Expense (Operating)								
Labor	2,510,933	2,895,613	384,680	2,746,956	3,021,543	3,080,158	274,587	10 %
Educational Courses	27,234	5,035	(22,199)	6,243	5,000	6,368	(1,243)	-20 %
Travel & Meetings	43,627	35,386	(8,241)	52,574	52,200	53,625	(374)	-1 %
Dues & Memberships	43,792	28,338	(15,454)	32,250	32,250	32,895	-	0 %
Consulting Services	1,250,000	1,679,736	429,736	492,000	300,500	501,840	(191,500)	-39 %
Legal Services	25,000	12,223	(12,777)	20,000	20,000	20,400	-	0 %
Conservation Supplies	288,198	170,522	(117,676)	256,550	222,050	254,031	(34,500)	-13 %
Repairs & Maint. – Equipment	321,000	312,312	(8,688)	370,085	438,464	351,987	68,379	18 %
Safety & Compliance	5,775	1,921	(3,854)	5,075	5,375	2,856	300	6 %
Water Efficiency	1,864,000	383,832	(1,480,168)	1,872,000	1,724,500	1,379,990	(147,500)	-8 %
TOTAL OPERATING EXPENSES	**6,379,559**	**5,524,918**	**(854,641)**	**5,853,733**	**5,821,882**	**5,684,150**	**(31,851)**	**-1 %**
Change in Operating Position	**(352,058)**	**(249,392)**		**208,440**	**1,480,724**	**1,569,438**		
Capital Expense								
Total Capital Expense	**1,050,000**	**997,861**	**(52,139)**	**50,000**	**50,000**	**50,000**	**-**	**0 %**
Projected Change In Funds	**(1,402,058)**	**(1,247,253)**		**158,440**	**1,430,724**	**1,519,438**		

Statement Footnotes

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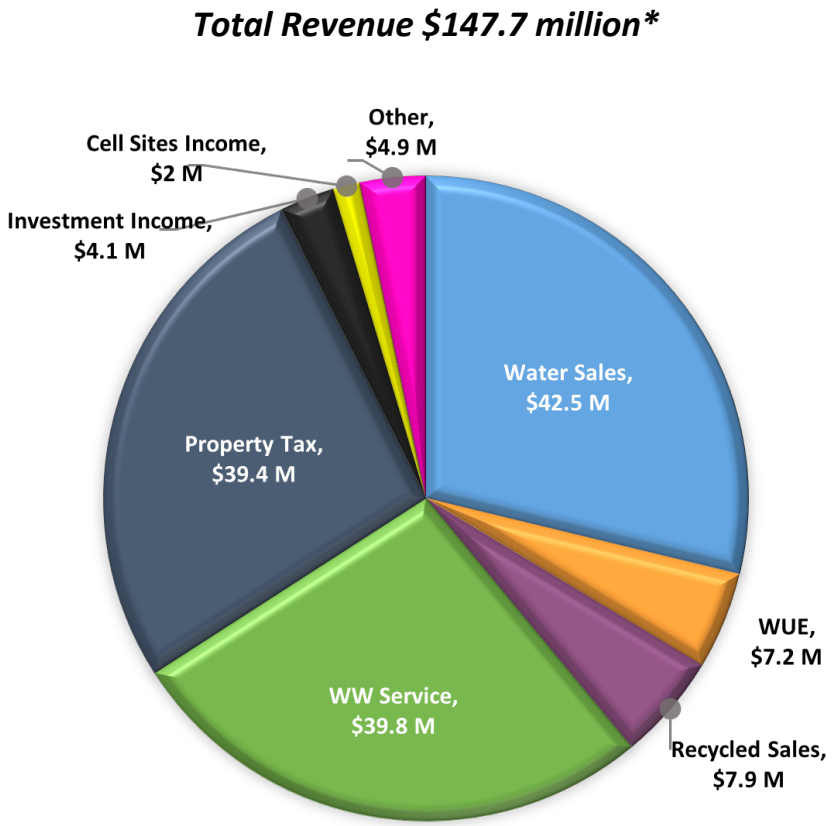
**Forecasted values are based on the FY 26-27 projections developed from the latest Long Range Financial Plan used for 2025 Rate Study.*

Revenue Summary & Discussion

In December 2025, the Board adopted a four-year rate schedule for potable, recycled, and wastewater service charges based on the 2025 Cost of Service (COS) Study. Year-over-year changes in total revenue are mainly driven by adopted rates from the 2025 COS, changes in water consumption behaviors, and annual receipts of Ad Valorem property taxes. 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 26-27 are grouped into the following categories as shown in *Figure 11: Major Revenue Categories*:

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

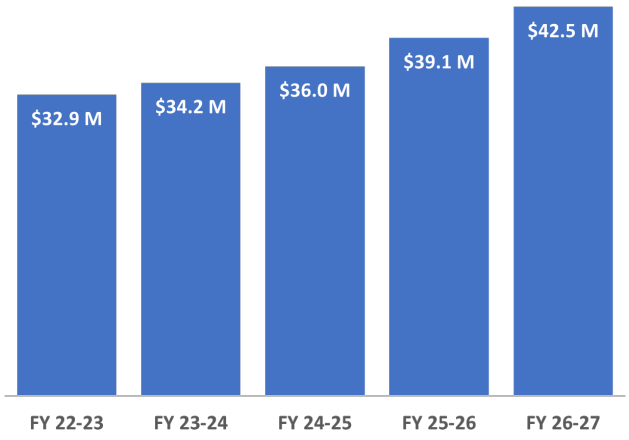
Figure 11: Major Revenue Categories



**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.*

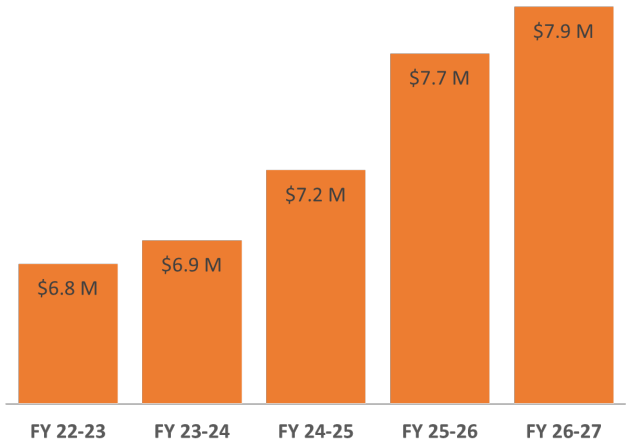
Revenue Summary & Discussion (Continued)

Water Sales



Water sales revenue is generated from customer usage of imported potable water. FY 26-27 potable water demand is budgeted at FY 25-26 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 water rate increases to recover the increase in Metropolitan Water District of Southern California (MET) rates for imported water, effective January 2026.

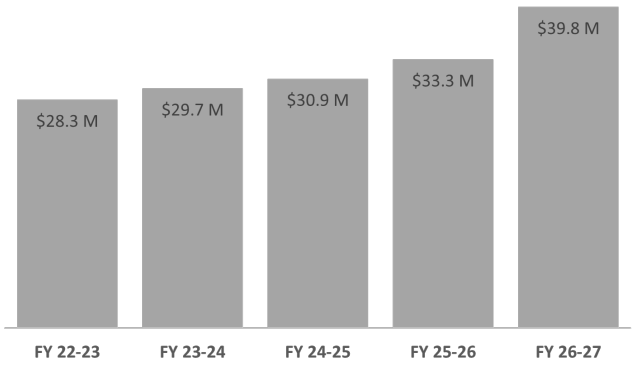
Recycled Water Sales



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 the rate increases adopted in December 2025.

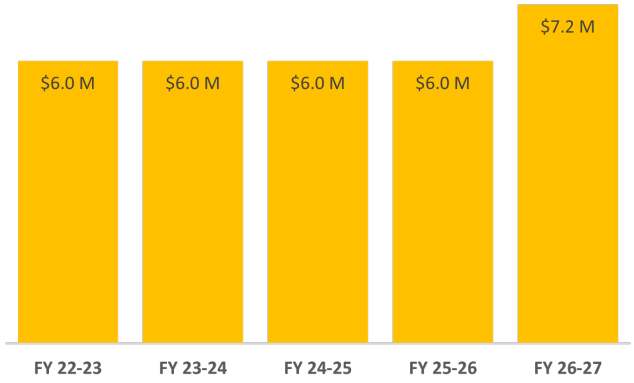
Revenue Summary & Discussion (Continued)

Wastewater Services



Wastewater services revenue is generated from the collection and treatment of wastewater. The increase in revenue is attributed to the rate increases adopted in December 2025.

Water Efficiency Revenue



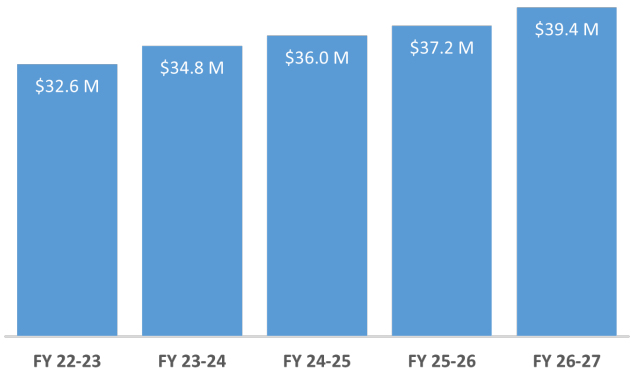
Customers who exceed their water budgets are billed at higher rates for the amount of water they use above their water budget. All water rate revenue over the retail cost of imported water will be designated for the Water Use Efficiency Fund to fund new water supply projects and invest in water efficiency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

The increase in FY 26-27 is due to the one-time increase of $0.93 per average billing unit in FY 25-26 to the Water Efficiency Fund share of the rates for out-of-budget usage. This rate increase is required for the District to recover planned increases in rebate funding and water efficiency program participation and fund recycled water system expansions that increase water supply and reliability.

Given customers' responsiveness to wet weather conditions, no increases in out-of-budget water use are anticipated. As such, no drought penalties are assumed in FY 26-27.

Revenue Summary & Discussion (Continued)

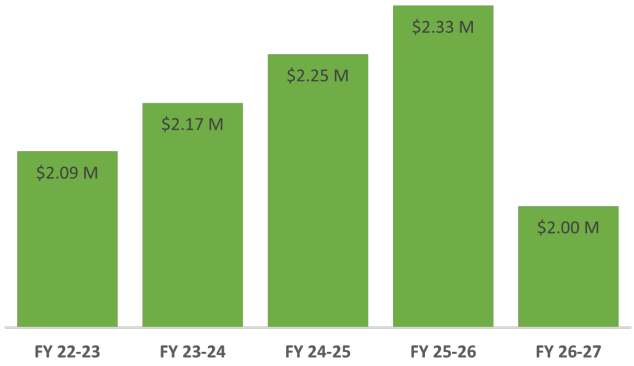
Property Tax Income



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 5.9% 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.

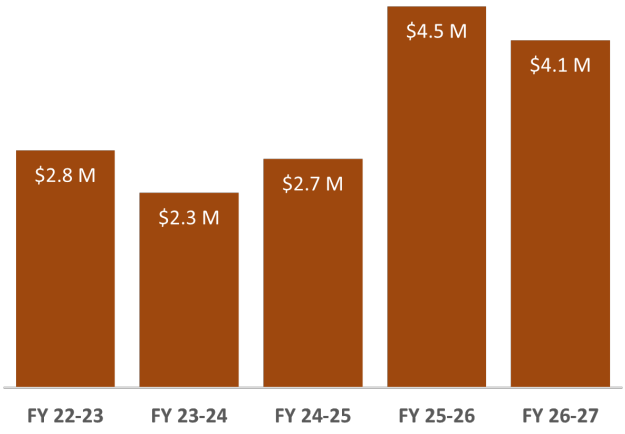
Cell Site Income



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 over 30 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 decrease by 14.6%, due to a reduction in expected site agreement renewals from prior years.

Revenue Summary & Discussion (Continued)

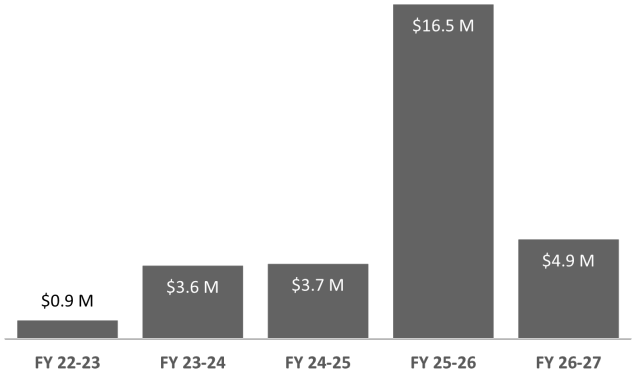
Investment Income



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 $4.1 million is a result of the planned spend down of unrestricted cash balances slightly reducing the District's investment income from the last fiscal year; however, 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 3.71% 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

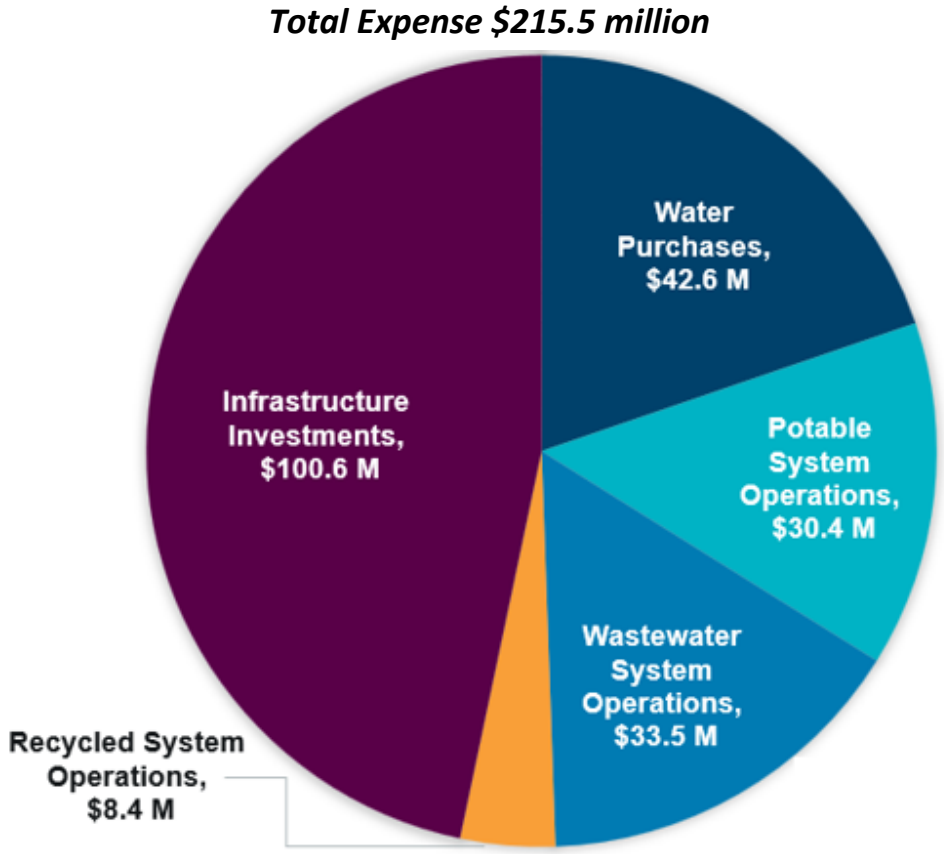


Other Income includes grants and the user fees customers pay to utilize specific services, such as turn on/turn off, late bill payments, and other user fees. Revenues from permitting-related activities, such as the Fat, Oils, and Grease (FOG) program and Plan Check and Inspection (PCI) process, are also captured here. The decrease in FY 26-27 compared to FY 25-26 is primarily attributable to the presence of significant one-time grant funding recognized in the previous fiscal year. Specifically, FY 25-26 included over $11 million in FEMA grant revenues, awarded through the Hazard Mitigation Program for the replacement of the Regional Lift Station pipelines and Building Resilient Infrastructure and Communities program to support the OASIS Water Resources Center planning studies. Excluding this non-recurring revenue, underlying operating and non-operating revenues in this category remain stable, and FY 26-27 reflects a return to typical revenue levels following a one-time funding event.

Expense Summary & Discussion

Expenses for FY 26-27 are grouped into four major categories as shown below in *Figure 12: Major Expense Categories:*

Figure 12: Major Expense Categories



Capital Infrastructure

Anticipated Capital Infrastructure Investments of $100.6 million represent over 47% of total expenditures. This budget allocates $83.1 million towards the Capital Improvement Program as well as $17.5 million towards annual bond payments for past capital infrastructure investments. This category is the largest expense in the FY 26-27 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
- System Operations
  - Potable Water
  - Recycled Water
  - Wastewater Collection and Treatment

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 4% to a total of $114.9 million. External sources account for nearly 60% of the year over year increase in the operating budget. The financial statements display the line-item detail of changes in operating expenses.

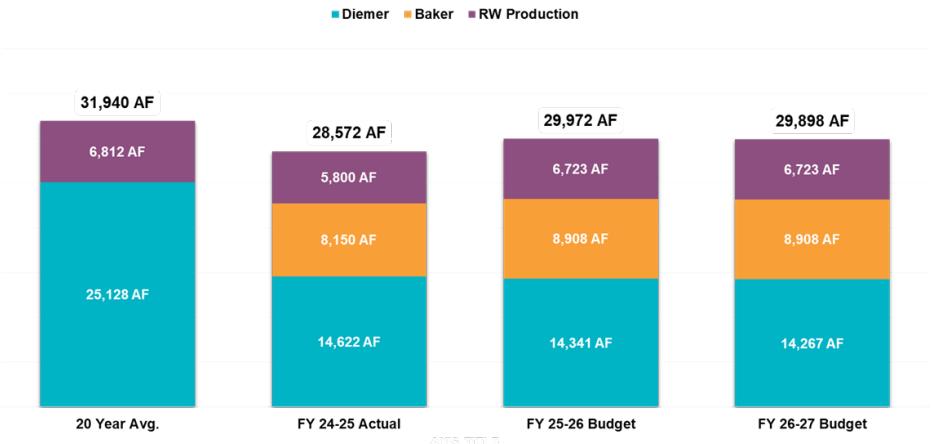
Water Purchases

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 $39.8 million budget in FY 26-27 is made up of the following financial statement line items:

- $39.2 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 26-27 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 26-27 budget increase is due to the 6.2% MET rate increase, effective January 1, 2027 and another 6.2% rate increase, effective January 1, 2028. The volume of imported water for FY 26-27 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 26-27 is $72.3 million and represents 34% of the total budget. This category includes all operating expense line items from the fund statements excluding Water Purchases. Notable O&M line item budgets from the fund statements are discussed below:

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 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. The FY 26-27 budget reflects a $2.6 million decrease from the prior year budget. This reduction is primarily due to one-time expenditures included in FY 25-26, most notably, planning studies related to the OASIS Water Resources Center (partially offset by over $1 million in grant funding). The prior year also included high-demand distribution system modeling in support of fire resiliency, GIS network migration support, the wastewater system planning efforts, and consulting services for a peer review of the District's 2025 Cost of Service Study.

With the completion of these planning and strategic initiatives, the FY 26-27 budget reflects a return to more typical levels of professional services and planning expenditures.

Repairs & Maintenance - Facilities

The District maintains or reinvests in its facilities and systems and the FY 26-27 budget of $7.5 million includes provisions for: System Maintenance and System Repairs, Paving Repairs, Raising Valves and Manholes, Permits, Landscape and Tree Maintenance, Waste Disposal, and Contract and Maintenance Agreements.

Proposed budget reflects expected cyclical variations across categories. Decreases are observed in system maintenance, while increases are noted in pest control, manhole raising, and hazardous waste disposal. Notably, the System Repairs category has decreased significantly, consistent with recent trends indicating a greater portion of costs being capitalized.

Additionally, certain field equipment related expenses previously classified under Repairs & Maintenance-Equipment have been reallocated to Repairs & Maintenance-Facilities to more accurately reflect the nature of the work, contributing to an increase within this category. Overall, these offsetting changes result in a modest 2% decrease.

Repairs & Maintenance - Equipment

The FY 26-27 budget includes funding for the physical and digital equipment necessary for staff to maintain District infrastructure and respond to emergencies. The $2.3 million budget for Repairs & Maintenance - Equipment is decreased by $147 thousand over prior year. This decrease is partially attributable to the District's implementation of billing system improvements, resulting in the discontinuation of Utiligy licensing costs going forward. Additionally, as noted in Repairs & Maintenance - Facilities, certain field equipment - related expenses have been reallocated from this category to more accurately reflect the nature of the work, further contributing to the overall reduction.

District Operating Supplies

The FY 26-27 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 $77,300 decrease over prior year is primarily driven by a lower unit cost for sodium hypochlorite, reflecting the District's ongoing efforts to proactively secure favorable contract pricing and optimize procurement practices.

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 26-27 totals $6.2 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 26-27 budget anticipates an average rate increase of 5% from both the agencies.

As part of ongoing budget alignment and improved cost allocation practices, utility expenses previously charged to a District-wide Business Unit are now being formally budgeted beginning in FY 26-27. Accordingly, the increase in this category reflects both the impact of rising energy costs and the allocation of these expenses to their appropriate cost center.

The District has observed a continual increase in electricity rates and seeks to explore opportunities for enhancing cost management. Multiple projects in the FY 26-27 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 the installation costs and the energy savings from the Micro-Hydro Turbine at Bridlewood FCF and energy savings from the Solar Panels at Headquarters Projects will generate electricity to help offset future electricity costs.

Travel & Meetings

The Travel & Meetings budget, which includes seminars, conferences, training, and related travel costs, reflects a 16% increase in FY 26-27. This increase is primarily driven by expanded training activities, the reallocation of educational course expenditures into this category to more appropriately reflect the nature of the cost, and higher travel costs due to rising airfare and general inflationary pressures.

A significant portion of the increase is attributable to training costs, as staff continue to pursue new certifications and renew existing credentials. These include various levels and specializations, along with safety-related certifications for water and wastewater treatment plant operators. Such certifications are typically required by state regulatory agencies to ensure compliance with operational standards and the protection of public health.

Legal Services

The Legal Services budget reflects an increase of $50,000 in FY 26-27, primarily due to the addition of a new line item to support legal services associated with the OASIS Direct Potable Reuse (DPR) program. This funding is necessary to address the complex regulatory, permitting, and contractual requirements associated with DPR implementation, ensuring compliance with evolving state regulations and supporting the successful advancement of this critical long-term water supply initiative.

Dues & Memberships

The Dues & Memberships budget reflects an increase of $265,575 in FY 26-27, primarily due to the reclassification of sponsorship expenditures into this category from District Office Supplies to align expenses with their appropriate classification.

District Office Supplies

Correspondingly, the District Office Supplies budget reflects a decrease as these sponsorship-related costs have been moved to Dues & Memberships to better align expenses with their appropriate classification

Safety & Compliance

The Safety Compliance and Requirements budget increases by $346,185 in FY 26-27, driven by regulatory requirements and participation in regional initiatives. Key contributors include compliance with the SWRCB Collections System Permit, participation in the CASA Air Toxics Study to address evolving air quality regulations, and involvement in the Southern California Regional Biosolids Coalition Study to proactively manage biosolids challenges. These efforts support both mandatory compliance and strategic preparedness for emerging environmental regulations.

Additionally, the increase reflects ongoing compliance obligations, including underground storage tank inspections, hazardous materials and air quality permitting (OCHCA and AQMD), portable equipment registration (PERP), certified contractor services, stormwater pollution prevention (SWPPP), and required laboratory testing. These activities ensure adherence to federal, state, and local regulations while protecting public health and environmental quality.

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 FY 26-27 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 fourth 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.
- Three new staff positions are proposed in the FY 26-27 Budget: one (1) wastewater operator and two (2) maintenance workers to support the hydrant inspection program.

Fund Balance Summary

Table 5: Summary of Revenues, Expenses and Transfers

Fund No.	Fund	Projected Cash Fund Balance 6/30/2026	Reserve Funds	Net Available	Increase		Total Available	Decrease		Total Decrease	Projected Ending Balance 6/30/2027	Fund Balance Change
					Revenue	Transfer		Expense	Transfer			
1	General*	124,164,404	62,604,140	61,560,264	140,237,849	-	201,798,113	109,545,552	69,564,106	179,109,658	85,292,595	-31%
6	Water Efficiency	2,359,349	-	2,359,349	7,302,606	-	9,661,955	5,871,882	-	5,871,882	3,790,073	61%
	Capital Improvement Funds											
7	Replacement & Refurbishment	21,969,937	-	21,969,937	-	36,164,957	58,134,894	58,134,894	-	58,134,894	-	-100%
12	Water Supply Reliability	-	-	-	-	2,125,000	2,125,000	2,125,000	-	2,125,000	-	0%
14	Planning & Construction	6,674,225	-	6,674,225	-	15,576,275	22,250,500	22,250,500	-	22,250,500	-	-100%
	Miscellaneous Funds											
15	Capital Facilities	80,475	-	80,475	268,134	-	348,609		80,475	80,475	268,134	233%
4	Self Insurance	350,079	250,000	100,079	-	-	100,079	100,000	-	100,000	250,079	-29%
52	Rate Stabilization	19,059,565	19,715,308	(655,743)	-	655,743	-		-	-	19,715,308	3%
	Debt Service Funds											
12	2019 Revenue Bonds**	-	-	-	-	4,428,125	4,428,125	4,428,125	-	4,428,125	-	0%
73	2019 COPS	-	-	-	-	3,312,081	3,312,081	3,312,081	-	3,312,081	-	0%
74	2021 COPS	-	-	-	-	2,739,025	2,739,025	2,739,025	-	2,739,025	-	0%
75	2025 COPS	-	-	-	-	4,643,375	4,643,375	4,643,375	-	4,643,375	-	0%
76	2026 COPS***	-	-	-	-	2,410,772	2,410,772	2,410,772		2,410,772	-	0%
	Total	**174,658,034**	**82,569,448**	**92,088,586**	**147,808,589**	**72,055,353**	**311,952,528**	**215,561,206**	**69,644,581**	**285,205,787**	**109,316,189**	**-37%**

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 $26,068,276 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 76 2026 COPS** - *Proceeds from the 2026 COPs are held in Fund 76; 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 76. 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 $109.5 million budgeted operating and capital outlay expenses, total use of funds for the General Fund includes $69.6 million in transfers to the Capital, Miscellaneous, and Debt Service Funds for total cash outflows of $179.1 million in FY 26-27.

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 $5.9 million of expense 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 $58.1 million for Fund 7 are driven by the FY 26-27 budget allocation for the following projects:

- $25.0 million for the Plant 3A Solids Handling Facilities Improvements
- $8.2 million million for the Regional Lift Station Force Main Replacements
- $4.0 million million for the RTP Gratings and Gates Replacements (Liquids)
- $3.0 million million for the North Aliso Lift Station Reconstruction
- $3.0 million million for Service Line Replacements - Potable Water System

Water Supply Reliability – Fund 12

Under Fund 12, two key capital projects support the District's long-term water reliability strategy:

1. OASIS Advanced Water Purification Demonstration Facility - This project is designed to demonstrate and evaluate advanced water treatment technologies to support Direct Potable Reuse (DPR). The facility will help validate treatment processes, ensure compliance with evolving regulatory requirements, and build public confidence in purified water as a safe, sustainable, and drought-resilient local water supply.
2. OCWD Basin Emergency Interconnection at Santa Ana East Station - This project will provide an emergency interconnection to the Orange County Water District (OCWD) groundwater basin, enhancing system redundancy and enabling the District to access alternative water supplies during emergencies or supply disruptions.

Planning and Construction – Fund 14

Capital investments of $22.3 million for Fund 14 are driven by the FY 26-27 budget allocation for the following projects:

- $19.0 million for the Regional Treatment Plant AWT Salinity Management
- $3.5 million for the Plant 3A Solids Loadout Facility
- $1.0 million for the Micro-Hydro Turbine at Bridlewood Flow Control Facility

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.

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 2025 Long-Range Water Reliability Plan (LRWRP). 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 $593.8 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.

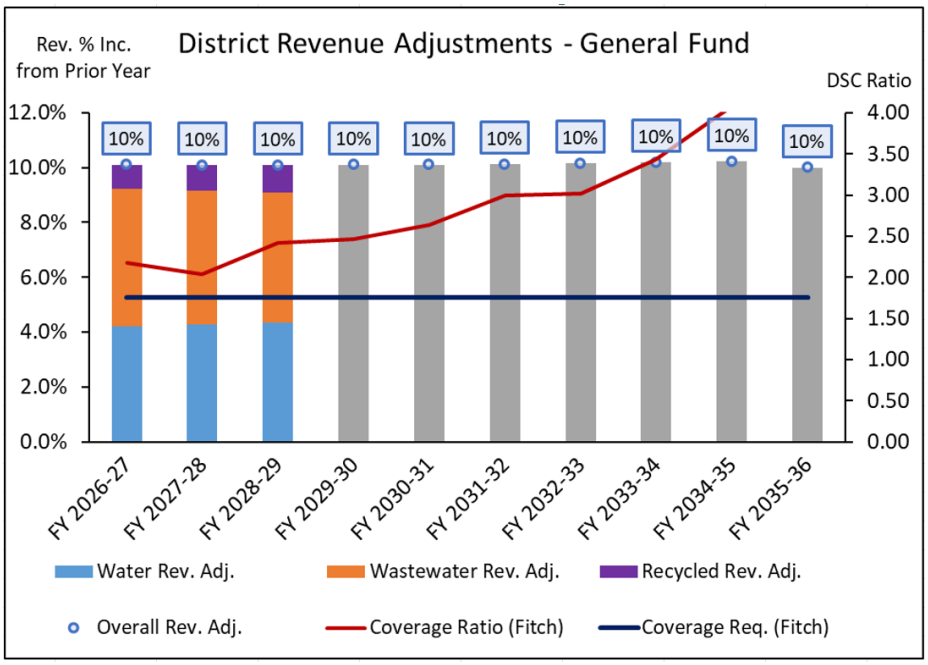
Table 6: 10-Year Cash Flow Model Outputs

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	$83 million
28-29	$96 million
31-32	$60 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)

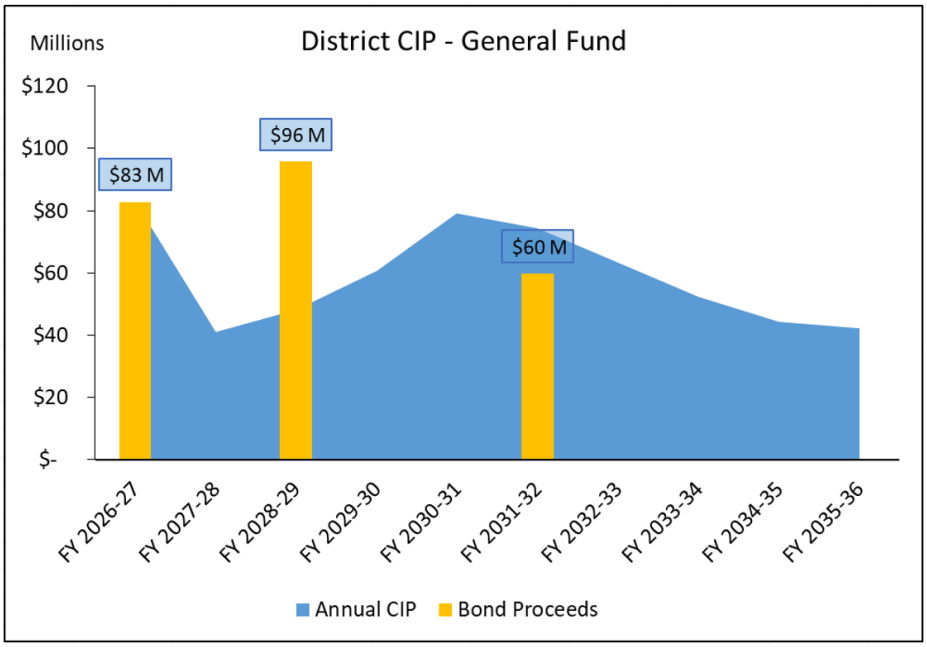
Figure 14: District Rate Revenue Adjustments (General Fund)



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 rate revenue adjustments shown through FY 2028-29 are the results of the District's 2025 Cost of Service Study. The Board adopted the proposed rate revenue adjustments in 2025. Additionally, the District commits to annually updating the LRFP during the budget process to reflect evolving circumstances and priorities.

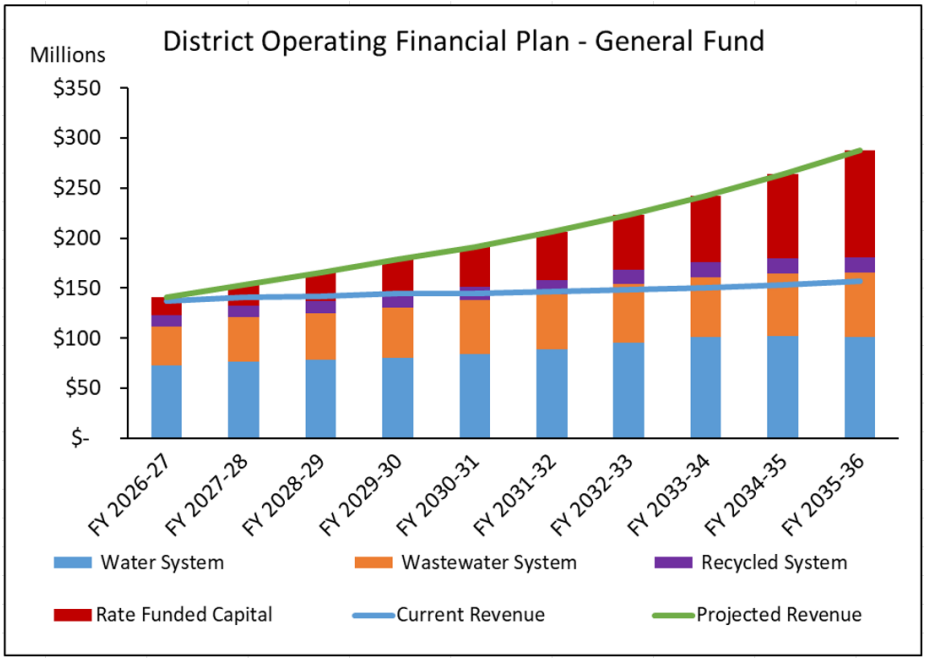
Figure 15: District CIP (General Fund)



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 LRFP total $239 million over the forecast period.

Long-Range Financial Plan (Continued)

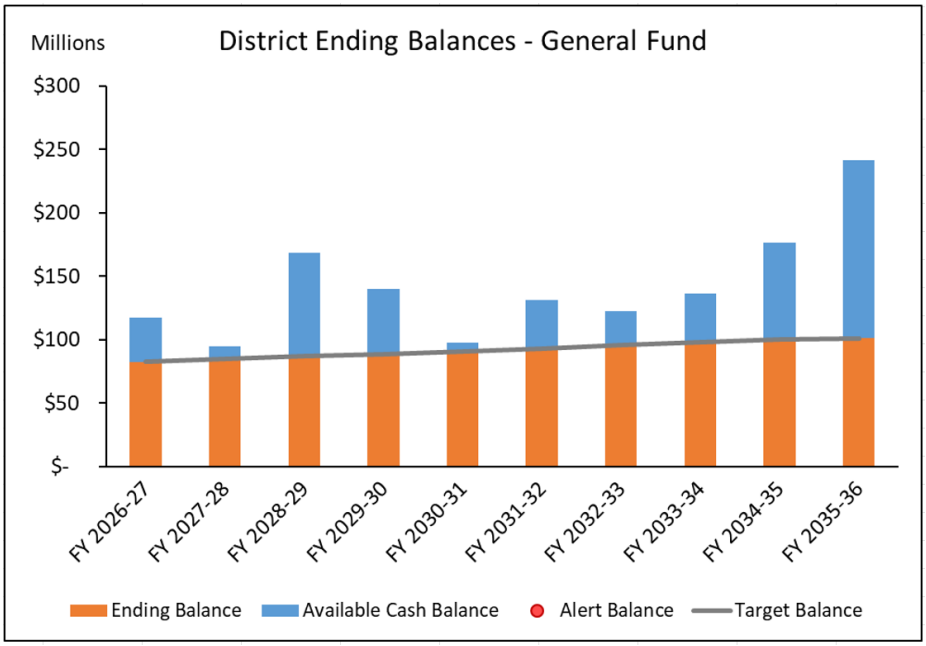
Figure 16: District Operating Financial Plan (General Fund)



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.

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DEPARTMENTAL INFORMATION

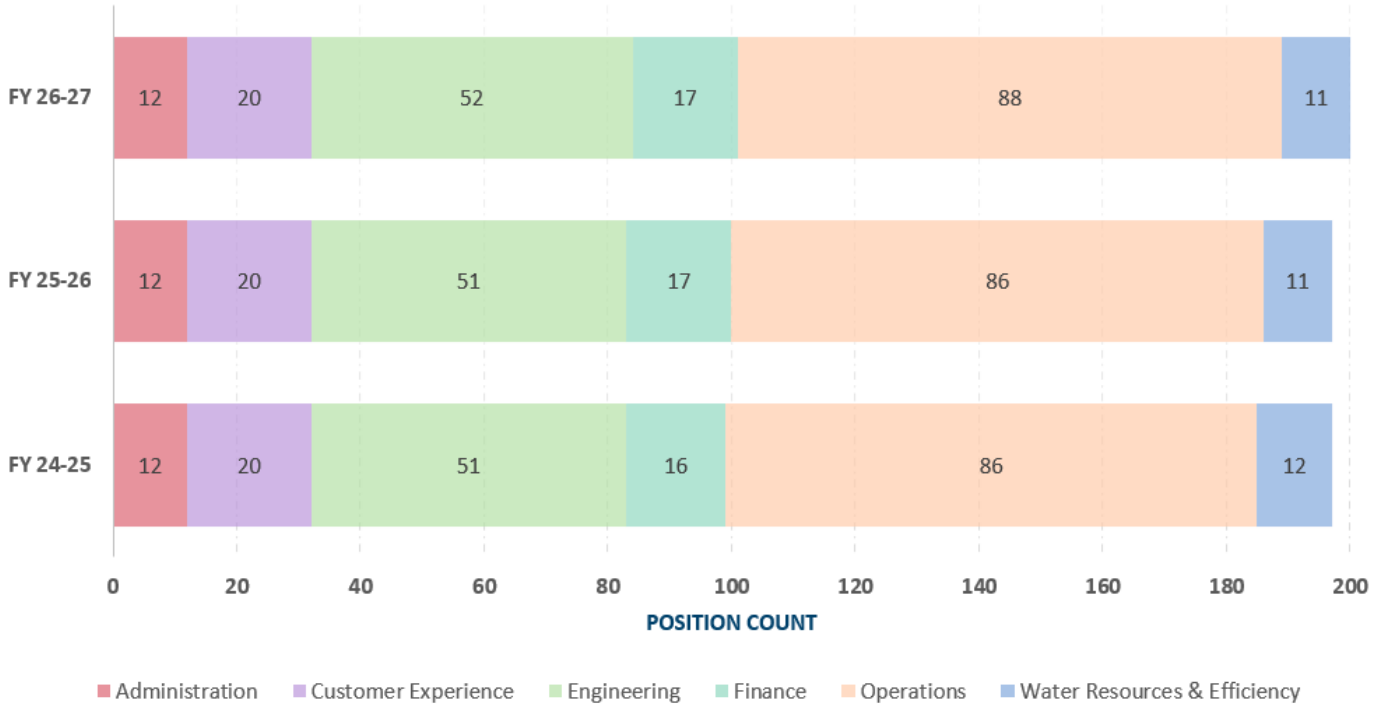
Position Summary Schedule

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 24-25	FY 25-26	FY 26-27
Administration	12	12	12
Customer Experience	20	20	20
Engineering	51	51	52
Finance	16	17	17
Operations	86	86	88
Water Resources & Efficiency	12	11	11
District Department Totals	**197**	**197**	**200**

Figure 18: Trend of Position Count by Functional Division



ADMINISTRATION



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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 24-25	FY 25-26	FY 26-27	Changes/Trends
Administration				
General Administration	9	9	8	
Human Resources	3	3	4	
Total Personnel	**12**	**12**	**12**	**No changes in personnel from last FY**

Table 9: Operating Expenses, Administration

	FY 24-25 Budget	FY 24-25 Actual	FY 24-25 Difference	FY 25-26 Budget	FY 26-27 Proposed	FY 26-27 Forecast	FY 26-27 vs FY 25-26 $Δ	FY 26-27 vs FY 25-26 %Δ
EXPENSES (Operating)								
Labor	$ 3,083,736	$ 3,093,380	$ 9,644	$ 3,187,748	$ 3,952,989	$ 3,964,964	$ 765,241	24.0 %
Educational Courses	2,056	1,200	(856)	2,107	1,200	2,149	(907)	(43.0)%
Travel & Meetings	138,246	172,332	34,086	127,531	139,500	130,081	11,969	9.4 %
Employee Relations	81,510	96,528	15,018	81,510	81,250	83,140	(260)	(0.3)%
Dues & Memberships	114,465	157,140	42,675	141,080	150,000	143,902	8,920	6.3 %
Election Expenses	240,000	233,631	(6,369)	—	240,000	180,000	240,000	— %
Consulting Services	233,000	175,700	(57,300)	233,000	353,000	235,500	120,000	51.5 %
Legal Services - Personnel	50,000	32,987	(17,013)	50,000	50,000	51,000	—	— %
Legal Services - General	400,000	642,698	242,698	400,000	400,000	408,000	—	— %
District Office Supplies	5,741	22,647	16,906	5,351	5,350	5,458	(1)	— %
Repairs & Maint. - Equipment	1,000	—	(1,000)	1,000	1,000	1,020	—	— %
Safety & Compliance	1,350	—	(1,350)	1,050	1,050	1,071	—	— %
TOTAL	**$ 4,351,104**	**$ 4,646,404**	**$ 295,301**	**$ 4,230,377**	**$ 5,389,839**	**$ 5,206,286**	**$ 1,159,462**	**27.4 %**

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 four of the Memorandum of Understanding with District employees during FY 26-27
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. While Election expenses were not budgeted for the prior year, they are budgeted for FY 26-27, as elections are scheduled during this period. This expense is budgeted every two years.

Consulting Services

Although the District's overall consulting services budget decreased by $2.6 million, the Administration Division's budget increased by $120,000 due to consulting engagement additions. These services enhance customer engagement, communications, and advocacy, supporting informed decision-making and effective navigation of regulatory and policy environments.

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
	COMPLETED
2.a.v	a. Launched BLUE (Building a Leading Utility Ecosystem), a strategic initiative designed to ensure the District remains reliable and future-ready by implementing comprehensive data governance and developing digital infrastructure that integrates systems, data, and decision-making tools, as well as operator knowledge and expertise.
3.c	b. Co-hosted with the National Institute of Building Sciences (NIBS) the 1st Building for Tomorrow Conference which brought in stakeholders from around the country to focus on lifeline infrastructure and opportunities to enhance collaboration around emergency resiliency of critical public services.
3.c	c. Awarded up to $28,000 in Member Agency Administered Program funding from MWD to support proactive leak detection. Successfully received an extension on an existing $500,000 USBR WaterSmart Award to continue supporting commercial turf removal program participants.
3.c.i	d. In year two of the District's Memorandum of Understanding with Aarhus Vand and the Danish Water Technology Alliance, staff participated in knowledge exchange programs on AMI, data governance, and energy management.
4.a	e. Achieved Top Workplace for the 9th year in a row.
4.a	f. Participated in the Capistrano Valley Unified School District Job Fair.
4.a	g. Strengthened the partnership with Saddleback College and their Mechanic training program.
4.a.iv	h. Implemented all changes that were part of Year-3 of the 4-year MOU.
4.a	i. Coordinated the 2025 Future Leaders of Water (FLOW) Internship Program.
4.a.iv	j. Ensured compliance with mandated Harassment and Discrimination Prevention training as well as Ethics training for all staff and Directors.
3	k. OASIS Water Resource Center:
5.b.ii	i. Presented OASIS at several conferences and local events, including California WateReuse and WateReuse Symposium. In addition, hosted several presentations at headquarters with local and state officials and regulatory agencies. Continued implementation of the MOU with the County to collaborate on areas of interest in the Aliso Creek watershed.
5.b.ii	ii. Continued implementation of the MOU with LADWP to formalize and strengthen collaboration, advancing key components of each agency's respective potable reuse programs.
5.b.ii	iii. Executed an MOU with the City of Laguna Beach and developed an implementation work plan to evaluate a potential partnership under the OASIS Program, including water transfer opportunities, potential system interconnections, and coordinated watershed enhancement efforts within the Aliso Creek watershed.
3.c	iv. Conducted briefings for stakeholders and elected officials on key Moulton Niguel initiatives, including OASIS and the Santa Ana Emergency Interconnection.
3.c	v. Submitted Congressionally Directed Spending requests to Senators Schiff and Padilla, as well as a Community Program Funding request to Congresswoman Kim, to support development of a DPR Demonstration Facility at the District's headquarters.
5.b.ii	vi. Significant outreach efforts to local stakeholders, various agencies, and project partners to support a pathway for implementing the OASIS Water Resource Center.
3.c.i	vii. With support from the CalOES/FEMA and USBR grant awards, contracts were issued to five consultants to support research, outreach, and communications efforts related to OASIS. The outreach consultants conducted two focus group sessions to better understand customer perceptions of local water supply sources and general attitudes toward water reuse.

3.c.i	l. Completed feasibility assessment of Santa Ana Emergency Interconnection, in coordination with OCWD, City of Santa Ana, MWDOC, and MET, which determined that the project is feasible. Conducted several meetings with MET to address water quality considerations and operational conveyance of water as part of the feasibility analysis.
	IN-PROGRESS
3	a. OASIS Water Resource Center:
3.c.i	b. Engaging with project partners, stakeholders, and regulators to develop and support a pathway for implementing the OASIS Water Resource Center.
3.c.i	c. Outreach consultants are preparing a customer survey to better understand community perspectives of OASIS advanced purified water. Survey findings will inform the development of supporting communication materials, including updated graphics, fact sheets, videos, and presentations, to support future public engagement efforts.
3.c.i	d. Scoping compliance and long-term water efficiency program planning related to the Urban Water Use Objective.
3.c	e. Working with government affairs consultants, ACWA, California WateReuse, Southern California Water Coalition, and other partners to monitor legislation and funding opportunities that may benefit or impact our District.
3.c	f. Evaluating upcoming District projects and programs and identifying possible new funding opportunities, including grants and federal appropriations.
3.c	g. Monitoring discussions and actions at Metropolitan Water District related to:
3.c	i. Financial policies & Business Plan
3.c	ii. Water supply planning and associated funding strategies
3.c	iii. Interagency water exchange programs and opportunities
3.c	h. Working with FEMA and CalOES on hazard mitigation program grant applications submitted for several projects.
3.c	i. 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 Santa Ana Emergency Interconnection.
3.c	j. Coordinating with the Department of Water Resources as part of the stakeholder committee on the implementation of Senate Bill 72 to modernize the California Water Plan.
3.c	k. Submitting a USBR WaterSMART Applied Science Grant to support data governance, centralized data management, and advanced analytics projects as part of the BLUE Initiative.
4.a.iv	l. Continued the Moulton Passport program, an internal cross-training and education opportunity for District staff.
4	m. Delivering upon the objectives of the FLOW Initiative by:
4.a.ii	i. Building upon our collaborative partnerships with Santiago Canyon College and UC Irvine to educate their students about careers in the water industry and to apply for our FLOW internship program
4.a.ii	ii. Equipping existing water professionals with leadership skills by developing and implementing an internal supervisor training program.
4.a.ii	iii. Continuing to engage with the Water Energy Education Alliance (WEEA) to support developing career pathways to water and energy jobs for California students.
4.a	n. Continuing to monitor state and federal legislation that directly affect labor and employee relations.
4.a.iv	o. Continuing the close working relationship with staff and the Orange County Employees Association.
4.a.ii	p. Continuing to recruit and select top talent and ensure vacant positions are filled promptly.
	PLANNED
3.c	a. Meet with Congress Members, State Legislators, and local officials in our District area and their staff to update them on District projects and initiatives; 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).
3.c	b. Continue to evaluate upcoming District projects and programs and identify possible new funding opportunities, including support and funding for the OASIS Water Resource Center and the Santa Ana Emergency Interconnection.

3.c	c. Work with government affairs consultants, ACWA, California WateReuse, 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.
3.c	d. Evaluate and present to the Board of Directors an approach to engage a firm(s) for state and federal lobbying services to help promote, pursue support and funding for the District's critical project and program investments, including OASIS Water Resource Center and the Santa Ana Emergency Interconnection.
4.a	e. Implement and process all changes for year 4 of the new MOUs and Exempt Labor Resolution.
4.a.iv	f. Conduct required sexual harassment prevention training (per AB 1661) and ethics training (per AB 1234) in early 2027. Fiscal and financial training (per SB 827) is new training that is required and will also be conducted in early 2027 for all Board members and required staff.
4.a	g. Prepare for the development of a new Memorandum of Understanding following expiration of the current MOU on June 30, 2027.

Table 11: Administration KPIs

Strategic Plan Alignment	*Key Performance Indicators*	*FY 24-25*	*FY 25-26 Projected*	*FY 26-27 Forecast*
4.a.ii	***Recruitments***	***23***	***25***	***30***
4.a.i	***New Employee Orientations***	***25***	***29***	***35***
4.a.i	***Applications Received***	***840***	***1,400***	***1,080***
	Applications per Recruitment	***37***	***56***	***36***

CUSTOMER EXPERIENCE



moulton niguel
water district

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 24-25	FY 25-26	FY 26-27	Changes/Trends
Customer Experience				
Communications	3	3	3	
Customer Accounts	14	14	14	
Customer Engagement	3	3	3	
Total Personnel	**20**	**20**	**20**	**No Changes in personnel from last FY**

Table 13: Operating Expenses, Customer Experience

	FY 24-25 Budget	FY 24-25 Actual	FY 24-25 Difference	FY 25-26 Budget	FY 26-27 Proposed	FY 26-27 Forecast	FY 26-27 vs FY 25-26 $Δ	FY 26-27 vs FY 25-26 %Δ
EXPENSES (Operating)								
Labor	$ 2,696,301	$ 1,952,435	$ (743,866)	$ 2,846,685	$ 3,561,925	$ 3,459,588	$ 715,240	25.1 %
Educational Courses	6,598	742	(5,856)	640	7,830	653	7,190	1123.4 %
Travel & Meetings	32,925	3,210	(29,715)	19,390	18,250	19,778	(1,140)	(5.9)%
General Services	200,000	130,546	(69,454)	140,000	111,000	140,000	(29,000)	(20.7)%
Dues & Memberships	1,442	767	(675)	2,700	267,150	2,754	264,450	9794.4 %
Consulting Services	259,000	149,386	(109,614)	177,530	234,000	181,081	56,470	31.8 %
District Office Supplies	546,216	679,490	133,274	671,417	375,200	659,145	(296,217)	(44.1)%
Repairs & Maint. - Equipment	31,500	13,854	(17,646)	40,774	39,068	41,589	(1,706)	(4.2)%
Repairs & Maint. - Facilities	67,287	13,053	(54,234)	23,487	27,387	23,957	3,900	16.6 %
Safety & Compliance	4,200	954	(3,246)	170	650	173	480	282.4 %
TOTAL	**$ 3,845,468**	**$ 2,946,411**	**$ (899,059)**	**$ 3,922,792**	**$ 4,646,460**	**$ 4,528,718**	**$ 723,667**	**18.4 %**

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 four of the Memorandum of Understanding with District employees during FY 26-27
2. CalPERS pension rates
3. Assumed increases for employee health insurance benefits

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

Dues & Memberships

The Dues & Memberships budget reflects an increase of $264,450 in FY 26-27, primarily due to the reclassification of event sponsorship expenditures into this category from District Office Supplies to align expenses with their appropriate classification.

District Office Supplies

Correspondingly, the District Office Supplies budget reflects a decrease as these sponsorship-related costs have been moved to Dues & Memberships to better align expenses with their appropriate classification

Consulting

The Consulting Services budget reflects a net increase of $56,470. Savings of $18,530 were achieved through a more cost-effective consultant for required biannual water quality reporting. These savings are offset by strategic investments including the new Cayenta billing system and third-party implementation support. These investments improve customer information management, data security, system reliability, and overall operational responsiveness.

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
	COMPLETED
3.a.i	a. Implemented outreach strategies and actively participated in planning the following events: H2O for HOAs with record attendance, California Data Collaborative (CaDC) Water Data Summit, NatureScape Garden Tour, and National Institute of Building Sciences (NIBS).
3.b.i	b. Engaged customers by implementing the 8th annual Fix-a-Leak Week Campaign, along with hosting two hands-on Fix-a-Leak Workshops tailored to help customers detect and address common household leaks effectively.
3.a	c. Produced a series of eight short educational and instructional videos to increase customer awareness of water leak detection and repair, water and sewer line responsibility, and accessing the customer portal.
3.a	d. Hosted "Lights, Camera, Conservation! A Blue Carpet Event" to promote the series of short educational and instructional videos produced by Moulton Niguel.
3.a.ii	e. Educated 2035 students last year through 40 in-class watershed education lessons and 31 field trips with 6 schools through WHALES.
3.b.i	f. Promoted the Water Awareness Poster Contest, in partnership with MWDOC, and received 55 submissions.
3.a.ii	g. Educated 442 3rd – 5th grade students at the Orange County Water District's Children's Education Festival.
3.a.ii	h. 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	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. Developed and presented the 2025 Year in Review on the District's website, through the newsletter, and using social media posts.
3.c.i	k. OASIS Water Resource Center – Brought on an outreach consultant team to support research and development of the program's outreach engagement strategy. As part of the initial outreach efforts, completed two focus groups to gain early insights into customer perceptions of water supplies and recycled water.
3.a.ii	l. Hosted tour for Aliso Viejo Youth Council.
3.a.ii	m. Launched first AI For Water Management: Strategies for Digital Innovation course in partnership with CLAOC, UCI, and CaDC, made possible with a grant from California Jobs First.
3.a.ii	n. Launched an exhibit at the Moulton Museum titled "Know the FLOW." The exhibit is an interactive game that simulates running the distribution system via SCADA. The exhibit also includes MNWD history and operational facts, conservation information, and OASIS information.
3.a.i	o. Maintained strong partnerships with local Chambers of Commerce through regular participation in community events and presentations to highlight District initiatives and programs that support the communities we serve. These efforts have been recognized through several acknowledgements and awards honoring the District's commitment to community engagement such as Laguna Niguel Chamber's Large Business of the Year and Aliso Viejo Chamber's Member of the Month.
	IN-PROGRESS
3.b.i	a. Continuing to provide timely, informative, and educational messaging to encourage efficient water use.
3.b	b. Continuing proactive leak alert outreach and communications to help customers with potential leaks.
3.b	c. Continuing educational programs – Project WET (Water Education Today) and 7th annual WHALES (Watershed Heroes: Actions Linking Education to Stewardship) partnership with MWDOC programs and water awareness poster contest.
3.a.ii	d. 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.a.ii	e. Implementing the 9th 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	f. Continuing the Utility Billing System Replacement project to be completed in Spring 2026. Upon completion of the billing system replacement, the bill presentment will be reviewed with the Board of Directors for potential updates.
3.b.i	g. Continue outreach to the public and stakeholders for the Regional Force Main project in collaboration with OC Parks, including signage, e-blasts, social media posts, and the project dedicated webpage.
3.c.i	h. Increase number of schools participating in WHALES - we currently engage more than 3,000 students. We have renewed our contract to include elementary school students.
3.c.i	i. Engaging with project partners, stakeholders, and regulators to develop and support a pathway for implementing the OASIS Water Resource Center.
3.c.i	j. Outreach consultants are preparing a customer survey to better understand community perspectives of OASIS advanced purified water. Survey findings will inform the development of supporting communication materials, including updated graphics, fact sheets, videos, and presentations, to support future public engagement efforts.
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.a.ii	b. In collaboration with MWDOC, Communications and Water Efficiency staff will participate in a Project WET (Water Education Today) Facilitator training to have the opportunity to serve as educators and lead our own workshops.
3.a.ii	c. 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	d. Expand education outreach/connections, join more organizations/groups to connect with more educators.
3.b	e. Host the 10th H2O for the HOAs workshop.
3.c	f. Partner with the California Data Collaborative on the 11th Annual Water Data Summit.

Table 15: Customer Experience KPIs

Strategic Plan Alignment		Key Performance Indicators	FY 24-25	FY 25-26 Projected	FY 26-27 Forecast
3.a	**1.**	**Customer Portal Engagement**			
		Enrolled	**42,401**	**43,281**	**44,723**
		New Enrollments	**4,626**	**3,769**	**4,362**
		Total Active Customers	**55,132**	**55,134**	**55,134**
		Cumulative % of Active Customer Base	**77%**	**79%**	**81%**
3.a	**2.**	**Customer Meter Activity**			
		Turn On	**4,452**	**4,701**	**4,577**
		Turn Off	**1,584**	**1,678**	**1,631**
3.a	**3.**	**Customer Outreach Activity**			
		Social Media Reach (Facebook, LinkedIn, X, Nextdoor, Instagram)			
		Impressions	**329,000**	**332,000**	**335,000**
		Engagements	**4,000**	**4,050**	**4,100**
		Post Link Clicks	**8,200**	**8,250**	**8,300**
		Emails			
		Emails Sent	**1.4M**	**1.5M**	**1.6M**
		Open Rate	**17%**	**18%**	**19%**
		Click Rate	**0.75%**	**0.8%**	**0.9%**

ENGINEERING



moulton niguel
water district

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.), and exhibit creation. 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, 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 projects. The Department also provides engineering support to the Operations Division and works collaboratively with the Operations and Finance Division 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 5,500 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 approximately 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 20% of the District's total water demand.

Table 16: Trend of Position Count in Engineering

	FY 24-25	FY 25-26	FY 26-27	Changes/Trends
Engineering				
Assets & Records Management	6	6	6	
Capital Engineering	9	9	9	
Construction Oversight	6	6	6	
Cross Connection Control	2	2	2	
Development Services	1	1	1	
Engineering Administration	5	4	4	
Recycled Water Program	4	4	4	
Wastewater Treatment	18	19	20	
Total Personnel	**51**	**51**	**52**	**One additional wastewater operator to support Wastewater Treatment**

Table 17: Operating Expenses, Engineering

	FY 24-25 Budget	FY 24-25 Actual	FY 24-25 Difference	FY 25-26 Budget	FY 26-27 Proposed	FY 26-27 Forecast	FY 26-27 vs FY 25-26 $Δ	FY 26-27 vs FY 25-26 %Δ
EXPENSES (Operating)								
Labor	$ 8,117,453	$ 7,946,637	$ (170,816)	$ 9,735,917	$ 9,912,943	$10,494,339	$ 177,026	1.8 %
Educational Courses	24,119	10,268	(13,851)	45,315	15,770	45,569	(29,545)	(65.2)%
Travel & Meetings	93,597	62,421	(31,176)	71,070	130,200	72,491	59,130	83.2 %
General Services	17,068	27,190	10,122	11,000	33,100	11,220	22,100	200.9 %
Dues & Memberships	24,605	15,616	(8,989)	23,750	37,000	24,225	13,250	55.8 %
Consulting Services	833,000	1,052,728	219,728	3,671,000	1,273,000	1,012,920	(2,398,000)	(65.3)%
Equipment Rental	—	5,258	5,258	4,800	16,400	4,896	11,600	241.7 %
Insurance - District	1,186,800	1,349,889	163,089	—	—	—	—	— %
District Office Supplies	19,902	19,091	(811)	17,750	35,700	18,105	17,950	101.1 %
District Operating Supplies	2,819,123	2,190,995	(628,128)	3,645,900	3,481,500	3,738,738	(164,400)	(4.5)%
Repairs & Maint. - Equipment	104,234	67,556	(36,678)	510,430	320,000	520,639	(190,430)	(37.3)%
Repairs & Maint. - Facilities	2,965,549	3,993,550	1,028,001	5,496,689	5,348,000	4,881,651	(148,689)	(2.7)%
Safety & Compliance	76,084	632,939	556,855	112,950	96,850	115,209	(16,100)	(14.3)%
SOCWA	5,900,086	5,873,165	(26,921)	1,162,600	1,312,135	1,220,730	149,535	12.9 %
Special Outside Assessments	5,000	—	(5,000)	5,000	5,000	5,100	—	— %
Utilities	1,390,904	1,392,942	2,038	1,555,000	2,055,356	1,700,964	500,356	32.2 %
TOTAL	**$23,577,525**	**$24,640,245**	**$ 1,062,721**	**$26,069,171**	**$24,122,953**	**$23,866,795**	**$(1,946,217)**	**(7.5)%**

Operating Expenses Discussion -

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 four of the Memorandum of Understanding with District employees during FY 26-27
2. CalPERS pension rates
3. Assumed increases for employee health insurance benefits
4. One additional staff to support wastewater treatment opertions

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

Travel & Meetings

In Engineering, the Travel & Meetings budget, which includes seminars, conferences, training, and related travel costs, reflects a $59,130 increase in FY 26-27. This increase is primarily driven by expanded training activities, the reallocation of educational course expenditures into this category (an apparent decrease of $29,545 is evident in Educational Courses as a result) to more appropriately reflect the nature of the training cost, and higher travel costs due to rising airfare and general inflationary pressures.

A significant portion of the increase is attributable to training costs, as staff continue to pursue new certifications and renew existing credentials. These include various levels and specializations, along with safety-related certifications for water and wastewater treatment plant operators. Such certifications are typically required by state regulatory agencies to ensure compliance with operational standards and the protection of public health.

Consulting Services

The FY 26-27 budget reflects a significant $2.4 million decrease from the prior year budget. This reduction is primarily due to one-time expenditures included in FY 25-26, most notably planning studies related to the OASIS Water Resources Center (partially offset by over $1 million in grant funding). The prior year also included high-demand distribution system modeling in support of fire resiliency, GIS network migration support, the wastewater system master plan.

With the completion of these planning and strategic initiatives, the FY 26-27 budget reflects a return to more typical levels of professional services and planning expenditures.

District Operating Supplies

The FY 26-27 budget of $3.5 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 $164,400 decrease over prior year is primarily driven by a lower unit cost for sodium hypochlorite, resulting from a more favorable contract secured by District this year.

Repairs & Maintenance - Equipment

As noted in Expense Summary & Discussion - Operations & Maintenance, certain field equipment related expenses have been reallocated from this category (to Repairs & Maintenance - Facilities) to more accurately reflect the nature of the work, contributing to the $190,430 decrease in this category.

Repairs & Maintenance - Facilities

Proposed budget reflects expected cyclical variations across categories. Decreases are observed in system maintenance, while increases are noted in pest control, manhole raising, and hazardous waste disposal. Notably, the System Repairs category budget has decreased significantly, consistent with recent trends indicating a greater portion of costs being capitalized.

Additionally, certain field equipment related expenses previously classified under Repairs & Maintenance-Equipment have been reallocated to Repairs & Maintenance-Facilities to more accurately reflect the nature of the work, contributing to an increase within this category. Overall, these offsetting changes result in a $148,689 decrease.

Utilities

The Utilities line item in the Engineering budget includes the gas & electric costs from the Regional Treatment Plant and Plant 3A. The $0.5 million increase for Utilities is driven by electric and gas utility rate increases.

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
	COMPLETED
2	a. Completed construction of the following significant projects:
2.a.iii	i. Crown Valley Pipeline Replacements
2.a.iii	ii. Reservoir Management System Replacements - Phase IV
2.a.ii	iii. Building E Rehabilitation to support District operations and a regional Emergency Operations Center
2.a.iii	iv. Solar Panels at District's Headquarters, which is expected to offset 100% of energy demand at the District's Headquarters
2.a.ii	v. Rehabilitation of the Marguerite Reservoir
2.a.iii	vi. Highlands 790-Zone Pipeline Loop
2.a.iii	vii. Facility Fire Resiliency Improvements
2	b. Completed design of the following significant projects:
2.a.iii	i. Reservoir Management System Replacements - Phase V (final phase)
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. Regional Treatment Plant Gratings and Gates Replacements
2.a.ii	c. Completed implementation of Low-Resolution Meter Replacement Program
2.a.v	d. Completed Phase 2 of CMMS implementation adding capabilities for long term asset management.
2.a.v	e. Completed migration of GIS recycled water data from legacy data model to modern GIS data model for future compatibility and functionality.
2.a.v	f. Launched BLUE (Building a Leading Utility Ecosystem), a strategic initiative designed to ensure the District remains reliable and future-ready by implementing comprehensive data governance and developing digital infrastructure that integrates systems, data, and decision-making tools, as well as operator knowledge and expertise.
2.a.i	g. Evaluated capacity requirements for the J.B. Latham Treatment Plant to support the District's current and future wastewater treatment needs from that facility.
3.c	h. Recognized by Sustain SoCal with the Sustainable Government of the Year Award for our sustained leadership in water efficiency, coupled with OASIS to develop resilient water supplies and the BLUE initiative to digitally optimize water and energy systems.
3.c.i	i. OASIS Water Resource Center – Brought on an outreach consultant team to support research and development of the program's outreach engagement strategy. As part of the initial outreach efforts, completed two focus groups to gain early insights into customer perceptions of water supplies and recycled water.
3.c	j. Conducted briefings for stakeholders and elected officials on key Moulton Niguel initiatives, including OASIS and the Santa Ana Emergency Interconnection.
3.c	k. Submitted Congressionally Directed Spending requests to Senators Schiff and Padilla, as well as a Community Program Funding request to Congresswoman Kim, to support development of a DPR Demonstration Facility at the District's headquarters.
3.c.i	l. With support from the CalOES/FEMA and USBR grant awards, contracts were issued to five consultants to support research, outreach, and communications efforts related to OASIS. The outreach consultants conducted two focus group sessions to better understand customer perceptions of local water supply sources and general attitudes toward water reuse.

3.c.i	m. Completed feasibility assessment of Santa Ana Emergency Interconnection, in coordination with OCWD, City of Santa Ana, MWDOC, and MET, which determined that the project is feasible. Conducted several meetings with MET to address water quality considerations and operational conveyance of water as part of the feasibility analysis.
	IN-PROGRESS
2	a. Continuing construction of the following significant projects:
2.a.iii	i. Regional Force Main Replacement
2.a.iii	ii. Plant 3A Solids Handling Facilities Improvements
2.a.iv	iii. Aliso Creek Lift Station Rehabilitation
2.a.iv	iv. North Aliso Lift Station Reconstruction
2.a.iv	v. Regional Treatment Plant AWT Salinity Management System
2.a.v	vi. Electrical System Improvements - Phase 4
2	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.iii	iii. Eastern and Northern Transmission Main Rehabilitation
2.a.ii	c. Evaluating and refining the Capital Improvement Program for the Regional Treatment Plant, including infrastructure requirements to support the advanced wastewater reuse opportunities.
2.a.i	d. Continuing the planning and implementation of programmatic pipeline condition assessment to support the prioritization of future pipeline rehabilitation and replacement projects.
2.a.i	e. Migrating GIS potable water data from legacy data model to modern GIS data model for future compatibility and functionality.
2.a.v	f. Continuing phase two of the internal data automation and reporting streamlining program to continuously update the District's supply and demand database, and related reports and dashboards.
2	g. As part of the BLUE Initiative, developing a data governance and digital strategy that will include a centralized database and asset optimization tool (Xylem Vue) to store historical SCADA data and to support system optimization efforts.
2.a.v	h. Coordinating with regional partners and agencies on innovative technologies for resource recovery options, specifically on biosolids and digester gas.
2.a.v	i. Conducting a comprehensive cost optimization and energy reduction study to explore rate optimization, peak shavings, power storage, and solar energy generation options.
3	j. OASIS Water Resource Center:
3.c.i	k. Engaging with project partners, stakeholders, and regulators to develop and support a pathway for implementing the OASIS Water Resource Center.
3.c.i	l. Outreach consultants are preparing a customer survey to better understand community perspectives of OASIS advanced purified water. Survey findings will inform the development of supporting communication materials, including updated graphics, fact sheets, videos, and presentations, to support future public engagement efforts.
2.a.iii	m. Construction is on-going to upgrade and rehabilitate equipment at Plant 3A that processes the wastewater solids with new and more efficient technologies.
2.a.iii	n. Constructing a Salinity Management System at the Regional Treatment Plant AWT to reduce the total dissolved solids, iron, and manganese in the recycled water.
	PLANNED
2.a	a. Complete an annual update to the 10-year Capital Improvement Program.
2.a.v	b. 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	c. Complete the solicitation for a Progressive Design-Build firm to advance final engineering and construction of the RTP Liquids Improvement Project.
2.a.i	d. Collaborate with ETWD on the proposed South County Pipeline Takeout Facility and other mutually beneficial projects.
3.c.i	e. 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. Laguna Niguel City Center Project

3.c.i	iii.	Aliso Viejo Town Center Redevelopment
3.c.i	iv.	Former Chet Holifield Federal Building “Ziggurat” Property Redevelopment
3.c.i	v.	SunPointe Residential Project, Laguna Niguel
3.c	f.	Continue to evaluate upcoming District projects and programs and identify possible new funding opportunities, including support and funding for the OASIS Water Resource Center and the Santa Ana Emergency Interconnection.
3.c	g.	Evaluate and present to the Board of Directors an approach to engage a firm(s) for state and federal lobbying services to help promote, pursue support and funding for the District’s critical project and program investments, including OASIS Water Resource Center and the Santa Ana Emergency Interconnection.
5.b.ii	h.	Complete preliminary design and commence final design of the Santa Ana Emergency Interconnection. Concurrently, engage with MET and other stakeholders to obtain the necessary authorizations for the introduction of groundwater into the East Orange County Feeder No. 2. 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	i.	Initiate the design and CEQA documentation for the South County Pipeline Takeout Facility.

Table 19: Engineering KPIs

Strategic Plan Alignment		Key Performance Indicators	FY 24-25	FY 25-26 Projected	FY 26-27 Forecast
2.a.ii	1.	**CIP Expenditure vs Depreciation** *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.*	**1.20**	**3.69**	**3.39**
2.a.i	2.	**Fats, Oil, and Grease (FOG) Program**			
		Manhole inspections	**7,501**	**7,700**	**7,800**
		Best Management Practices Inspections	**603**	**635**	**630**
		Number of Food Service Establishments	**532**	**537**	**540**
5.a	3.	**Recycled Water Use Sites**			
		Recycled Water Inspections	**422**	**426**	**434**
		Total Recycled Water Use Sites	**1,314**	**1,314**	**1,317**
		Percentage of Use Sites Inspected	**32%**	**32%**	**33%**
2.a.i	4.	**Cross Connection Tests**	**428**	**429**	**438**
2.a.i-iii	5.	**Backflow devices:**			
		Inspected	**5,581**	**5,598**	**5,684**
		Repaired	**427**	**448**	**454**
		Replaced	**149**	**112**	**113**
5.a	6.	**Will serve letters**	**243**	**210**	**200**

FINANCE



moulton niguel
water district

Finance

The Finance Division maintains the financial oversight of all District funds by ensuring conformance with finance and accounting standards, 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 24-25	FY 25-26	FY 26-27	Changes/Trends
Finance				
Accounting	8	8	8	
Contracts & Purchasing	5	5	5	
Financial Planning & Innovation	3	4	4	
Total Personnel	**16**	**17**	**17**	**No changes in personnel from last FY**

Table 21: Operating Expenses, Finance

	FY 24-25 Budget	FY 24-25 Actual	FY 24-25 Difference	FY 25-26 Budget	FY 26-27 Proposed	FY 26-27 Forecast	FY 26-27 vs FY 25-26 $Δ	FY 26-27 vs FY 25-26 %Δ
EXPENSES (Operating)								
Labor	$2,625,309	$2,361,952	$ (263,357)	$2,793,081	$2,993,166	$2,928,509	$ 200,085	7.2 %
Educational Courses	4,479	3,101	(1,378)	6,095	3,425	6,217	(2,670)	(43.8)%
Travel & Meetings	14,881	10,344	(4,537)	16,117	17,460	16,440	1,343	8.3 %
General Services	256,532	330,013	73,481	313,680	338,350	319,954	24,670	7.9 %
Annual Audit	68,000	54,375	(13,625)	75,941	79,739	77,460	3,798	5.0 %
Dues & Memberships	2,290	3,269	979	25,674	18,019	26,187	(7,655)	(29.8)%
Consulting Services	70,500	147,511	77,011	240,000	146,440	197,800	(93,560)	(39.0)%
Equipment Rental	24,000	13,087	(10,913)	14,000	14,450	14,280	450	3.2 %
District Fuel	377,000	347,520	(29,480)	377,000	387,950	384,540	10,950	2.9 %
Insurance - District	—	—	—	1,663,000	1,687,000	1,696,260	24,000	1.4 %
District Office Supplies	60,133	39,458	(20,675)	62,700	57,750	63,954	(4,950)	(7.9)%
District Operating Supplies	5,000	25,517	20,517	5,000	25,500	5,100	20,500	410.0 %
Repairs & Maint. - Equipment	85,000	25,785	(59,215)	107,750	93,725	109,905	(14,025)	(13.0)%
Repairs & Maint. - Facilities	722,559	747,093	24,534	786,669	633,800	802,402	(152,869)	(19.4)%
Safety & Compliance	4,000	5,280	1,280	3,900	5,400	3,978	1,500	38.5 %
Special Outside Assessments	163,298	225,068	61,770	176,893	177,576	180,431	683	0.4 %
Utilities	—	—	—	—	177,760	—	177,760	— %
TOTAL	**$4,482,980**	**$4,339,373**	**$ (143,608)**	**$6,667,501**	**$6,857,510**	**$6,833,418**	**$ 190,010**	**2.8 %**

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 four of the Memorandum of Understanding with District employees during FY 26-27
2. CalPERS pension rates
3. Assumed increases for employee health insurance benefits

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

Repairs & Maintenance - Facilities

The Repairs & Maintenance - Facilities budget reflects a decrease from the prior year, primarily due to adjustments based on contract pricing. This includes janitorial services, landscape maintenance, and pest control at Headquarters, as well as facility management, elevator and HVAC repairs, storm drain maintenance, and related parts and services.

Utilities

The increase in this budget reflects both higher electricity costs and a reallocation of expenses. Utility rates from Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) continue to rise, contributing to an overall increase in electricity and gas expenditures.

In addition, as part of ongoing budget alignment and improved cost allocation practices, these utility expenses previously charged to a District-wide Business Unit are now being formally budgeted within the Purchasing Business Unit beginning in FY 26-27. As a result, the increase in this category reflects both the impact of rising energy costs and the shift in where these costs are reported.

Consulting Services

The FY 26-27 budget decrease is due to higher capitalization of costs related to grant consulting services.

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
	COMPLETED
1.a.ii	a. For the fiscal year ended 2024, 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 2025 audit reports, including the ACFR, Single Audit, and the financial report for the Public Facilities Corporation.
1.a.ii	c. Applied and received budget presentation award from GFOA (fiscal year ended 2026) and California Society of Municipal Finance Officers (fiscal year ended 2026).
1.a.ii	d. Reviewed and updated financial policies as part of the annual budget review.
1.a.iii	e. Completed the 2025 Cost of Service Study and unanimously adopted the proposed rates after receiving zero protests.
1.a.i	f. Issued the 2025 Certificates of Participation.
1.a.i	g. Adopted a reimbursement resolution in preparation for the anticipated 2026 Certificates of Participation.
1.a	h. Implemented the financial accounting, tracking, and invoicing to support the District's ownership and operation of the Regional Treatment Plant.
	IN-PROGRESS
1.a	a. Expanding District-wide risk assessment and enhancing internal control testing plan.
1.a	b. Evaluating the District's risk management practices with respect to insurance, along with assessment of coverages.
1.a.i	c. Developing financial statements and disclosures in preparation for issuing the 2026 Certificates of Participation, anticipated funding in early FY 2026-27.
	PLANNED
1.a.ii	a. Review and update financial policies as part of the annual budget review.
1.a	b. Monitor MWD business plan development and understand impacts to Moulton's financial plan.
1.a.ii	c. Upgrade JD Edwards ERP (Enterprise Resource Planning) software and the cloud hosting and support contract.
1.a.ii,iii	d. Initiate a comprehensive Capacity and Demand Offset Fee and User Fee Study.

Table 23: Finance KPIs

Strategic Plan Alignment	Key Performance Indicators	FY 24-25	FY 25-26 Projected	FY 26-27 Forecast
1.a	**Debt Coverage Ratio:** *The District is required by bond covenants to collect revenues that will be at least sufficient to yield net revenues equal to 1.25 of debt service payable during the fiscal year. To support its high-quality credit rating, the District's Board of Directors has established a coverage target of 1.75.*	2.82	2.01	2.07
1.a	**Current Ratio** **Current Assets/Current Liabilities = 1.1 or higher for liquidity**	1.30	1.90	1.90
1.a	**Days Operating Cash on Hand**	468	324	388

OPERATIONS



moulton niguel
water district

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 operation of asset infrastructure.

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, 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 operational optimization.

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 compliance reporting programs.

Table 24: Trend of Position Count in Operations

	FY 24-25	FY 25-26	FY 26-27	Changes/Trends
Operations				
Collections	7	7	7	
Electrical/Instrumentation	7	8	8	
Facilities Maintenance	10	9	9	
Fleet Maintenance	4	4	4	
Information Technology	9	9	9	
Meter Maintenance	14	14	14	
Operations Administration	9	9	9	
Pipe & Valve Maintenance	21	21	23	
Water Distribution	5	5	5	
Total Personnel	**86**	**86**	**88**	**Two additional maintenance workers to support the Hydrant Inspection Program**

Table 25: Operating Expenses, Operations

	FY 24-25 Budget	FY 24-25 Actual	FY 24-25 Difference	FY 25-26 Budget	FY 26-27 Proposed	FY 26-27 Forecast	FY 26-27 vs FY 25-26 $Δ	FY 26-27 vs FY 25-26 %Δ
EXPENSES (Operating)								
Labor	$13,669,048	$13,123,837	$ (545,211)	$15,243,286	$16,389,036	$16,244,317	$ 1,145,750	7.5 %
Educational Courses	18,014	28,675	10,661	31,363	28,295	31,990	(3,068)	(9.8)%
Travel & Meetings	112,284	97,618	(14,666)	134,213	131,472	136,897	(2,741)	(2.0)%
Member Agencies O&M	1,643,222	1,847,575	204,353	3,337,434	3,415,002	3,486,952	77,568	2.3 %
Dues & Memberships	42,008	28,674	(13,334)	41,970	28,580	42,809	(13,390)	(31.9)%
Consulting Services	536,000	403,723	(132,277)	468,000	391,500	477,360	(76,500)	(16.3)%
Equipment Rental	12,000	2,270	(9,730)	40,000	40,000	40,800	—	— %
District Office Supplies	15,310	298	(15,012)	14,250	22,250	14,535	8,000	56.1 %
District Operating Supplies	585,782	582,753	(3,029)	664,500	709,100	681,390	44,600	6.7 %
Repairs & Maint. - Equipment	1,142,948	1,274,827	131,879	1,412,882	1,404,055	1,441,140	(8,827)	(0.6)%
Repairs & Maint. - Facilities	1,748,520	1,587,266	(161,254)	1,382,853	1,523,002	1,410,510	140,149	10.1 %
Safety & Compliance	437,824	597,685	159,861	461,260	821,265	470,485	360,005	78.0 %
Utilities	3,997,584	3,489,237	(508,347)	3,777,266	3,957,964	3,966,129	180,698	4.8 %
Water Purchases	33,508,301	33,760,561	252,260	36,337,987	39,162,269	39,691,196	2,824,282	7.8 %
Meter Purchases	—	13,003	13,003	—	36,000	—	36,000	— %
TOTAL	**$57,468,843**	**$56,829,690**	**$ (639,155)**	**$63,383,264**	**$68,028,789**	**$68,173,231**	**$ 4,645,526**	**7.3 %**

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 four of the Memorandum of Understanding with District employees during FY 26-27
2. CalPERS pension rates
3. Assumed increases for employee health insurance benefits
4. Two additional staff members to support the Hydrant Inspection Program

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

Member Agencies 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 reflects contract services for the operation of the J.B. Latham treatment plant and ocean outfalls by neighboring agencies. The $2.8 million FY 26-27 budget for those costs are included 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), and HQ. In line with recent trends, the FY 26-27 budget anticipates an average rate increase of 5%. However, this budget also includes the energy savings from the Micro-Hydro Turbine at Bridlewood FCF that will generate electricity to help offset future electricity costs, overall reducing the non-treatment plant Utilities budget.

Safety & Compliance

The Safety & Compliance budget reflects an increase in FY 26-27, primarily driven by regulatory requirements and participation in key regional initiatives. Major contributors include compliance with the SWRCB Collections System Permit, participation in the CASA Air Toxics Study to address evolving air quality regulations, and involvement in the Southern California Regional Biosolids Coalition Study to proactively manage biosolids-related challenges. These efforts support both mandatory compliance and strategic preparedness for emerging environmental regulations.

Additionally, the increase reflects ongoing compliance obligations, including underground storage tank inspections, hazardous materials and air quality permitting (OCHCA and AQMD), portable equipment registration (PERP), certified contractor services, stormwater pollution prevention (SWPPP), and required laboratory testing. These activities ensure adherence to federal, state, and local regulations while protecting public health and environmental quality.

Repairs & Maintenance - Facilities

The Repairs & Maintenance - Facilities budget reflects a decrease in FY 26-27, primarily due to the reallocation of certain facility-related expenses to the Purchasing Business Unit as part of ongoing budget alignment and improved cost allocation practices. These expenses include facility maintenance agreements and contracts, janitorial services, pest control, and landscape maintenance.

This change represents a shift in how costs are budgeted and reported, rather than a reduction in service levels or overall expenditures.

Water Purchases

Water purchases represent the largest District operating expense. Changes in MET rates directly impact the budget.
This increase reflects the overall 6.2% MET increase, effective January 1, 2027. Projections for water demands are unchanged from prior year levels and total water purchases are budgeted at 23,175 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 26-27 budget reflects a decrease of $76,500 from the prior year, primarily driven by reduced consulting costs associated with ERP, SCADA, and Cisco services. In addition, the budget for electrical engineering consulting services (Arc Flash Surveys) has been adjusted based on recent trends, contributing to the overall reduction.

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
	COMPLETED
2.a.ii	a. Completed implementation of Low-Resolution Meter Replacement Program
2.a.ii	b. Completed migration of GIS recycled water data from legacy data model to modern GIS data model for future compatibility and functionality.
2.a.v	c. Launched BLUE (Building a Leading Utility Ecosystem), a strategic initiative designed to ensure the District remains reliable and future-ready by implementing comprehensive data governance and developing digital infrastructure that integrates systems, data, and decision-making tools, as well as operator knowledge and expertise.
2.a.v	d. Completed development of a web application to automate the entering, tracking, and reporting of supply and interconnection meter reads.
2.a.v	e. Revised Sewer System Management Plan (SSMP) to comply with new statewide general order. The new SSMP was adopted by the Board of Directors in July 2025.
5.a.i	f. Recognized by Sustain SoCal with the Sustainable Government of the Year Award for our sustained leadership in water efficiency, coupled with OASIS to develop resilient water supplies and the BLUE initiative to digitally optimize water and energy systems.
3.c	g. In year two of the District's Memorandum of Understanding with Aarhus Vand and the Danish Water Technology Alliance, staff participated in knowledge exchange programs on AMI, data governance, and energy management.
3.c.i	h. Completed strategic wildfire resiliency improvements at 10 key District facilities.
5.a.iii	i. Completed construction to rehabilitate Building E at District Headquarters to support District operations and a regional Emergency Operations Center
2.a.iii	j. Completed the solar energy project at District Headquarters.
2.a.v	k. Completed several valve and service line replacements as highlighted in the Operations Quarterly Report.
2.a.iii	l. Completed Programmable Logic Controller (PLC) upgrade at Pacific Park Pump Station.
2.a.iii	m. Completed pump and valve replacements at Country Village, PID #1, Big Niguel, and Crown Valley Highlands pump stations.
2.a.iii	n. Maintained the District's Collection system in compliance with the Sanitary Sewer Management Plan.
5.a	o. Completed a cyber security assessment focused on the SCADA network.
5.a	p. Developed IT policies related to cyber security and data protection.
5.a	q. Completed the 2024 Annual Water Quality Report (also known as the Consumer Confidence Report).
5.a.ii	r. Completed the following small capital improvements at RTP:
2.a	i. Repairs to the Operations Facility at the Regional Treatment Plant to support operations, maintenance, and laboratory staff, including plumbing repairs to the locker and bathroom facilities.
2.a.iii	ii. Improvements to Odor Scrubber No. 2, enhancing foul air capture and treatment performance.
2.a.iii	iii. Installed seismic-rated automatic shutoff valves on the natural gas supply lines to improve facility safety and seismic resilience.
5.a.iii	iv. Rehabilitated the Energy Building and blower room air intake filter housing to restore proper filtration performance and equipment protection.
2.a.iii	v. Repaired damaged hatches on the digester roofs.
2.a.iii	s. Completed inspection and testing of more than 7,000 fire hydrants as part of the District's annual hydrant inspection program.

5.a.iii	t. Replaced pump station discharge meters with high resolution meters at PID #3, Marguerite, Beacon Hill, and Upper Salada pump stations.
2.a.iii	u. Completed the update to the District's cross-connection control program to incorporate the newly adopted California regulations.
5.a.ii	v. Implemented on-call repair contracts for pipeline easement lining, including completion of project to line two easement pipes.
	IN-PROGRESS
2.a.ii	a. Evaluating and refining the Capital Improvement Program for the Regional Treatment Plant, including infrastructure requirements to support the advanced wastewater reuse opportunities.
2.a.v	b. Continuing phase two of the internal data automation and reporting streamlining program to continuously update the District's supply and demand database, and related reports and dashboards.
2	c. As part of the BLUE Initiative, developing a data governance and digital strategy that will include a centralized database and asset optimization tool (Xylem Vue) to store historical SCADA data and to support system optimization efforts.
2.a.v	d. Coordinating with regional partners and agencies on innovative technologies for resource recovery options, specifically on biosolids and digester gas.
2.a.v	e. Conducting a comprehensive cost optimization and energy reduction study to explore rate optimization, peak shavings, power storage, and solar energy generation options.
2.a.iii	f. Completing construction of the Regional Lift Station Force Main Replacement project through the Laguna Niguel Regional Park.
2.a.iii	g. Implementing PLC panel replacements at Aliso Creek, North Aliso, Galivan, PID #3, and Alicia Recycled Water pump stations.
2.a.ii	h. Completing pump and valve replacements at PID #3 pump station.
5.a.iii	i. Continuing to inspect and test more than 7,000 fire hydrants annually as part of the District's annual hydrant inspection program. Planning to expand the program to include inspection and testing of hydrant shut-off valves.
5.b.i	j. Continuing to respond to active leaks with a 24-hour response time.
5.a.iii	k. Continuing emergency response training in compliance with federal and state standards, as well as agency specific training exercises.
4.a.iv	l. Continuing quarterly confined space entry and rescue training with improved equipment and tools.
5.a.iii	m. Continuing development of emergency preparedness projects and activities, in coordination with the District's internal work group, to enhance District resiliency during disasters:
5.a.iii	i. Conduct regular Emergency Operations Center section drills.
5.a.iii	ii. Enhancing communication networks and evaluating backups to business systems to ensure continuity of operations during emergencies.
5.a.iii	iii. Expanding assessment of wildfire risks and identifying potential mitigation strategies.
2.a.i	iv. Coordinating with Orange County Fire Authority to enhance collective emergency response.
	PLANNED
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	c. Support implementation of the District's 10-year Capital Improvement Program.
2.a	d. Support the planned construction identified in the Asset Management Section of this document.
5.a.i	e. Perform CISA (Cybersecurity and Infrastructure Security Agency) validated architecture design review assessment.
5.a.i	f. Upgrade IT data storage and backup infrastructure while increasing resiliency and redundancy.
5.a.i	g. Upgrade Regional Treatment Plant access control and video monitoring software and hardware.
2.a.iii	h. Pump Station meter replacement at Rancho, Sheep Hills, and Wood Canyon pump stations, as well as CC3 and Northerly takeout facilities.

5.a	i. Develop an Artificial Intelligence Policy.
5.a.iii	j. Collaborate with the Orange County Sheriff, regional utility providers, and emergency response managers to implement a county-wide task force that will identify opportunities to enhance emergency response and coordinated planning among critical lifeline infrastructure (water, energy, transportation, telecommunications) and public safety sectors.

Table 27: Operations KPIs

Strategic Plan Alignment		*Key Performance Indicators*	*FY 24-25*	*FY 25-26 Projected*	*FY 26-27 Forecast*
2.a.iii	***1.***	***Valves - Potable and Recycled***			
		Exercised	***3,335***	***1,876***	***6,186***
		Replaced	***201***	***122***	***151***
2.a.iii	***3.***	***Sewer Line, feet***			
		Inspected	***325,240***	***322,390***	***316,800***
		Cleaned	***2,467,848***	***2,343,108***	***2,261,600***
2.a.iv	***4.***	***Meters Changed***	***1,580***	***1,030***	***1,567***
2.a.iii	***5.***	***Water Service Lines Replaced***	***450***	***484***	***476***

WATER RESOURCES & EFFICIENCY



moulton niguel
water district

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, UWMP, and the WSCP, 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 efforts, 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 MET 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 24-25	FY 25-26	FY 26-27	Changes/Trends
Water Resource & Efficiency				
Proactive Leak Detection	2	2	2	
Water Efficiency	7	6	6	
Water Resources	3	3	3	
Total Personnel	**12**	**11**	**11**	**No changes in personnel from last FY**

Table 29: Operating Expenses, Water Resources & Efficiency

	FY 24-25 Budget	FY 24-25 Actual	FY 24-25 Difference	FY 25-26 Budget	FY 26-27 Proposed	FY 26-27 Forecast	FY 26-27 vs FY 25-26 $Δ	FY 26-27 vs FY 25-26 %Δ
EXPENSES (Operating)								
Labor	$ 2,510,933	$ 2,912,376	$ 401,443	$ 2,746,956	$ 3,021,543	$ 3,080,158	$ 274,587	10.0 %
Educational Courses	27,234	5,035	(22,199)	6,243	5,000	6,368	(1,243)	(19.9)%
Travel & Meetings	43,627	35,386	(8,241)	52,574	52,200	53,625	(374)	(0.7)%
Dues & Memberships	43,792	28,338	(15,454)	32,250	32,250	32,895	—	— %
Consulting Services	1,250,000	1,679,736	429,736	492,000	300,500	501,840	(191,500)	(38.9)%
Legal Services - General	25,000	12,223	(12,777)	20,000	20,000	20,400	—	— %
District Office Supplies	277,698	158,379	(119,319)	244,550	206,550	249,441	(38,000)	(15.5)%
District Operating Supplies	10,500	12,144	1,644	12,000	15,500	4,590	3,500	29.2 %
Repairs & Maint. - Equipment	321,000	312,312	(8,688)	370,085	438,464	351,987	68,379	18.5 %
Safety & Compliance	5,775	1,921	(3,854)	5,075	5,375	2,856	300	5.9 %
Water Efficiency	1,864,000	383,832	(1,480,168)	1,872,000	1,724,500	1,379,990	(147,500)	(7.9)%
TOTAL	**$ 6,379,558**	**$ 5,541,682**	**$ (837,877)**	**$ 5,853,733**	**$ 5,821,882**	**$ 5,684,150**	**$ (31,851)**	**(0.5)%**

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 four of the Memorandum of Understanding with District employees during FY 26-27
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.

Repairs & Maintenance - Equipment

The Repairs & Maintenance - Equipment budget reflects an increase in FY 26-27, primarily due to the addition of on-call special projects related to the implementation of the District's new billing system. These efforts are intended to ensure a smooth transition, enhance system reliability, and support improved customer service, user experience, and data security.

Water Efficiency

The Water Efficiency budget reflects a decrease in FY 26-27, primarily due to the completion of the school retrofit program in the prior year. The District's continued commitment to water efficiency initiatives and rebate programs has resulted in significant achievements, including exceeding prior turf removal program goals with over 7 million square feet of turf removed and more than 130 California native landscapes installed.

The District will continue to align its efforts with overarching water efficiency objectives, ensuring sustained progress in conservation and customer participation.

Consulting Services

The Consulting Services budget within Water Resources & Efficiency reflects a decrease of $191,500 from the prior year, primarily due to adjustments in contract levels to align with current program participation and service needs. In addition, costs associated with HydroPoint ET Data Services have been reallocated to the Customer Experience Division to better align expenses with their appropriate functional area.

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
	COMPLETED
3.a.i	a. Implemented outreach strategies and actively participated in planning the following events: H2O for HOAs with record attendance, California Data Collaborative (CaDC) Water Data Summit, NatureScape Garden Tour, and National Institute of Building Sciences (NIBS).
3.c	b. Recognized by Sustain SoCal with the Sustainable Government of the Year Award for our sustained leadership in water efficiency, coupled with OASIS to develop resilient water supplies and the BLUE initiative to digitally optimize water and energy systems.
3.b.i	c. Engaged customers by implementing the 8th annual Fix-a-Leak Week Campaign, along with hosting two hands-on Fix-a-Leak Workshops tailored to help customers detect and address common household leaks effectively.
3.a	d. Produced a series of eight short educational and instructional videos to increase customer awareness of water leak detection and repair, water and sewer line responsibility, and accessing the customer portal.
3.a	e. Hosted "Lights, Camera, Conservation! A Blue Carpet Event" to promote the series of short educational and instructional videos produced by Moulton Niguel.
3.c.i	f. OASIS Water Resource Center – Brought on an outreach consultant team to support research and development of the program's outreach engagement strategy. As part of the initial outreach efforts, completed two focus groups to gain early insights into customer perceptions of water supplies and recycled water.
3.a.ii	g. Hosted tour for Aliso Viejo Youth Council.
3.a.ii	h. Launched an exhibit at the Moulton Museum titled "Know the FLOW." The exhibit is an interactive game that simulates running the distribution system via SCADA. The exhibit also includes MNWD history and operational facts, conservation information, and OASIS information.
3.a.i	i. Maintained strong partnerships with local Chambers of Commerce through regular participation in community events and presentations to highlight District initiatives and programs that support the communities we serve. These efforts have been recognized through several acknowledgements and awards honoring the District's commitment to community engagement such as Laguna Niguel Chamber's Large Business of the Year and Aliso Viejo Chamber's Member of the Month.
3.b	j. Hosted the 9th H2O for HOAs workshop at the Mission Viejo Norman P. Murray Community Center. Incorporated content regarding fire-hardening to provide tools to HOAs to prepare for wildfires.
3.b.i	k. Hosted the District's 5th NatureScape Garden Tour.
3.b.i	l. Partnered with the California Data Collaborative on the 10th Annual Water Data Summit.
3.c.i	m. Partnered with Metropolitan Water District to jointly host a professional landscaper training about irrigation water use efficiency.
3.c.i	n. Partnered with California Water Efficiency Partnership to host a professional plumber training about leak detection and training.
3.c.i	o. Partnered with Saddleback College to evaluate efficiency and water savings related to master valve and flow sensing technology.
5.b.i	p. Partnered with California Data Collaborative to estimate residential indoor per capita water use using AMI data.
3.b	q. Coordinated with Metropolitan Water District to develop a regional master valve and flow sensor rebate program for commercial and irrigation customers.
3.c.i	r. Partnered with the County of Orange to provide additional financial incentives and enhanced services for the District's commercial turf removal program.

3.c	s. Awarded up to $28,000 in Member Agency Administered Program funding from MWD to support proactive leak detection. Successfully received an extension on an existing $500,000 USBR WaterSmart Award to continue supporting commercial turf removal program participants.
3.c.i	t. In year two of the District's Memorandum of Understanding with Aarhus Vand and the Danish Water Technology Alliance, staff participated in knowledge exchange programs on AMI, data governance, and energy management.
3	u. OASIS Water Resource Center:
5.b.ii	i. Presented OASIS at several conferences and local events, including California WateReuse and WateReuse Symposium. In addition, hosted several presentations at headquarters with local and state officials and regulatory agencies. Continued implementation of the MOU with the County to collaborate on areas of interest in the Aliso Creek watershed.
5.b.ii	ii. Continued implementation of the MOU with LADWP to formalize and strengthen collaboration, advancing key components of each agency's respective potable reuse programs.
5.b.ii	iii. Executed an MOU with the City of Laguna Beach and developed an implementation work plan to evaluate a potential partnership under the OASIS Program, including water transfer opportunities, potential system interconnections, and coordinated watershed enhancement efforts within the Aliso Creek watershed.
3.c	iv. Conducted briefings for stakeholders and elected officials on key Moulton Niguel initiatives, including OASIS and the Santa Ana Emergency Interconnection.
3.c	v. Submitted Congressionally Directed Spending requests to Senators Schiff and Padilla, as well as a Community Program Funding request to Congresswoman Kim, to support development of a DPR Demonstration Facility at the District's headquarters.
5.b.ii	vi. Significant outreach efforts to local stakeholders, various agencies, and project partners to support a pathway for implementing the OASIS Water Resource Center.
3.c.i	vii. With support from the CalOES/FEMA and USBR grant awards, contracts were issued to five consultants to support research, outreach, and communications efforts related to OASIS. The outreach consultants conducted two focus group sessions to better understand customer perceptions of local water supply sources and general attitudes toward water reuse.
5.b.ii	v. Completed the 2025 Update to the Long-Range Water Reliability Plan with current water supply and demand projections as well as updated water reliability goals.
	IN-PROGRESS
3.b.i	a. Continuing to provide timely, informative, and educational messaging to encourage efficient water use.
3.b	b. Continuing proactive leak alert outreach and communications to help customers with potential leaks.
3.b	c. Continuing educational programs – Project WET (Water Education Today) and 7th annual WHALES (Watershed Heroes: Actions Linking Education to Stewardship) partnership with MWDOC programs and water awareness poster contest.
3.a.ii	d. 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.a.ii	e. Implementing the 9th 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	f. Continuing the Utility Billing System Replacement project to be completed in Spring 2026. Upon completion of the billing system replacement, the bill presentment will be reviewed with the Board of Directors for potential updates.
3.c.i	g. Scoping compliance and long-term water efficiency program planning related to the Urban Water Use Objective.
3.c.i	h. Participating in DWR's Indoor Residential Water Use Study and related Technical Advisory Panel overseeing the Study.
3.b	i. Implementing a $500,000 grant from USBR to support commercial and HOA turf replacement, irrigation technology upgrades, and irrigation efficiency surveys.
3.c	j. Submitting a USBR WaterSMART Applied Science Grant to support data governance, centralized data management, and advanced analytics projects as part of the BLUE Initiative.
5.b.ii	k. Ongoing implementation of the recommendations from the 2025 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, including tracking the interagency water exchange programs.

5.b.ii	ii. Continuing preliminary design efforts for the Santa Ana Emergency Interconnection.
3	l. OASIS Water Resource Center:
3.c.i	i. Engaging with project partners, stakeholders, and regulators to develop and support a pathway for implementing the OASIS Water Resource Center.
3.c.i	ii. Outreach consultants are preparing a customer survey to better understand community perspectives of OASIS advanced purified water. Survey findings will inform the development of supporting communication materials, including updated graphics, fact sheets, videos, and presentations, to support future public engagement efforts.
5.b.ii	iii. Continuing to administer the $1.5M FEMA BRIC grant and the $337,500 USBR WaterSMART Grant supporting OASIS activities, including the runoff diversion study, direct potable reuse (DPR) planning study, and outreach and communications program.
5.b.ii	iv. Preparing the Diversion Planning Study that is evaluating the opportunity for a cooperative stormwater diversion project within the Aliso Creek Watershed to increase local water supplies and improve downstream water quality.
5.b.ii	v. Preparing 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	m. Continuing implementation of water loss control program, including proactive leak detection and expedited leak response, which has resulted in water loss of 5.5%.
5.b.ii	n. Preparing the District's 2026 Urban Water Management Plan update and Water Shortage Contingency Plan, which will be presented to the Board for adoption and submitted to DWR later this year.
5.b.ii	o. Continue to implement the activities identified in the MOU with the City of Laguna Beach, including evaluating recycled water exchange opportunities and knowledge sharing programs.
	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.a.ii	b. In collaboration with MWDOC, Communications and Water Efficiency staff will participate in a Project WET (Water Education Today) Facilitator training to have the opportunity to serve as educators and lead our own workshops.
3.b	c. Host the 10th H2O for the HOAs workshop.
3.c	d. Host up to two professional trainings on landscape irrigation water use efficiency in English and Spanish languages.
3.c	e. Attend and present at water industry-related conferences about innovative water efficiency and customer engagement programs.
3.c	f. Evaluate long-running programs, including NatureScape Garden Design Program, H2O Pro Water Management Program, and Home Savings Surveys.
3.c.i	g. Implement a pilot residential drip irrigation educational workshop and incentive program.
3.c	h. Coordinate with the California Data Collaborative to develop a methodology for using AMI data to disaggregate indoor and outdoor water use of commercial mixed-use meters, to meet requirements of the Conservation as a California Way of Life Regulations.
3.c	i. Continue to evaluate upcoming District projects and programs and identify possible new funding opportunities, including support and funding for the OASIS Water Resource Center and the Santa Ana Emergency Interconnection.
3.c	j. Evaluate and present to the Board of Directors an approach to engage a firm(s) for state and federal lobbying services to help promote, pursue support and funding for the District's critical project and program investments, including OASIS Water Resource Center and the Santa Ana Emergency Interconnection.
5.b.ii	k. Advance the OASIS Water Resource Center Program:
5.b.ii	i. Complete the draft Diversion Planning Study and Project Design Report.
5.b.ii	ii. Complete the Direct Potable Reuse (DPR) Concept Planning Study and Project Design Report. Begin development of an Advanced Water Purification demonstration facility.

5.b.ii	iii. Evaluate the potential to integrate available wastewater flows from the City of Laguna Beach to support the OASIS Water Resource Center per the MOU with the City.
5.b.ii	iv. Engage with ETWD to consider potential opportunities for integrating excess ETWD wastewater flows into the OASIS Water Resource Center.

Table 31: Water Resources & Efficiency KPIs

Strategic Plan Alignment	*Key Performance Indicators*	*FY 24-25*	*FY 25-26 Projected*	*FY 26-27 Forecast*
5.b.ii	***Emergency Water Supply, days: The supply fluctuates and is dependent on demand. Lower demand through 20% conservation and rainy years contribute to more days.***	***40***	***43***	***43***
3.b	**2.** ***Turf Removal, square feet***	***175,568***	***261,000***	***310,000***
3.b.i	**3.** ***Home Savings Surveys***	***163***	***160***	***170***
2.a.iii	**4.** ***Water Loss (real)***			
	1-Year Time Lag for Reporting	***FY 24-25***	***FY 25-26***	***FY 26-27***
	gallons/connection/day	**17.10**	**26.50**	***26.50***

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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 asset management tools, inspections, and assessments. In addition, staff develops and refines annual R&R programs such as reservoir recoatings, pump and lift station rehabilitations, pipeline rehabilitation and replacements, manhole rehabilitations, valve replacements, fire hydrant replacements, service line replacements, and meter replacements. 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

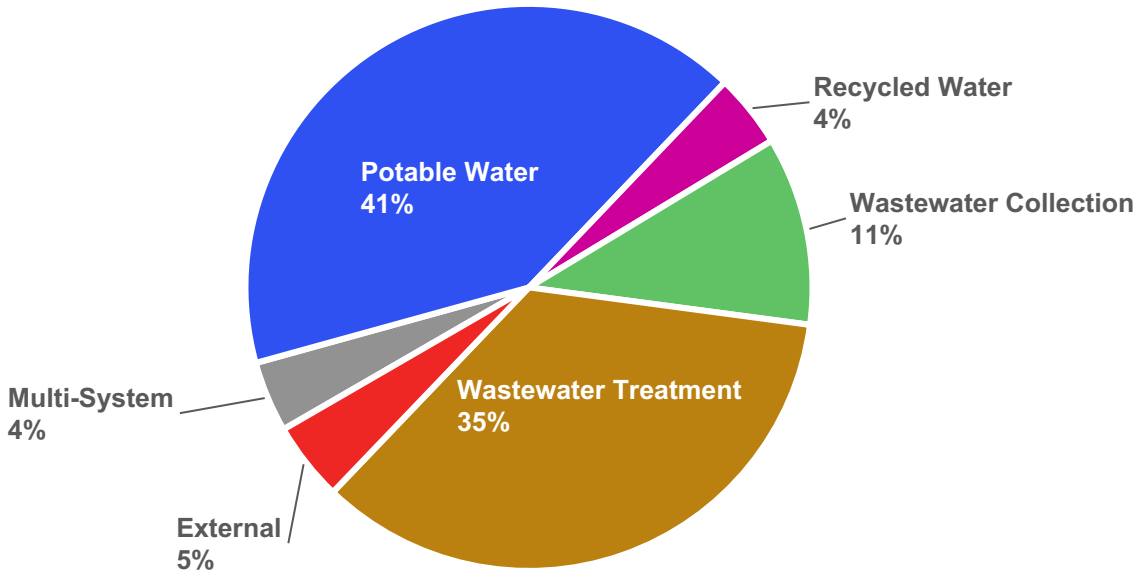
The 10-year CIP represents potable, recycled, wastewater, and multi-system projects that are required to maintain and operate the District's infrastructure. Appendix D lists the detailed individual projects of the 10-year CIP. The budgets are planning level costs based on similar completed projects and 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 $806.9 million for FY 26-27 through FY 35-36. About 5% ($36 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 25-26 CIP Budget (Prior Year)

The CIP for FY 25-26 as adopted by the Board of Directors in June of 2025 had a budget of $125.7 million. The FY 25-26 budget contained 43 individual projects and 23 programs, along with external projects. District Engineering staff anticipates that at fiscal year-end, 13 projects will have been completed, 18 projects will be in construction and 16 projects will be in various stages of design.

Staff estimates that by fiscal year-end, $161.9 million will be contracted or otherwise committed (includes multi-year projects with expenditures beyond the end of FY 25-26, approximately $41 million of which is associated with the Plant 3A Solids Handling Facilities Improvements Project, approximately $36 million associated with the Salinity Management at the Regional Treatment Plant Advanced Water Treatment System, and approximately $25 million associated with the Regional Force Main Replacement Project) and approximately $95.5 million will have been expended. *Table 32: FY 25-26 Adopted CIP Budget* summarizes the FY 25-26 adopted budget.

Table 32: FY 25-26 Adopted CIP Budget

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
Total	**$125,727,310**
Projected Expenditures for FY 25-26 (1)	$95,542,633
Projected Committed Funds/Contracts (2)	$161,888,743

(1) Based on actual expenditures through March 31, 2026 and projected expenditures through the end of FY 25-26.
(2) Includes multi-year projects with expenditures beyond the end of FY 25-26.

FY 26-27 CIP Budget

The FY 26-27 CIP outlines $91.1 million in appropriations to continue funding existing projects and provide funding for new projects. Projects carried forward from FY 25-26 account for roughly $83.1 million of the FY 26-27 CIP budget - $79.6 million is currently in construction and $3.5 million is in various design phases. Appropriations for new projects are about $3.9 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 $4.2 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 26-27 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 68% 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 26-27 CIP budget will support further evaluation of identified projects and programs as considered in the District's LRWRP, specifically further development of an emergency interconnection with Orange County Water District, continued expansion of the recycled water system, and on-going review of additional water reuse opportunities. As viable projects are identified and the regulatory picture becomes 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 26-27 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; Regional Treatment Plant Grating and Gates Replacement, 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 $593.8 million is utilized in the 10-year cash flow modeling to forecast revenue requirements in the future.

Table 33: FY 26-27 Adopted CIP Budget by Fund

ITEM/FUND	FY 26-27 Adopted Budget
General - Fund 1	$500,000
Water Efficiency - Fund 6	$50,000
Replacement and Refurbishment - Fund 7	$57,786,663
External (ETWD, IRWD, SCWD, SMWD) – Fund 7	$4,197,635
Water Supply Reliability - Fund 12	$2,250,000
Planning and Construction - Fund 14	$26,335,000
Total FY 26-27 Adopted Budget	**$91,119,298**

Figure 20: Distribution of CIP Budget by Fund

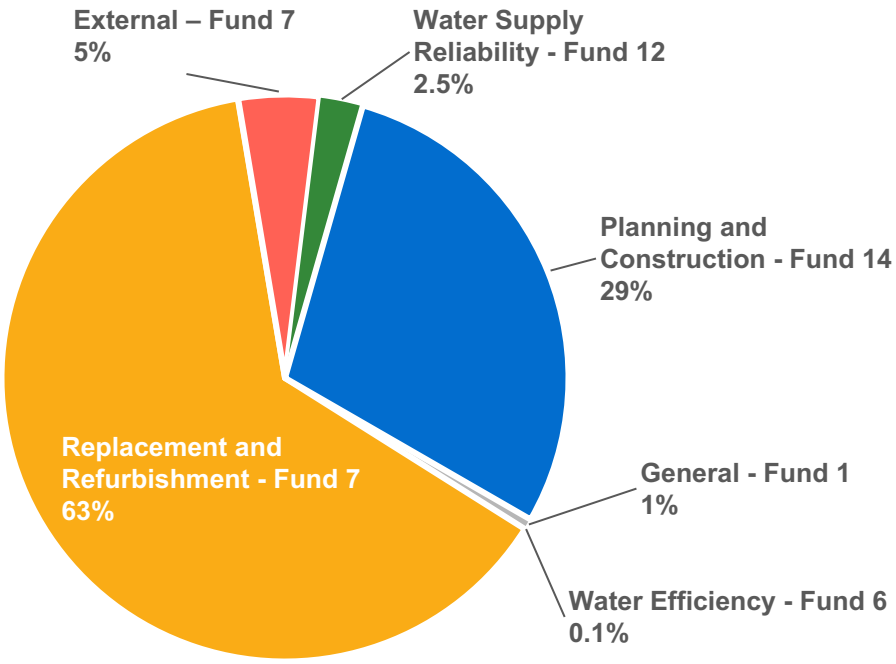


Table 34: FY 26-27 Adopted CIP Budget by System

SYSTEM	FY 26-27 Adopted Budget
Multi-System	$3,295,000
Potable Water	$12,854,500
Recycled Water	$1,070,000
Wastewater Collection	$14,015,000
Wastewater Treatment	$55,687,163
External (ETWD, IRWD, SCWD, SMWD)	$4,197,635
Total Adopted Budget	**$91,119,298**

Figure 21: Distribution of CIP Budget by System

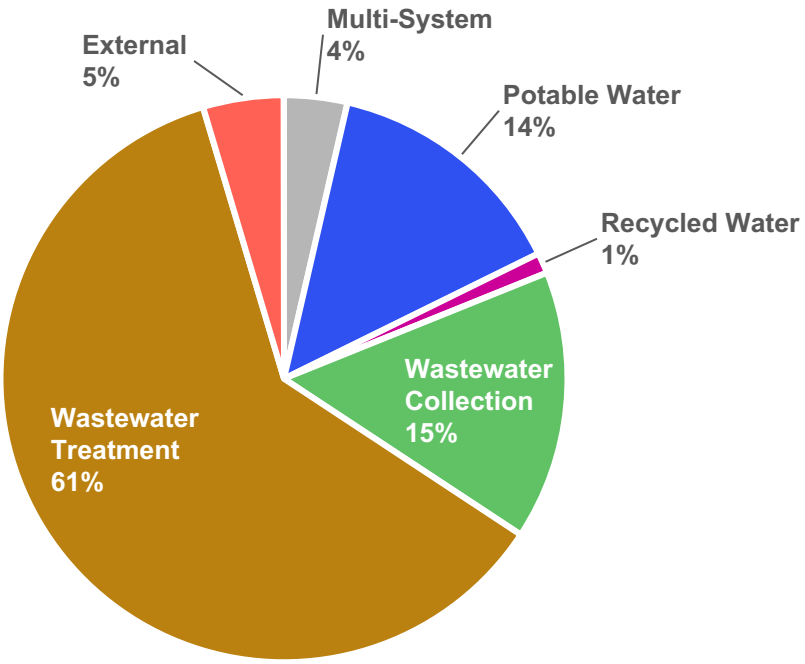
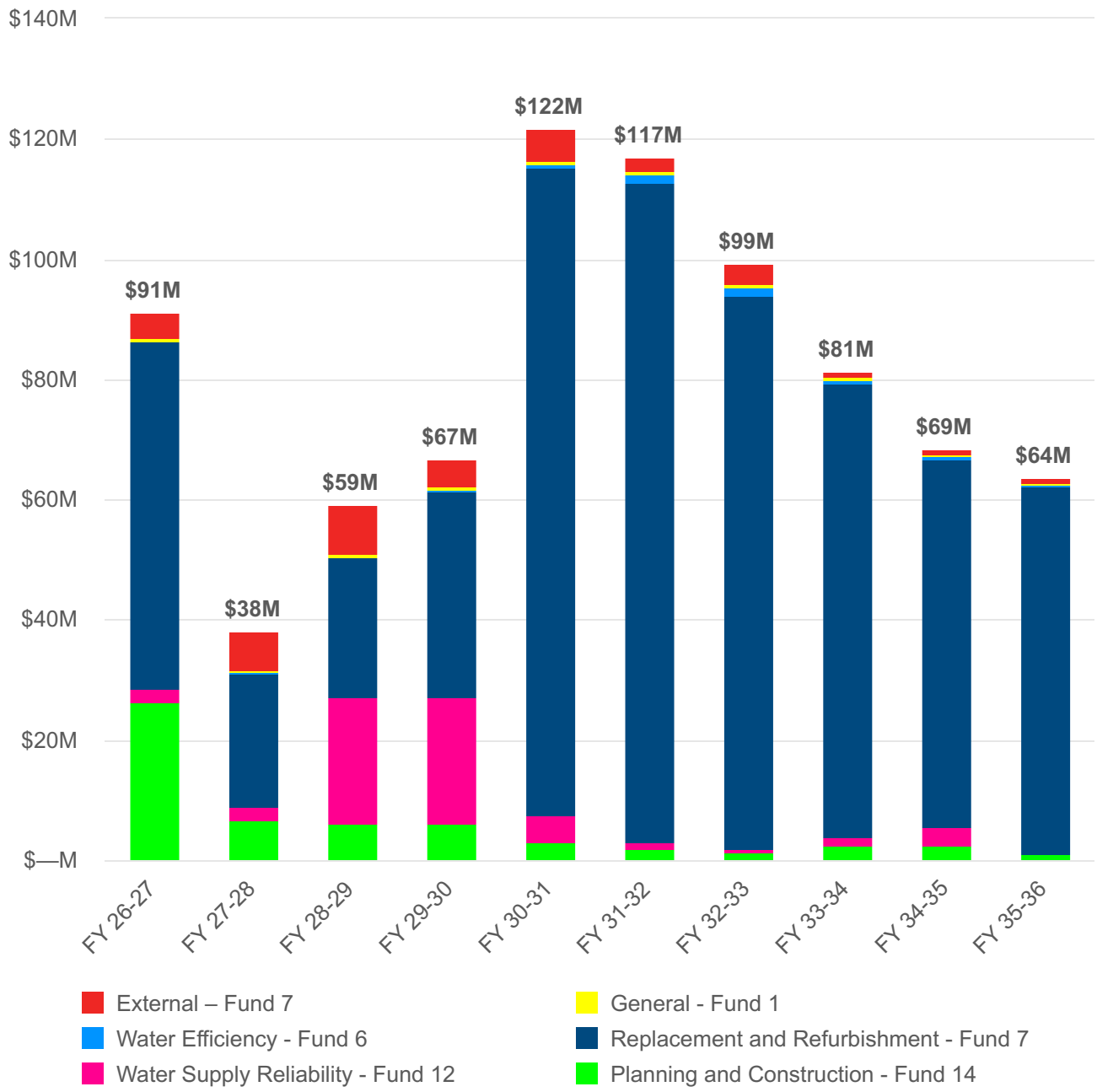


Figure 22: 10-Year CIP Budget Distribution



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 26-27 CIP budget are outlined below.

Staffing Resources

Approximately $5.9 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. 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 26-27 adopted CIP budget includes 41 individual projects and 24 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 26-27 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. The District completed the Solar Panels at Headquarters Project in FY 2025-26, which is expected to reduce annual energy costs by approximately $250,000. Upon completion, the Micro-hydro Turbines at Bridlewood Flow Control Facility will generate electricity to further offset facility power costs. The District has observed a continual increase in electricity rates and is actively exploring additional 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 strong credit 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: 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 planned bond issuance (2026 Certificate of Participation) start from FY 26-27 and are recognized in the new fund - Fund 76. *Table 36: Debt Service Payment Schedules* presents the maturity schedule of outstanding debt.

Table 35: Debt Service Payments Summary

	Principal	Interest	Total
2021 Certificate of Participation – Fund 74	$1,235,000	$1,504,025	$2,739,025
2019 Certificate of Participation – Fund 73	$1,550,000	$1,762,081	$3,312,081
2019 Revenue Bonds (Refunding of 2009 COPs) – Fund 12	$2,265,000	$2,163,125	$4,428,125
2025 Certificate of Participation — Fund 75	$1,135,000	$3,508,375	$4,643,375
2026 Certificate of Participation — Fund 76	$-	$2,410,772	$2,410,772
Total Debt Service	**$6,185,000**	**$11,348,378**	**$17,533,378**

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.

Fund 76 – 2026 Certificates of Participation

Planned on June 23, 2026, the District will issue $83,783,403 of 2026 Certificates of Participation. Based on this issuance, the District will receive approximately $83 million in proceeds which will be used to finance the costs of improving the District's wastewater treatment facilities, 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

	2021 Certificate of Participation			2019 Certificate of Participation		
FY	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
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	$2,740,488			
2052-2053						
2053-2054						
2054-2055						
Total by Issue	**$ 52,395,000**	**$ 18,901,276**	**$ 71,296,276**	**$56,950,000**	**$22,530,035**	**$79,480,035**

FY	2025 Certificate of Participation			2026 Certificate of Participation		
	Principal	Interest	Total	Principal	Interest	Total
2026-2027	$1,135,000	$3,508,375	$4,643,375	$-	$2,410,772	$2,410,772
2027-2028	$1,190,000	$3,480,000	$4,670,000	$1,150,000	$3,794,500	$4,944,500
2028-2029	$1,250,000	$3,420,500	$4,670,500	$1,210,000	$3,735,500	$4,945,500
2029-2030	$1,315,000	$3,358,000	$4,673,000	$1,270,000	$3,673,500	$4,943,500
2030-2031	$1,380,000	$3,292,250	$4,672,250	$1,335,000	$3,608,375	$4,943,375
2031-2032	$1,450,000	$3,223,250	$4,673,250	$1,400,000	$3,540,000	$4,940,000
2032-2033	$1,520,000	$3,150,750	$4,670,750	$1,470,000	$3,468,250	$4,938,250
2033-2034	$1,600,000	$3,074,750	$4,674,750	$1,540,000	$3,393,000	$4,933,000
2034-2035	$1,675,000	$2,994,750	$4,669,750	$1,620,000	$3,314,000	$4,934,000
2035-2036	$1,760,000	$2,911,000	$4,671,000	$1,700,000	$3,231,000	$4,931,000
2036-2037	$1,850,000	$2,823,000	$4,673,000	$1,785,000	$3,143,875	$4,928,875
2037-2038	$1,940,000	$2,730,500	$4,670,500	$1,875,000	$3,052,375	$4,927,375
2038-2039	$2,040,000	$2,633,500	$4,673,500	$1,970,000	$2,956,250	$4,926,250
2039-2040	$2,140,000	$2,531,500	$4,671,500	$2,065,000	$2,855,375	$4,920,375
2040-2041	$2,245,000	$2,424,500	$4,669,500	$2,170,000	$2,749,500	$4,919,500
2041-2042	$2,360,000	$2,312,250	$4,672,250	$2,280,000	$2,638,250	$4,918,250
2042-2043	$2,480,000	$2,194,250	$4,674,250	$2,395,000	$2,521,375	$4,916,375
2043-2044	$2,600,000	$2,070,250	$4,670,250	$2,515,000	$2,398,625	$4,913,625
2044-2045	$2,730,000	$1,940,250	$4,670,250	$2,640,000	$2,269,750	$4,909,750
2045-2046	$2,870,000	$1,803,750	$4,673,750	$2,770,000	$2,134,500	$4,904,500
2046-2047	$3,010,000	$1,660,250	$4,670,250	$2,910,000	$1,992,500	$4,902,500
2047-2048	$3,160,000	$1,509,750	$4,669,750	$3,055,000	$1,843,375	$4,898,375
2048-2049	$3,320,000	$1,351,750	$4,671,750	$3,205,000	$1,686,875	$4,891,875
2049-2050	$3,485,000	$1,185,750	$4,670,750	$3,365,000	$1,522,625	$4,887,625
2050-2051	$3,660,000	$1,011,500	$4,671,500	$3,535,000	$1,350,125	$4,885,125
2051-2052	$3,845,000	$828,500	$4,673,500	$3,710,000	$1,169,000	$4,879,000
2052-2053	$4,035,000	$636,250	$4,671,250	$3,895,000	$978,875	$4,873,875
2053-2054	$4,240,000	$434,500	$4,674,500	$4,090,000	$779,250	$4,869,250
2054-2055	$4,450,000	$222,500	$4,672,500	$4,295,000	$569,625	$4,864,625
2055-2056				$4,510,000	$349,500	$4,859,500
2056-2057				$4,735,000	$118,375	$4,853,375
Total by Issue	**$70,735,000**	**$64,718,125**	**$135,453,125**	**$76,465,000**	**$73,248,897**	**$149,713,897**

FY	2019 Revenue Refunding Bonds		
	Principal	Interest	Total
2026-2027	$2,265,000	$2,163,125	$4,428,125
2027-2028	$2,380,000	$2,046,100	$4,426,100
2028-2029	$2,500,000	$1,925,000	$4,425,000
2029-2030	$2,620,000	$1,797,000	$4,417,000
2030-2031	$2,755,000	$1,662,625	$4,417,625
2031-2032	$2,890,000	$1,521,500	$4,411,500
2032-2033	$3,035,000	$1,373,375	$4,408,375
2033-2034	$3,185,000	$1,217,875	$4,402,875
2034-2035	$3,345,000	$1,054,625	$4,399,625
2035-2036	$3,515,000	$883,125	$4,398,125
2036-2037	$3,690,000	$703,000	$4,393,000
2037-2038	$3,875,000	$513,875	$4,388,875
2038-2039	$4,070,000	$315,250	$4,385,250
2039-2040	$4,270,000	$106,750	$4,376,750
Total by Issue	**$44,395,000**	**$17,283,225**	**$61,678,225**

Glossary

Acre-Foot	The volume of water necessary to cover one acre to a depth of one foot, equal to 435.6 units/ccf or 325,850 gallons.
Appropriation	A funding authorization made by the Board of Directors, which permits the District to incur obligations and to make expenditures of resources.
Assets	Resources owned or held by the District that have monetary value.
Balanced Budget	Budgeted revenues are sufficient to cover all budgeted expenditures, principal payments on long-term debt, and minimum funding of all reserve requirements as required by the District's reserve policy.
Basis of Accounting	The timing of recognition, that is, when the effects of transactions or events should be recognized. The basis of accounting used for purposes of financial reporting in accordance with generally accepted accounting principles (GAAP) is not necessarily the same basis used in preparing the budget document.
Bond	A written promise to pay a sum of money on a specific date or dates at a specified interest rate. The interest payments and the repayment of the principal are authorized in a District bond resolution. Common types of bonds are General Obligation (GO) bonds and Certificates of Participation (COPs). They are used for construction of long-lasting capital assets such as buildings, reservoirs, pipelines and pump stations.
Capital Budget	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.
Capital Improvement Program (CIP)	Expenses related to the construction, replacement, rehabilitation and modernization of District owned and operated infrastructure.
Capital Outlays	Expenditure on an item that meets the District's $5,000 threshold for capitalization. This includes purchases of various types of vehicles and equipment.
Certificates of Participation (COPs)	A long-term financing instrument authorized for construction or acquisition of facilities, equipment, and more.
Debt Service	The District's obligation to pay the principal and interest of bonds and other debt instruments according to a predetermined payment schedule.
Enterprise Fund	Fund established to account for the financing of self-supporting enterprises, such as a utility fund, which render services primarily to the public for determined fees.
Expenditures/Expenses	A charge incurred, whether paid or unpaid, for operation, maintenance, interest, and other charges presumed to benefit the current fiscal period.
Fiscal Year	A 12-month period of time to which the annual budget applies and at the end of which a government determines its financial position and the results of its operations. The District has specified July 1 to June 30 as its fiscal year.

Generally Accepted Accounting Principles (GAAP)	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).
Geographic Information System (GIS)	A system combining computer hardware, software, and geographic data for collecting, storing, analyzing and displaying geographically referenced information.
Government Finance Officers Association (GFOA)	National organization whose purpose is to enhance and promote the professional management of governments for the public benefit by identifying and developing financial policies and best practices and promoting their use through education, training, facilitation of member networking, and leadership.
Infrastructure	The accumulated pipelines, storage facilities, and treatment plants of the District, including meters, valves, pumps, filters and other appurtenances.
Interest Income	Earnings (realized gains) from the investment portfolio.
Liabilities	Present obligations of the District arising from past events.
Operating Budget	The portion of the budget that pertains to daily operations that provide basic district services. The operating budget contains appropriations for such expenditures as personnel, supplies, utilities, materials, travel and fuel, and does not include purchases of major capital plant or equipment which is budgeted separately in the Capital Budget.
Operating Expenses	All costs associated with the day-to-day business of the District, which are not considered capital improvements or debt repayments.
Purchased Import Water	All imported water obtained from Metropolitan Water District of Southern California (MET) through the Municipal Water District of Orange County (MWDOC).
Reserve Fund	The District maintains Reserve Funds per the District's policy for both designated and restricted funds. Designated Reserve Funds are "general use" funds designated by the Board. Restricted Reserve Funds are those that are set aside for a particular purpose due to a legal or contractual commitment and cannot be used for any other purpose.
Revenue	Revenues measure the value of District services provided to customers.
Special District	An independent unit of local government organized to perform a single governmental function or a restricted number of related functions.
Supervisory Control and Data Acquisition (SCADA)	The system that collects operational data from remote units to monitor and control water and wastewater systems and facilities throughout the District service area.
Uncollectible Accounts	Includes the write-off of unpaid water and sewer charges.
User Charge	A charge levied against users of a service or purchasers of a product.
Variable Water Costs	Water costs based on a set price per unit 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

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

Appendix A: Salary Schedules

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
GENERAL UNIT

JOB CLASSIFICATION	RANGE
Accountant	G31
Accounting Assistant I	G3
Accounting Assistant II	G8
Accounting Assistant III	G18
Administrative Assistant I	G9
Administrative Assistant II	G19
Buyer	G29
Computerized Maintenance Management System (CMMS) Technician	G20
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

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
GENERAL UNIT

JOB CLASSIFICATION	RANGE
Maintenance Worker I - Collections	G10
Maintenance Worker II - Collections	G21
Maintenance Worker III - Collections	G32

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
GENERAL UNIT

JOB CLASSIFICATION	RANGE
Maintenance Worker I - Facilities	G13
Maintenance Worker II - Facilities	G25
Maintenance Worker III - Facilities	G35
Maintenance Worker I - Streets	G10
Maintenance Worker II - Streets	G21
Maintenance Worker III - Streets	G32
Mechanic I	G11
Mechanic II	G22
Mechanic III	G33
Permit Technician	G20
Purchasing Agent	G47
Records & Mapping Analyst	G31
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 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

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
GENERAL UNIT

JOB CLASSIFICATION	RANGE
Wastewater Treatment Plant Operator in Training	G22.1
Water Efficiency Analyst	G39
Water Efficiency Representative I	G3
Water Efficiency Representative II	G8
Water Efficiency Representative III	G18
Water Systems Operator I	G13
Water Systems Operator II	G25
Water Systems Operator III	G35

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
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	5,205.20	5,335.20	5,468.67	5,605.60	5,746.00	5,889.87	6,037.20	6,188.00	6,342.27	6,500.00	6,662.93
		Hourly	30.03	30.78	31.55	32.34	33.15	33.98	34.83	35.70	36.59	37.50	38.44
		Annually	62,462.40	64,022.40	65,624.00	67,267.20	68,952.00	70,678.40	72,446.40	74,256.00	76,107.20	78,000.00	79,955.20
			-	-	-	-	-	-	-	-	-	-	-
	G2	Monthly	5,520.67	5,659.33	5,799.73	5,945.33	6,094.40	6,246.93	6,402.93	6,562.40	6,727.07	6,895.20	7,066.80
		Hourly	31.85	32.65	33.46	34.30	35.16	36.04	36.94	37.86	38.81	39.78	40.77
		Annually	66,248.00	67,912.00	69,596.80	71,344.00	73,132.80	74,963.20	76,835.20	78,748.80	80,724.80	82,742.40	84,801.60
			-	-	-	-	-	-	-	-	-	-	-
Accounting Assistant I Customer Account Representative I Customer Service Field Technician I Inventory Clerk Water Efficiency Representative I	G3	Monthly	5,525.87	5,664.53	5,804.93	5,950.53	6,099.60	6,252.13	6,408.13	6,569.33	6,732.27	6,900.40	7,073.73
		Hourly	31.88	32.68	33.49	34.33	35.19	36.07	36.97	37.90	38.84	39.81	40.81
		Annually	66,310.40	67,974.40	69,659.20	71,406.40	73,195.20	75,025.60	76,897.60	78,832.00	80,787.20	82,804.80	84,884.80
			-	-	-	-	-	-	-	-	-	-	-
	G4	Monthly	5,856.93	6,002.53	6,153.33	6,307.60	6,465.33	6,626.53	6,792.93	6,962.80	7,136.13	7,314.67	7,496.67
		Hourly	33.79	34.63	35.50	36.39	37.30	38.23	39.19	40.17	41.17	42.20	43.25
		Annually	70,283.20	72,030.40	73,840.00	75,691.20	77,584.00	79,518.40	81,515.20	83,553.60	85,633.60	87,776.00	89,960.00
			-	-	-	-	-	-	-	-	-	-	-
	G5	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
			-	-	-	-	-	-	-	-	-	-	-
	G6	Monthly	5,955.73	6,104.80	6,257.33	6,413.33	6,574.53	6,739.20	6,907.33	7,078.93	7,255.73	7,437.73	7,623.20
		Hourly	34.36	35.22	36.10	37.00	37.93	38.88	39.85	40.84	41.86	42.91	43.98
		Annually	71,468.80	73,257.60	75,088.00	76,960.00	78,894.40	80,870.40	82,888.00	84,947.20	87,068.80	89,252.80	91,478.40
			-	-	-	-	-	-	-	-	-	-	-
	G7	Monthly	6,215.73	6,371.73	6,531.20	6,694.13	6,860.53	7,032.13	7,208.93	7,389.20	7,572.93	7,761.87	7,956.00
		Hourly	35.86	36.76	37.68	38.62	39.58	40.57	41.59	42.63	43.69	44.78	45.90
		Annually	74,588.80	76,460.80	78,374.40	80,329.60	82,326.40	84,385.60	86,507.20	88,670.40	90,875.20	93,142.40	95,472.00
			-	-	-	-	-	-	-	-	-	-	-
Accounting Assistant II Customer Account Representative II Customer Service Field Technician II Water Efficiency Representative II	G8	Monthly	6,219.20	6,375.20	6,534.67	6,697.60	6,864.00	7,035.60	7,212.40	7,392.67	7,578.13	7,767.07	7,961.20
		Hourly	35.88	36.78	37.70	38.64	39.60	40.59	41.61	42.65	43.72	44.81	45.93
		Annually	74,630.40	76,502.40	78,416.00	80,371.20	82,368.00	84,427.20	86,548.80	88,712.00	90,937.60	93,204.80	95,534.40
			-	-	-	-	-	-	-	-	-	-	-
Administrative Assistant I	G9	Monthly	6,240.00	6,396.00	6,555.47	6,720.13	6,888.27	7,059.87	7,236.67	7,416.93	7,602.40	7,793.07	7,987.20
		Hourly	36.00	36.90	37.82	38.77	39.74	40.73	41.75	42.79	43.86	44.96	46.08
		Annually	74,880.00	76,752.00	78,665.60	80,641.60	82,659.20	84,718.40	86,840.00	89,003.20	91,228.80	93,516.80	95,846.40
			-	-	-	-	-	-	-	-	-	-	-
Leak Detection Technician I Maintenance Worker I - Collections Maintenance Worker I - Streets	G10	Monthly	6,316.27	6,474.00	6,635.20	6,801.60	6,971.47	7,146.53	7,325.07	7,508.80	7,696.00	7,888.40	8,086.00
		Hourly	36.44	37.35	38.28	39.24	40.22	41.23	42.26	43.32	44.40	45.51	46.65
		Annually	75,795.20	77,688.00	79,622.40	81,619.20	83,657.60	85,758.40	87,900.80	90,105.60	92,352.00	94,660.80	97,032.00

Appendix A

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
GENERAL UNIT

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

JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
			-	-	-	-	-	-	-	-	-	-	-
Mechanic I	G11	Monthly	6,331.87	6,489.60	6,652.53	6,818.93	6,988.80	7,163.87	7,342.40	7,526.13	7,715.07	7,907.47	8,105.07
		Hourly	36.53	37.44	38.38	39.34	40.32	41.33	42.36	43.42	44.51	45.62	46.76
		Annually	75,982.40	77,875.20	79,830.40	81,827.20	83,865.60	85,966.40	88,108.80	90,313.60	92,580.80	94,889.60	97,260.80
			-	-	-	-	-	-	-	-	-	-	-
Cross Connection Inspector I Recycled Water Inspector I Inspector I	G12	Monthly	6,432.40	6,593.60	6,758.27	6,926.40	7,099.73	7,278.27	7,460.27	7,645.73	7,836.40	8,034.00	8,233.33
		Hourly	37.11	38.04	38.99	39.96	40.96	41.99	43.04	44.11	45.21	46.35	47.50
		Annually	77,188.80	79,123.20	81,099.20	83,116.80	85,196.80	87,339.20	89,523.20	91,748.80	94,036.80	96,408.00	98,800.00
			-	-	-	-	-	-	-	-	-	-	-
Maintenance Worker I - Facilities Maintenance Mechanic I Water Systems Operator I	G13	Monthly	6,522.53	6,685.47	6,853.60	7,023.47	7,200.27	7,378.80	7,564.27	7,753.20	7,947.33	8,144.93	8,349.47
		Hourly	37.63	38.57	39.54	40.52	41.54	42.57	43.64	44.73	45.85	46.99	48.17
		Annually	78,270.40	80,225.60	82,243.20	84,281.60	86,403.20	88,545.60	90,771.20	93,038.40	95,368.00	97,739.20	100,193.60
			-	-	-	-	-	-	-	-	-	-	-
	G14	Monthly	6,588.40	6,753.07	6,921.20	7,094.53	7,273.07	7,453.33	7,640.53	7,831.20	8,027.07	8,228.13	8,434.40
		Hourly	38.01	38.96	39.93	40.93	41.96	43.00	44.08	45.18	46.31	47.47	48.66
		Annually	79,060.80	81,036.80	83,054.40	85,134.40	87,276.80	89,440.00	91,686.40	93,974.40	96,324.80	98,737.60	101,212.80
			-	-	-	-	-	-	-	-	-	-	-
	G15	Monthly	6,697.60	6,865.73	7,037.33	7,212.40	7,392.67	7,578.13	7,767.07	7,961.20	8,160.53	8,365.07	8,573.07
		Hourly	38.64	39.61	40.60	41.61	42.65	43.72	44.81	45.93	47.08	48.26	49.46
		Annually	80,371.20	82,388.80	84,448.00	86,548.80	88,712.00	90,937.60	93,204.80	95,534.40	97,926.40	100,380.80	102,876.80
			-	-	-	-	-	-	-	-	-	-	-
	G16	Monthly	6,709.73	6,877.87	7,049.47	7,226.27	7,406.53	7,592.00	7,780.93	7,975.07	8,174.40	8,378.93	8,588.67
		Hourly	38.71	39.68	40.67	41.69	42.73	43.80	44.89	46.01	47.16	48.34	49.55
		Annually	80,516.80	82,534.40	84,593.60	86,715.20	88,878.40	91,104.00	93,371.20	95,700.80	98,092.80	100,547.20	103,064.00
			-	-	-	-	-	-	-	-	-	-	-
	G17	Monthly	6,988.80	7,163.87	7,342.40	7,526.13	7,715.07	7,907.47	8,105.07	8,307.87	8,515.87	8,727.33	8,945.73
		Hourly	40.32	41.33	42.36	43.42	44.51	45.62	46.76	47.93	49.13	50.35	51.61
		Annually	83,865.60	85,966.40	88,108.80	90,313.60	92,580.80	94,889.60	97,260.80	99,694.40	102,190.40	104,728.00	107,348.80
			-	-	-	-	-	-	-	-	-	-	-
Accounting Assistant III Customer Account Representative III Customer Service Field Technician III Inventory Control Technician Water Efficiency Representative III	G18	Monthly	6,990.53	7,165.60	7,344.13	7,527.87	7,716.80	7,909.20	8,106.80	8,309.60	8,517.60	8,730.80	8,949.20
		Hourly	40.33	41.34	42.37	43.43	44.52	45.63	46.77	47.94	49.14	50.37	51.63
		Annually	83,886.40	85,987.20	88,129.60	90,334.40	92,601.60	94,910.40	97,281.60	99,715.20	102,211.20	104,769.60	107,390.40
			-	-	-	-	-	-	-	-	-	-	-
Administrative Assistant II	G19	Monthly	7,040.80	7,217.60	7,397.87	7,581.60	7,772.27	7,966.40	8,165.73	8,368.53	8,578.27	8,793.20	9,013.33
		Hourly	40.62	41.64	42.68	43.74	44.84	45.96	47.11	48.28	49.49	50.73	52.00
		Annually	84,489.60	86,611.20	88,774.40	90,979.20	93,267.20	95,596.80	97,988.80	100,422.40	102,939.20	105,518.40	108,160.00

Appendix A

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
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
			-	-	-	-	-	-	-	-	-	-	-
GIS Technician	G20	Monthly	7,087.60	7,264.40	7,446.40	7,631.87	7,822.53	8,018.40	8,219.47	8,425.73	8,635.47	8,852.13	9,072.27
CMMS Technician		Hourly	40.89	41.91	42.96	44.03	45.13	46.26	47.42	48.61	49.82	51.07	52.34
Permit Technician		Annually	85,051.20	87,172.80	89,356.80	91,582.40	93,870.40	96,220.80	98,633.60	101,108.80	103,625.60	106,225.60	108,867.20
			-	-	-	-	-	-	-	-	-	-	-
Leak Detection Technician II	G21	Monthly	7,099.73	7,276.53	7,458.53	7,645.73	7,836.40	8,032.27	8,233.33	8,439.60	8,651.07	8,866.00	9,087.87
Maintenance Worker II - Collections		Hourly	40.96	41.98	43.03	44.11	45.21	46.34	47.50	48.69	49.91	51.15	52.43
Maintenance Worker II - Streets		Annually	85,196.80	87,318.40	89,502.40	91,748.80	94,036.80	96,387.20	98,800.00	101,275.20	103,812.80	106,392.00	109,054.40
			-	-	-	-	-	-	-	-	-	-	-
Mechanic II	G22	Monthly	7,122.27	7,300.80	7,482.80	7,670.00	7,862.40	8,058.27	8,259.33	8,465.60	8,677.07	8,895.47	9,117.33
		Hourly	41.09	42.12	43.17	44.25	45.36	46.49	47.65	48.84	50.06	51.32	52.60
		Annually	85,467.20	87,609.60	89,793.60	92,040.00	94,348.80	96,699.20	99,112.00	101,587.20	104,124.80	106,745.60	109,408.00
			-	-	-	-	-	-	-	-	-	-	-
Wastewater Treatment Plant Operator in Training	G22.1	Monthly	7,160.40	7,338.93	7,522.67	7,711.60	7,904.00	8,101.60	8,304.40	8,510.67	8,723.87	8,942.27	9,165.87
		Hourly	41.31	42.34	43.40	44.49	45.60	46.74	47.91	49.10	50.33	51.59	52.88
		Annually	85,924.80	88,067.20	90,272.00	92,539.20	94,848.00	97,219.20	99,652.80	102,128.00	104,686.40	107,307.20	109,990.40
			-	-	-	-	-	-	-	-	-	-	-
Inspector II	G23	Monthly	7,238.40	7,418.67	7,604.13	7,794.80	7,990.67	8,190.00	8,394.53	8,604.27	8,819.20	9,039.33	9,266.40
		Hourly	41.76	42.80	43.87	44.97	46.10	47.25	48.43	49.64	50.88	52.15	53.46
		Annually	86,860.80	89,024.00	91,249.60	93,537.60	95,888.00	98,280.00	100,734.40	103,251.20	105,830.40	108,472.00	111,196.80
			-	-	-	-	-	-	-	-	-	-	-
Cross Connection Inspector II	G24	Monthly	7,293.87	7,475.87	7,663.07	7,855.47	8,051.33	8,252.40	8,458.67	8,670.13	8,886.80	9,108.67	9,337.47
Recycled Water Inspector II		Hourly	42.08	43.13	44.21	45.32	46.45	47.61	48.80	50.02	51.27	52.55	53.87
		Annually	87,526.40	89,710.40	91,956.80	94,265.60	96,616.00	99,028.80	101,504.00	104,041.60	106,641.60	109,304.00	112,049.60
			-	-	-	-	-	-	-	-	-	-	-
Water Systems Operator II	G25	Monthly	7,337.20	7,520.93	7,708.13	7,900.53	8,098.13	8,300.93	8,508.93	8,722.13	8,938.80	9,162.40	9,392.93
Maintenance Mechanic II		Hourly	42.33	43.39	44.47	45.58	46.72	47.89	49.09	50.32	51.57	52.86	54.19
Maintenance Mechanic II/ Truck Driver													
Maintenance Worker II - Facilities		Annually	88,046.40	90,251.20	92,497.60	94,806.40	97,177.60	99,611.20	102,107.20	104,665.60	107,265.60	109,948.80	112,715.20
			-	-	-	-	-	-	-	-	-	-	-
	G26	Monthly	7,415.20	7,600.67	7,791.33	7,985.47	8,184.80	8,389.33	8,599.07	8,814.00	9,034.13	9,261.20	9,491.73
		Hourly	42.78	43.85	44.95	46.07	47.22	48.40	49.61	50.85	52.12	53.43	54.76
		Annually	88,982.40	91,208.00	93,496.00	95,825.60	98,217.60	100,672.00	103,188.80	105,768.00	108,409.60	111,134.40	113,900.80
			-	-	-	-	-	-	-	-	-	-	-
Electrical/Instrumentation Technician I	G26.1	Monthly	7,463.73	7,650.93	7,841.60	8,037.47	8,238.53	8,444.80	8,656.27	8,871.20	9,093.07	9,321.87	9,554.13
		Hourly	43.06	44.14	45.24	46.37	47.53	48.72	49.94	51.18	52.46	53.78	55.12
		Annually	89,564.80	91,811.20	94,099.20	96,449.60	98,862.40	101,337.60	103,875.20	106,454.40	109,116.80	111,862.40	114,649.60
			-	-	-	-	-	-	-	-	-	-	-
	G27	Monthly	7,522.67	7,711.60	7,904.00	8,101.60	8,304.40	8,510.67	8,723.87	8,942.27	9,165.87	9,394.67	9,630.40
		Hourly	43.40	44.49	45.60	46.74	47.91	49.10	50.33	51.59	52.88	54.20	55.56
		Annually	90,272.00	92,539.20	94,848.00	97,219.20	99,652.80	102,128.00	104,686.40	107,307.20	109,990.40	112,736.00	115,564.80

Appendix A

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
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
			-	-	-	-	-	-	-	-	-	-	-
	G28	Monthly	7,538.27	7,727.20	7,919.60	8,117.20	8,320.00	8,528.00	8,742.93	8,961.33	9,184.93	9,413.73	9,649.47
		Hourly	43.49	44.58	45.69	46.83	48.00	49.20	50.44	51.70	52.99	54.31	55.67
		Annually	90,459.20	92,726.40	95,035.20	97,406.40	99,840.00	102,336.00	104,915.20	107,536.00	110,219.20	112,964.80	115,793.60
			-	-	-	-	-	-	-	-	-	-	-
Buyer Senior Inventory Control Technician	G29	Monthly	7,772.27	7,966.40	8,165.73	8,370.27	8,578.27	8,793.20	9,013.33	9,238.67	9,469.20	9,706.67	9,949.33
		Hourly	44.84	45.96	47.11	48.29	49.49	50.73	52.00	53.30	54.63	56.00	57.40
		Annually	93,267.20	95,596.80	97,988.80	100,443.20	102,939.20	105,518.40	108,160.00	110,864.00	113,630.40	116,480.00	119,392.00
			-	-	-	-	-	-	-	-	-	-	-
	G30	Monthly	7,860.67	8,056.53	8,259.33	8,465.60	8,677.07	8,893.73	9,115.60	9,344.40	9,576.67	9,817.60	10,062.00
		Hourly	45.35	46.48	47.65	48.84	50.06	51.31	52.59	53.91	55.25	56.64	58.05
		Annually	94,328.00	96,678.40	99,112.00	101,587.20	104,124.80	106,724.80	109,387.20	112,132.80	114,920.00	117,811.20	120,744.00
			-	-	-	-	-	-	-	-	-	-	-
Accountant Records & Mapping Analyst Senior Customer Account Representative Senior Customer Service Field Technician Senior Water Efficiency Representative	G31	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
			-	-	-	-	-	-	-	-	-	-	-
Facilities Coordinator Leak Detection Technician III Maintenance Worker III - Collections Maintenance Worker III - Streets	G32	Monthly	7,990.67	8,190.00	8,394.53	8,604.27	8,820.93	9,041.07	9,266.40	9,498.67	9,736.13	9,978.80	10,228.40
		Hourly	46.10	47.25	48.43	49.64	50.89	52.16	53.46	54.80	56.17	57.57	59.01
		Annually	95,888.00	98,280.00	100,734.40	103,251.20	105,851.20	108,492.80	111,196.80	113,984.00	116,833.60	119,745.60	122,740.80
			-	-	-	-	-	-	-	-	-	-	-
Mechanic III	G33	Monthly	8,013.20	8,214.27	8,418.80	8,628.53	8,845.20	9,067.07	9,292.40	9,524.67	9,763.87	10,006.53	10,257.87
		Hourly	46.23	47.39	48.57	49.78	51.03	52.31	53.61	54.95	56.33	57.73	59.18
		Annually	96,158.40	98,571.20	101,025.60	103,542.40	106,142.40	108,804.80	111,508.80	114,296.00	117,166.40	120,078.40	123,094.40
			-	-	-	-	-	-	-	-	-	-	-
Wastewater Treatment Plant Operator I	G33.1	Monthly	8,054.80	8,255.87	8,462.13	8,673.60	8,890.27	9,113.87	9,340.93	9,574.93	9,814.13	10,058.53	10,311.60
		Hourly	46.47	47.63	48.82	50.04	51.29	52.58	53.89	55.24	56.62	58.03	59.49
		Annually	96,657.60	99,070.40	101,545.60	104,083.20	106,683.20	109,366.40	112,091.20	114,899.20	117,769.60	120,702.40	123,739.20
			-	-	-	-	-	-	-	-	-	-	-
Cross Connection Inspector III Inspector III Recycled Water Inspector III	G34	Monthly	8,144.93	8,347.73	8,557.47	8,770.67	8,990.80	9,214.40	9,444.93	9,682.40	9,923.33	10,171.20	10,426.00
		Hourly	46.99	48.16	49.37	50.60	51.87	53.16	54.49	55.86	57.25	58.68	60.15
		Annually	97,739.20	100,172.80	102,689.60	105,248.00	107,889.60	110,572.80	113,339.20	116,188.80	119,080.00	122,054.40	125,112.00
			-	-	-	-	-	-	-	-	-	-	-
Maintenance Mechanic III Maintenance Worker III - Facilities Water Systems Operator III	G35	Monthly	8,257.60	8,463.87	8,675.33	8,892.00	9,115.60	9,342.67	9,576.67	9,815.87	10,060.27	10,313.33	10,569.87
		Hourly	47.64	48.83	50.05	51.30	52.59	53.90	55.25	56.63	58.04	59.50	60.98
		Annually	99,091.20	101,566.40	104,104.00	106,704.00	109,387.20	112,112.00	114,920.00	117,790.40	120,723.20	123,760.00	126,838.40
			-	-	-	-	-	-	-	-	-	-	-
Electrical/Instrumentation Technician II	G36	Monthly	8,401.47	8,611.20	8,826.13	9,048.00	9,273.33	9,505.60	9,743.07	9,987.47	10,237.07	10,491.87	10,755.33
		Hourly	48.47	49.68	50.92	52.20	53.50	54.84	56.21	57.62	59.06	60.53	62.05
		Annually	100,817.60	103,334.40	105,913.60	108,576.00	111,280.00	114,067.20	116,916.80	119,849.60	122,844.80	125,902.40	129,064.00

Appendix A

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
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
			-	-	-	-	-	-	-	-	-	-	-
	G37	Monthly	8,467.33	8,678.80	8,895.47	9,119.07	9,346.13	9,580.13	9,819.33	10,065.47	10,316.80	10,575.07	10,838.53
		Hourly	48.85	50.07	51.32	52.61	53.92	55.27	56.65	58.07	59.52	61.01	62.53
		Annually	101,608.00	104,145.60	106,745.60	109,428.80	112,153.60	114,961.60	117,832.00	120,785.60	123,801.60	126,900.80	130,062.40
			-	-	-	-	-	-	-	-	-	-	-
	G38	Monthly	8,482.93	8,694.40	8,912.80	9,134.67	9,363.47	9,597.47	9,838.40	10,082.80	10,335.87	10,594.13	10,859.33
		Hourly	48.94	50.16	51.42	52.70	54.02	55.37	56.76	58.17	59.63	61.12	62.65
		Annually	101,795.20	104,332.80	106,953.60	109,616.00	112,361.60	115,169.60	118,060.80	120,993.60	124,030.40	127,129.60	130,312.00
			-	-	-	-	-	-	-	-	-	-	-
GIS Analyst Senior Accountant Water Efficiency Analyst	G39	Monthly	8,970.00	9,193.60	9,424.13	9,659.87	9,900.80	10,148.67	10,401.73	10,661.73	10,928.67	11,202.53	11,481.60
		Hourly	51.75	53.04	54.37	55.73	57.12	58.55	60.01	61.51	63.05	64.63	66.24
		Annually	107,640.00	110,323.20	113,089.60	115,918.40	118,809.60	121,784.00	124,820.80	127,940.80	131,144.00	134,430.40	137,779.20
			-	-	-	-	-	-	-	-	-	-	-
Senior Leak Detection Technician Senior Maintenance Worker - Collections Senior Maintenance Worker - Streets	G40	Monthly	8,989.07	9,214.40	9,444.93	9,680.67	9,921.60	10,169.47	10,424.27	10,686.00	10,952.93	11,226.80	11,507.60
		Hourly	51.86	53.16	54.49	55.85	57.24	58.67	60.14	61.65	63.19	64.77	66.39
		Annually	107,868.80	110,572.80	113,339.20	116,168.00	119,059.20	122,033.60	125,091.20	128,232.00	131,435.20	134,721.60	138,091.20
			-	-	-	-	-	-	-	-	-	-	-
Senior Mechanic	G41	Monthly	9,011.60	9,236.93	9,467.47	9,704.93	9,947.60	10,195.47	10,450.27	10,712.00	10,978.93	11,254.53	11,535.33
		Hourly	51.99	53.29	54.62	55.99	57.39	58.82	60.29	61.80	63.34	64.93	66.55
		Annually	108,139.20	110,843.20	113,609.60	116,459.20	119,371.20	122,345.60	125,403.20	128,544.00	131,747.20	135,054.40	138,424.00
			-	-	-	-	-	-	-	-	-	-	-
Wastewater Treatment Plant Operator II	G41.1	Monthly	9,060.13	9,287.20	9,519.47	9,756.93	10,001.33	10,250.93	10,507.47	10,769.20	11,039.60	11,315.20	11,597.73
		Hourly	52.27	53.58	54.92	56.29	57.70	59.14	60.62	62.13	63.69	65.28	66.91
		Annually	108,721.60	111,446.40	114,233.60	117,083.20	120,016.00	123,011.20	126,089.60	129,230.40	132,475.20	135,782.40	139,172.80
			-	-	-	-	-	-	-	-	-	-	-
Senior Cross Connection Inspector Senior Inspector Senior Recycled Water Inspector	G42	Monthly	9,162.40	9,391.20	9,626.93	9,866.13	10,114.00	10,367.07	10,625.33	10,890.53	11,162.67	11,441.73	11,729.47
		Hourly	52.86	54.18	55.54	56.92	58.35	59.81	61.30	62.83	64.40	66.01	67.67
		Annually	109,948.80	112,694.40	115,523.20	118,393.60	121,368.00	124,404.80	127,504.00	130,686.40	133,952.00	137,300.80	140,753.60
			-	-	-	-	-	-	-	-	-	-	-
	G43	Monthly	9,184.93	9,413.73	9,649.47	9,890.40	10,138.27	10,391.33	10,651.33	10,918.27	11,190.40	11,471.20	11,757.20
		Hourly	52.99	54.31	55.67	57.06	58.49	59.95	61.45	62.99	64.56	66.18	67.83
		Annually	110,219.20	112,964.80	115,793.60	118,684.80	121,659.20	124,696.00	127,816.00	131,019.20	134,284.80	137,654.40	141,086.40
			-	-	-	-	-	-	-	-	-	-	-
Information Systems Analyst I	G44	Monthly	9,271.60	9,503.87	9,741.33	9,984.00	10,233.60	10,490.13	10,751.87	11,020.53	11,296.13	11,578.67	11,868.13
		Hourly	53.49	54.83	56.20	57.60	59.04	60.52	62.03	63.58	65.17	66.80	68.47
		Annually	111,259.20	114,046.40	116,896.00	119,808.00	122,803.20	125,881.60	129,022.40	132,246.40	135,553.60	138,944.00	142,417.60
			-	-	-	-	-	-	-	-	-	-	-
Senior Maintenance Mechanic Senior Maintenance Worker - Facilities Senior Water Systems Operator	G45	Monthly	9,287.20	9,519.47	9,756.93	10,001.33	10,250.93	10,507.47	10,770.93	11,039.60	11,315.20	11,597.73	11,888.93
		Hourly	53.58	54.92	56.29	57.70	59.14	60.62	62.14	63.69	65.28	66.91	68.59
		Annually	111,446.40	114,233.60	117,083.20	120,016.00	123,011.20	126,089.60	129,251.20	132,475.20	135,782.40	139,172.80	142,667.20
			-	-	-	-	-	-	-	-	-	-	-
	G46	Monthly	9,443.20	9,678.93	9,921.60	10,169.47	10,424.27	10,684.27	10,951.20	11,225.07	11,505.87	11,793.60	12,088.27
		Hourly	54.48	55.84	57.24	58.67	60.14	61.64	63.18	64.76	66.38	68.04	69.74
		Annually	113,318.40	116,147.20	119,059.20	122,033.60	125,091.20	128,211.20	131,414.40	134,700.80	138,070.40	141,523.20	145,059.20

Appendix A

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
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
			-	-	-	-	-	-	-	-	-	-	-
Electrical/Instrumentation Technician III	G46.1	Monthly	9,448.40	9,684.13	9,926.80	10,174.67	10,429.47	10,689.47	10,956.40	11,232.00	11,512.80	11,800.53	12,095.20
		Hourly	54.51	55.87	57.27	58.70	60.17	61.67	63.21	64.80	66.42	68.08	69.78
		Annually	113,380.80	116,209.60	119,121.60	122,096.00	125,153.60	128,273.60	131,476.80	134,784.00	138,153.60	141,606.40	145,142.40
			-	-	-	-	-	-	-	-	-	-	-
Purchasing Agent	G47	Monthly	9,708.40	9,951.07	10,200.67	10,455.47	10,715.47	10,984.13	11,258.00	11,540.53	11,828.27	12,124.67	12,428.00
		Hourly	56.01	57.41	58.85	60.32	61.82	63.37	64.95	66.58	68.24	69.95	71.70
		Annually	116,500.80	119,412.80	122,408.00	125,465.60	128,585.60	131,809.60	135,096.00	138,486.40	141,939.20	145,496.00	149,136.00
			-	-	-	-	-	-	-	-	-	-	-
Senior GIS Analyst Senior Wastewater Treatment Plant Operator	G47.1	Monthly	10,195.47	10,450.27	10,712.00	10,978.93	11,254.53	11,535.33	11,823.07	12,119.47	12,422.80	12,733.07	13,050.27
		Hourly	58.82	60.29	61.80	63.34	64.93	66.55	68.21	69.92	71.67	73.46	75.29
		Annually	122,345.60	125,403.20	128,544.00	131,747.20	135,054.40	138,424.00	141,876.80	145,433.60	149,073.60	152,796.80	156,603.20
			-	-	-	-	-	-	-	-	-	-	-
Information Systems Analyst II	G48	Monthly	10,426.00	10,686.00	10,954.67	11,226.80	11,507.60	11,795.33	12,091.73	12,393.33	12,703.60	13,020.80	13,346.67
		Hourly	60.15	61.65	63.20	64.77	66.39	68.05	69.76	71.50	73.29	75.12	77.00
		Annually	125,112.00	128,232.00	131,456.00	134,721.60	138,091.20	141,544.00	145,100.80	148,720.00	152,443.20	156,249.60	160,160.00
			-	-	-	-	-	-	-	-	-	-	-
Senior Electrical/Instrumentation Technician	G48.1	Monthly	10,628.80	10,894.00	11,166.13	11,445.20	11,732.93	12,025.87	12,325.73	12,634.27	12,949.73	13,273.87	13,604.93
		Hourly	61.32	62.85	64.42	66.03	67.69	69.38	71.11	72.89	74.71	76.58	78.49
		Annually	127,545.60	130,728.00	133,993.60	137,342.40	140,795.20	144,310.40	147,908.80	151,611.20	155,396.80	159,286.40	163,259.20
			-	-	-	-	-	-	-	-	-	-	-
Senior Maintenance Specialist Senior SCADA Specialist	G49	Monthly	11,731.20	12,024.13	12,325.73	12,632.53	12,949.73	13,272.13	13,604.93	13,944.67	14,293.07	14,650.13	15,017.60
		Hourly	67.68	69.37	71.11	72.88	74.71	76.57	78.49	80.45	82.46	84.52	86.64
		Annually	140,774.40	144,289.60	147,908.80	151,590.40	155,396.80	159,265.60	163,259.20	167,336.00	171,516.80	175,801.60	180,211.20

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
SUPERVISORY UNIT

JOB CLASSIFICATION	RANGE
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 27, 2026
SUPERVISORY 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
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	10,672.13	10,939.07	11,212.93	11,492.00	11,779.73	12,074.40	12,376.00	12,686.27	13,003.47	13,327.60	13,660.40
		Hourly	61.57	63.11	64.69	66.30	67.96	69.66	71.40	73.19	75.02	76.89	78.81
		Annually	128,065.60	131,268.80	134,555.20	137,904.00	141,356.80	144,892.80	148,512.00	152,235.20	156,041.60	159,931.20	163,924.80
			-	-	-	-	-	-	-	-	-	-	-
Assistant Chief Plant Operator Electrical/Instrumentation Supervisor Plant Maintenance Supervisor Station Maintenance Supervisor Water Distribution Supervisor Wastewater Treatment Plant Supervisor	SU2	Monthly	11,960.00	12,259.87	12,564.93	12,880.40	13,201.07	13,532.13	13,870.13	14,216.80	14,572.13	14,936.13	15,310.53
		Hourly	69.00	70.73	72.49	74.31	76.16	78.07	80.02	82.02	84.07	86.17	88.33
		Annually	143,520.00	147,118.40	150,779.20	154,564.80	158,412.80	162,385.60	166,441.60	170,601.60	174,865.60	179,233.60	183,726.40

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
EXEMPT EMPLOYEES

JOB CLASSIFICATION	RANGE
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 Technology	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	E18
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
GIS Manager	E11
Government Affairs Officer	E15.1
Human Resources Analyst	E1
Human Resources Manager	E11

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
EXEMPT EMPLOYEES

JOB CLASSIFICATION	RANGE
Information Systems Administrator	E5
Information Systems Manager	E11
Marketing & Social Media Coordinator	E4.1
Principal Accountant	E4
Principal Data Engineer	E13
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 Communications Specialist	E3
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 Operations Coordinator	E5
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 27, 2026
EXEMPT EMPLOYEES

These job classifications are Exempt
2% Increase Between Each Step

JOB CLASSIFICATION	Range	Frequency	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11	Step 12	Step 13	Step 14	Step 15	Step 16
Administrative Analyst Communications Specialist Development Services Specialist Human Resources Analyst Water Efficiency Specialist	E1	Monthly	8,141.47	8,304.40	8,470.80	8,638.93	8,812.27	8,989.07	9,169.33	9,351.33	9,538.53	9,729.20	9,925.07	10,122.67	10,325.47	10,531.73	10,743.20	10,958.13
		Hourly	46.97	47.91	48.87	49.84	50.84	51.86	52.90	53.95	55.03	56.13	57.26	58.40	59.57	60.76	61.98	63.22
		Annually	97,697.60	99,652.80	101,649.60	103,667.20	105,747.20	107,868.80	110,032.00	112,216.00	114,462.40	116,750.40	119,100.80	121,472.00	123,905.60	126,380.80	128,918.40	131,497.60
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracts Analyst Financial Data Analyst Water Resources Analyst	E2	Monthly	8,701.33	8,874.67	9,053.20	9,233.47	9,418.93	9,606.13	9,798.53	9,994.40	10,195.47	10,398.27	10,606.27	10,819.47	11,036.13	11,256.27	11,481.60	11,710.40
		Hourly	50.20	51.20	52.23	53.27	54.34	55.42	56.53	57.66	58.82	59.99	61.19	62.42	63.67	64.94	66.24	67.56
		Annually	104,416.00	106,496.00	108,638.40	110,801.60	113,027.20	115,273.60	117,582.40	119,932.80	122,345.60	124,779.20	127,275.20	129,833.60	132,433.60	135,075.20	137,779.20	140,524.80
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Customer Engagement Coordinator Sr. Administrative Analyst Sr. Communications Specialist Sr. Human Resources Analyst Sr. Water Efficiency Specialist	E3	Monthly	9,810.67	10,006.53	10,207.60	10,410.40	10,620.13	10,831.60	11,048.27	11,270.13	11,495.47	11,724.27	11,960.00	12,197.47	12,441.87	12,691.47	12,944.53	13,204.53
		Hourly	56.60	57.73	58.89	60.06	61.27	62.49	63.74	65.02	66.32	67.64	69.00	70.37	71.78	73.22	74.68	76.18
		Annually	117,728.00	120,078.40	122,491.20	124,924.80	127,441.60	129,979.20	132,579.20	135,241.60	137,945.60	140,691.20	143,520.00	146,369.60	149,302.40	152,297.60	155,334.40	158,454.40
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	10,117.47	10,320.27	10,526.53	10,736.27	10,951.20	11,171.33	11,393.20	11,622.00	11,854.27	12,091.73	12,332.67	12,580.53	12,831.87	13,088.40	13,350.13	13,617.07
		Hourly	58.37	59.54	60.73	61.94	63.18	64.45	65.73	67.05	68.39	69.76	71.15	72.58	74.03	75.51	77.02	78.56
		Annually	121,409.60	123,843.20	126,318.40	128,835.20	131,414.40	134,056.00	136,718.40	139,464.00	142,251.20	145,100.80	147,992.00	150,966.40	153,982.40	157,060.80	160,201.60	163,404.80
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Board Secretary/Executive Assistant Communications Coordinator Marketing & Social Media Coordinator	E4.1	Monthly	11,076.00	11,297.87	11,523.20	11,753.73	11,989.47	12,228.67	12,473.07	12,722.67	12,977.47	13,237.47	13,500.93	13,771.33	14,046.93	14,327.73	14,613.73	14,906.67
		Hourly	63.90	65.18	66.48	67.81	69.17	70.55	71.96	73.40	74.87	76.37	77.89	79.45	81.04	82.66	84.31	86.00
		Annually	132,912.00	135,574.40	138,278.40	141,044.80	143,873.60	146,744.00	149,676.80	152,672.00	155,729.60	158,849.60	162,011.20	165,256.00	168,563.20	171,932.80	175,364.80	178,880.00
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CMMS Administrator Construction Administrator GIS Administrator Information Systems Administrator Regulatory Compliance Coordinator Sr. Communications Coordinator Sr. Customer Engagement Coordinator Sr. Operations Coordinator	E5	Monthly	12,079.60	12,320.53	12,568.40	12,819.73	13,074.53	13,336.27	13,603.20	13,875.33	14,152.67	14,436.93	14,724.67	15,019.33	15,319.20	15,626.00	15,938.00	16,256.93
		Hourly	69.69	71.08	72.51	73.96	75.43	76.94	78.48	80.05	81.65	83.29	84.95	86.65	88.38	90.15	91.95	93.79
		Annually	144,955.20	147,846.40	150,820.80	153,836.80	156,894.40	160,035.20	163,238.40	166,504.00	169,832.00	173,243.20	176,696.00	180,232.00	183,830.40	187,512.00	191,256.00	195,083.20
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	E6	Monthly	12,549.33	12,800.67	13,055.47	13,317.20	13,584.13	13,856.27	14,131.87	14,414.40	14,703.87	14,996.80	15,298.40	15,603.47	15,915.47	16,234.40	16,558.53	16,889.60
		Hourly	72.40	73.85	75.32	76.83	78.37	79.94	81.53	83.16	84.83	86.52	88.26	90.02	91.82	93.66	95.53	97.44
		Annually	150,592.00	153,608.00	156,665.60	159,806.40	163,009.60	166,275.20	169,582.40	172,972.80	176,446.40	179,961.60	183,580.80	187,241.60	190,985.60	194,812.80	198,702.40	202,675.20
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	E6.1	Monthly	11,757.20	11,992.93	12,232.13	12,476.53	12,726.13	12,980.93	13,240.93	13,506.13	13,774.80	14,050.40	14,331.20	14,618.93	14,910.13	15,210.00	15,513.33	15,823.60
		Hourly	67.83	69.19	70.57	71.98	73.42	74.89	76.39	77.92	79.47	81.06	82.68	84.34	86.02	87.75	89.50	91.29
		Annually	141,086.40	143,915.20	146,785.60	149,718.40	152,713.60	155,771.20	158,891.20	162,073.60	165,297.60	168,604.80	171,974.40	175,427.20	178,921.60	182,520.00	186,160.00	189,883.20

Appendix A

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
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
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	E7	Monthly	12,880.40	13,138.67	13,400.40	13,669.07	13,942.93	14,220.27	14,506.27	14,795.73	15,092.13	15,393.73	15,700.53	16,016.00	16,334.93	16,662.53	16,995.33	17,335.07
		Hourly	74.31	75.80	77.31	78.86	80.44	82.04	83.69	85.36	87.07	88.81	90.58	92.40	94.24	96.13	98.05	100.01
		Annually	154,564.80	157,664.00	160,804.80	164,028.80	167,315.20	170,643.20	174,075.20	177,548.80	181,105.60	184,724.80	188,406.40	192,192.00	196,019.20	199,950.40	203,944.00	208,020.80
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senior Engineer Senior Water Resources Planner	E8	Monthly	12,998.27	13,258.27	13,523.47	13,793.87	14,069.47	14,352.00	14,638.00	14,930.93	15,229.07	15,534.13	15,844.40	16,161.60	16,485.73	16,815.07	17,151.33	17,494.53
		Hourly	74.99	76.49	78.02	79.58	81.17	82.80	84.45	86.14	87.86	89.62	91.41	93.24	95.11	97.01	98.95	100.93
		Annually	155,979.20	159,099.20	162,281.60	165,526.40	168,833.60	172,224.00	175,656.00	179,171.20	182,748.80	186,409.60	190,132.80	193,939.20	197,828.80	201,780.80	205,816.00	209,934.40
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	E9	Monthly	13,440.27	13,708.93	13,982.80	14,263.60	14,547.87	14,839.07	15,135.47	15,438.80	15,747.33	16,062.80	16,383.47	16,711.07	17,045.60	17,387.07	17,733.73	18,089.07
		Hourly	77.54	79.09	80.67	82.29	83.93	85.61	87.32	89.07	90.85	92.67	94.52	96.41	98.34	100.31	102.31	104.36
		Annually	161,283.20	164,507.20	167,793.60	171,163.20	174,574.40	178,068.80	181,625.60	185,265.60	188,968.00	192,753.60	196,601.60	200,532.80	204,547.20	208,644.80	212,804.80	217,068.80
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	E10	Monthly	13,466.27	13,734.93	14,010.53	14,291.33	14,575.60	14,868.53	15,164.93	15,468.27	15,778.53	16,094.00	16,414.67	16,744.00	17,078.53	17,420.00	17,768.40	18,123.73
		Hourly	77.69	79.24	80.83	82.45	84.09	85.78	87.49	89.24	91.03	92.85	94.70	96.60	98.53	100.50	102.51	104.56
		Annually	161,595.20	164,819.20	168,126.40	171,496.00	174,907.20	178,422.40	181,979.20	185,619.20	189,342.40	193,128.00	196,976.00	200,928.00	204,942.40	209,040.00	213,220.80	217,484.80
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounting Manager Business Systems Manager Communications Manager Customer Accounts Manager Customer Engagement Manager Financial Planning Manager GIS Manager Human Resources Manager Information Systems Manager Procurement & Risk Manager Regulatory Compliance Manager Safety & Emergency Manager Water Efficiency Manager Water Resources Manager	E11	Monthly	13,511.33	13,781.73	14,057.33	14,338.13	14,625.87	14,917.07	15,215.20	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
		Hourly	77.95	79.51	81.10	82.72	84.38	86.06	87.78	89.54	91.33	93.16	95.02	96.92	98.86	100.84	102.85	104.91
		Annually	162,136.00	165,380.80	168,688.00	172,057.60	175,510.40	179,004.80	182,582.40	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
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Superintendent of Electrical/Instrumentation Operations Superintendent of Engineering Superintendent of Operations Superintendent of Wastewater Operations Chief Plant Operator	E12	Monthly	13,795.60	14,071.20	14,353.73	14,639.73	14,932.67	15,230.80	15,535.87	15,846.13	16,163.33	16,487.47	16,816.80	17,153.07	17,496.27	17,846.40	18,203.47	18,567.47
		Hourly	79.59	81.18	82.81	84.46	86.15	87.87	89.63	91.42	93.25	95.12	97.02	98.96	100.94	102.96	105.02	107.12
		Annually	165,547.20	168,854.40	172,244.80	175,676.80	179,192.00	182,769.60	186,430.40	190,153.60	193,960.00	197,849.60	201,801.60	205,836.80	209,955.20	214,156.80	218,441.60	222,809.60
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal Data Engineer Principal Engineer	E13	Monthly	14,471.60	14,761.07	15,055.73	15,357.33	15,664.13	15,977.87	16,296.80	16,622.67	16,955.47	17,295.20	17,640.13	17,993.73	18,354.27	18,720.00	19,094.40	19,477.47
		Hourly	83.49	85.16	86.86	88.60	90.37	92.18	94.02	95.90	97.82	99.78	101.77	103.81	105.89	108.00	110.16	112.37
		Annually	173,659.20	177,132.80	180,668.80	184,288.00	187,969.60	191,734.40	195,561.60	199,472.00	203,465.60	207,542.40	211,681.60	215,924.80	220,251.20	224,640.00	229,132.80	233,729.60

Appendix A

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
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
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	E14	Monthly	14,719.47	15,014.13	15,314.00	15,620.80	15,932.80	16,251.73	16,575.87	16,908.67	17,246.67	17,591.60	17,943.47	18,302.27	18,668.00	19,040.67	19,422.00	19,810.27
		Hourly	84.92	86.62	88.35	90.12	91.92	93.76	95.63	97.55	99.50	101.49	103.52	105.59	107.70	109.85	112.05	114.29
		Annually	176,633.60	180,169.60	183,768.00	187,449.60	191,193.60	195,020.80	198,910.40	202,904.00	206,960.00	211,099.20	215,321.60	219,627.20	224,016.00	228,488.00	233,064.00	237,723.20
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant Director of Operations Assistant Director of Construction Assistant Director of Technology Assistant Director of Water Reuse Reuse Operations Engineering Manager Engineering Manager	E15	Monthly	15,589.60	15,901.60	16,218.80	16,544.67	16,874.00	17,212.00	17,556.93	17,907.07	18,265.87	18,631.60	19,004.27	19,383.87	19,772.13	20,167.33	20,569.47	20,982.00
		Hourly	89.94	91.74	93.57	95.45	97.35	99.30	101.29	103.31	105.38	107.49	109.64	111.83	114.07	116.35	118.67	121.05
		Annually	187,075.20	190,819.20	194,625.60	198,536.00	202,488.00	206,544.00	210,683.20	214,884.80	219,190.40	223,579.20	228,051.20	232,606.40	237,265.60	242,008.00	246,833.60	251,784.00
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assistant Director of Engineering Government Affairs Officer Sustainable Resources Officer	E15.1	Monthly	16,633.07	16,965.87	17,305.60	17,650.53	18,004.13	18,364.67	18,732.13	19,106.53	19,487.87	19,877.87	20,274.80	20,680.40	21,094.67	21,515.87	21,947.47	22,386.00
		Hourly	95.96	97.88	99.84	101.83	103.87	105.95	108.07	110.23	112.43	114.68	116.97	119.31	121.70	124.13	126.62	129.15
		Annually	199,596.80	203,590.40	207,667.20	211,806.40	216,049.60	220,376.00	224,785.60	229,278.40	233,854.40	238,534.40	243,297.60	248,164.80	253,136.00	258,190.40	263,369.60	268,632.00
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	17,749.33	18,104.67	18,466.93	18,836.13	19,212.27	19,597.07	19,988.80	20,389.20	20,796.53	21,212.53	21,637.20	22,068.80	22,510.80	22,961.47	23,419.07	23,888.80
		Hourly	102.40	104.45	106.54	108.67	110.84	113.06	115.32	117.63	119.98	122.38	124.83	127.32	129.87	132.47	135.11	137.82
		Annually	212,992.00	217,256.00	221,603.20	226,033.60	230,547.20	235,164.80	239,865.60	244,670.40	249,558.40	254,550.40	259,646.40	264,825.60	270,129.60	275,537.60	281,028.80	286,665.60
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	E17	Monthly	19,097.87	19,479.20	19,869.20	20,266.13	20,671.73	21,086.00	21,507.20	21,937.07	22,375.60	22,824.53	23,280.40	23,744.93	24,219.87	24,705.20	25,199.20	25,703.60
		Hourly	110.18	112.38	114.63	116.92	119.26	121.65	124.08	126.56	129.09	131.68	134.31	136.99	139.73	142.53	145.38	148.29
		Annually	229,174.40	233,750.40	238,430.40	243,193.60	248,060.80	253,032.00	258,086.40	263,244.80	268,507.20	273,894.40	279,364.80	284,939.20	290,638.40	296,462.40	302,390.40	308,443.20
			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deputy General Manager	E18	Monthly	21,424.00	21,852.13	22,288.93	22,736.13	23,190.27	23,653.07	24,126.27	24,609.87	25,102.13	25,603.07	26,116.13	26,637.87	27,170.00	27,714.27	28,268.93	28,834.00
		Hourly	123.60	126.07	128.59	131.17	133.79	136.46	139.19	141.98	144.82	147.71	150.67	153.68	156.75	159.89	163.09	166.35
		Annually	257,088.00	262,225.60	267,467.20	272,833.60	278,283.20	283,836.80	289,515.20	295,318.40	301,225.60	307,236.80	313,393.60	319,654.40	326,040.00	332,571.20	339,227.20	346,008.00

Appendix A

MOULTON NIGUEL WATER DISTRICT
JOB CLASSIFICATION SALARY SCHEDULE - JUNE 27, 2026
GENERAL MANAGER

JOB CLASSIFICATION	RANGE
General Manager	$407,244.00
Assistant General Manager	$352,800.00

Appendix B: Budget Resolution

RESOLUTION NO. 26-10

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 2026-27

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 2026-27 Operations and Maintenance Budget and Capital Improvement Budget. In addition, a public meeting of the Board was duly noticed and conducted under the Brown Act on June 11, 2026 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 2026-27 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, 2026, and ending June 30, 2027, 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 Manager and/or Controller to transfer amounts between categories as necessary.

B. The General Manager may authorize the transfer and expenditure of amounts between the Funds only to the extent of the specific Funds and maximum amounts set forth below. Said transfers may be made at one or more times during the Fiscal Year so long as the total amounts do not exceed the maximum amounts for the specific Funds set forth below. The General Manager may delegate authority to Director level staff, the Assistant General Manager, Deputy General Manager and/or Controller to transfer amounts between categories as necessary.

1. The maximum amount which may be transferred by the General Manager from Fund 1 to Funds 7, 12, and/or 14 shall be $90,569,298 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 $90,569,298.

3. The maximum amount which may be transferred by the General Manager from the Capacity Fee Fund 15 to Fund 7 shall be $268,134 to be spent on the identified projects in Table 1.

Table 1.

Description	FY 2026-27 Budget
PLANT 3A SOLIDS HANDLING FACILITIES IMPROVEMENTS	$25,000,000
REGIONAL LIFT STATION FORCE MAIN REPLACEMENT	$8,200,000
Total	$33,200,000

4. The maximum amount which may be transferred by the General Manager from Fund 1 to Funds 12, 73, 74, 75 and 76 shall be $18,533,378 to be spent on debt service payments.

5. The maximum amount which may be transferred by the General Manager from Fund 1 to Fund 4 shall be $100,000 to be spent on insurance deductibles and claims.

6. The maximum amount which may be transferred by the General Manager from Fund 1 to Fund 52 shall be $1,000,000 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, 2026, are hereby appropriated for such Capital Projects for the 2026-27 Fiscal Year.

SECTION 6. All appropriations and outstanding encumbrances for non-Capital Projects as of June 30, 2026, 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 27, 2026, for Fiscal Year 2026-27.

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 11th day of June, 2026.

MOULTON NIGUEL WATER DISTRICT

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

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, PAIGE GULCK, Secretary of the Board of Directors of the MOULTON NIGUEL WATER DISTRICT, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of said District at a regular meeting of said Board held on the 11th day of June 2026 that it was so adopted by the following vote:

AYES: FROELICH, MOORHEAD, PARKER, PROBOLSKY, RIFKIN, WANNINGER

NOES:

ABSTAIN:

ABSENT: FIORE

Paige Gulck, Secretary
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

Appendix C: GANN Appropriation Limit Resolution

RESOLUTION NO. 26-09

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT APPROVING ITS APPROPRIATIONS LIMIT FOR FISCAL YEAR 2026-27 AND FINDING COMPLIANCE WITH ARTICLE XIIIB OF THE CONSTITUTION OF THE STATE OF CALIFORNIA

WHEREAS, the Board of Directors of the Moulton Niguel Water District (MNWD) has reviewed the financial affairs of MNWD and has reviewed the proposed Budget for the Fiscal Year 2026-27; and

WHEREAS, the Board of Directors desires to establish an Appropriations Limit for Fiscal Year 2026-27 for the purpose of complying with Article XIIIB of the Constitution of the State of California. Said calculations have been posted at MNWD's offices and made available to the public at least 15 days prior to the adoption of this Resolution; and

WHEREAS, the Board of Directors desires at this time to approve its Appropriations Limit for said Fiscal Year 2026-27 in connection with the Board of Directors' consideration of the proposed Budget;

NOW, THEREFORE, the Board of Directors of Moulton Niguel Water District does **RESOLVE, DETERMINE,** and **ORDER** as follows:

Section 1. That an Appropriations Limit of **$12,056,239** 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 2026-27.

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 11th day of June, 2026.

MOULTON NIGUEL WATER DISTRICT

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

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

STATE OF CALIFORNIA)
) ss.
COUNTY OF ORANGE)

I, PAIGE GULCK, Secretary of the Board of Directors of the MOULTON NIGUEL WATER DISTRICT, do hereby certify that the foregoing Resolution was duly adopted by the Board of Directors of said District at a regular meeting of said Board held on the 11th day of June 2026 that it was so adopted by the following vote:

AYES: FROELICH, MOORHEAD, PARKER, PROBOLSKY, RIFKIN, WANNINGER

NOES:

ABSTAIN:

ABSENT: FIORE

Paige Gulck, Secretary
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

Appendix D: 10-Year CIP Schedule & Project Description

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30 to 2035-36
MULTI-SYSTEM								
2024003	7	AMI Communications Network Improvements	Construction	$400,000	$50,000			
2024004	7	Enterprise Resource Planning System Enhancement	Construction	$250,000	$250,000			
2024018	14	SCADA Communication System Expansion	Construction	$210,000	$50,000	$50,000	$50,000	$60,000
2023023	14	SCADA Communication Monopole at Mandeville Park	Design	$250,000	$125,000	$125,000		
2023024	14	Building a Leading Utility Enterprise (BLUE) Data Governance	Design	$1,000,000	$300,000	$300,000		
	14	Billing System Upgrade Phase II	New	$600,000	$400,000	$200,000		
	14	Security Improvements at District Facilities	New	$325,000		$150,000	$175,000	
	14	Security Improvements at RTP	New	$220,000	$220,000			
	7	Warehouse Replacement at Headquarters	New	$11,700,000				$11,700,000
CAPOUTLAYS	1	Capital Outlays	Program	$5,000,000	$500,000	$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	$12,000,000	$1,200,000	$1,200,000	$1,200,000	$8,400,000
	7	Document Management System Replacement		$300,000		$300,000		
Subtotal - Multi-System Projects					**$3,295,000**	**$2,925,000**	**$2,025,000**	**$24,360,000**
POTABLE								
2018004	7	Electrical System Improvements Phase IV - PW	Construction	$973,307	$50,000			
2018014	7	Appurtenance Adjustments For Crown Valley Parkway Widening	Construction	$200,000	$200,000			
2022029	14	Micro-Hydro Turbine at Bridlewood Flow Control Facility	Construction	$2,000,000	$1,000,000			
2024001	7	2024-25 Valve Replacements - PW	Construction	$4,650,000	$1,500,000	$2,950,000		
2017016	12	South County Pipeline Takeout Facility	Design	$10,970,000			$800,000	$10,000,000
2017019	14	1050-Zone Secondary Feed Pump Station and Transmission Main	Design	$9,835,000		$3,800,000	$3,800,000	$1,600,000
2020018	7	Reservoir Management System Replacement Phase V	Design	$12,750,000			$5,200,000	$6,650,000
2022016	7	Eastern Transmission Main Rehabilitation	Design	$2,500,000	$30,000	$1,000,000	$1,370,000	
2022016R	7	Eastern Transmission Main Rehabilitation - SMWD Reimbursement	Reimbursement	-$1,449,802	-$10,500	-$589,500	-$800,000	
2022032	12	OCWD Basin Emergency Interconnection	Design	$30,000,000	$500,000	$500,000	$14,000,000	$14,000,000
2023014	7	Beacon Hill Pump Station Replacement	Design	$10,900,000	$350,000			$10,100,000
2023019	7	Northern Transmission Main Rehabilitation	Design	$750,000				$700,000
2023022	14	Highlands Pump Station Improvements	Design	$225,000	$75,000	$150,000		
	7	Greenfield and Hidden Trail Pipeline Replacement	New	$3,600,000			$200,000	$3,400,000
	7	Mathis Reservoir Site Paving Replacement	New	$200,000				$200,000
	14	Mira Vista 650-750 Pressure Reducing Facility	New	$560,000			$60,000	$500,000
	12	OASIS Advanced Water Purification Demonstration Facility	New	$12,000,000	$1,750,000	$1,750,000	$6,000,000	$2,500,000
	7	Rancho No. 3 Reservoir Rehabilitation - Phase 1	New	$160,000	$160,000			
	7	Rancho No. 3 Reservoir Rehabilitation - Phase 2	New	$2,400,000				$2,400,000
EASEMENTPIPE	7	Easement Pipeline Rehabilitations	Program	$6,000,000	$600,000	$600,000	$600,000	$4,200,000
HYDRANTS	7	Fire Hydrant Replacements	Program	$2,500,000	$250,000	$250,000	$250,000	$1,750,000
METERSPW	7	Meter Replacements - PW	Program	$12,000,000	$1,000,000	$1,000,000	$1,250,000	$8,750,000
NEWVALVES	14	New System Valves	Program	$250,000	$250,000			
OPSLEDPW	7	Operations-Led Capital Improvements - PW	Program	$2,750,000	$500,000	$250,000	$250,000	$1,750,000
PIPELINESPW	7	Pipeline Rehabilitation and Replacement Program - PW	Program	$90,000,000				$90,000,000
RESERVOIRSPW	7	Reservoir Recoating Program - PW	Program	$5,100,000	$150,000	$150,000		$4,800,000
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	$16,000,000				$16,000,000
2018021	7	Sheep Hills Pump Station Improvements		$2,500,000				$2,500,000
2018025	14	750-Zone PW System Extension at Salt Spray Drive		$500,000				$500,000
2019005	7	East Aliso Creek Reservoir Site Paving Replacement		$200,000			$200,000	
2023015	7	Electrical System Improvements Phase V - PW		$2,000,000				$2,000,000
	7	450-Zone Aliso Creek Potable Water Pipeline Relocation		$425,000				$425,000
	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

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30 to 2035-36
	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
	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
	7	Pacific Park Reservoir Rehabilitation		$2,350,000		$50,000	$2,300,000	
	7	Pacific Island Drive Pump Station No. 3 Generator Replacement		$500,000				$500,000
	14	Rancho Capistrano 450-Zone Loop		$850,000				$850,000
	14	Rancho Capistrano 450-Zone Service		$410,000				$410,000
	14	Rolling Hills Pump Station Auxiliary Generator		$850,000				$850,000
	7	Sewer Lining Phase I		$500,000		$100,000	$200,000	$200,000
	7	Southwestern Transmission Main Rehabilitation		$7,000,000				$7,000,000
Subtotal - Potable Projects					**$12,854,500**	**$16,460,500**	**$42,180,000**	**$262,845,000**
RECYCLED								
2018005	7	Electrical System Improvements Phase IV - RW	Construction	$2,680,525	$170,000			
2023010	7	2024-25 Pressure Reducing Station Rehabilitation - RW	Design	$575,000		$60,000	$500,000	
	7	Aliso Viejo RW Reservoir Rehabilitation - Phase 2	New	$2,400,000				$2,400,000
	7	Moulton Peak No. 2 RW Reservoir Rehabilitation	New	$2,400,000				$2,400,000
METERSRW	7	Meter Replacements - RW	Program	$1,000,000	$100,000	$100,000	$100,000	$700,000
OPSLEDRW	7	Operations-Led Capital Improvements - RW	Program	$2,600,000	$350,000	$250,000	$250,000	$1,750,000
RESERVOIRSRW	7	Reservoir Recoating Program - RW	Program	$300,000	$100,000	$200,000		
RWRETROFITS	6	RWOS - Recycled Water Retrofits Program	Program	$3,000,000	$50,000	$50,000	$150,000	$2,750,000
SERVICESRW	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		$1,100,000				$1,100,000
2024005	7	RWOS - RW Main Replacement From Galivan PS to La Paz PS		$11,000,000				$11,000,000
	7	Crown Point Pump Station Pump Replacement and VFD Installation		$500,000				$500,000
	7	Laguna Niguel Regional Park RW Meter Vault Reconfiguration		$150,000				$150,000
	7	Oakgrove Drive RW Pipeline Replacement		$750,000				$750,000
	6	RWOS - RW Main Replacement From Cabot Road To Galivan PS		$850,000				$850,000
	6	RWOS - RW Main Replacement From Crown Valley Reservoir to Cabot Road		$1,725,000				$1,725,000
	7	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
Subtotal - Recycled Projects					**$1,070,000**	**$960,000**	**$1,400,000**	**$30,510,000**
WASTEWATER								
2013004	7	Regional Lift Station Force Main Replacement	Construction	$29,155,499	$8,200,000			
2019007	7	North Aliso Lift Station Reconstruction	Construction	$12,504,212	$3,000,000			
2020015	7	Lift Station Ventilation System Improvements	Construction	$725,000	$500,000			
2021011	7	Aliso Creek Lift Station Rehabilitation	Construction	$9,268,301	$1,100,000			
2023017	7	Lower Salada Lift Station Reconstruction	Design	$11,675,000	$50,000			$10,675,000
2023030	14	Lower Salada Lift Station Overflow Wetwell	Design	$2,200,000	$15,000			$1,825,000
2025003	7	Del Avion Lift Station DIP Force Main Replacement	Design	$550,000	$450,000			
	7	Cordillera Dr. Railroad Easement Sewer Improvements	New	$250,000	$50,000			$200,000
MANHOLES	7	Manhole Rehabilitations	Program	$2,500,000	$250,000	$250,000	$250,000	$1,750,000
OPSLEDWW	7	Operations-Led Capital Improvements - WW	Program	$2,600,000	$350,000	$250,000	$250,000	$1,750,000
PIPELINESWW	7	Pipeline Rehabilitation and Replacement Program - WW	Program	$9,000,000				$9,000,000
VERTICALWW	7	Vertical Assets Rehabilitation and Replacement Program - WW	Program	$28,000,000			$500,000	$27,500,000
2011043	14	3A Outfall Line Valves		$450,000				$450,000
2011043R	14	3A Outfall Line Valves - SMWD Reimbursement	Reimbursement	-$225,000				-$225,000
2018028	7	Upper Salada Lift Station Bypass Improvements		$300,000				$300,000
2020009	7	Niguel West Sewer Lining		$1,500,000				$1,500,000

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30 to 2035-36
2022020	7	Upper Boundary Oak Lift Station Auxiliary Generator Replacement		$1,000,000				$1,000,000
2025002	7	3A Effluent Transmission Main (ETM) Replacement		$8,875,000	$100,000			$8,775,000
2025002R	7	3A Effluent Transmission Main (ETM) Replacement - SMWD Reimbursement	Reimbursement	-$4,437,500	-$50,000			-$4,387,500
	7	Crown Valley Parkway Sewer Lining		$2,400,000				$2,400,000
	7	Manhole Adjustments On Oso / Trabuco Interceptor Sewer		$275,000				$275,000
	7	Manhole Adjustments On Oso / Trabuco Interceptor Sewer - SMWD Reimbursement	Reimbursement	-$155,662				-$155,662
	7	Montanoso Drive Sewer Main Replacement		$1,200,000				$1,200,000
	7	Pacific Island Drive Sewer Lining		$1,500,000				$1,500,000
	7	Upper Salada Lift Station Force Main Rehabilitation and Replacement		$6,000,000				$6,000,000
Subtotal - Wastewater Projects					**$14,015,000**	**$500,000**	**$1,000,000**	**$71,331,838**
WASTEWATER TREATMENT								
2019302	7	Plant 3A Solids Handling Facilities Improvements	Construction	$49,371,120	$25,000,000	$1,500,000		
2021303	14	Plant 3A Solids Loadout Facility	Construction	$7,407,737	$3,500,000	$500,000		
2022502	14	RTP AWT Salinity Management	Construction	$40,678,842	$19,000,000			
2024011	7	RTP Gratings and Gates Replacements (Liquids)	Construction	$8,380,853	$4,000,000	$3,775,000		
2024014	7	RTP Digester Bldg Ventilation System Improvements (Solids)	Construction	$420,000	$280,000			
2024015	7	RTP SCADA Improvements (Common)	Construction	$400,000	$50,000			
2024010	7	RTP MCC Replacements	Design	$5,580,000	$1,476,000	$3,444,000		
2025004	7	RTP Liquids Improvements	Design	$170,000,000	$1,000,000	$1,000,000	$2,500,000	$165,500,000
2025005	7	RTP Cogen Engine Replacement (Solids)	New	$750,000	$750,000			
	7	Plant 3A AWT Improvements	New	$300,000			$300,000	
	14	Plant 3A Generator	New	$3,150,000		$150,000	$1,000,000	$2,000,000
	7	RTP Cogen and Biogas Processing Systems Improvements (Solids)	New	$6,500,000				$6,500,000
	7	RTP Digester No. 1 Rehab (Solids)	New	$900,000	$50,000	$850,000		
	7	RTP Digester System Improvements (Solids)	New	$3,260,000				$3,260,000
	7	RTP Energy Building Roof, HVAC, and Ventilation Systems Replacements (Solids)	New	$5,000,000				$5,000,000
	7	RTP Energy Building Roof Well Replacement (Solids)	New	$350,000	$350,000			
	7	RTP Operations and Lab Facility Reconstruction (Common)	New	$100,000	$100,000			
	7	RTP Site Improvements (Common)	New	$9,400,000				$9,400,000
	7	RTP Sludge Equalization Tank No. 2 Rehab (Solids)	New	$600,000	$25,000	$575,000		
	7	RTP Solids Thickening and Dewatering Improvements (Solids)	New	$8,350,000				$8,350,000
OPSLED3A	7	Operations-Led Capital Improvements - 3A	Program	$1,700,000	$350,000	$150,000	$150,000	$1,050,000
OPSLEDRTPCOM	7	Operations-Led Capital Improvements - RTP Common	Program	$1,000,000	$100,000	$100,000	$100,000	$700,000
OPSLEDRTPLIQ	7	Operations-Led Capital Improvements - RTP Liquids	Program	$2,000,000	$200,000	$200,000	$200,000	$1,400,000
OPSLEDRTPSOL	7	Operations-Led Capital Improvements - RTP Solids	Program	$2,100,000	$300,000	$200,000	$200,000	$1,400,000
OPSLEDRTPTER	7	Operations-Led Capital Improvements - RTP Tertiary	Program	$1,600,000	$100,000	$100,000	$100,000	$1,300,000
OPSLEDRTPCOMR	7	RTP - COM - CLB Reimbursement	Reimbursement	-$660,858	-$34,726	-$53,912	-$5,610	-$566,610
OPSLEDRTPCOMR	7	RTP - COM - EBSD Reimbursement	Reimbursement	-$35,340	-$1,857	-$2,883	-$300	-$30,300
OPSLEDRTPCOMR	7	RTP - COM - ETWD Reimbursement	Reimbursement	-$1,202,738	-$63,200	-$98,118	-$10,210	-$1,031,210
OPSLEDRTPCOMR	7	RTP - COM - SCWD Reimbursement	Reimbursement	-$527,744	-$27,731	-$43,053	-$4,480	-$452,480
OPSLEDRTPSOLR	7	RTP - SOL - CLB Reimbursement	Reimbursement	-$3,424,905	-$276,910	-$375,533	-$22,440	-$2,750,022
OPSLEDRTPSOLR	7	RTP - SOL - EBSD Reimbursement	Reimbursement	-$180,098	-$14,561	-$19,747	-$1,180	-$144,609
OPSLEDRTPSOLR	7	RTP - SOL - ETWD Reimbursement	Reimbursement	-$6,230,153	-$503,719	-$683,123	-$40,820	-$5,002,491
OPSLEDRTPSOLR	7	RTP - SOL - SCWD Reimbursement	Reimbursement	-$2,735,040	-$221,133	-$299,891	-$17,920	-$2,196,096
2022301	7	Plant 3A Liquids Handling Facilities Improvements		$14,550,000				$14,500,000
	7	Plant 3A AWT Replacement		$3,500,000				$3,500,000
	14	RTP Network Cabling Improvements		$200,000	$200,000			
Subtotal - Wastewater Treatment Projects					**$55,687,163**	**$10,967,740**	**$4,447,040**	**$211,686,182**
EXTERNAL								
ETWD	7	ETWD R6 Reservoir Capital Projects	Program	$11,100	$4,633	$6,467		
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	$5,511,325	$1,403,266	$796,964	$573,337	$2,737,758
SMWD	7	SMWD Joint Facilities	Program	$5,067,518	$1,288,791	$3,228,198	$475,529	$75,000
ACOO	7	Aliso Creek Ocean Outfall c/o ETWD	Program	$3,790,660	$30,694	$54,810	$10,962	$3,694,194

PROJECT NO.	FUND	PROJECT NAME	PROJECT STATUS/ PRIORITY	TOTAL PROJECT BUDGET	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30 to 2035-36
ETM	7	Effluent Transmission Main c/o ETWD	Program	$223,802	$44,845			$178,957
JBL	7	J.B. Latham Treatment Plant c/o SCWD	Program	$19,535,003	$960,810	$2,001,472	$6,846,751	$9,725,970
LAB	7	Laboratory at RTP	Program	$400,718	$310,718	$10,000	$10,000	$70,000
SJCOO	7	San Juan Creek Ocean Outfall c/o SCWD	Program	$144,194	$1,590	$25,436	$1,590	$115,578
SJCOO	7	San Juan Creek Ocean Outfall c/o SMWD	Program	$207,499	$2,288	$36,604	$2,288	$166,319
Subtotal - External Projects					**$4,197,635**	**$6,309,951**	**$8,070,457**	**$17,813,776**
TOTAL					$91,119,298	$38,123,191	$59,122,497	$618,546,796

NOTE: TOTAL 10-YEAR CIP PROJECTION (FY 2026-27 THROUGH FY 2035-36) = $806,911,782

APPENDIX D
PROPOSED FY 2026-27 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2026-27 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
GENERAL (G) (FUND 1)					
CAPOUTLAYS	CAPITAL OUTLAYS	$5,000,000	N/A	$500,000	Program
	Subtotal - Fund 1 Projects			**$500,000**	
WATER EFFICIENCY (WE) (FUND 6)					
RWRETROFITS	RWOS - Recycled Water Retrofits Program	$3,000,000	N/A	$50,000	Program
	Subtotal - Fund 6 Projects			**$50,000**	
REPLACEMENT & REFURBISHMENT (R&R) (FUND 7)					
2013004	Regional Lift Station Force Main Replacement	$29,155,499	$15,502,351	$8,200,000	3/31/27
2018004	Electrical System Improvements Phase IV - PW	$973,307	$605,626	$50,000	12/31/26
2018005	Electrical System Improvements Phase IV - RW	$2,680,525	$1,521,279	$170,000	12/31/26
2018014	Appurtenance Adjustments For Crown Valley Parkway Widening	$200,000	$0	$200,000	6/30/27
2019007	North Aliso Lift Station Reconstruction	$12,504,212	$6,622,305	$3,000,000	3/31/27
2019302	Plant 3A Solids Handling Facilities Improvements	$49,371,120	$17,255,623	$25,000,000	12/31/27
2020015	Lift Station Ventilation System Improvements	$725,000	$204,662	$500,000	3/31/27
2021011	Aliso Creek Lift Station Rehabilitation	$9,268,301	$4,455,235	$1,100,000	9/30/26
2022016	Eastern Transmission Main Rehabilitation	$2,500,000	$110,390	$30,000	6/30/29
	Eastern Transmission Main Rehabilitation - SMWD Reimbursement	-$1,449,802	$0	-$10,500	Reimbursement
2023014	Beacon Hill Pump Station Replacement	$10,900,000	$500,299	$350,000	6/30/32
2023017	Lower Salada Lift Station Reconstruction	$11,675,000	$566,794	$50,000	6/30/32
2024001	2024-25 Valve Replacements - PW	$4,650,000	$221,996	$1,500,000	6/30/28
2024003	AMI Communications Network Improvements	$400,000	$379,216	$50,000	6/30/27
2024004	Enterprise Resource Planning System Enhancement	$250,000	$0	$250,000	6/30/27
2024010	RTP MCC Replacements	$5,580,000	$497,526	$1,476,000	6/30/28
2024011	RTP Gratings and Gates Replacements (Liquids)	$8,380,853	$366,125	$4,000,000	6/30/28
2024014	RTP Digester Bldg Ventilation System Improvements (Solids)	$420,000	$70,234	$280,000	6/30/27
2024015	RTP SCADA Improvements (Common)	$400,000	$242,283	$50,000	6/30/27
2025002	3A Effluent Transmission Main (ETM) Replacement	$8,875,000	$0	$100,000	6/30/33
	3A Effluent Transmission Main (ETM) Replacement - SMWD Reimbursement	-$4,437,500	$0	-$50,000	Reimbursement
2025003	Del Avion Lift Station DIP Force Main Replacement	$550,000	$3,421	$450,000	12/31/26
2025004	RTP Liquids Improvements	$170,000,000	$181,478	$1,000,000	6/30/34
2025005	RTP Cogen Engine Replacement (Solids)	$750,000	$1,663	$750,000	6/30/27
EASEMENTPIPE	Easement Pipeline Rehabilitations	$6,000,000	N/A	$600,000	Program
HYDRANTS	Fire Hydrant Replacements	$2,500,000	N/A	$250,000	Program
MANHOLES	Manhole Rehabilitations	$2,500,000	N/A	$250,000	Program
METERSPW	Meter Replacements - PW	$12,000,000	N/A	$1,000,000	Program
METERSRW	Meter Replacements - RW	$1,000,000	N/A	$100,000	Program
OPSLEDMS	Operations-Led Capital Improvements - Multi-System	$1,100,000	N/A	$200,000	Program
OPSLEDPW	Operations-Led Capital Improvements - PW	$2,750,000	N/A	$500,000	Program
OPSLEDRW	Operations-Led Capital Improvements - RW	$2,600,000	N/A	$350,000	Program
OPSLEDWW	Operations-Led Capital Improvements - WW	$2,600,000	N/A	$350,000	Program
RESERVOIRSPW	Reservoir Recoating Program - PW	$5,100,000	N/A	$150,000	Program
RESERVOIRSRW	Reservoir Recoating Program - RW	$300,000	N/A	$100,000	Program
SERVICESPW	Service Line Replacements - PW	$30,000,000	N/A	$3,000,000	Program
SERVICESRW	Service Line Replacements - RW	$500,000	N/A	$50,000	Program
VALVESPW	Valve Replacements - PW	$31,000,000	N/A	$1,500,000	Program

APPENDIX D
PROPOSED FY 2026-27 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2026-27 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
VALVESRW	Valve Replacements - RW	$2,500,000	N/A	$250,000	Program
OPSLED3A	Operations-Led Capital Improvements - 3A	$1,700,000	N/A	$350,000	Program
OPSLEDRTPCOM	Operations-Led Capital Improvements - RTP Common	$1,000,000	N/A	$100,000	Program
OPSLEDRTPLIQ	Operations-Led Capital Improvements - RTP Liquids	$2,000,000	N/A	$200,000	Program
OPSLEDRTPSOL	Operations-Led Capital Improvements - RTP Solids	$2,100,000	N/A	$300,000	Program
OPSLEDRTPTER	Operations-Led Capital Improvements - RTP Tertiary	$1,600,000	N/A	$100,000	Program
	RTP - COM - CLB Reimbursement	-$660,858	N/A	-$34,726	Reimbursement
	RTP - COM - EBSD Reimbursement	-$35,340	N/A	-$1,857	Reimbursement
	RTP - COM - ETWD Reimbursement	-$1,202,738	N/A	-$63,200	Reimbursement
	RTP - COM - SCWD Reimbursement	-$527,744	N/A	-$27,731	Reimbursement
	RTP - SOL - CLB Reimbursement	-$3,424,905	N/A	-$276,910	Reimbursement
	RTP - SOL - EBSD Reimbursement	-$180,098	N/A	-$14,561	Reimbursement
	RTP - SOL - ETWD Reimbursement	-$6,230,153	N/A	-$503,719	Reimbursement
	RTP - SOL - SCWD Reimbursement	-$2,735,040	N/A	-$221,133	Reimbursement
	Cordillera Dr. Railroad Easement Sewer Improvements	$250,000	$0	$50,000	6/30/31
	Rancho No. 3 Reservoir Rehabilitation - Phase 1	$160,000	$0	$160,000	6/30/27
	RTP Digester No. 1 Rehab (Solids)	$900,000	$0	$50,000	6/30/28
	RTP Energy Building Roof Well Replacement (Solids)	$350,000	$0	$350,000	6/30/27
	RTP Operations and Lab Facility Reconstruction (Common)	$100,000	$0	$100,000	6/30/27
	RTP Sludge Equalization Tank No. 2 Rehab (Solids)	$600,000	$0	$25,000	6/30/28
ACOO	Aliso Creek Ocean Outfall c/o ETWD	$3,790,660	N/A	$30,694	External
ETM	Effluent Transmission Main c/o ETWD	$223,802	N/A	$44,845	External
ETWD	ETWD R6 Reservoir Capital Projects	$11,100	N/A	$4,633	External
IRWD	IRWD Baker Water Treatment Plant Capital Projects	$1,500,000	N/A	$150,000	External
JBL	J.B. Latham Treatment Plant c/o SCWD	$19,535,003	N/A	$960,810	External
LAB	Laboratory at RTP	$400,718	N/A	$310,718	External
SCWD	SCWD Joint Transmission Main	$5,511,325	N/A	$1,403,266	External
SJCOO	San Juan Creek Ocean Outfall c/o SCWD	$144,194	N/A	$1,590	External
SJCOO	San Juan Creek Ocean Outfall c/o SMWD	$207,499	N/A	$2,288	External
SMWD	SMWD Joint Facilities	$5,067,518	N/A	$1,288,791	External
Subtotal - Fund 7 Projects				**$61,984,298**	
WATER SUPPLY RELIABILITY (WSR) (FUND 12)					
2022032	OCWD Basin Emergency Interconnection	$30,000,000	$737,618	$500,000	6/30/30
	OASIS Advanced Water Purification Demonstration Facility	$12,000,000	$0	$1,750,000	6/30/30
Subtotal - Fund 12 Projects				**$2,250,000**	
PLANNING & CONSTRUCTION (P&C) (FUND 14)					
2021303	Plant 3A Solids Loadout Facility	$7,407,737	$704,057	$3,500,000	12/31/27
2022029	Micro-Hydro Turbine at Bridlewood Flow Control Facility	$2,000,000	$965,760	$1,000,000	3/31/27
2022502	RTP AWT Salinity Management	$40,678,842	$8,505,489	$19,000,000	6/30/27
2023022	Highlands Pump Station Improvements	$225,000	$3,273	$75,000	6/30/28
2023023	SCADA Communication Monopole at Mandeville Park	$250,000	$0	$125,000	6/30/28
2023024	Building a Leading Utility Enterprise (BLUE) Data Governance	$1,000,000	$138,368	$300,000	6/30/28
2023030	Lower Salada Lift Station Overflow Wetwell	$2,200,000	$0	$15,000	6/30/32
2024018	SCADA Communication System Expansion	$210,000	$22,658	$50,000	6/30/30
NEWVALVES	New System Valves	$250,000	N/A	$250,000	Program

APPENDIX D
PROPOSED FY 2026-27 PROJECTS

PROJECT NO.	PROJECT NAME	TOTAL PROJECT BUDGET	EXPENDED FROM INCEPTION TO DATE	FY 2026-27 PROPOSED BUDGET	ESTIMATED COMPLETION DATE
SOFTWARE	Software Subscriptions	$12,000,000	N/A	$1,200,000	Program
	Billing System Upgrade Phase II	$600,000	$0	$400,000	6/30/28
	RTP Network Cabling Improvements	$200,000	$0	$200,000	6/30/27
	Security Improvements at RTP	$220,000	$0	$220,000	6/30/27
Subtotal - Fund 14 Projects				**$26,335,000**	
TOTAL				$91,119,298	

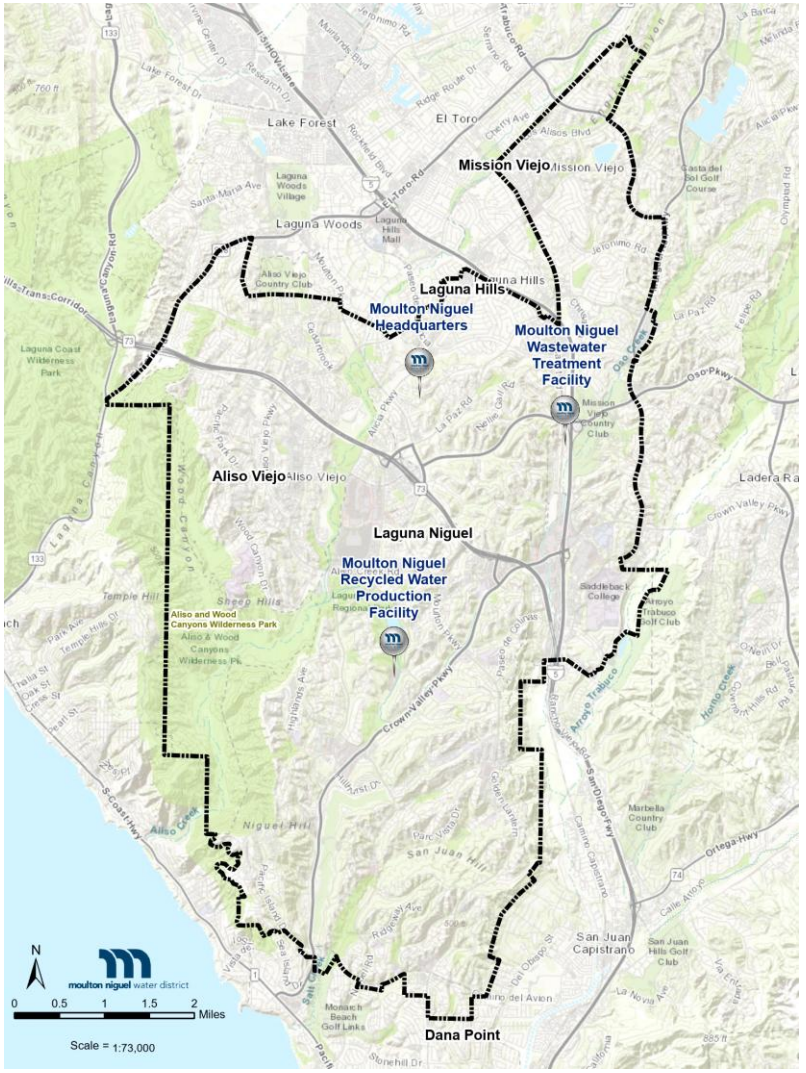
Capital Outlays

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	$	-
Total Project Budget	**$**	**5,000,000**

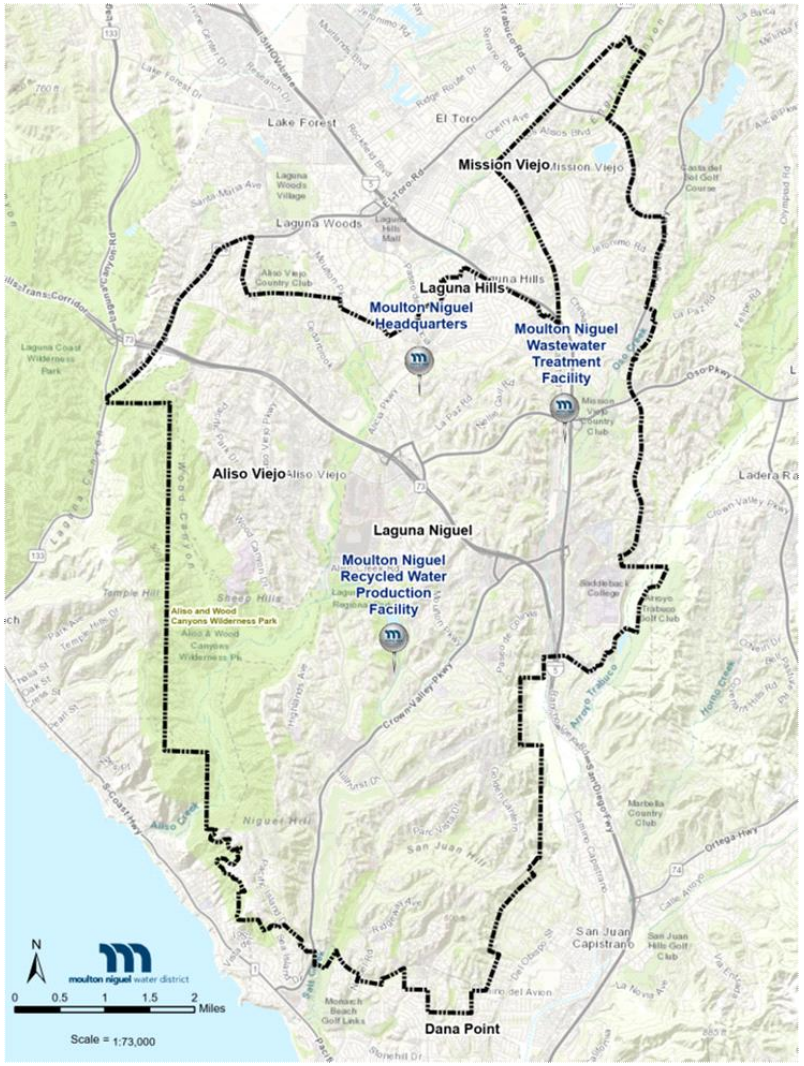
Recycled Water Optimization Study (RWOS) - Recycled Water Retrofits Program

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

Project Location: Various

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.



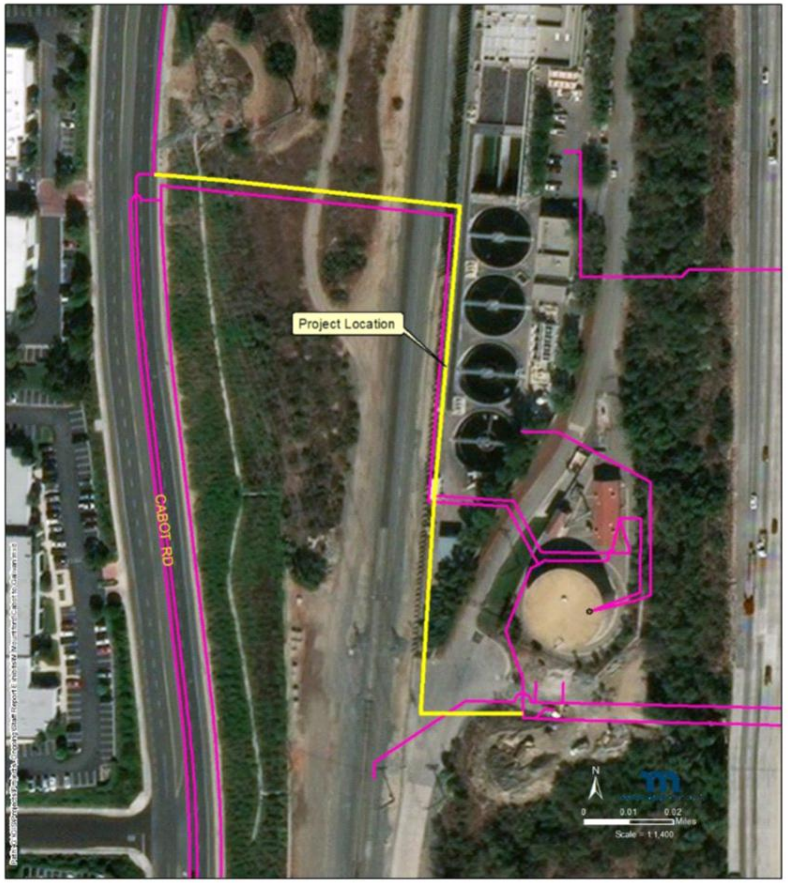
Project Estimate:

Category		Estimated Cost
Design	$	250,000
CEQA Compliance		Exempt
Construction	$	2,150,000
Inspection	$	400,000
District Labor / Permits / Other	$	200,000
Total Project Budget	**$**	**3,000,000**

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	$	50,000
District Labor / Permits / Other	$	50,000
Total Project Budget	**$**	**850,000**

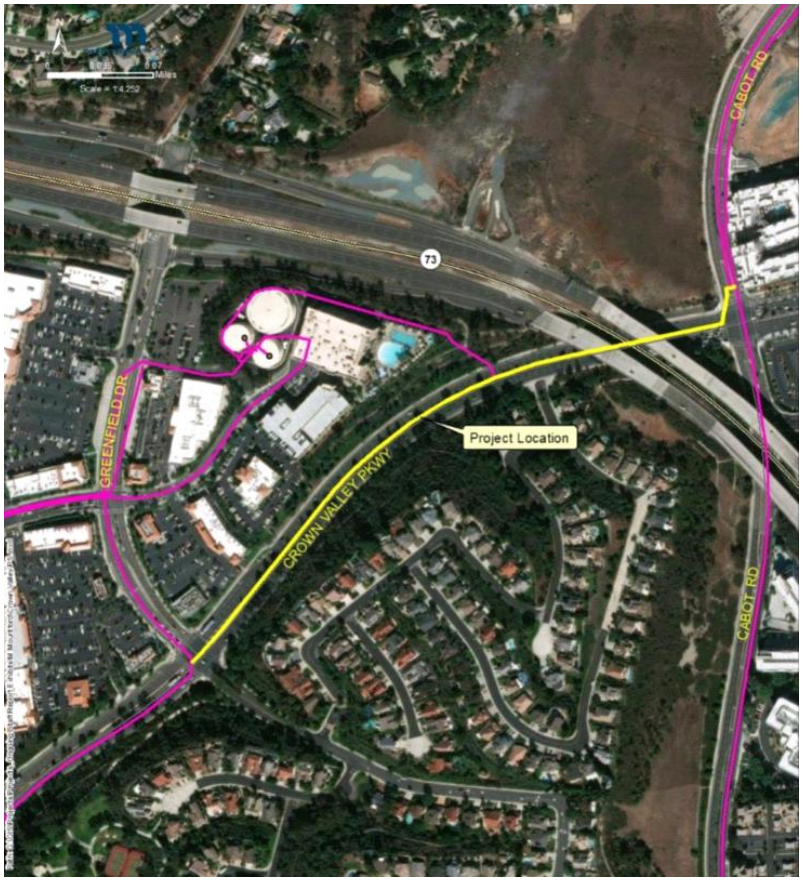
Recycled Water Optimization Study (RWOS) - RW Main Replacement From Crown Valley Reservoir to Cabot Road

Project No: TBD
System: Recycled
Fund: 6
Project 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	$	150,000
District Labor / Permits / Other	$	175,000
Total Project Budget	**$**	**1,725,000**

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.



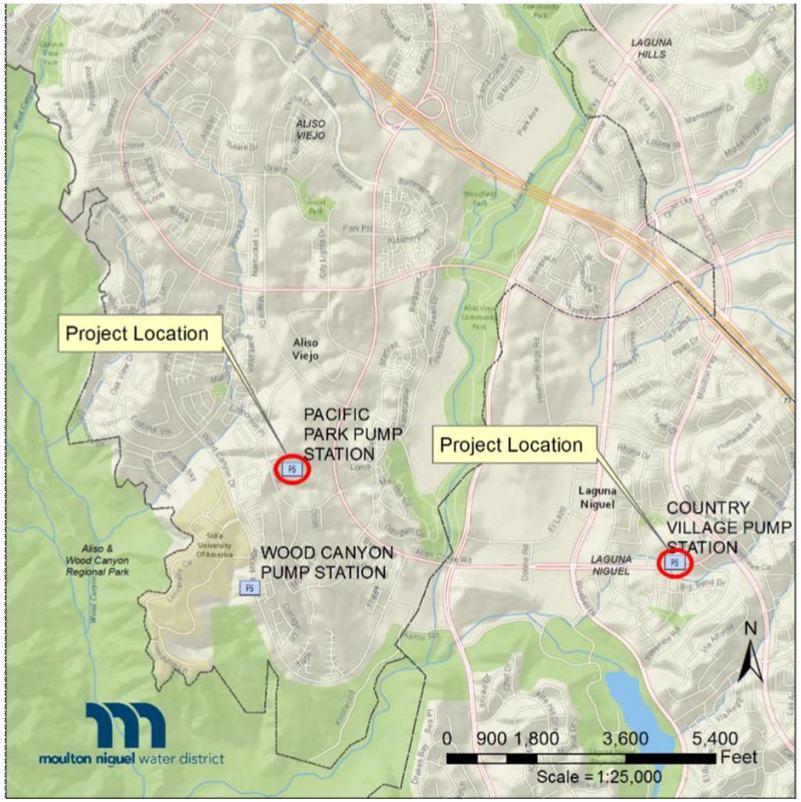
Project Estimate:

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

Electrical System Improvements Phase IV - PW

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

Project Location: Country Village Pump Station, Laguna Niguel; and 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.

Project Estimate:

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

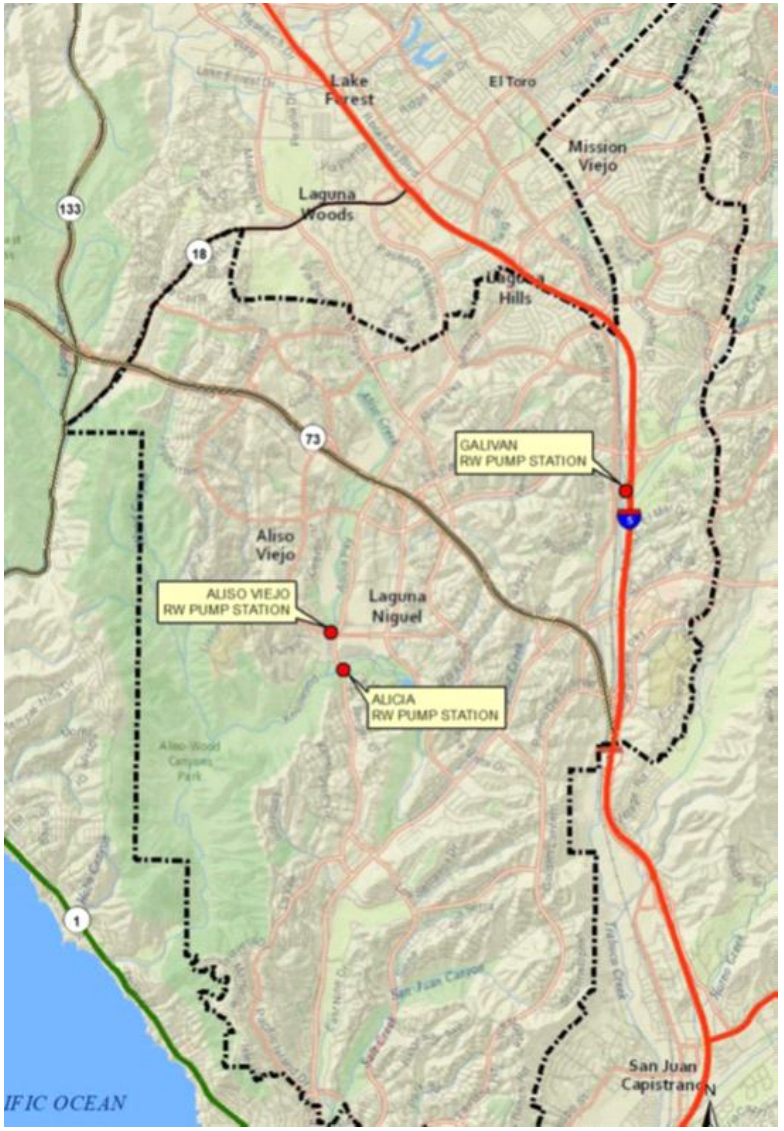
Electrical System Improvements Phase IV - RW

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

Project Location: Alicia RW Pump Station, Laguna Niguel; Aliso Viejo RW Pump Station, Aliso Viejo; and Galivan RW Pump Station, 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.



Project Estimate:

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

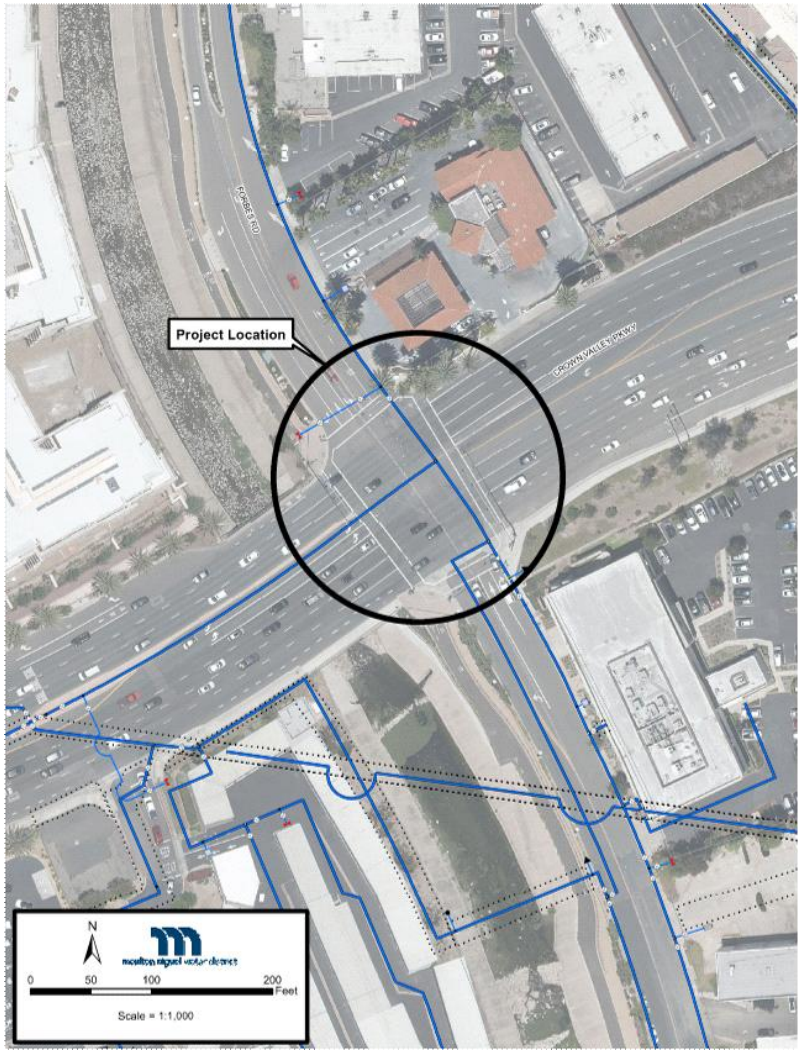
Appurtenance Adjustments For Crown Valley Parkway Widening

Project No: 2018014
System: Potable
Fund: 7
Project Status: Construction

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

Description: Relocate existing potable water appurtenances to accommodate road widening at Crown Valley Parkway and Forbes Road.

Project Need: The City of Laguna Niguel is widening the roadway at Crown Valley Parkway and Forbes Road. This project will relocate existing potable water appurtenances to accommodate the road widening.



Project Estimate:

Category		Estimated Cost
Design	$	40,000
CEQA Compliance		Exempt
Construction	$	150,000
Inspection	$	-
District Labor / Permits / Other	$	10,000
Total Project Budget	**$**	**200,000**

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 alternatives to remove and replace the existing fire pump and natural gas engine, replace three existing duty pumps and associated mechanical and electrical equipment, and install a new standby diesel generator.

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	$	300,000
CEQA Compliance		Exempt
Construction	$	2,000,000
Inspection	$	100,000
District Labor / Permits / Other	$	100,000
Total Project Budget	**$**	**2,500,000**

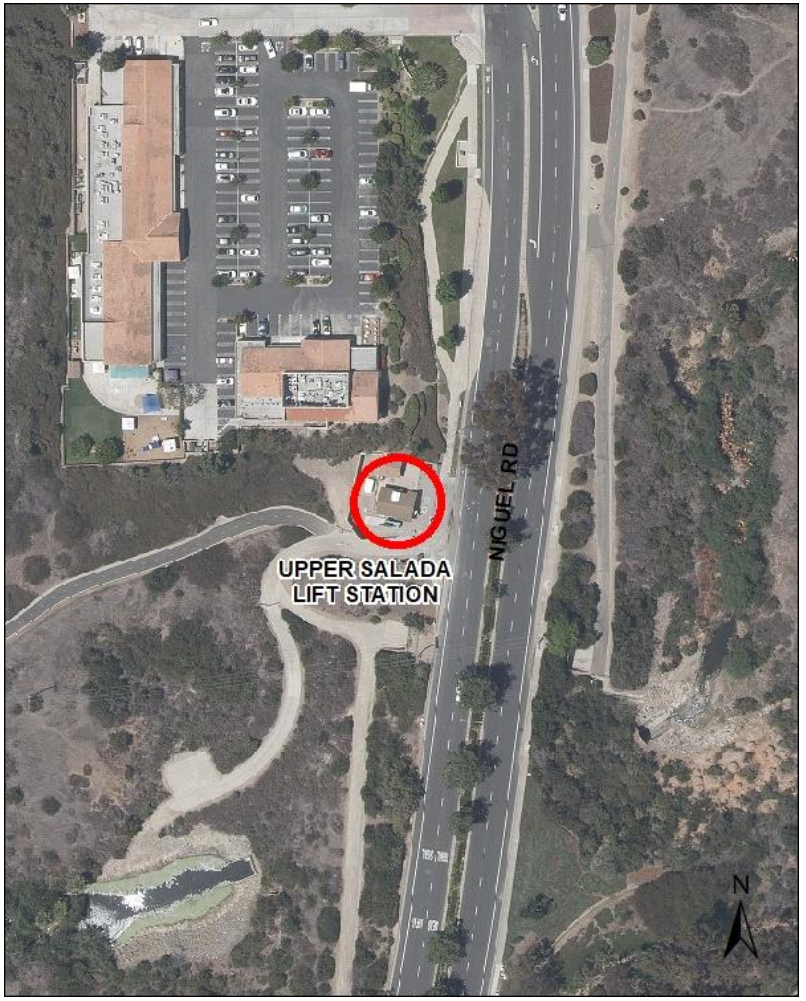
Upper Salada Lift Station Bypass Improvements

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 reoccurring emergency repairs. 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	$	-
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**300,000**

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	$	175,000
Inspection	$	-
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**200,000**

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, 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 existing wet well is undersized and does not meet current District operating depth standards, necessitating construction of a new wet well and overflow basin.

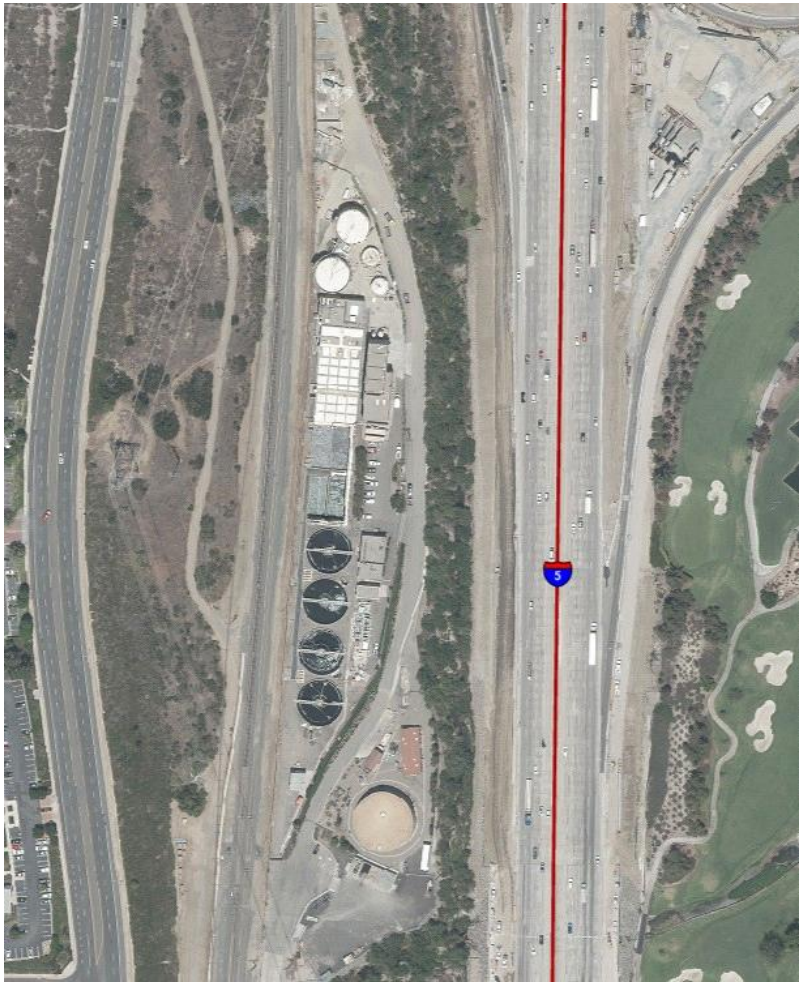
Project Estimate:

Category		Estimated Cost
Design	$	897,820
CEQA Compliance		Exempt
Construction	$	10,075,742
Inspection	$	1,200,650
District Labor / Permits / Other	$	330,000
Total Project Budget	**$**	**12,504,212**

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
Total Project Budget	**$**	**49,371,120**

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: Portions of the sewer system are experiencing 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	$	50,000
District Labor / Permits / Other	$	100,000
Total Project Budget	**$**	**1,500,000**

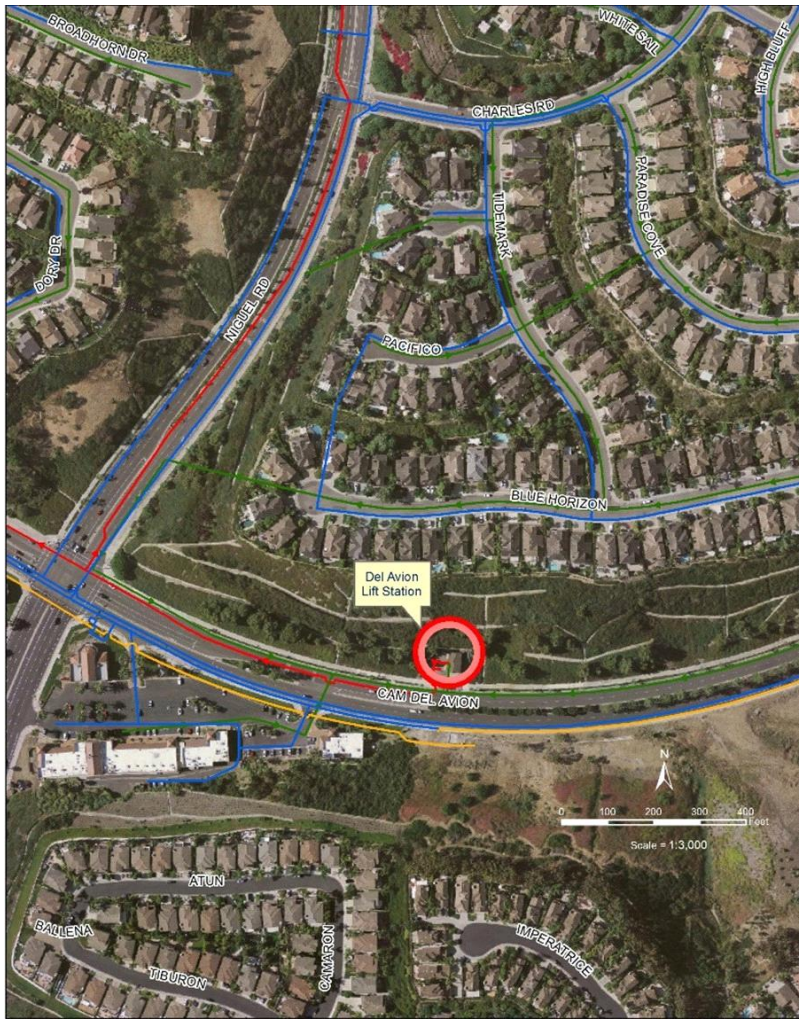
Lift Station Ventilation System Improvements

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 mitigate 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 Lift Station is in need of replacement.



Project Estimate:

Category		Estimated Cost
Design	$	150,000
CEQA Compliance		Exempt
Construction	$	400,000
Inspection	$	25,000
District Labor / Permits / Other	$	150,000
Total Project Budget	**$**	**725,000**

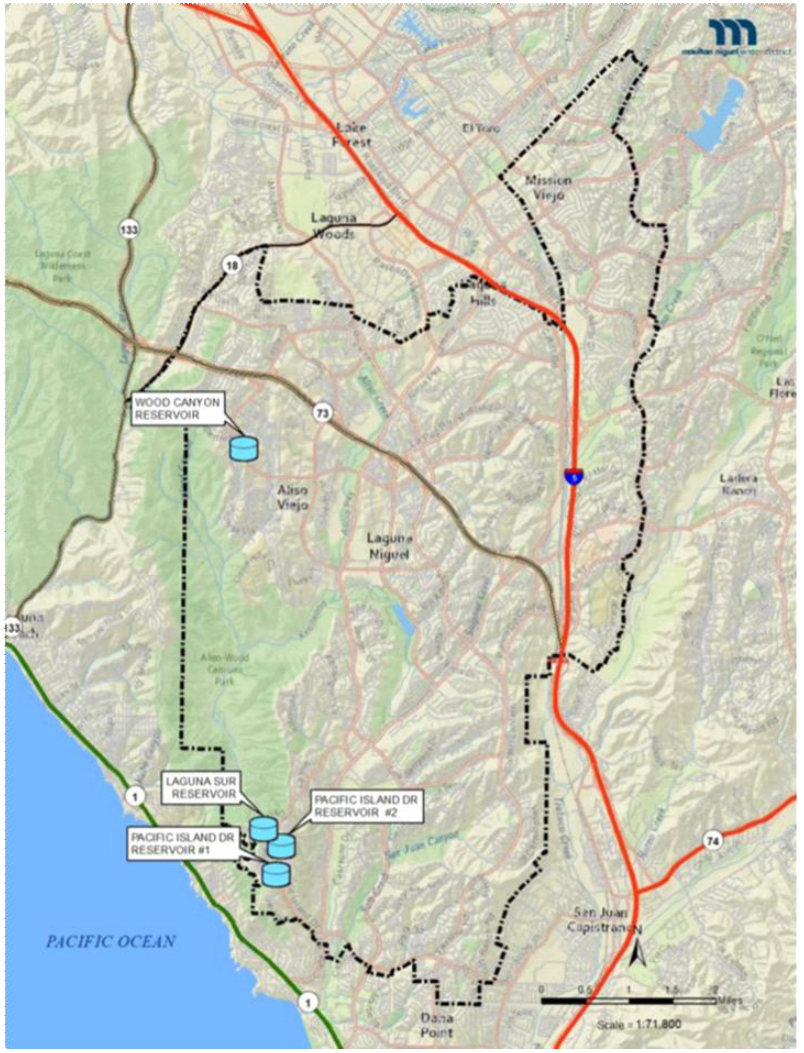
Reservoir Management System Replacement Phase V

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

Project Location: PID Reservoir No. 1, PID Reservoir No. 2, and Laguna Sur Reservoir, Laguna Niguel; and Wood Canyon Reservoir, Aliso 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	$	600,000
CEQA Compliance		Exempt
Construction	$	11,000,000
Inspection	$	800,000
District Labor / Permits / Other	$	350,000
Total Project Budget	**$**	**12,750,000**

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 procure. Additionally, the wet well is in need of condition assessment and rehabilitation.



Project Estimate:

Category		Estimated Cost
Design	$	885,519
CEQA Compliance		Exempt
Construction	$	7,932,782
Inspection	$	150,000
District Labor / Permits / Other	$	300,000
Total Project Budget	**$**	**9,268,301**

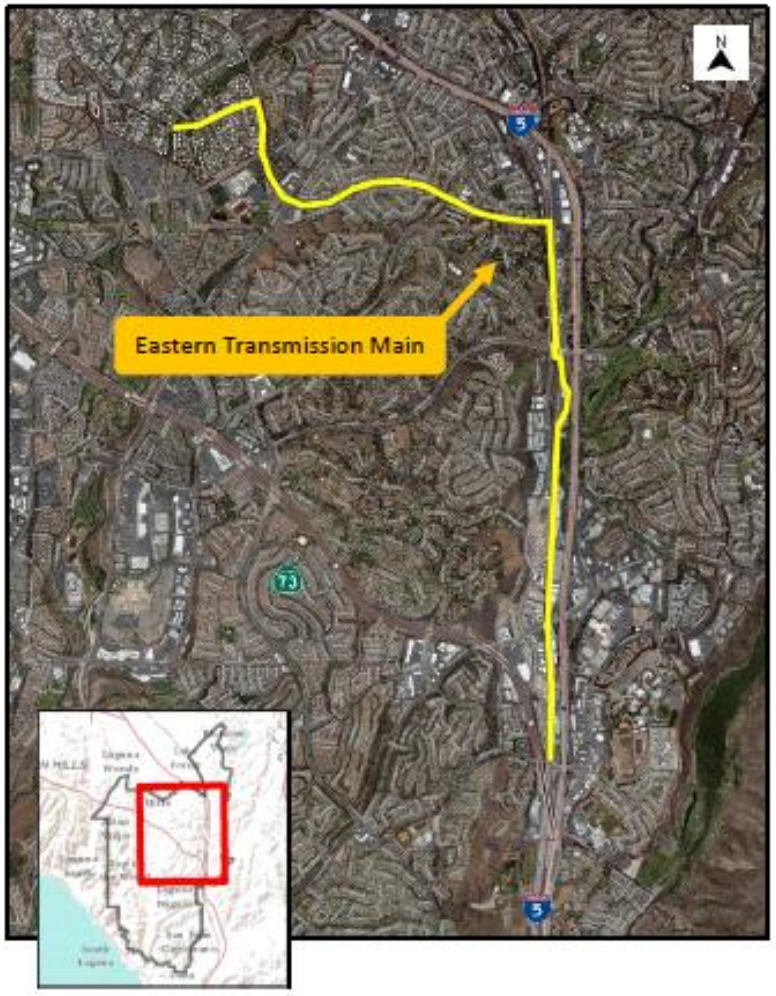
Eastern Transmission Main Rehabilitation

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

Project Location: Eastern Transmission Main, Laguna Niguel

Description: Replace sections of existing 30-inch and 33-inch steel pipe and rehabilitate access and valve 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.



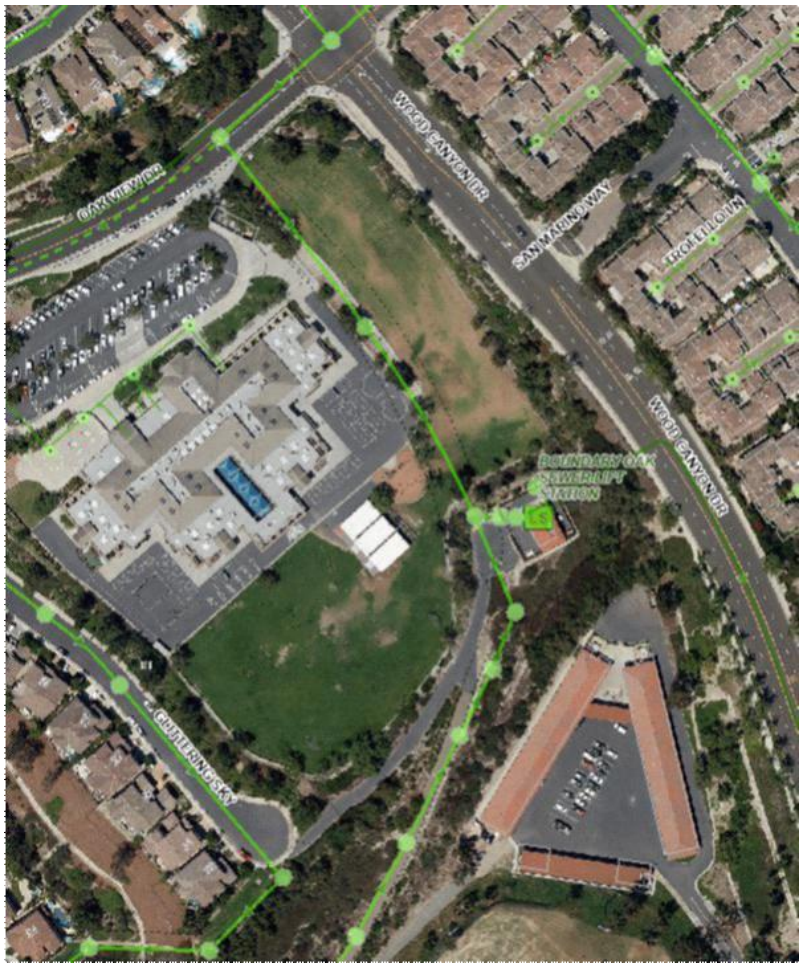
Project Estimate:

Category		Estimated Cost
Design	$	150,000
CEQA Compliance		Exempt
Construction	$	2,200,000
Inspection	$	75,000
District Labor / Permits / Other	$	75,000
Total Project Budget	**$**	**2,500,000**

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 anew auxiliary diesel generator.

Project Need: Replacement of the existing generator is based on age and difficulty to procure standard replacement parts.

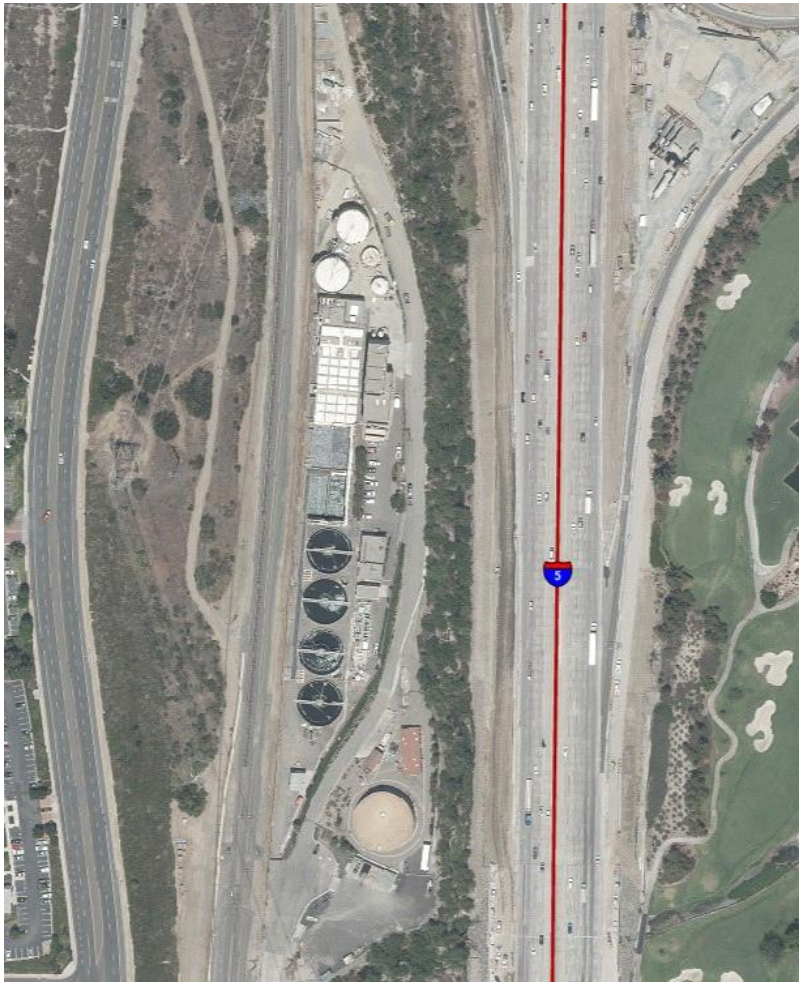
Project Estimate:

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

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, Operations 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	$	1,800,000
District Labor / Permits / Other	$	250,000
Total Project Budget	**$**	**14,550,000**

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. Relocate the El Niguel PRS and bring above grade in coordination with El Niguel Country Club's Turf 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 for better access.



Project Estimate:

Category		Estimated Cost
Design	$	50,000
CEQA Compliance		Exempt
Construction	$	500,000
Inspection	$	-
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**575,000**

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. The new facility will house five vertical turbine pumps (four duty and one standby), associated mechanical and electrical equipment, a new electrical utility service, and a standby diesel generator. Project improvements also include new suction and discharge pipelines connecting the pump station to the existing water system.



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 best option.

Project Estimate:

Category		Estimated Cost
Design	$	1,100,000
CEQA Compliance		IS/MND
Construction	$	8,500,000
Inspection	$	1,000,000
District Labor / Permits / Other	$	300,000
Total Project Budget	**$**	**10,900,000**

Electrical System Improvements Phase V - PW

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

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

Description: Remove and replace the main switchboard and MCC at 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 existing electrical equipment remains, they could be hazardous to personnel or property. 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	$	1,500,000
Inspection	$	50,000
District Labor / Permits / Other	$	150,000
Total Project Budget	**$**	**2,000,000**

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 variable frequency drive pumps. Temporary power will be required to maintain operation during construction.

Project Need: The noted electrical equipment at this facility is beyond their useful lives. If the existing electrical equipment remains, they could be hazardous to personnel or property.



Project Estimate:

Category		Estimated Cost
Design	$	50,000
CEQA Compliance		Exempt
Construction	$	1,000,000
Inspection	$	25,000
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**1,100,000**

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 a 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	$	9,500,000
Inspection	$	900,000
District Labor / Permits / Other	$	175,000
Total Project Budget	**$**	**11,675,000**

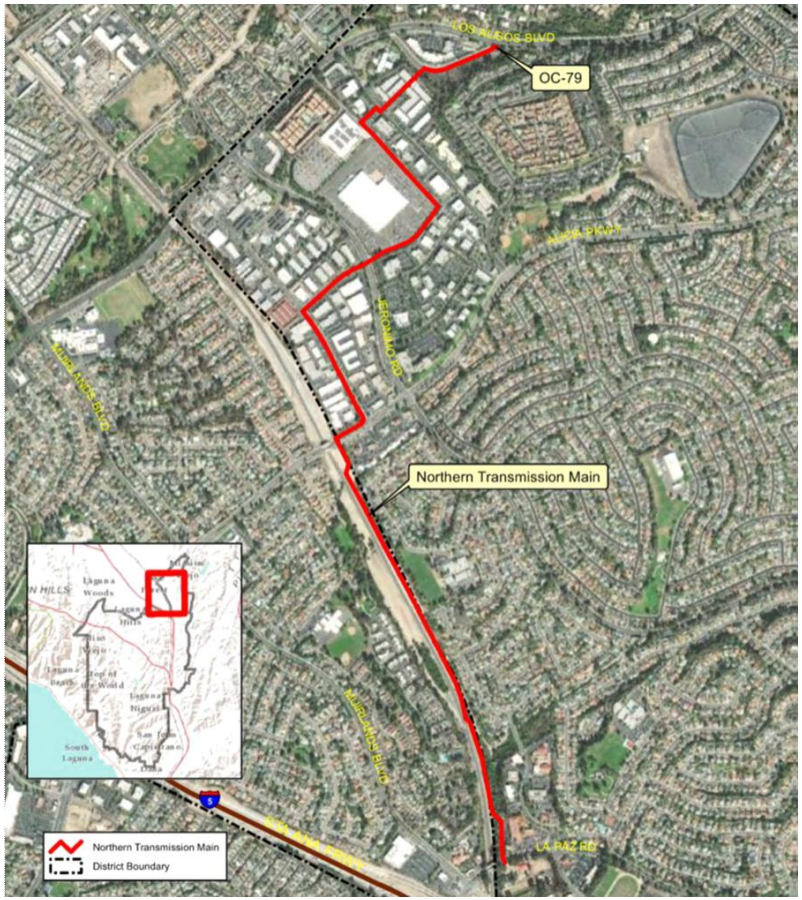
Northern Transmission Main Rehabilitation

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.



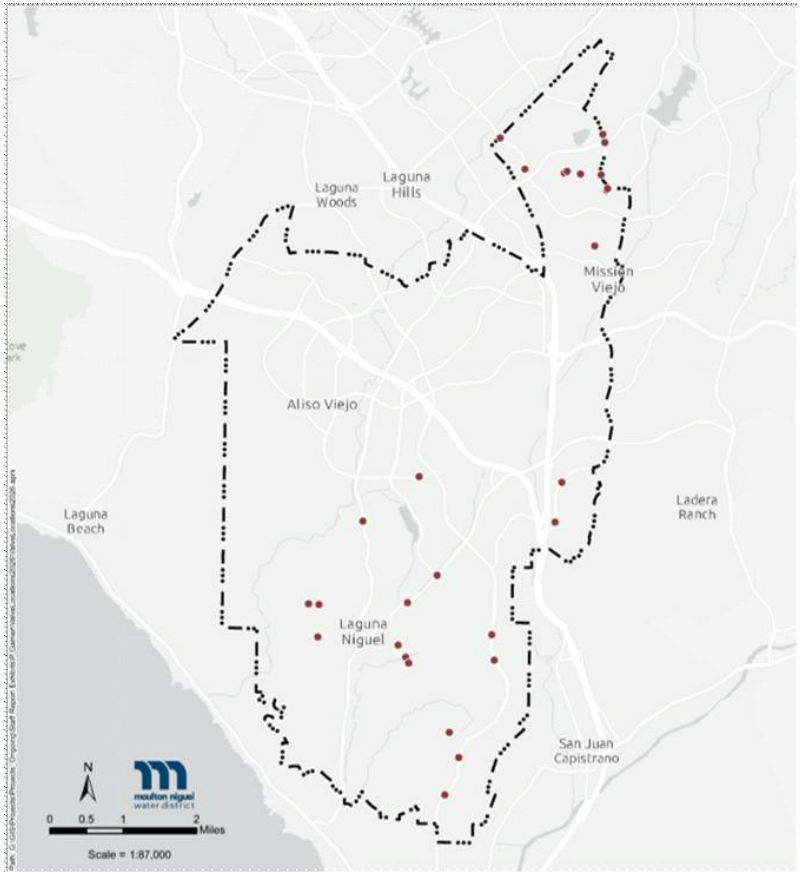
Project Estimate:

Category		Estimated Cost
Design	$	50,000
CEQA Compliance		Exempt
Construction	$	600,000
Inspection	$	50,000
District Labor / Permits / Other	$	50,000
Total Project Budget	**$**	**750,000**

2024-25 Valve Replacements - PW

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

Project Location: Various Locations within the cities of Laguna Niguel and Mission Viejo



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	$	4,200,000
Inspection	$	-
District Labor / Permits / Other	$	300,000
Total Project Budget	**$**	**4,650,000**

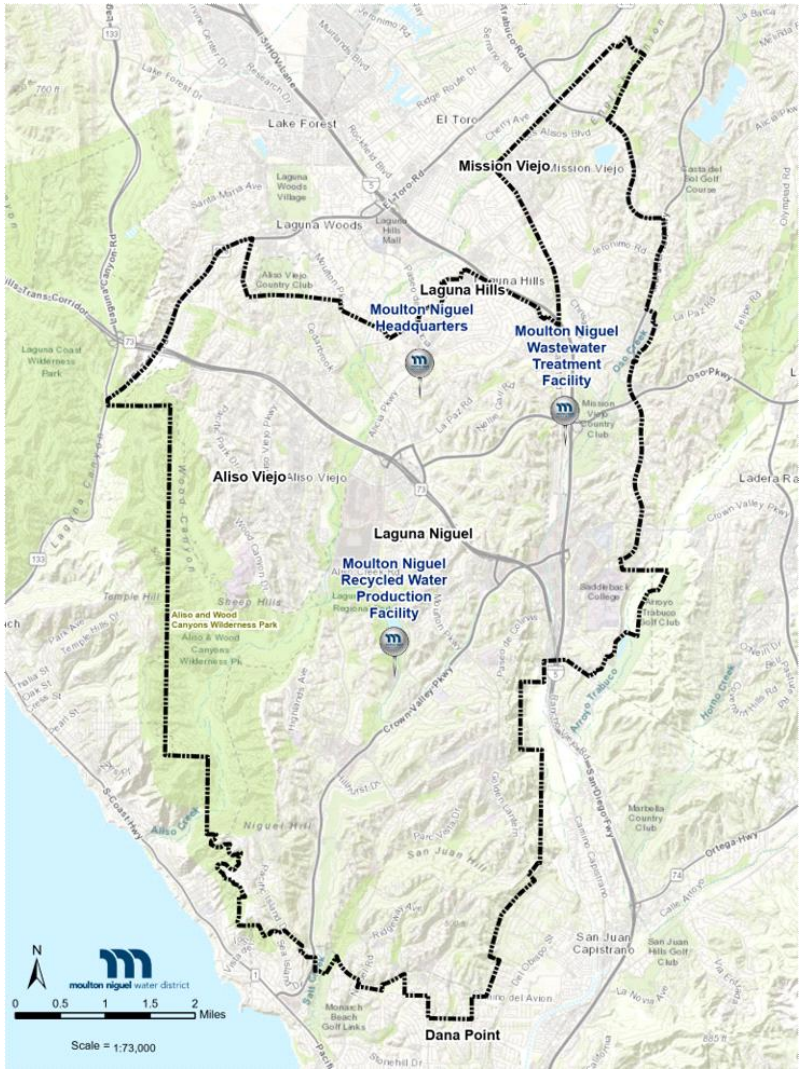
AMI Communications Network Improvements

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
Total Project Budget	**$**	**400,000**

Enterprise Resource Planning System Enhancement

Project No: 2024004
System: Multi-System
Fund: 7
Project Status: Construction

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.



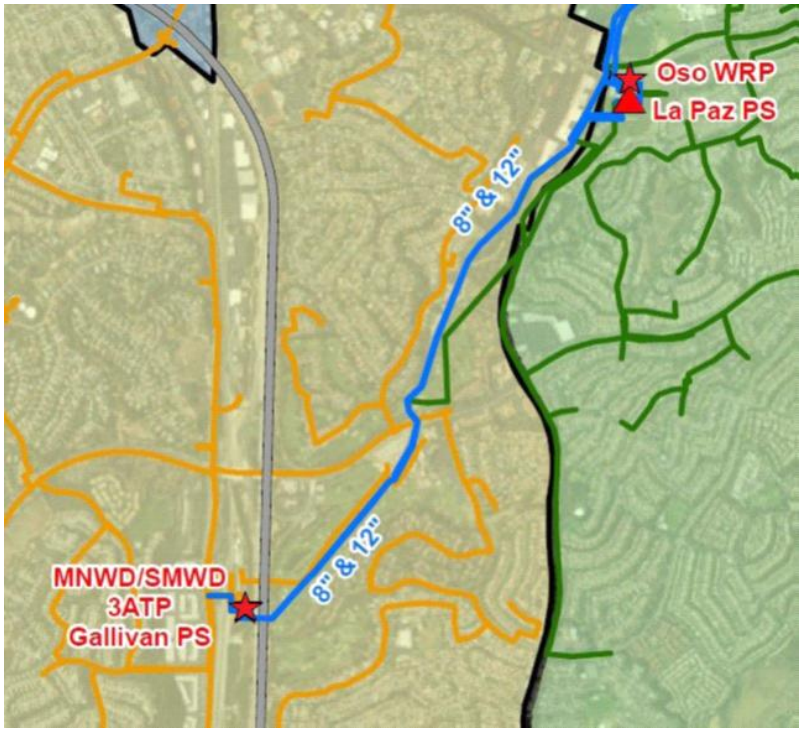
Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	250,000
Total Project Budget	**$**	**250,000**

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

Project No: 2024005
System: Recycled
Fund: 7
Project Status: Not Started

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	$	1,000,000
District Labor / Permits / Other	$	500,000
Total Project Budget	**$**	**11,000,000**

RTP MCC Replacements

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

Project Location: Regional Treatment Plant, Laguna Niguel

Description: The project will replace four motor control centers (A, C, G, & H), RIO A, associated conduits and cables, and install measures for connecting portable generators to provide standby emergency power

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.

Project Estimate:

Category		Estimated Cost
Design	$	974,124
CEQA Compliance	$	-
Construction	$	4,455,876
Inspection	$	50,000
District Labor / Permits / Other	$	100,000
Total Project Budget	**$**	**5,580,000**



RTP Gratings and Gates Replacements (Liquids)

Project No: 2024011
System: Wastewater Treatment
Fund: 7
Project Status: Construction

Project Location: Regional Treatment Plant, Laguna Niguel

Description: The project will replace primary sedimentation and aeration area tank isolation gates, repair concrete channel rebates, replace channel covers, and repair channel lining.

Project Need: The grating and gates in the primary and aeration areas of the facility have reached the end of their useful life and are in need of replacement to improve operational safety and reliability. Repairing the channel concrete and procuring and installing new gates and covers will also improve access and functionality, and maintain facility standards.

Project Estimate:

Category		Estimated Cost
Design	$	495,253
CEQA Compliance		Exempt
Construction	$	7,585,600
Inspection	$	50,000
District Labor / Permits / Other	$	250,000
Total Project Budget	**$**	**8,380,853**



RTP Digester Bldg Ventilation System Improvements (Solids)

Project No: 2024014
System: Wastewater Treatment
Fund: 7
Project Status: Construction

Project Location: Regional Treatment Plant, Laguna Niguel

Description: This project will 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 construction in the early 1980s and needs to be improved to adequately ventilate the building. The improvements will improve safety.



Project Estimate:

Category		Estimated Cost
Design	$	150,000
CEQA Compliance		Exempt
Construction	$	220,000
Inspection	$	10,000
District Labor / Permits / Other	$	40,000
Total Project Budget	**$**	**420,000**

RTP SCADA Improvements (Common)

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	$	350,000
Inspection	$	-
District Labor / Permits / Other	$	50,000
Total Project Budget	**$**	**400,000**



3A Effluent Transmission Main (ETM) Replacement

Project No: 2025002
System: Wastewater
Fund: 7
Project Status: Not Started

Project Location: San Juan Capistrano

Description: Replace and rehabilitate portions of the existing 3A Effluent Transmission Main (ETM) that runs from the 3A treatment plant to the Chiquita Land Outfall. A portion of the 3A ETM will be abandoned and relocated to Avenida De La Vista. Portions of the 3A ETM along Camino Capistrano will be rehabilitated/replaced in-place or adjacent to the existing location.

Project Need: Portions of the existing pipeline are approaching the end of useful life. A portion of the existing ETM is located in an embankment along the unprotected bank of Trabuco Creek and is subject to potential erosion. This portion will be abandoned and relocated. Replacement of the existing 20-inch pipeline within Camino Capistrano will increase hydraulic capacity and improve operation of the pipeline.



Project Estimate:

Category		Estimated Cost
Design	$	600,000
CEQA Compliance	$	175,000
Construction	$	7,000,000
Inspection	$	1,000,000
District Labor / Permits / Other	$	100,000
Total Project Budget	**$**	**8,875,000**

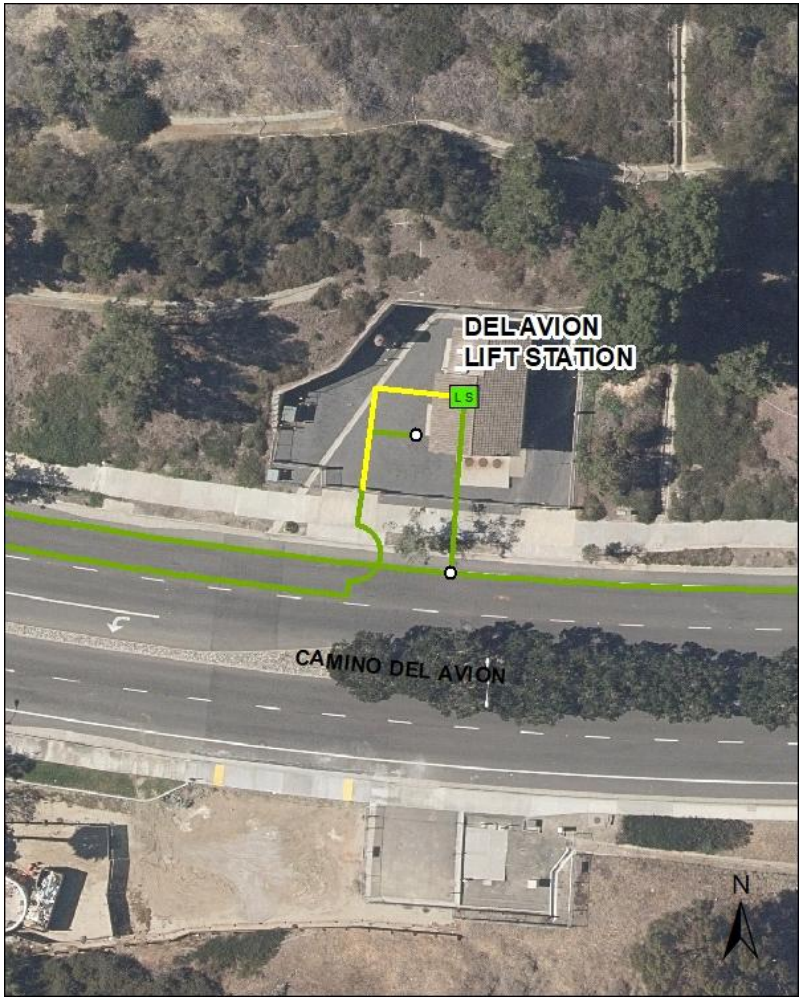
Del Avion Lift Station DIP Force Main Replacement

Project No: 2025003
System: Wastewater
Fund: 7
Project Status: Design

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	$	100,000
CEQA Compliance		Exempt
Construction	$	400,000
Inspection	$	25,000
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**550,000**

RTP Liquids Improvements

Project No: 2025004
System: Wastewater Treatment
Fund: 7
Project Status: Design

Project Location: Regional Treatment Plant, Laguna Niguel

Description: The project will convert the existing Conventional Activated Sludge treatment system to a Membrane Bioreactor system, including associated mechanical, structural, electrical, and site improvements. The project also includes replacement of the interstage pump station, electrical and standby power improvements, and evaluation of the existing secondary clarifiers for potential equalization and future reuse applications.

Project Need: The existing liquids treatment facilities have not undergone significant rehabilitation since the plant's original construction in the 1980s, and many critical process systems are reaching the end of their useful life, resulting in increased maintenance, are obsolete, and require replacement. The proposed Membrane Bioreactor system will modernize the treatment process and improve effluent quality to support future water reuse applications and evolving ocean discharge regulatory requirements.

Project Estimate:

Category		Estimated Cost
Design	$	40,000,000
CEQA Compliance		Exempt
Construction	$	125,000,000
Inspection	$	3,000,000
District Labor / Permits / Other	$	2,000,000
Total Project Budget	**$**	**170,000,000**



RTP Cogen Engine Replacement (Solids)

Project No: 2025005
System: Wastewater Treatment
Fund: 7
Project Status: New

Project Location: Laguna Niguel

Description: This project will procure and installation of a new cogen engine, alternator, and associated controls and air quality monitoring equipment.

Project Need: The existing cogeneration engine is approaching the 60,000-hour milestone, which is considered the end of its useful service life. This project would replace the existing cogeneration engine with a new engine, alternator, and associated controls to maintain reliable on-site power generation and extend operational life for an additional 60,000 hours.

Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	675,000
Inspection	$	-
District Labor / Permits / Other	$	75,000
Total Project Budget	**$**	**750,000**



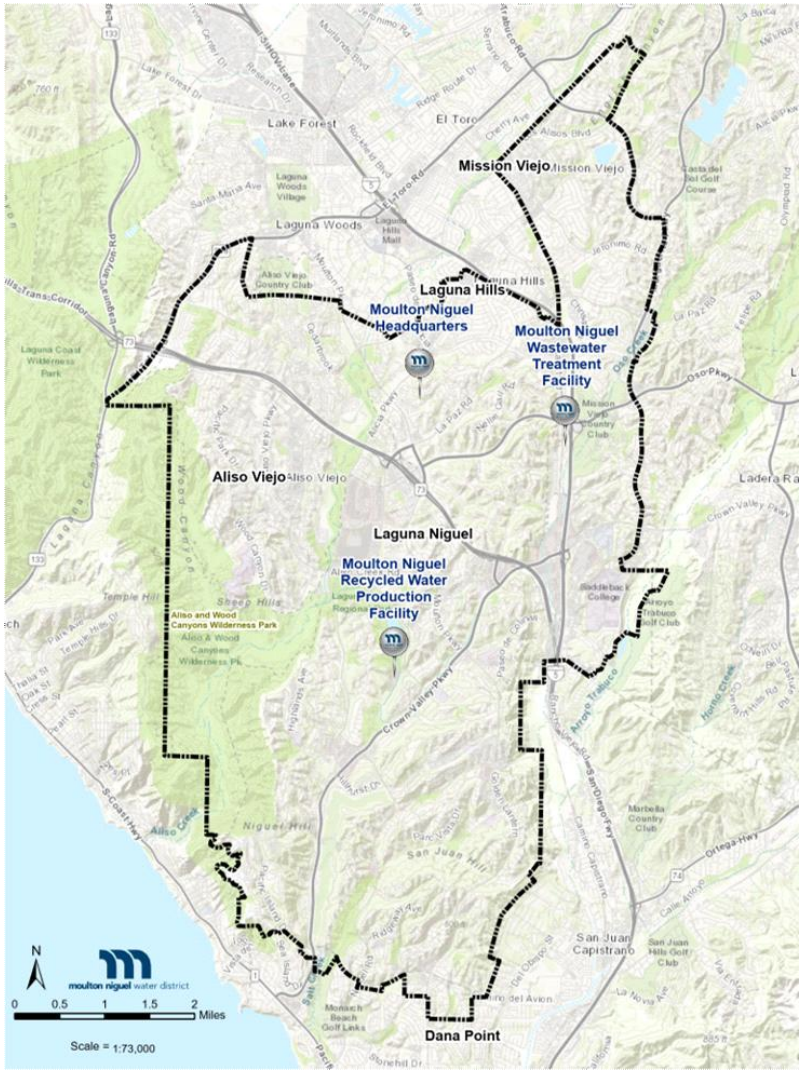
Easement Pipeline Rehabilitations

Project No: EASEMENTPIPE
System: Potable
Fund: 7
Project Status: Program

Project Location: Various

Description: This program will rehabilitate identified pipelines within easements typically located on private property.

Project Need: This annual program 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	$	5,500,000
Inspection	$	-
District Labor / Permits / Other	$	500,000
Total Project Budget	**$**	**6,000,000**

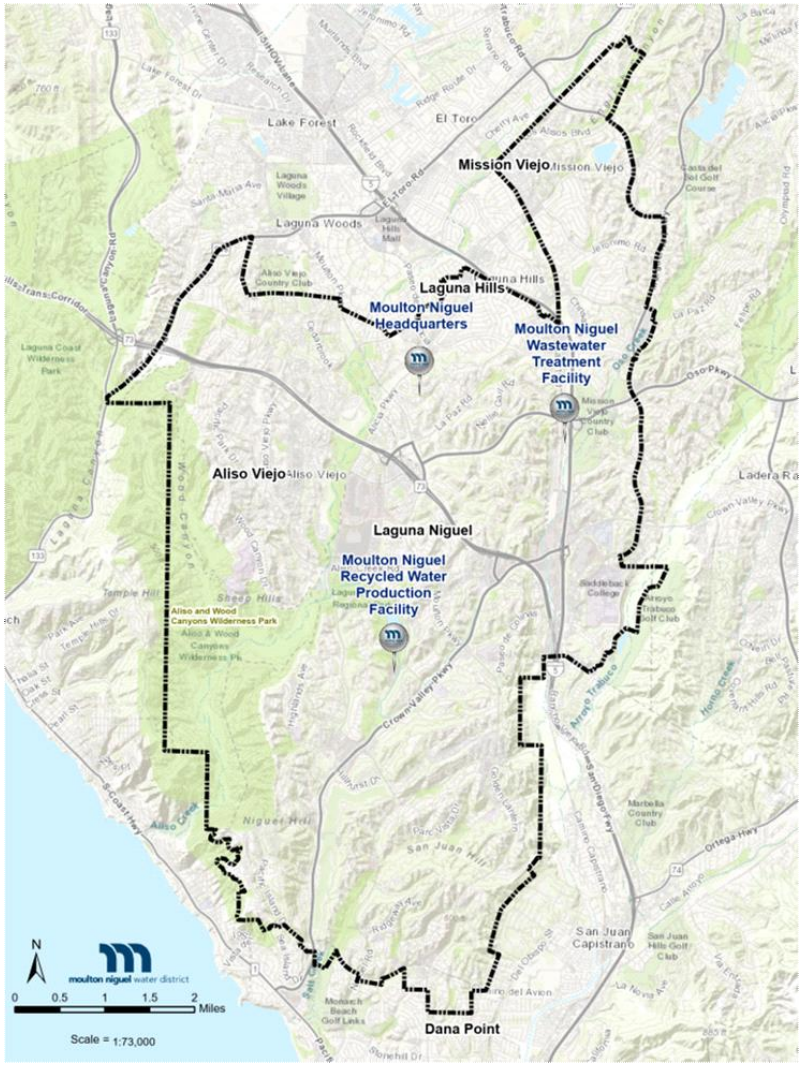
Fire Hydrant Replacements

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	$	2,500,000
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**2,500,000**

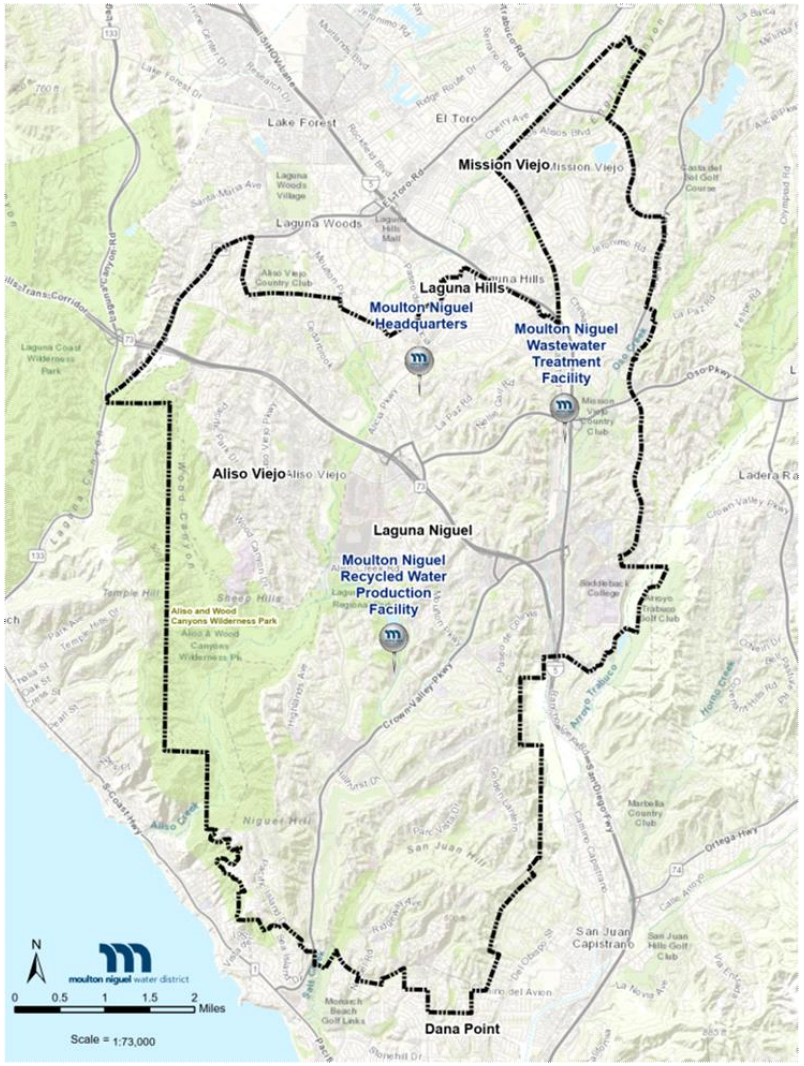
Manhole Rehabilitations

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	$	-
Total Project Budget	**$**	**2,500,000**

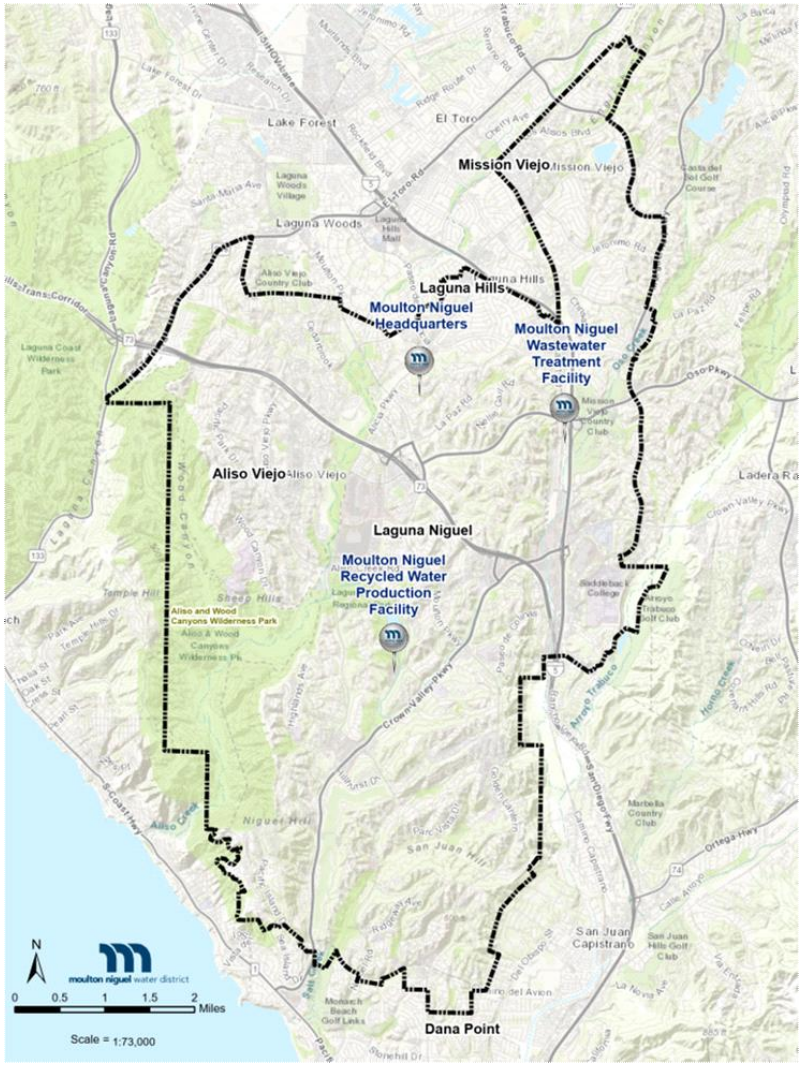
Meter Replacements - PW

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

Project Location: Various

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

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



Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	12,000,000
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**12,000,000**

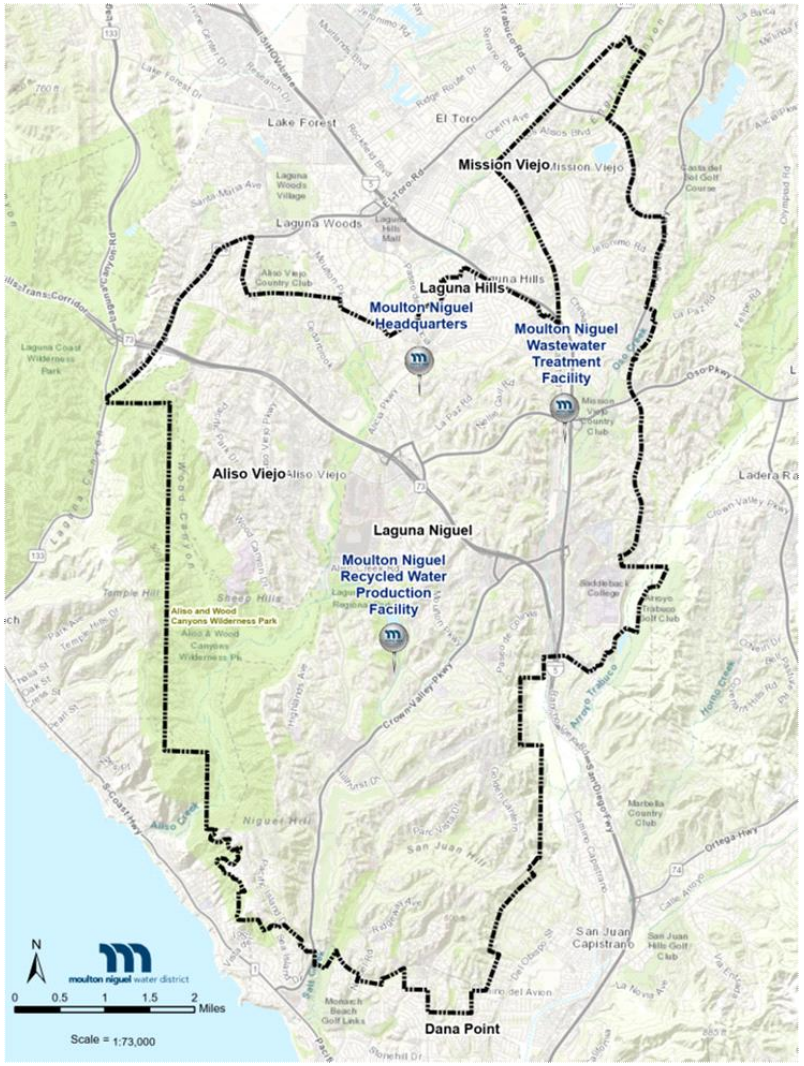
Meter Replacements - RW

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.



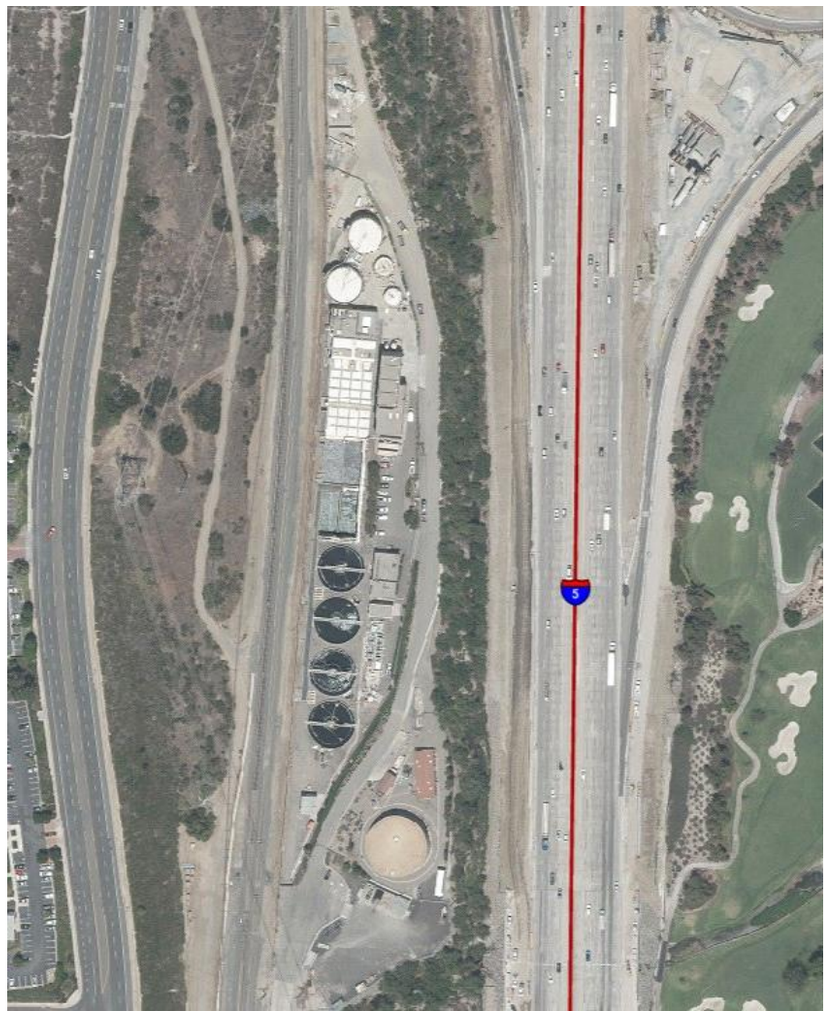
Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	1,000,000
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**1,000,000**

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	$	1,700,000
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**1,700,000**

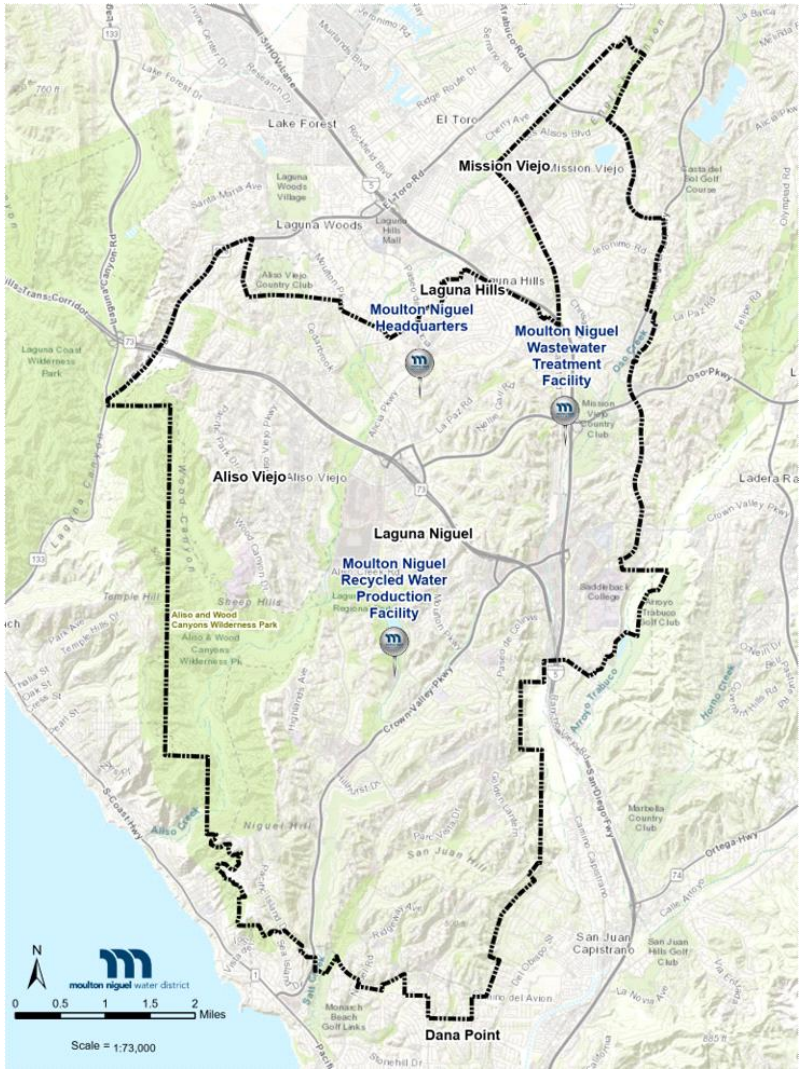
Operations-Led Capital Improvements - Multi-System

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	$	-
Total Project Budget	**$**	**1,100,000**

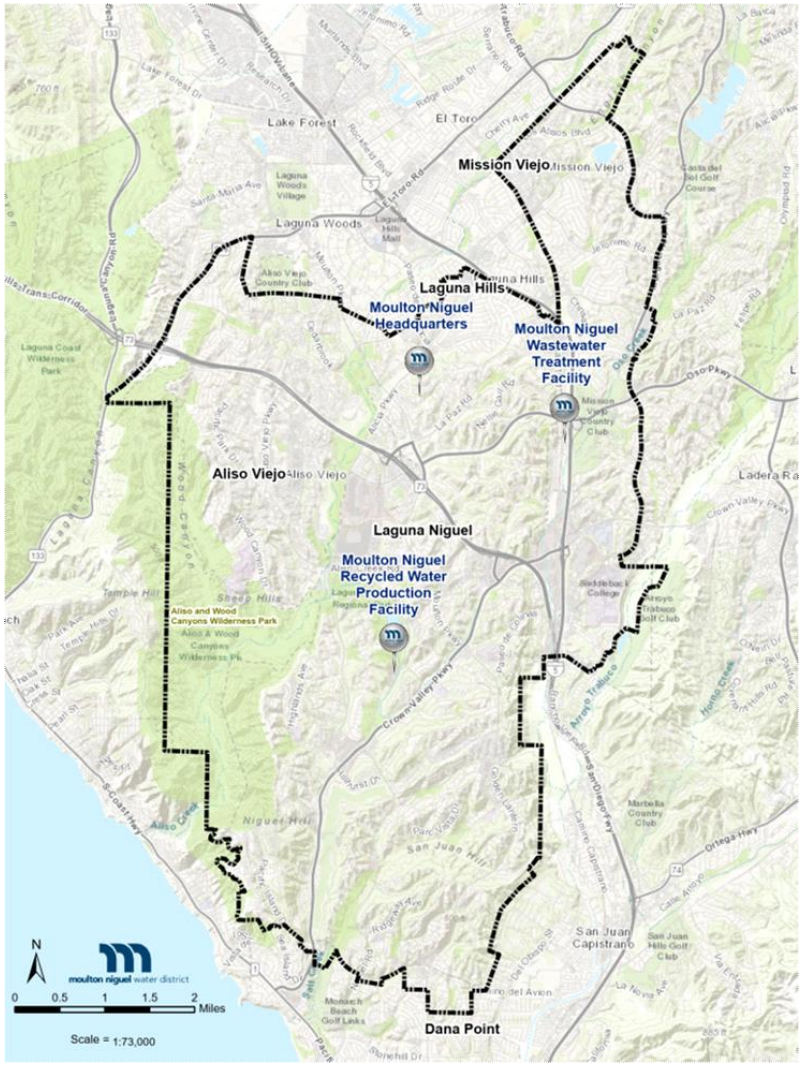
Operations-Led Capital Improvements - PW

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	$	2,750,000
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**2,750,000**

Operations-Led Capital Improvements - RTP Common

Project No: OPSLEDRTPCOM
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	$	1,000,000
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**1,000,000**

Operations-Led Capital Improvements - RTP Liquids

Project No: OPSLEDRTPLIQ
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	$	2,000,000
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**2,000,000**

Operations-Led Capital Improvements - RTP Solids

Project No: OPSLEDRTPSOL
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	$	2,100,000
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**2,100,000**

Operations-Led Capital Improvements - RTP Tertiary

Project No: OPSLEDRTPTER
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.



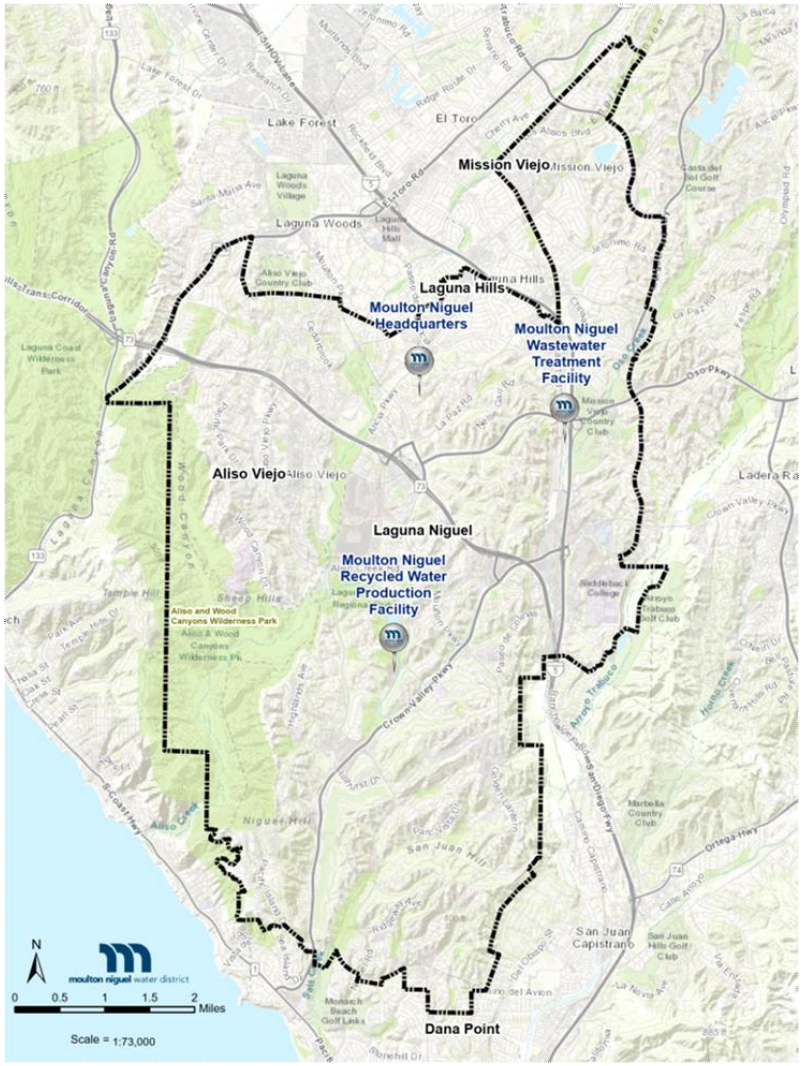
Project Estimate:

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

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.

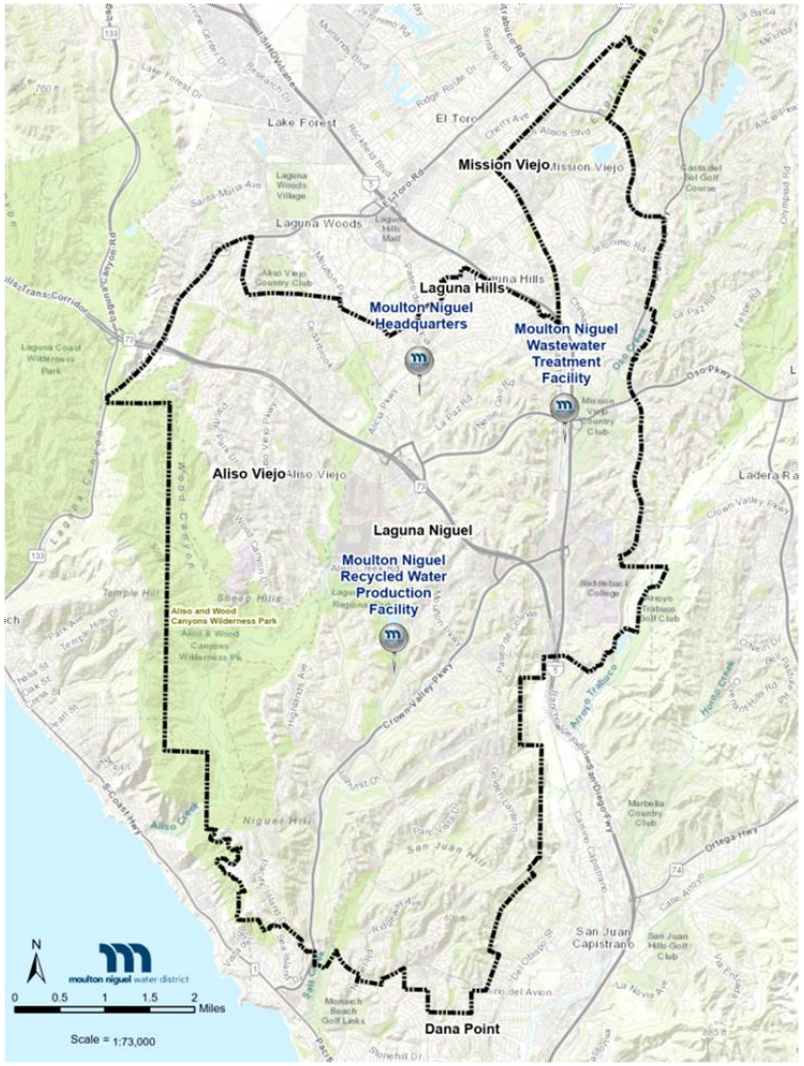
Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	2,600,000
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**2,600,000**

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.

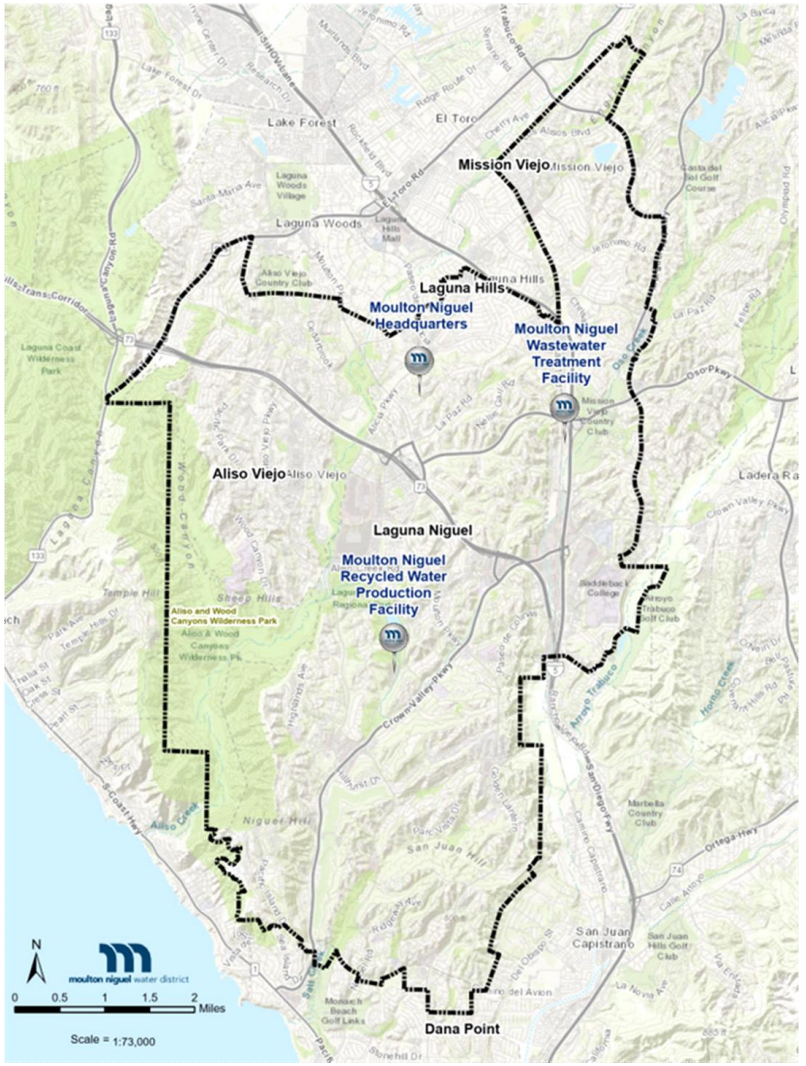
Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	2,600,000
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**2,600,000**

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.

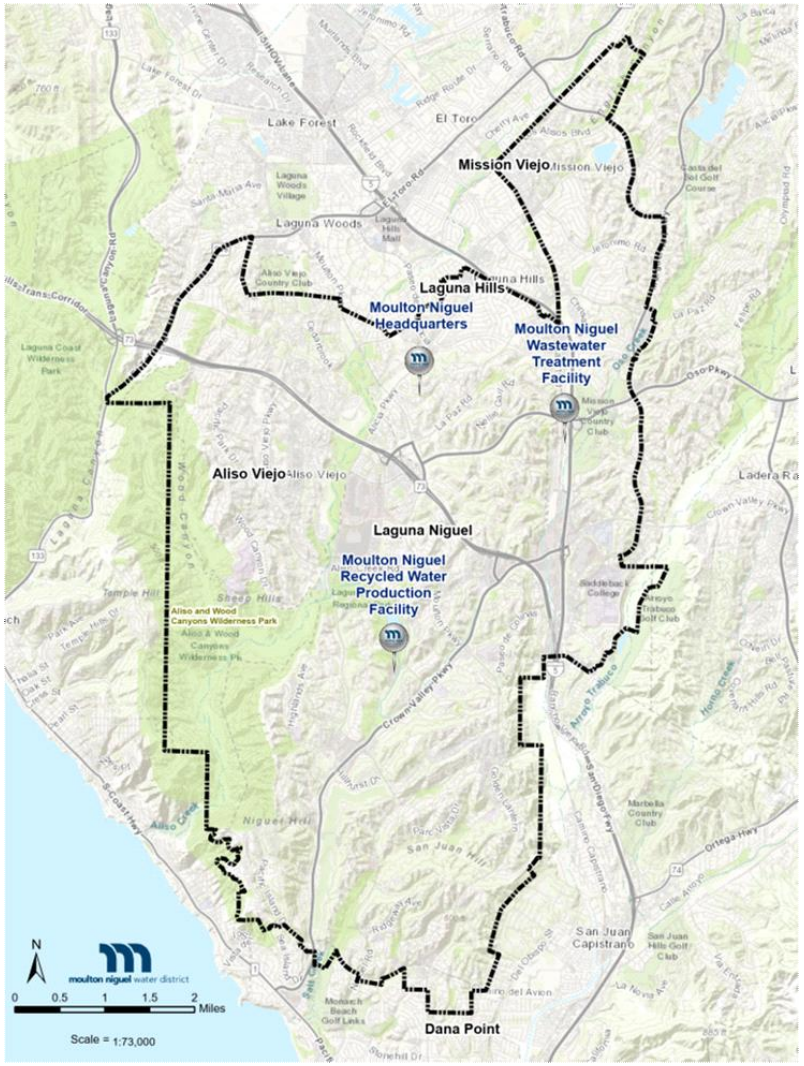
Project Estimate:

Category		Estimated Cost
Design	$	13,000,000
CEQA Compliance		Exempt
Construction	$	72,000,000
Inspection	$	3,000,000
District Labor / Permits / Other	$	2,000,000
Total Project Budget	**$**	**90,000,000**

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	$	1,000,000
CEQA Compliance		Exempt
Construction	$	6,000,000
Inspection	$	1,000,000
District Labor / Permits / Other	$	1,000,000
Total Project Budget	**$**	**9,000,000**

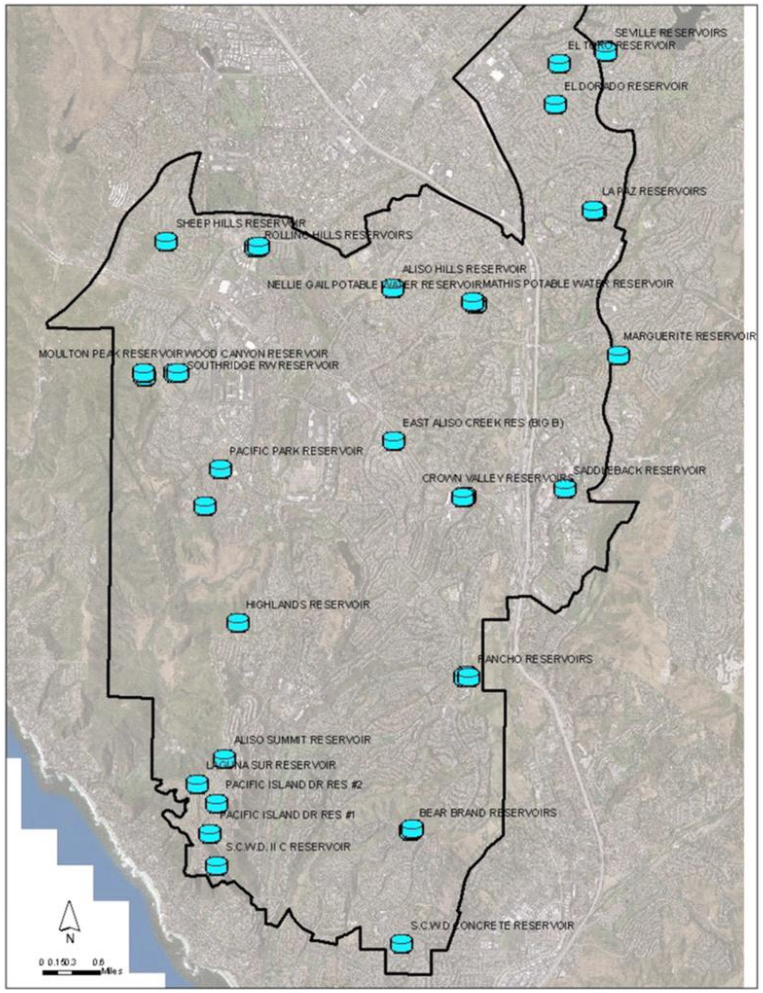
Reservoir Recoating Program - PW

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 routinely inspects each reservoir to determine if and when recoating is needed. This project addresses the periodic nature of this activity for this asset group.



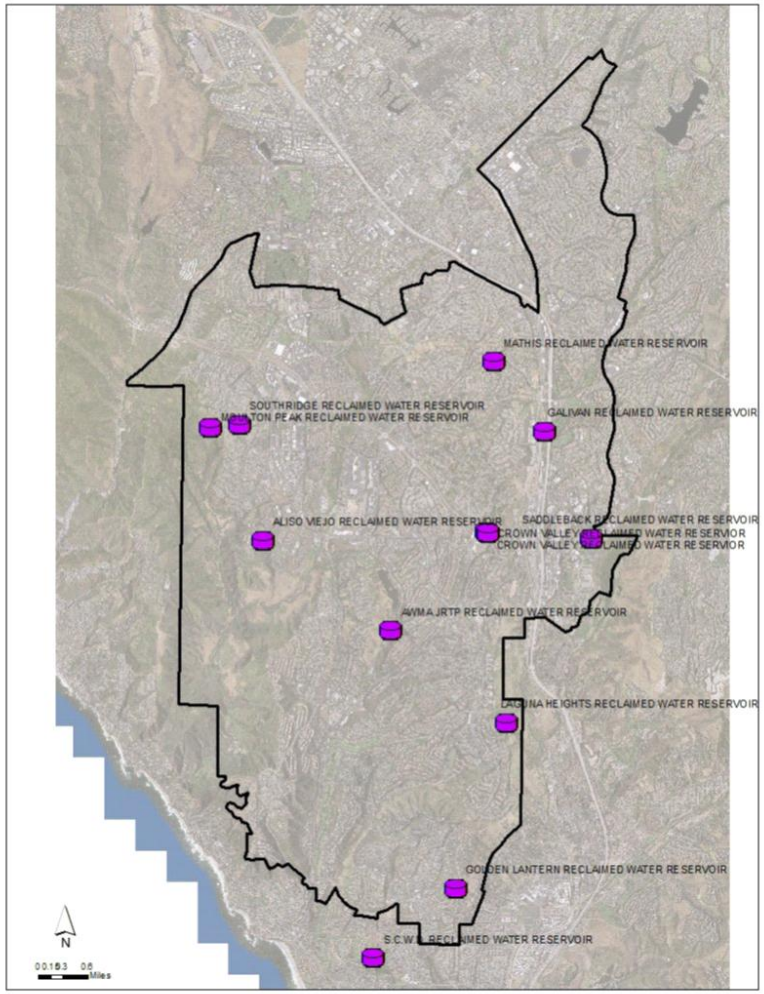
Project Estimate:

Category		Estimated Cost
Design	$	100,000
CEQA Compliance		Exempt
Construction	$	4,700,000
Inspection	$	200,000
District Labor / Permits / Other	$	100,000
Total Project Budget	**$**	**5,100,000**

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 routinely inspects each reservoir 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	$	10,000
CEQA Compliance		Exempt
Construction	$	250,000
Inspection	$	20,000
District Labor / Permits / Other	$	20,000
Total Project Budget	**$**	**300,000**

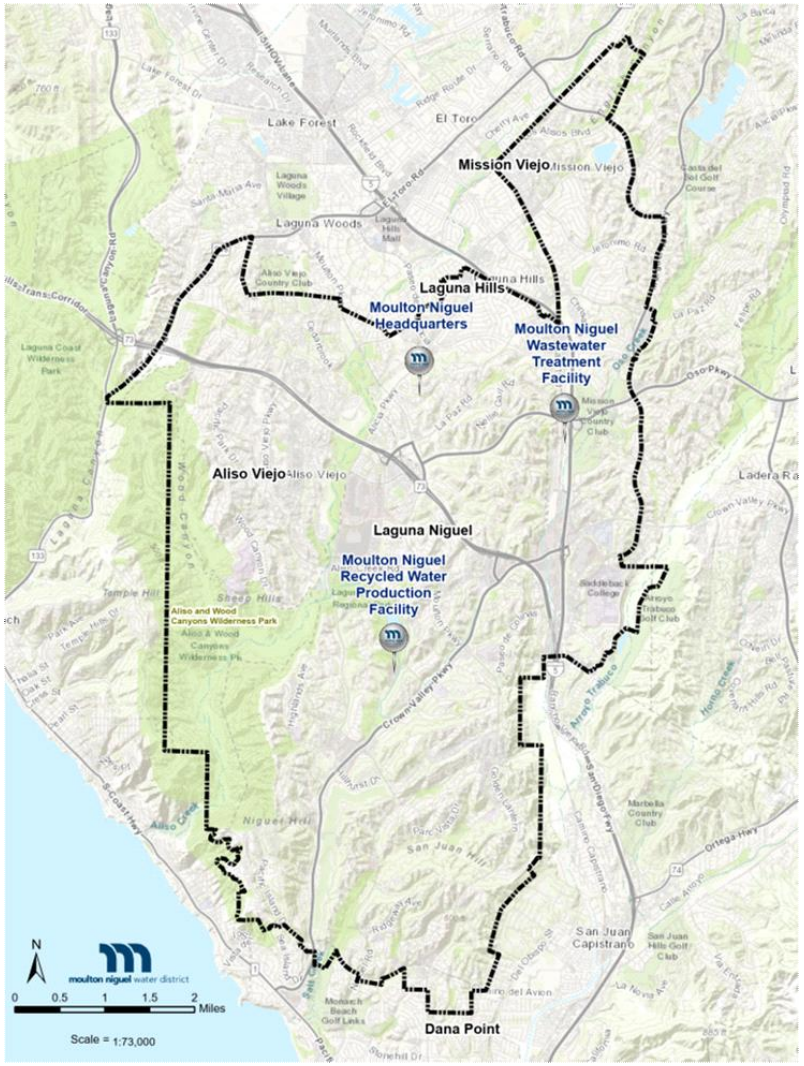
Service Line Replacements - PW

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	$	-
Total Project Budget	**$**	**30,000,000**

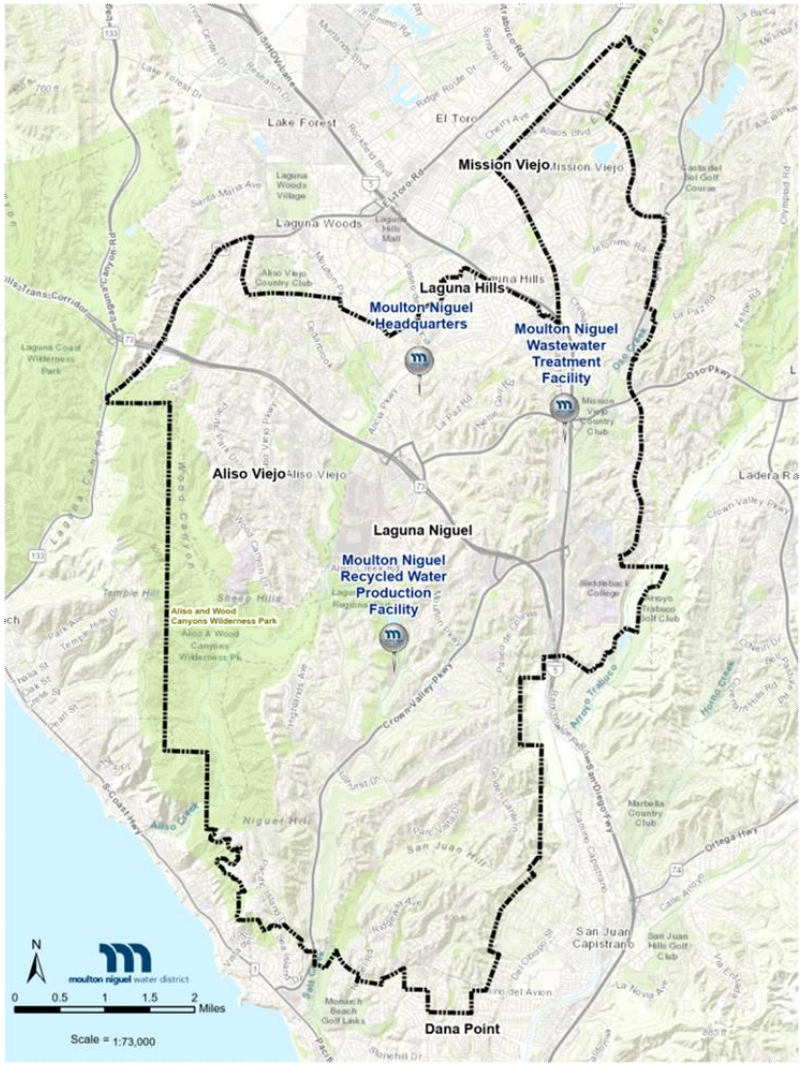
Service Line Replacements - RW

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	$	-
Total Project Budget	**$**	**500,000**

Valve Replacements - PW

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

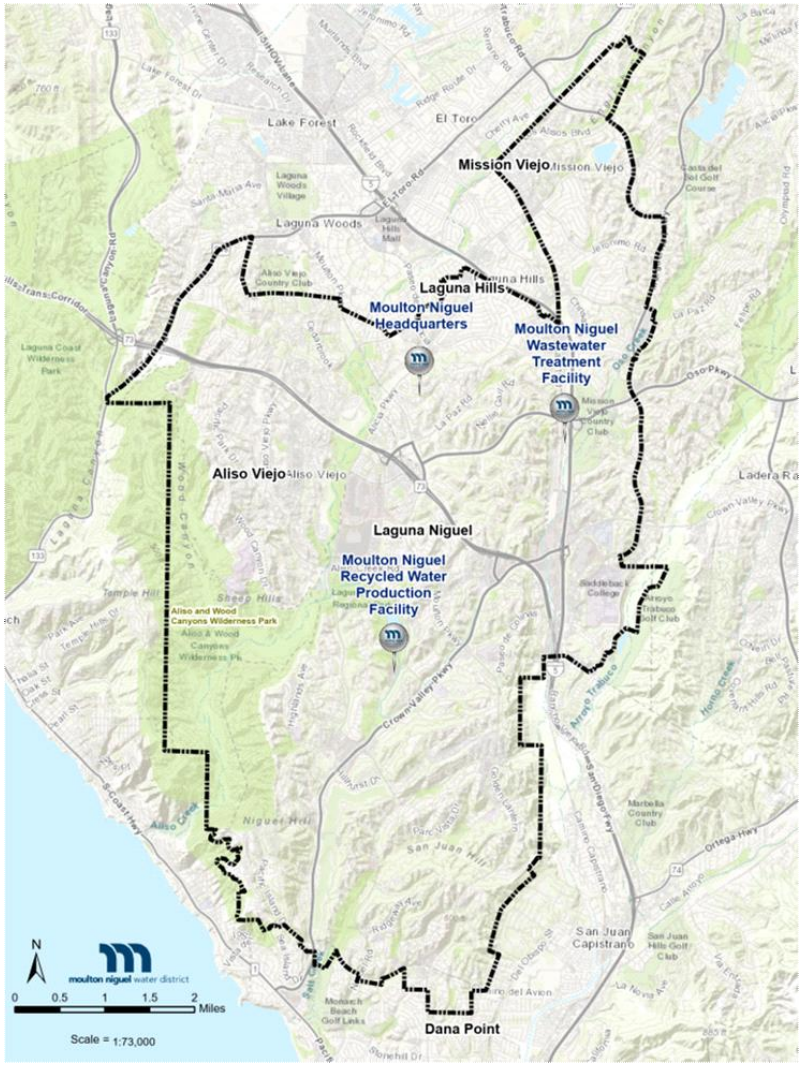
Project Location: Various

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
Total Project Budget	**$**	**31,000,000**



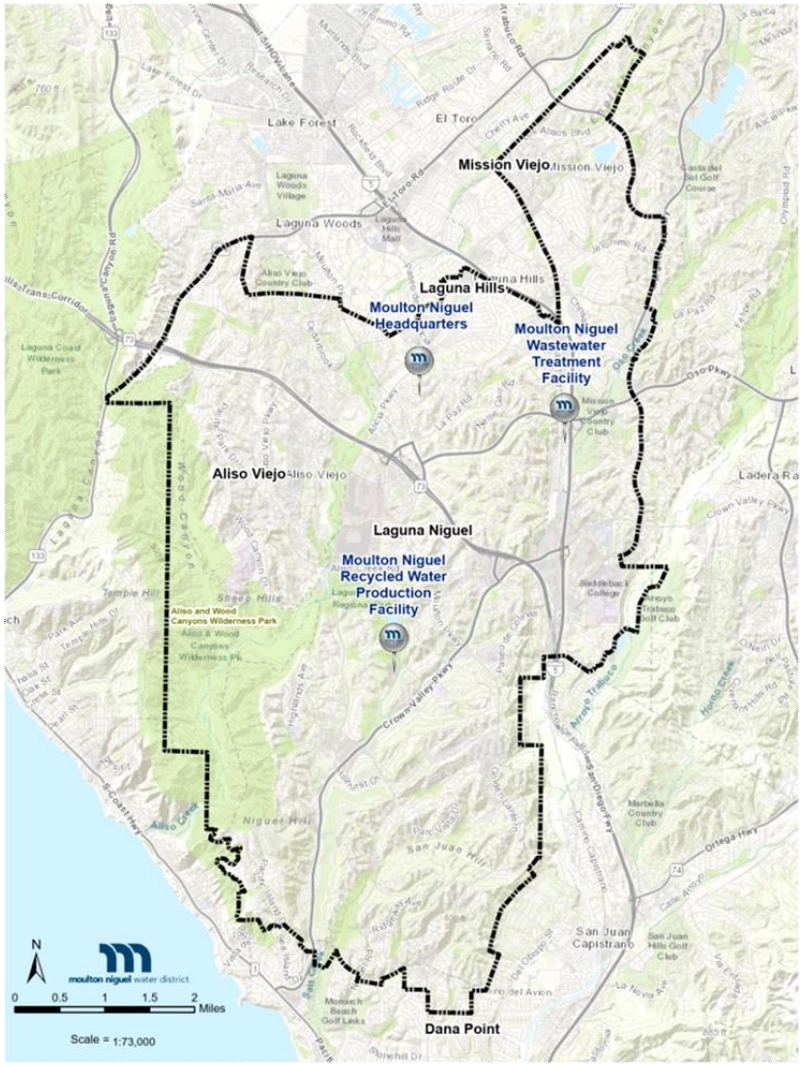
Valve Replacements - RW

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	$	-
Total Project Budget	**$**	**2,500,000**

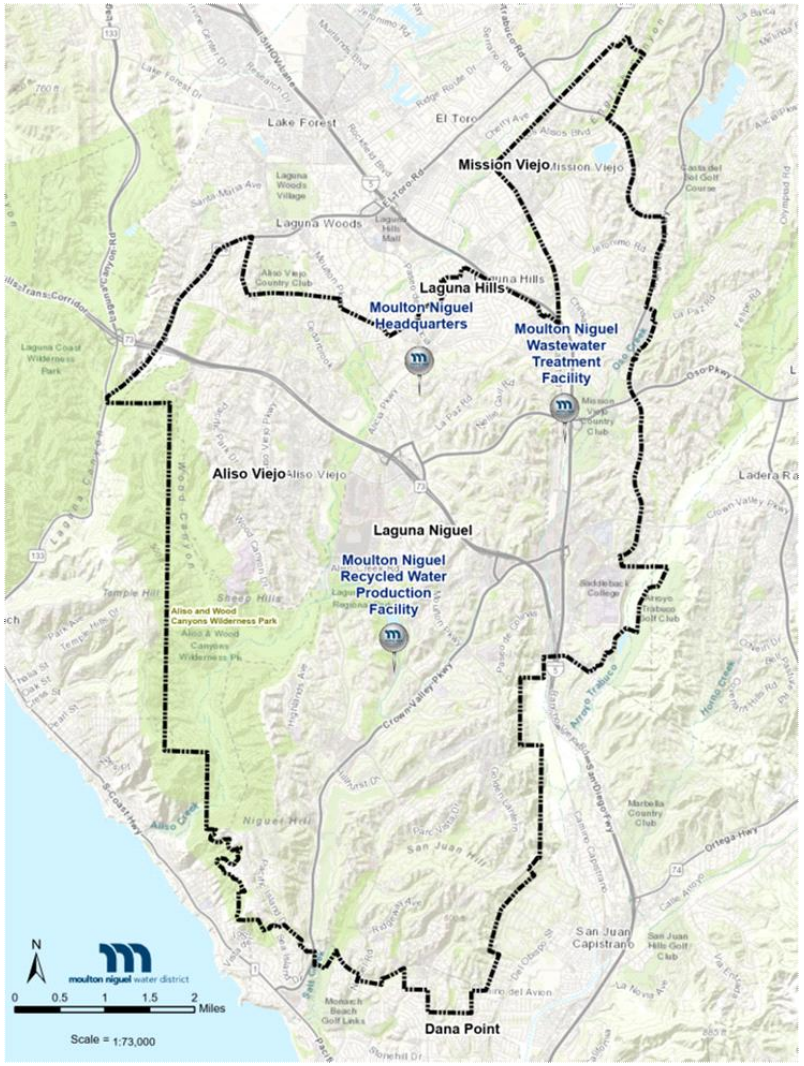
Vertical Assets Rehabilitation and Replacement Program - PW

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 structures and equipment at each facility become obsolete, require increased maintenance, and will need to be replaced or rehabilitated.



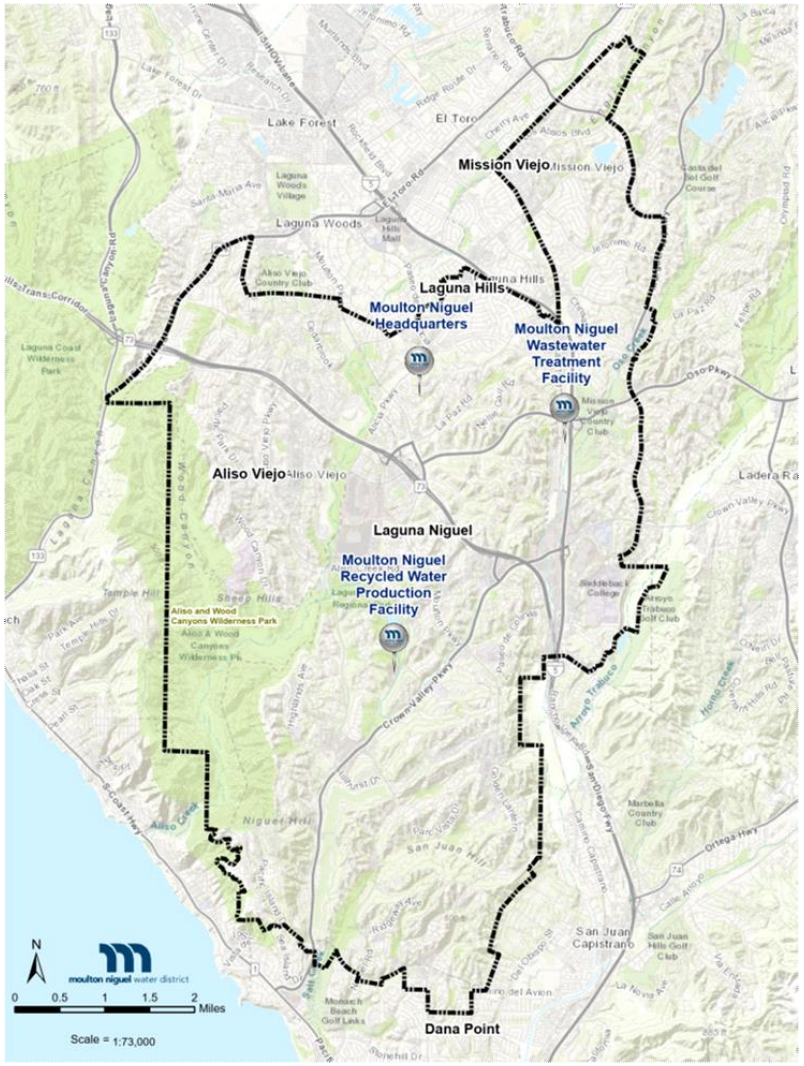
Project Estimate:

Category		Estimated Cost
Design	$	2,000,000
CEQA Compliance		Exempt
Construction	$	10,000,000
Inspection	$	2,000,000
District Labor / Permits / Other	$	2,000,000
Total Project Budget	**$**	**16,000,000**

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 facility become obsolete, require increased maintenance, and will need to be replaced or rehabilitated.

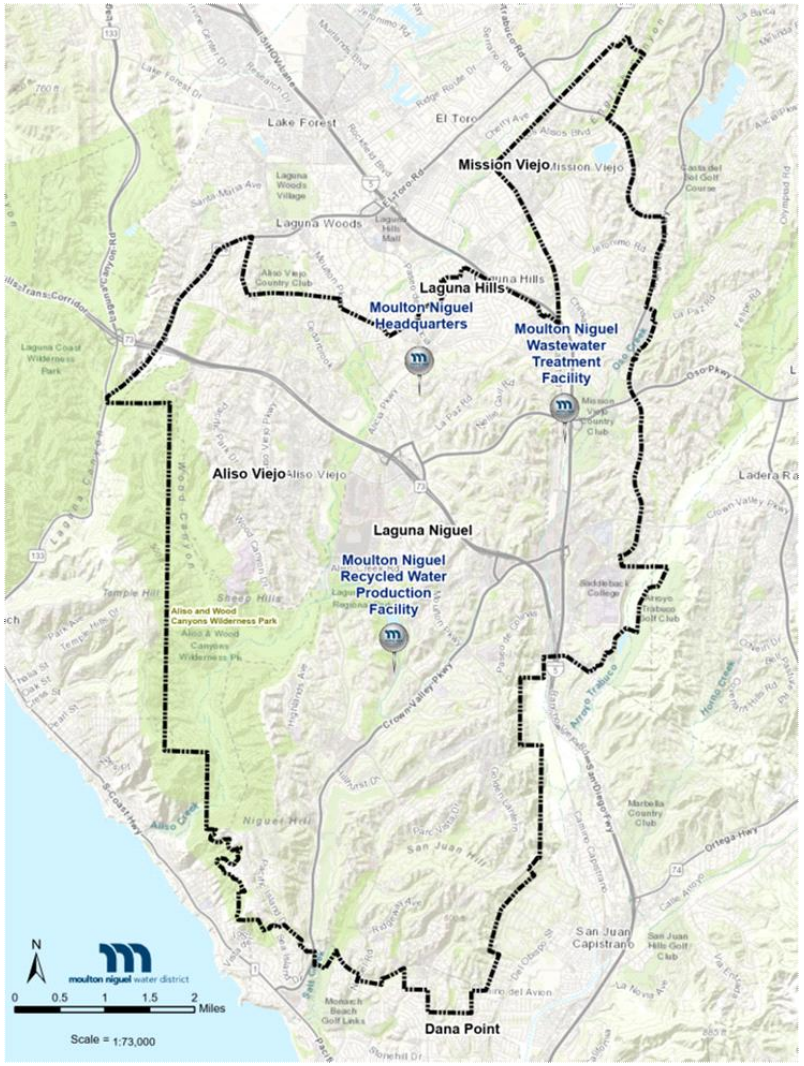
Project Estimate:

Category		Estimated Cost
Design	$	100,000
CEQA Compliance		Exempt
Construction	$	600,000
Inspection	$	100,000
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**800,000**

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 structures and equipment at each facility become obsolete, require increased maintenance, and will need to be replaced or rehabilitated.

Project Estimate:

Category		Estimated Cost
Design	$	4,000,000
CEQA Compliance		Exempt
Construction	$	20,000,000
Inspection	$	2,000,000
District Labor / Permits / Other	$	2,000,000
Total Project Budget	**$**	**28,000,000**

Warehouse Replacement at Headquarters

Project No: TBD
System: Multi-System
Fund: 7
Project Status: New

Project Location: MNWD Headquarters, Laguna Hills

Description: Replace existing warehouse building located at the District Headquarters with a new insulated metal building.

Project Need: The existing warehouse building at District Headquarters requires replacement. The new metal building will be modernized to improve functionality, supporting the warehouse's critical role in maintaining the District's operational capabilities.



Project Estimate:

Category		Estimated Cost
Design	$	300,000
CEQA Compliance	$	150,000
Construction	$	10,650,000
Inspection	$	450,000
District Labor / Permits / Other	$	150,000
Total Project Budget	**$**	**11,700,000**

Document Management System Replacement

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
Total Project Budget	**$**	**300,000**

Rancho No. 3 Reservoir Rehabilitation - Phase 1

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

Project Location: Rancho No. 3 Reservoir, Laguna Niguel

Description: A 2025 condition assessment recommended a two-phase rehabilitation approach for this reservoir based on the conditions observed. This project will address the first phase of the work and perform targeted rehabilitation of the reservoir interior.



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 routinely inspects each reservoir to determine when rehabilitation is needed. A condition assessment for this reservoir was completed in January 2025.

Project Estimate:

Category		Estimated Cost
Design	$	10,000
CEQA Compliance		Exempt
Construction	$	100,000
Inspection	$	30,000
District Labor / Permits / Other	$	20,000
Total Project Budget	**$**	**160,000**

Rancho No. 3 Reservoir Rehabilitation - Phase 2

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

Project Location: Rancho No. 3 Reservoir, Laguna Niguel

Description: A 2025 condition assessment recommended a two-phase rehabilitation approach for this reservoir based on the conditions observed. This project will address the second phase of the work and re-coat the interior and exterior of the 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 routinely inspects each reservoir to determine when rehabilitation is needed. A condition assessment for this reservoir was completed in January 2025.

Project Estimate:

Category		Estimated Cost
Design	$	50,000
CEQA Compliance		Exempt
Construction	$	2,200,000
Inspection	$	100,000
District Labor / Permits / Other	$	50,000
Total Project Budget	**$**	**2,400,000**

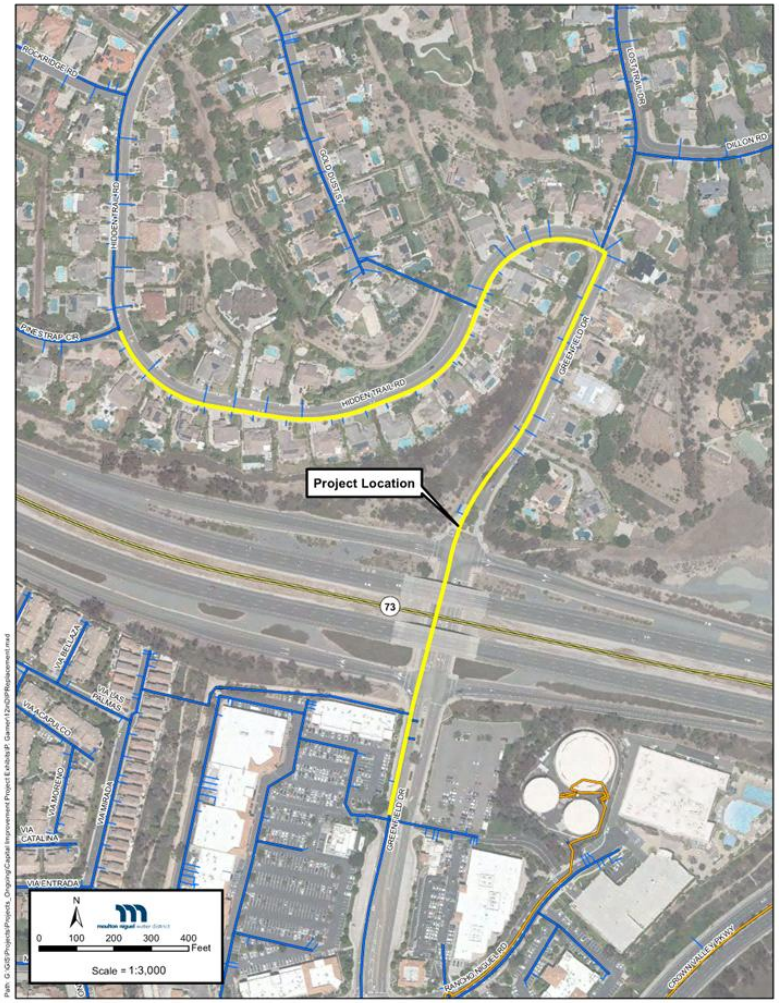
Greenfield and Hidden Trail Pipeline Replacement

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

Project Location: Greenfield Drive and Hidden Trail Road, Laguna Hills and Laguna Niguel

Description: The project will replace approximately 3,300 feet of 12-inch diameter pipeline along Greenfield Drive and Hidden Trail Road.

Project Need: The 12-inch diameter ductile iron pipeline on Greenfield Drive and Hidden Trail Road is beyond its useful life and in need of replacement.



Project Estimate:

Category		Estimated Cost
Design	$	230,000
CEQA Compliance		Exempt
Construction	$	3,300,000
Inspection	$	20,000
District Labor / Permits / Other	$	50,000
Total Project Budget	**$**	**3,600,000**

Mathis Reservoir Site Paving Replacement

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

Project Location: Mathis Reservoir, Laguna Niguel

Description: Remove approximately 35,000 square feet of existing asphalt paving and replace with new 4-inch asphalt paving over existing base.

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



Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	200,000
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**200,000**

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	$	-
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**425,000**

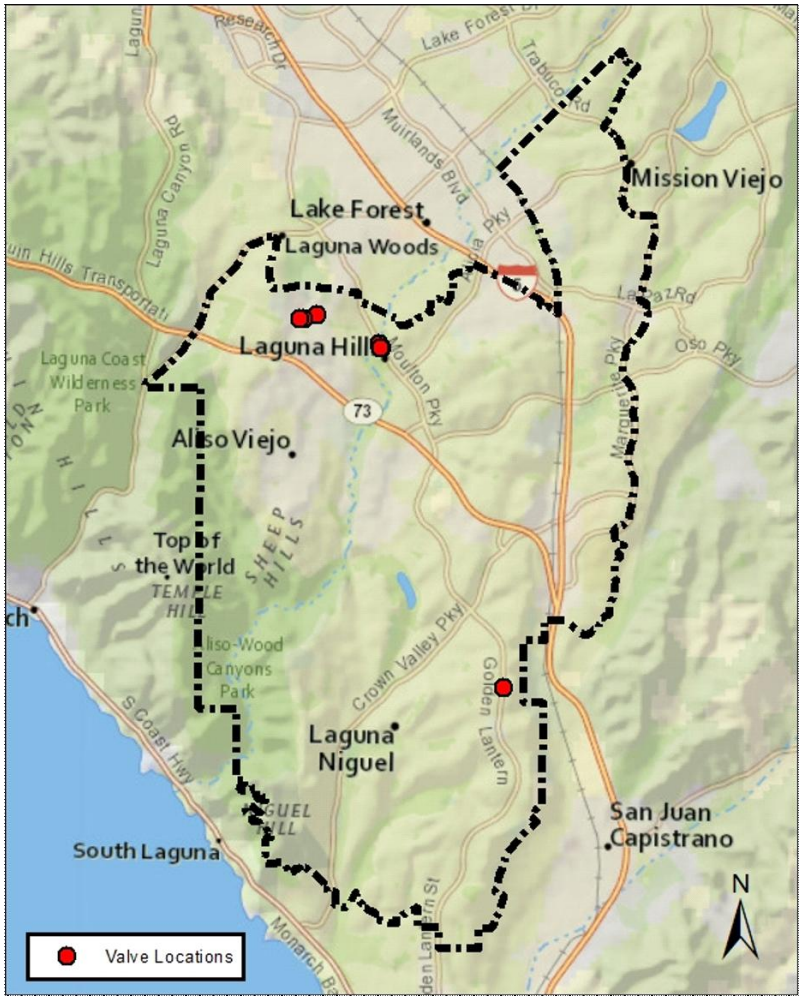
Aliso Viejo MOV Replacement

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

Project Location: Various locations within the city of Aliso Viejo

Description: Replace eight (8) 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	$	-
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**675,000**

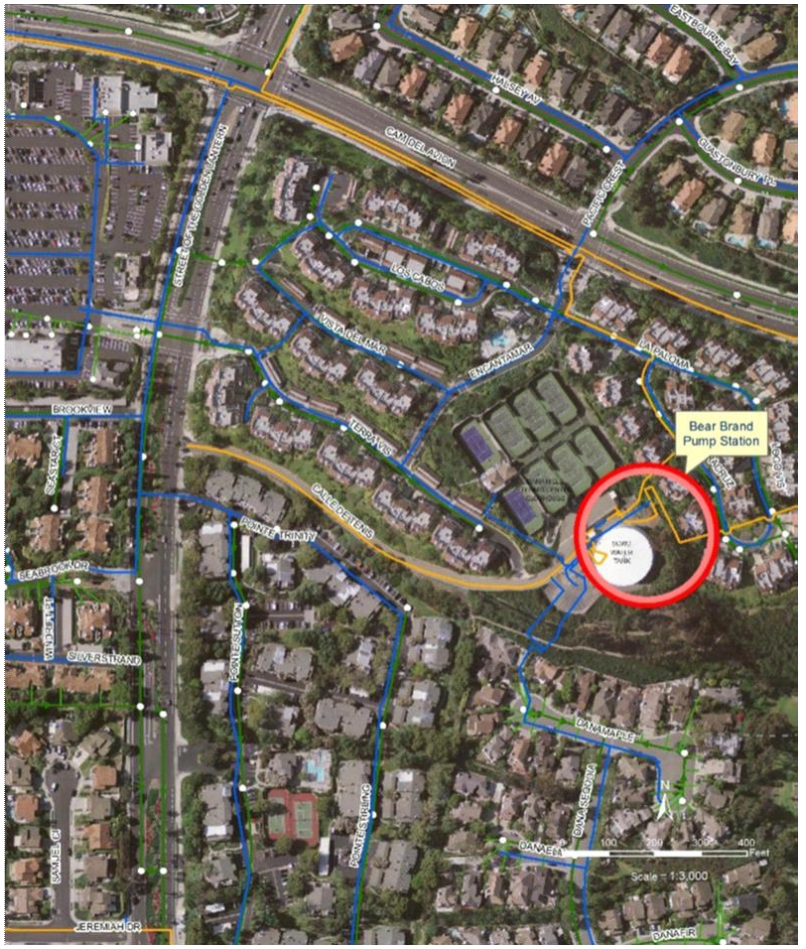
Bear Brand Pump Station Pump Replacement

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.

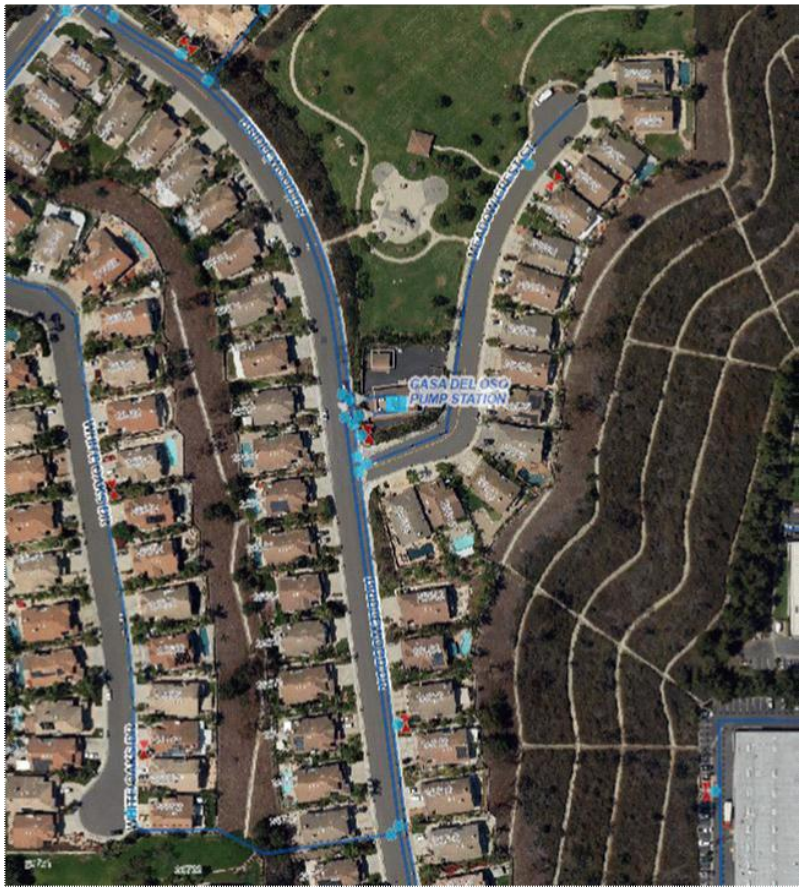
Project Need: Pumps are original and have reached their useful life.


Bear Brand
Pump Station
CAMINO CAPISTRANO
CAMINO DE LOS MARES
CALLE DE LOS CABOS
CALLE PUNTA ARENAS
PUNTA ESTRELLA
PUNTA ALTURA
PUNTA GRANDE
PUNTA HERMOSA
PUNTA CABRILLO
PUNTA ARENAS
PUNTA TIBURON
PUNTA CORONADO
PUNTA ALTA
PUNTA ALTA CT
PUNTA ALTA PL
PUNTA ALTA WAY
PUNTA ALTA CIR
PUNTA ALTA DR
PUNTA ALTA LN

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 to procure standard 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
Total Project Budget	**$**	**850,000**

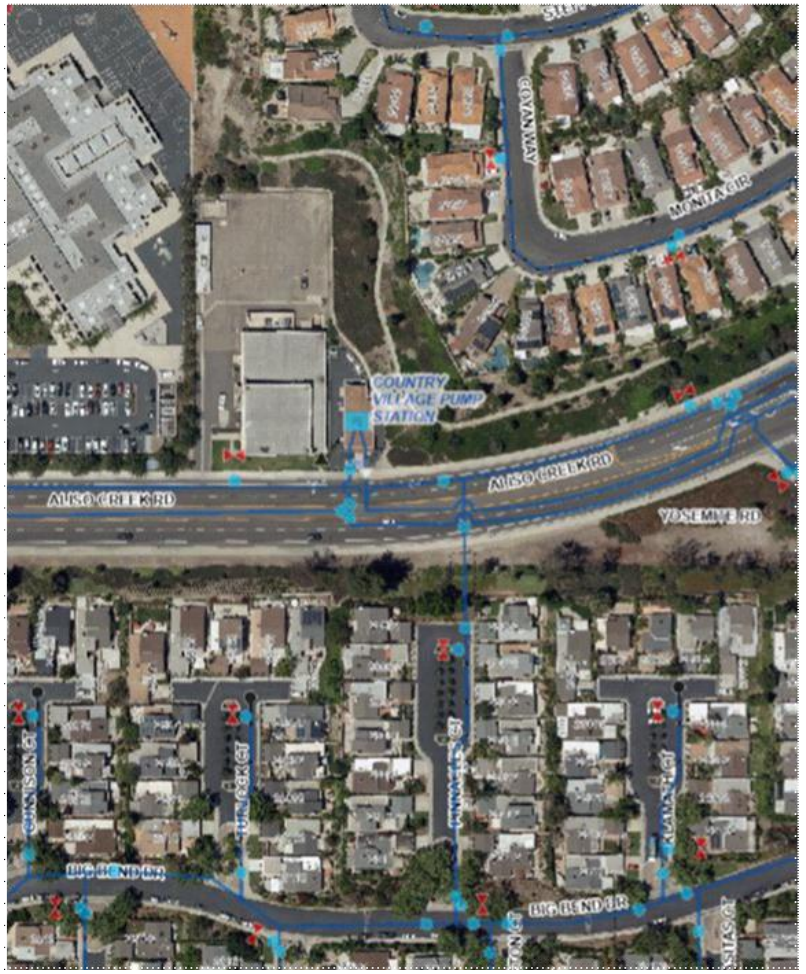
Country Village Pump Station Auxiliary Generator Replacement

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 to procure standard 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
Total Project Budget	**$**	**850,000**

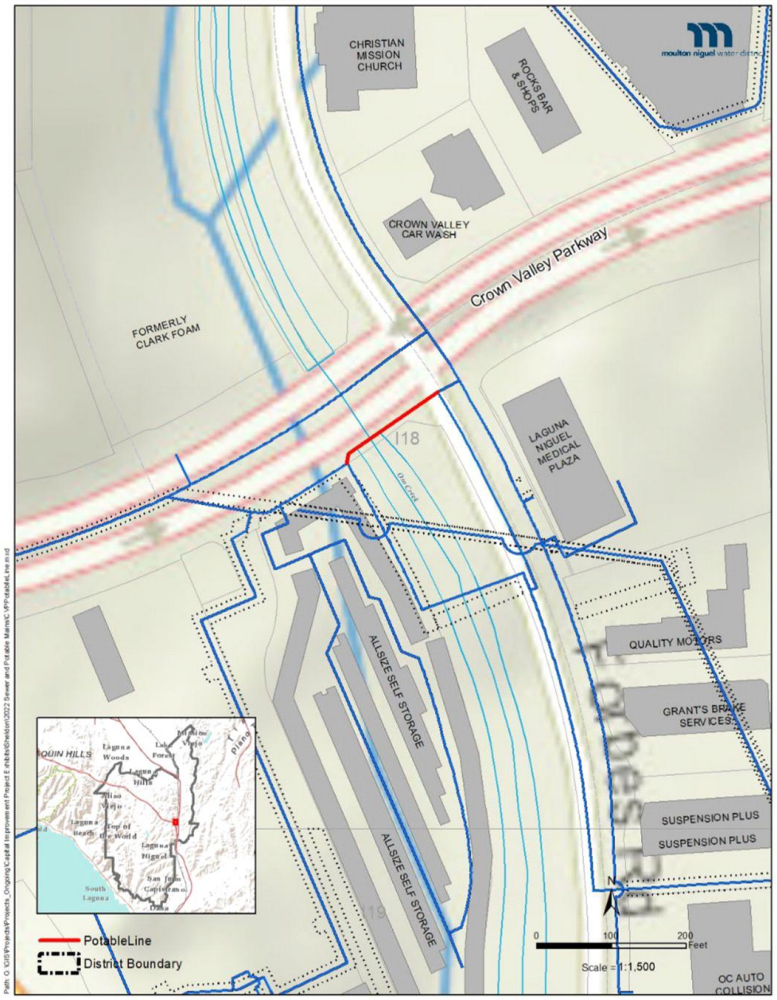
Crown Valley Parkway and Forbes Road PW Pipeline Replacement

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	$	100,000
District Labor / Permits / Other	$	75,000
Total Project Budget	**$**	**600,000**

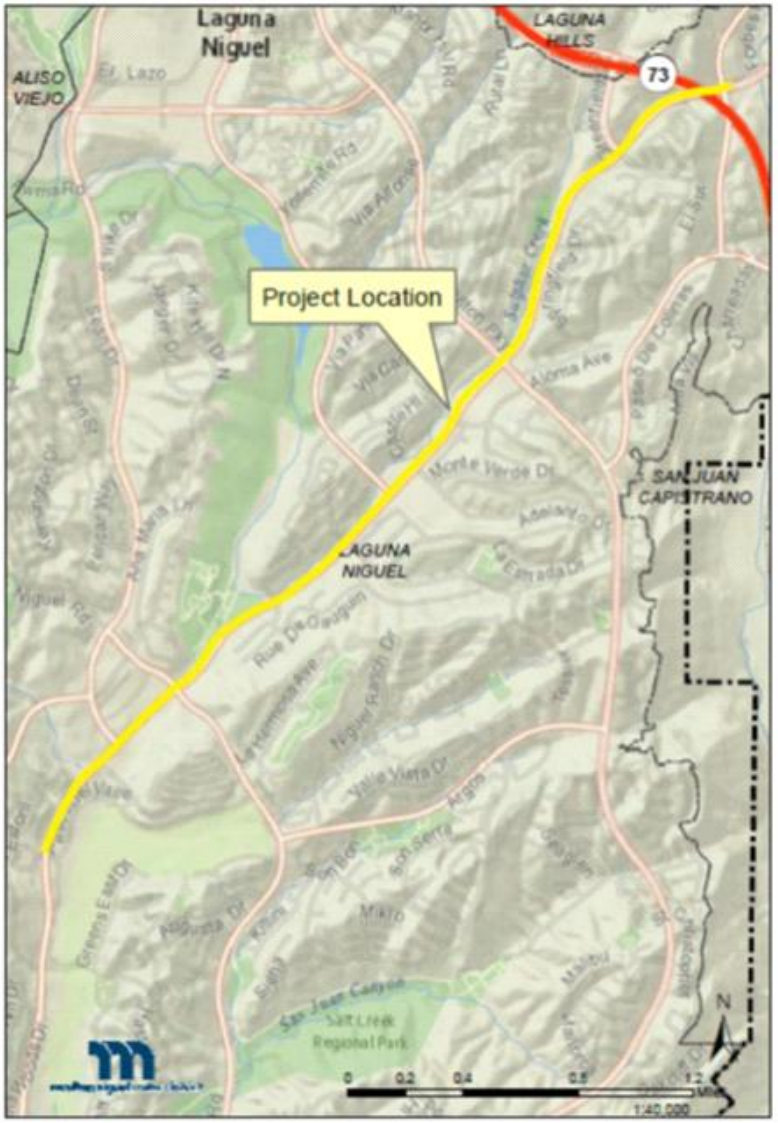
Crown Valley Parkway Transmission Main Upper Reach Rehabilitation

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	$	600,000
District Labor / Permits / Other	$	200,000
Total Project Budget	**$**	**10,000,000**

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	$	-
District Labor / Permits / Other	$	10,000
Total Project Budget	**$**	**360,000**

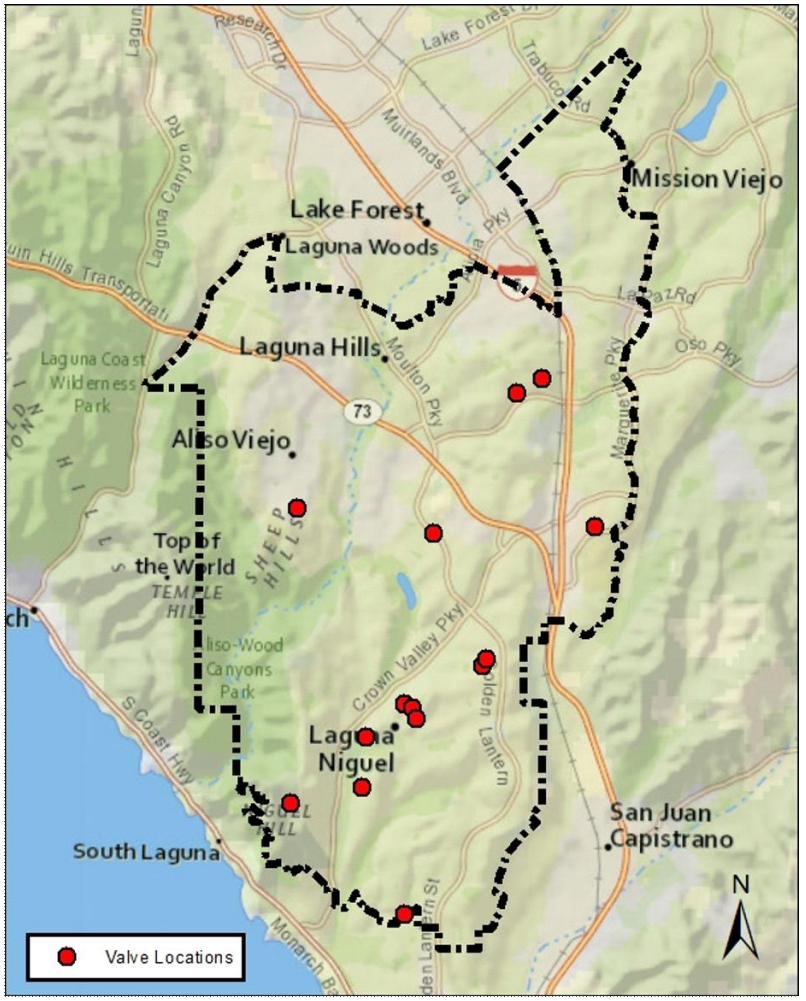
High-Low Valve Replacement

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	$	-
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**1,125,000**

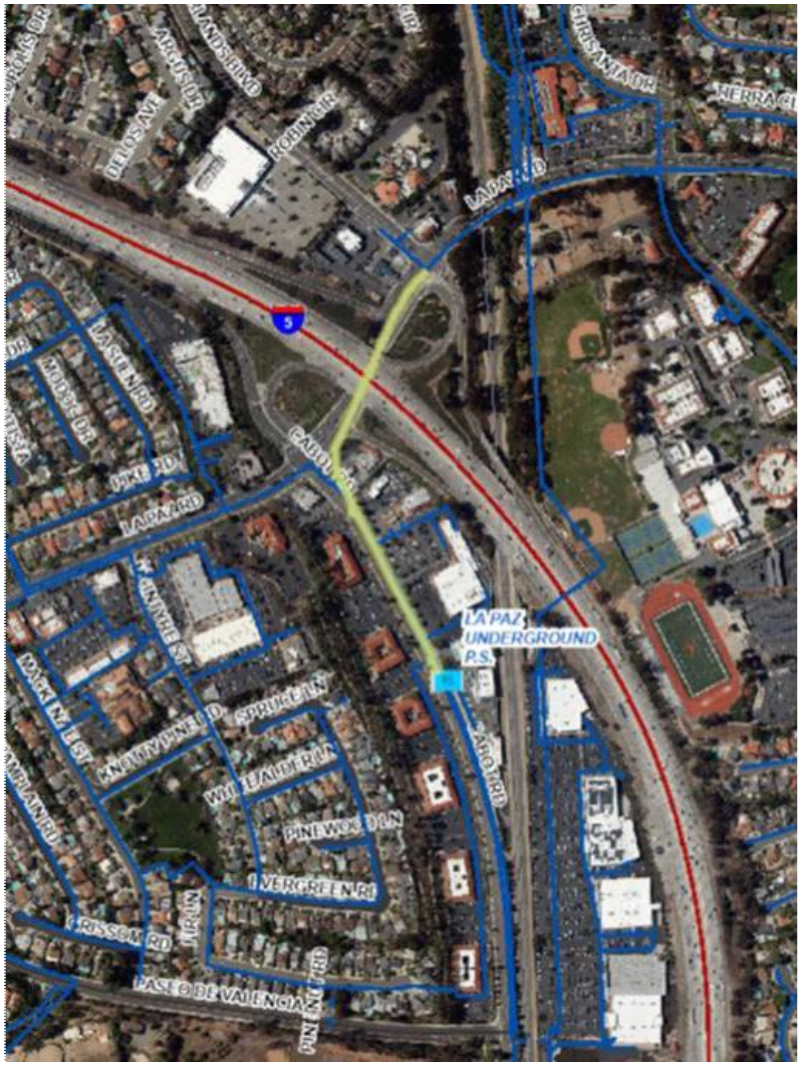
La Paz and Cabot PW Pipeline Replacement

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, has reached it useful life, has required multiple repairs, and needs replacement.



Project Estimate:

Category		Estimated Cost
Design	$	150,000
CEQA Compliance		Exempt
Construction	$	1,000,000
Inspection	$	25,000
District Labor / Permits / Other	$	75,000
Total Project Budget	**$**	**1,250,000**

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, has reached its useful life, has required multiple repairs, and needs replacement.



Project Estimate:

Category		Estimated Cost
Design	$	500,000
CEQA Compliance		Exempt
Construction	$	6,000,000
Inspection	$	400,000
District Labor / Permits / Other	$	100,000
Total Project Budget	**$**	**7,000,000**

Pacific Park Reservoir Rehabilitation

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 routinely inspects each reservoir 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	$	60,000
Total Project Budget	**$**	**2,350,000**

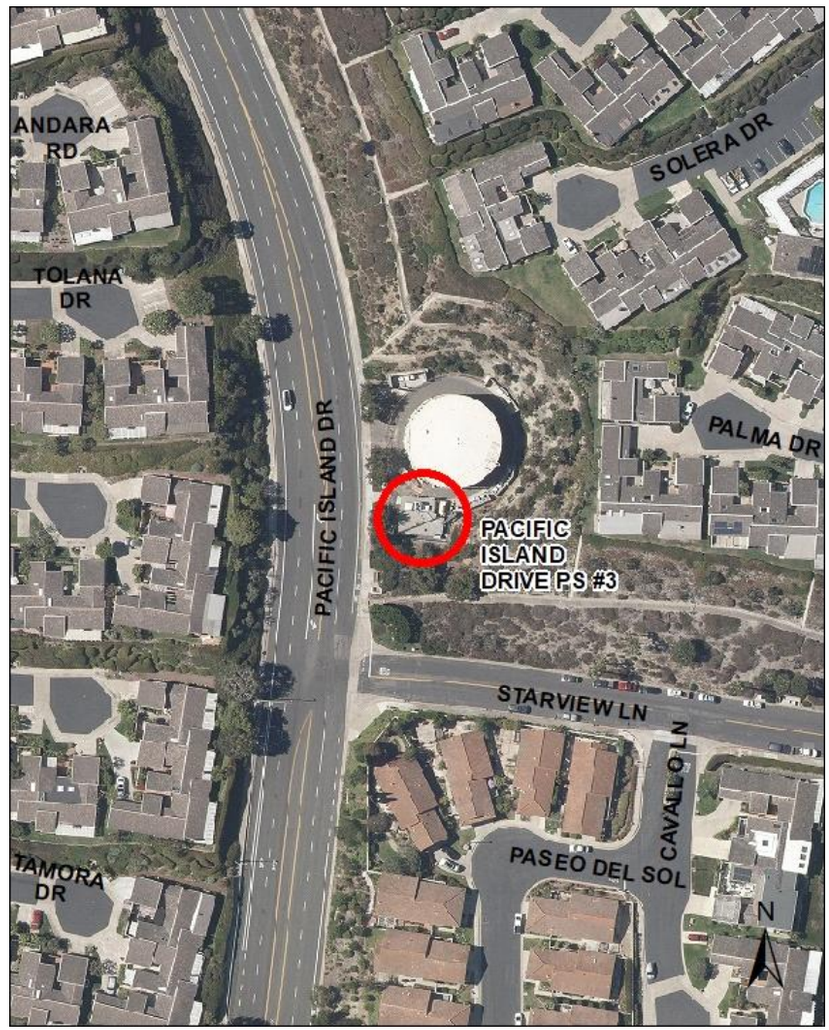
Pacific Island Drive Pump Station No. 3 Generator Replacement

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

Project Location: Pacific Island Drive Pump Station No. 3, 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	$	-
CEQA Compliance		Exempt
Construction	$	450,000
Inspection	$	-
District Labor / Permits / Other	$	50,000
Total Project Budget	**$**	**500,000**

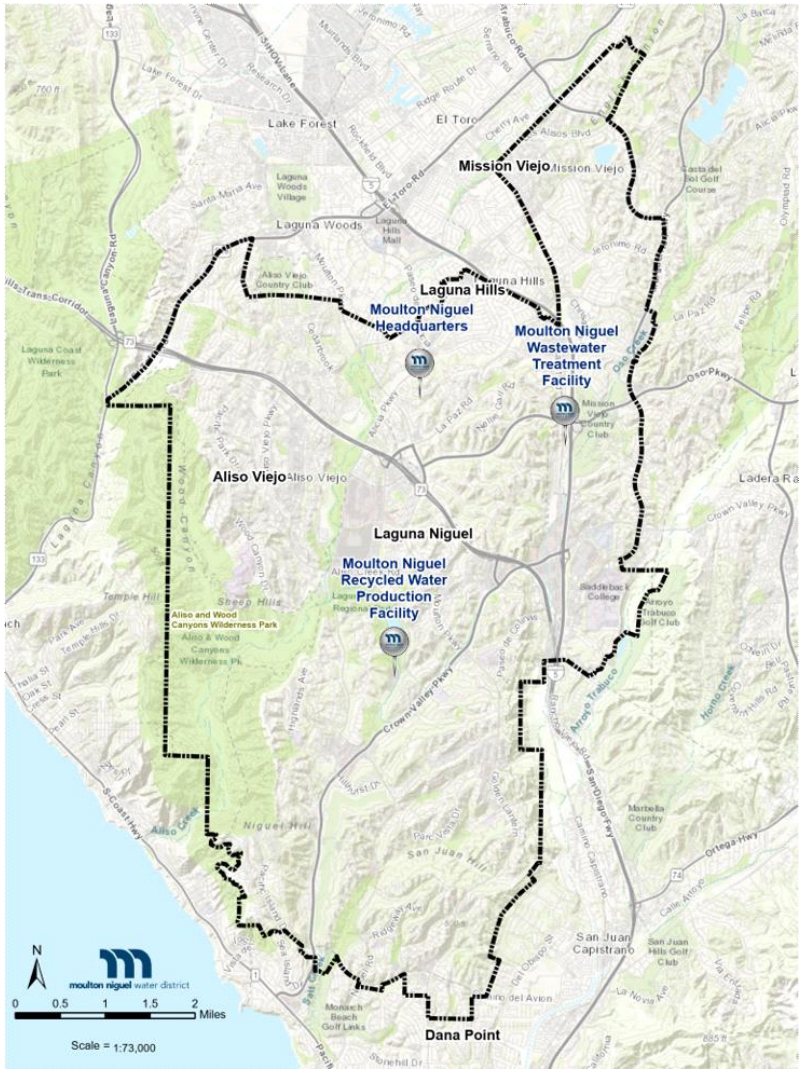
Sewer Lining Phase I

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

Project Location: Various

Description: This project covers the rehabilitation of sewer pipes with cured in-place pipe (CIPP) liner. The work also includes root and calcium encrustation removal, cleaning, and bypass pumping.

Project Need: The District's sewer system is continuously inspected and evaluated through CCTV assessments. Through this project, staff will identify sewer segments suitable for rehabilitation using Cured-In-Place Pipe (CIPP) lining. This rehabilitation method extends the useful life of the existing pipeline infrastructure while minimizing the need for full pipeline replacement.



Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	475,000
Inspection	$	-
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**500,000**

Moulton Peak No. 2 RW Reservoir Rehabilitation

Project No: TBD
System: Recycled
Fund: 7
Project Status: New

Project Location: Moulton Peak No. 2 RW Reservoir, Aliso Viejo

Description: Re-coat the interior and exterior of the 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 routinely inspects each reservoir to determine when rehabilitation is needed. A condition assessment for this reservoir was completed in May 2024.

Project Estimate:

Category		Estimated Cost
Design	$	50,000
CEQA Compliance		Exempt
Construction	$	2,200,000
Inspection	$	100,000
District Labor / Permits / Other	$	50,000
Total Project Budget	**$**	**2,400,000**

Aliso Viejo RW Reservoir Rehabilitation - Phase 2

Project No: TBD
System: Recycled
Fund: 7
Project Status: New

Project Location: Aliso Viejo RW Reservoir, Aliso Viejo

Description: A 2024 condition assessment recommended a two-phase rehabilitation approach for this reservoir based on the conditions observed. This project will address the second phase of the work and re-coat the interior and exterior of the 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 routinely inspects each reservoir to determine when rehabilitation is needed. A condition assessment for this reservoir was completed in March 2024.

Project Estimate:

Category		Estimated Cost
Design	$	50,000
CEQA Compliance		Exempt
Construction	$	2,200,000
Inspection	$	100,000
District Labor / Permits / Other	$	50,000
Total Project Budget	**$**	**2,400,000**

Crown Point Pump Station Pump Replacement and VFD Installation

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

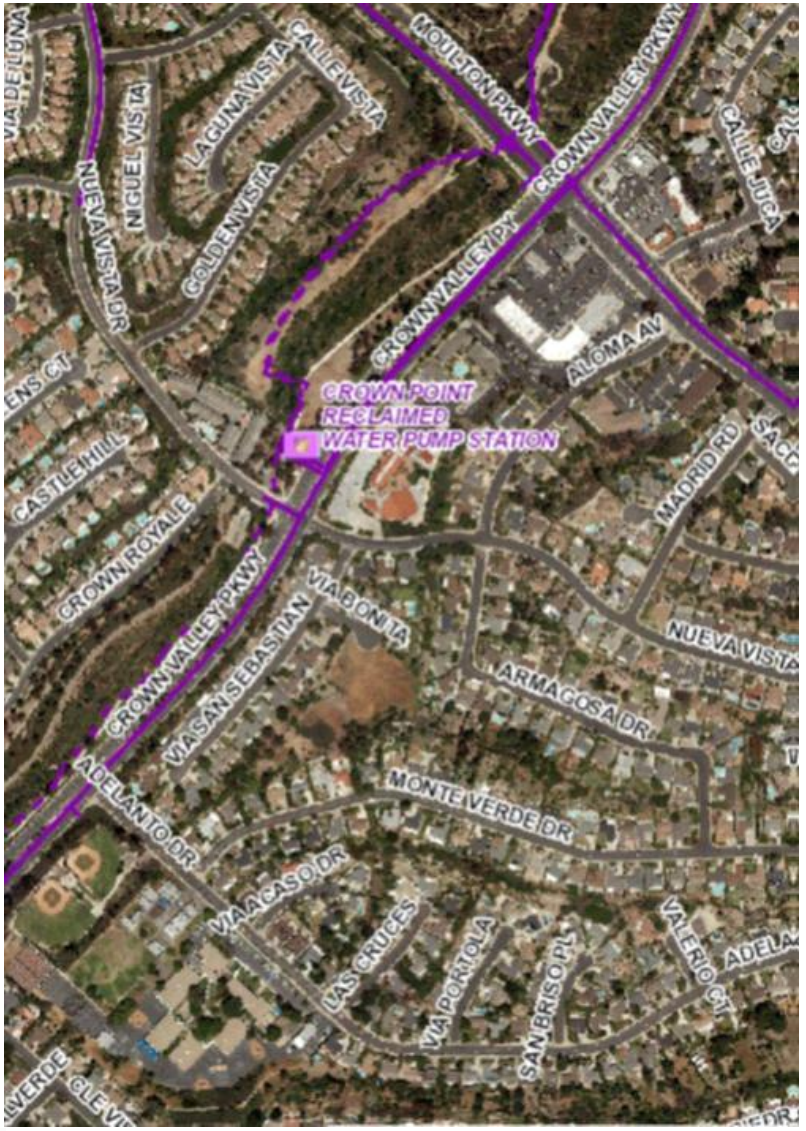
Project Location: Crown Point Pump Station, Laguna Niguel

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	$	20,000
Total Project Budget	**$**	**500,000**



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
Total Project Budget	**$**	**150,000**

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 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 install new valves along the pipeline.

Project Need: The pipeline has reached its useful life, has had multiple repairs, and needs replacement. This pipeline has reached it's useful life, has a history of repairs, and is required to be replaced.



Project Estimate:

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

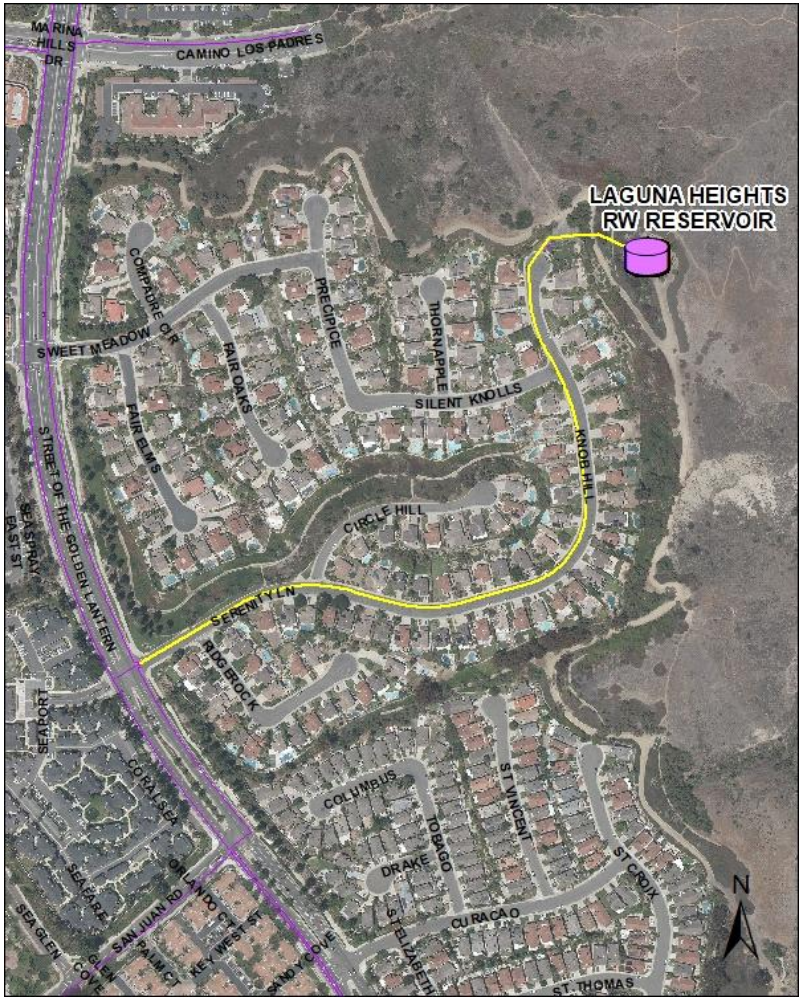
Rehabilitation Of 20-Inch Recycled Water Main To Laguna Heights Reservoir

Project No: TBD
System: Recycled
Fund: 7
Project 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	$	25,000
District Labor / Permits / Other	$	45,000
Total Project Budget	**$**	**910,000**

RW Reservoir Drainage Improvements at 3 Sites

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

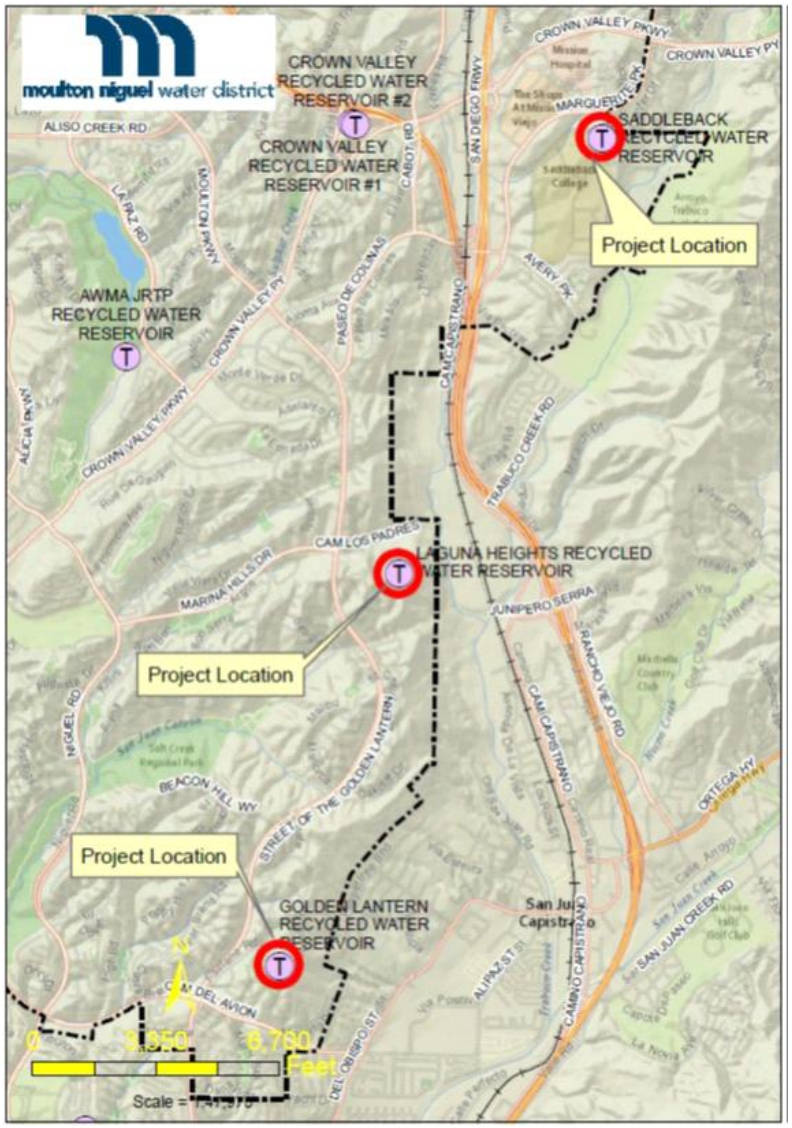
Project Location: Golden Lantern RW Reservoir and Laguna Heights RW Reservoir, Laguna Niguel; Saddleback RW Reservoir, Mission Viejo

Description: Golden Lantern: Construct approximately 500 feet of 8-inchdiameter 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
Total Project Budget	**$**	**725,000**



Cordillera Dr. Railroad Easement Sewer Improvements

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

Project Location: Railroad easement near Cordillera Drive, Mission Viejo

Description: The project will modify the sewer system including the sewer main and manholes to mitigate future overflows.



Project Need: The current configuration of this sewer system segment necessitates routine maintenance and cleaning activities to support reliable system operations and minimize the potential for overflows. Access to this segment is constrained due to its location within the railroad right-of-way. Modifications to the system are necessary to improve long-term operational reliability and maintenance accessibility.

Project Estimate:

Category		Estimated Cost
Design	$	50,000
CEQA Compliance		Exempt
Construction	$	175,000
Inspection	$	-
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**250,000**

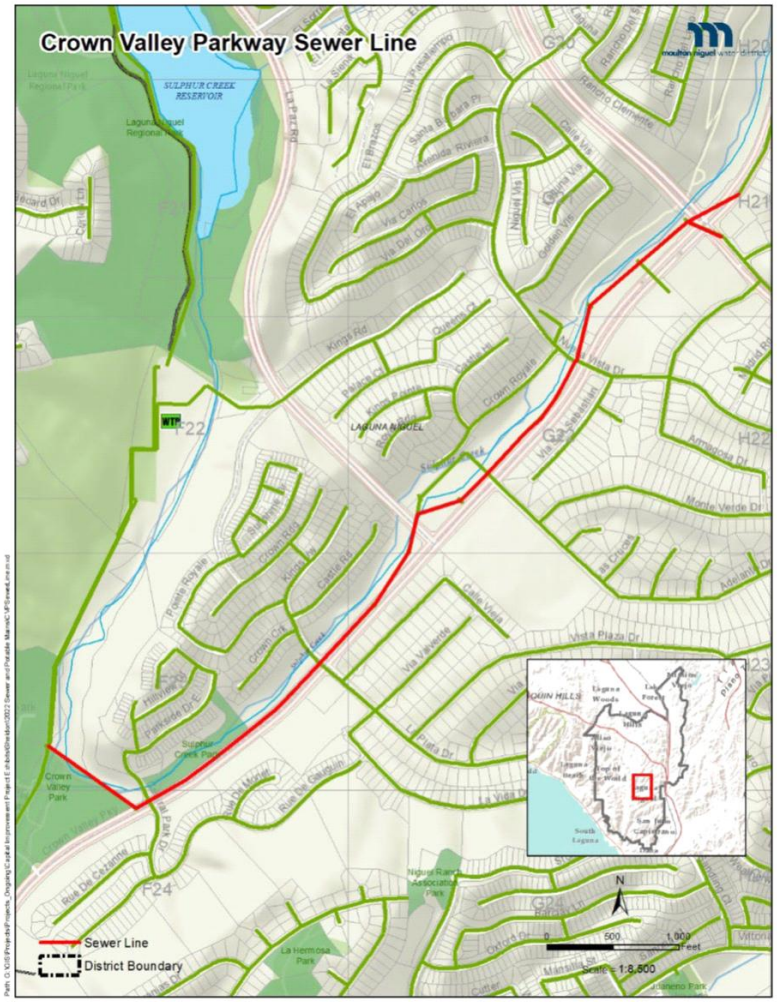
Crown Valley Parkway Sewer Lining

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: Portions of the sewer system are experiencing 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	$	50,000
District Labor / Permits / Other	$	150,000
Total Project Budget	**$**	**2,400,000**

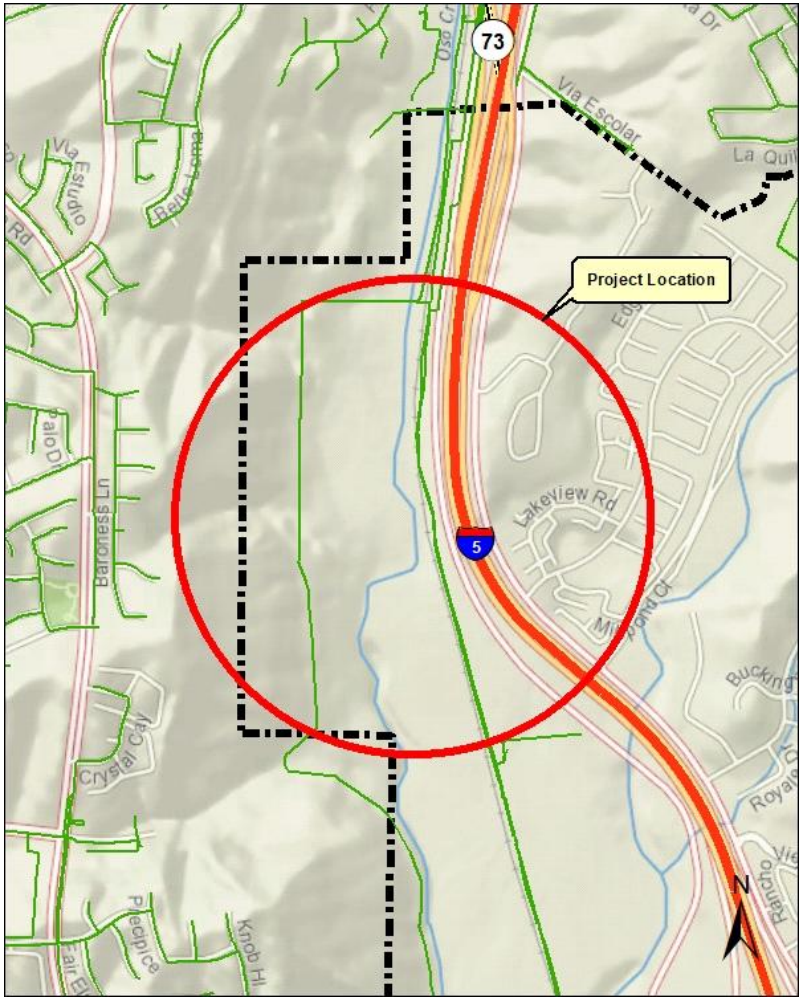
Manhole Adjustments On Oso / Trabuco Interceptor Sewer

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	$	25,000
Total Project Budget	**$**	**275,000**

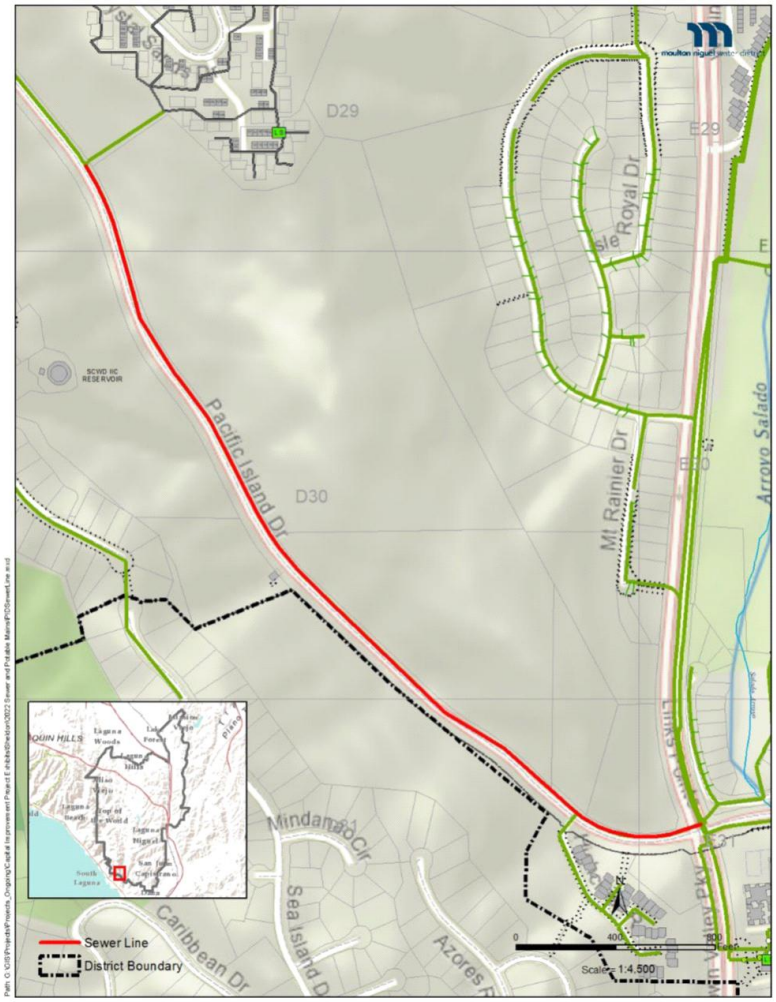
Pacific Island Drive Sewer Lining

Project No: TBD
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: Portions of the sewer system are experiencing 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	$	50,000
District Labor / Permits / Other	$	100,000
Total Project Budget	**$**	**1,500,000**

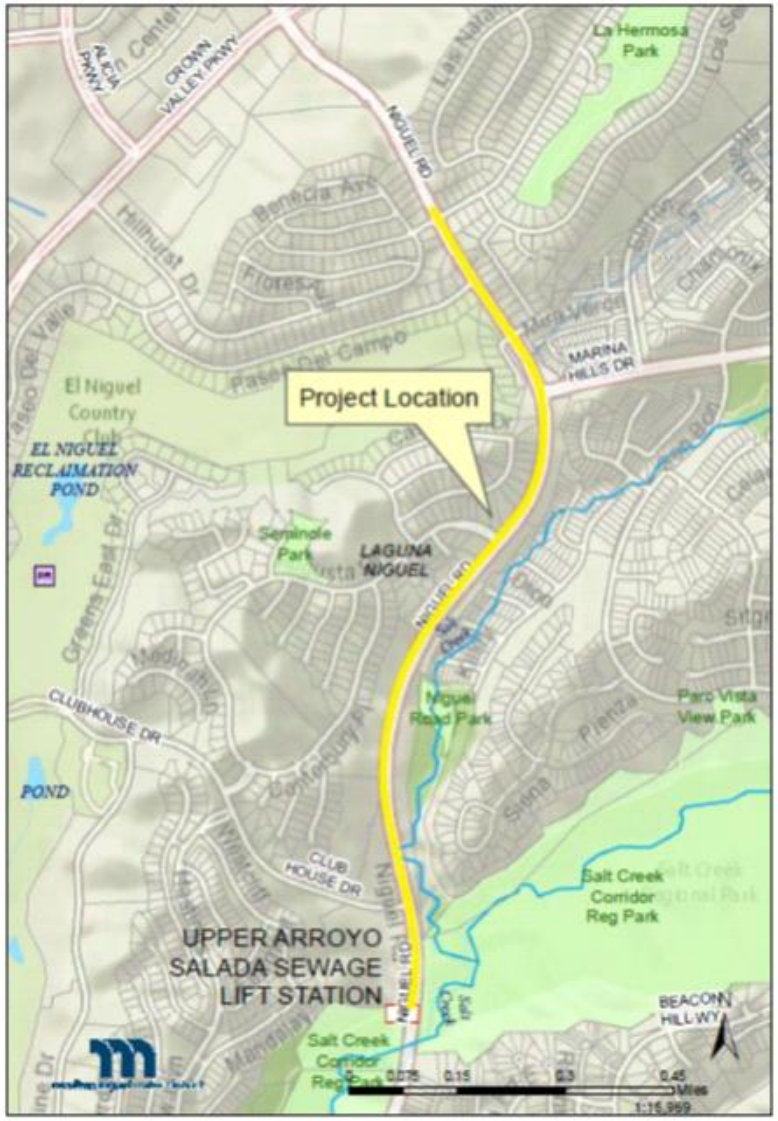
Upper Salada Lift Station Force Main Rehabilitation and Replacement

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	$	500,000
District Labor / Permits / Other	$	150,000
Total Project Budget	**$**	**6,000,000**

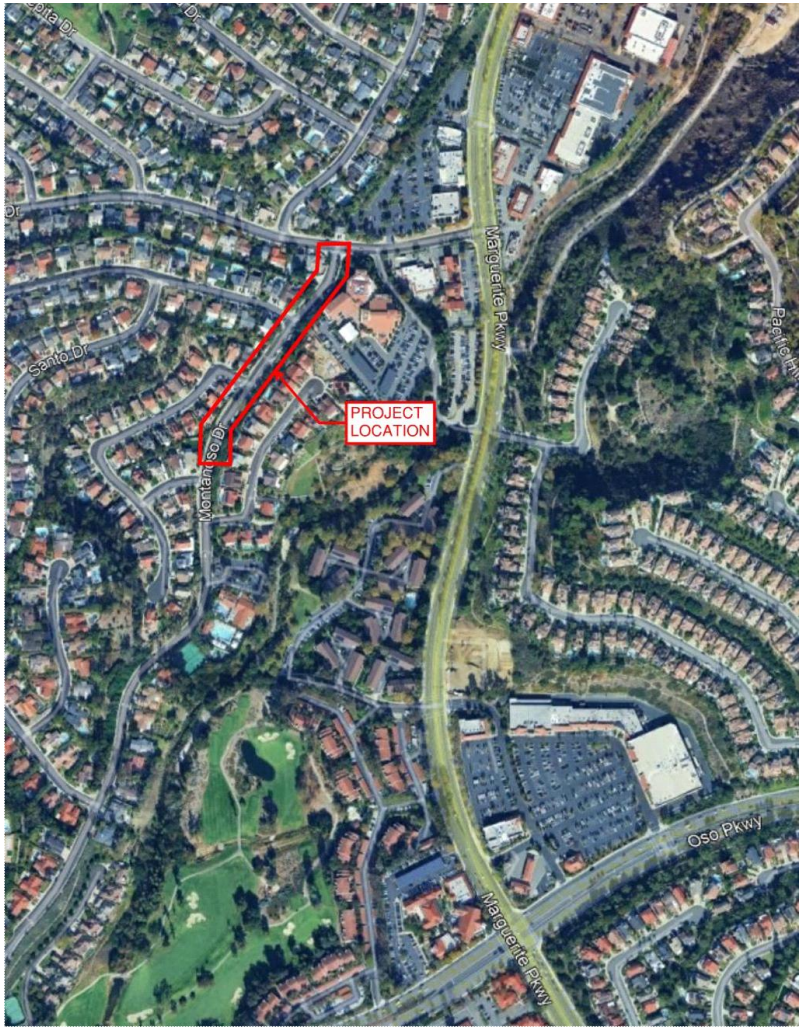
Montanoso Drive Sewer Main Replacement

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

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	$	25,000
District Labor / Permits / Other	$	75,000
Total Project Budget	**$**	**1,200,000**

RTP Energy Building Roof Well Replacement (Solids)

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

Project Location: Laguna Niguel

Description: Remove and replace approximately 1,600 SF of the RTP Energy Building roof well. The replacement material is anticipated to be Thermoplastic Polyolefin (TPO).

Project Need: The Energy Building roof well has reached the end of its useful life and is experiencing leaks during significant rain events.



Project Estimate:

Category		Estimated Cost
Design	$	10,000
CEQA Compliance		Exempt
Construction	$	300,000
Inspection	$	20,000
District Labor / Permits / Other	$	20,000
Total Project Budget	**$**	**350,000**

RTP Operations and Lab Facility Reconstruction (Common)

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

Project Location: Regional Treatment Plant, Laguna Niguel

Description: This project will construct a new Operations and Laboratory building to replace the existing building. The current project budget is allocated for completion of a needs assessment, which will further refine the project scope, budget estimates, and recommended implementation timing.

Project Need: Constructed in 1984, the existing Operations and Laboratory Building is undersized and no longer adequately supports the operational needs of the Regional Treatment Plant (RTP). The proposed Building would provide appropriate capacity for RTP operations staff while maintaining the existing laboratory space.

Project Estimate:

Category		Estimated Cost
Design	$	100,000
CEQA Compliance		Exempt
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**100,000**



RTP Sludge Equalization Tank No. 2 Rehab (Solids)

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

Project Location: Regional Treatment Plant, Laguna Niguel

Description: This project will rehabilitate Sludge Equalization Tank No. 2 to re-establish the desired level of service and redundancy for the sludge equalization tank system. The project includes repairing the tank interior and replacing mechanical equipment, valves, piping, and electrical components.

Project Need: The existing sludge equalization tank has not been rehabilitated since its original construction, is nonfunctional, and unable to support reliable solids handling operations. Rehabilitation is required to restore functionality and provide operational flexibility and system reliability.

Project Estimate:

Category		Estimated Cost
Design	$	50,000
CEQA Compliance		Exempt
Construction	$	505,000
Inspection	$	15,000
District Labor / Permits / Other	$	30,000
Total Project Budget	**$**	**600,000**



RTP Digester No. 1 Rehab (Solids)

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

Project Location: Regional Treatment Plant, Laguna Niguel

Description: This project will rehabilitate Digester No. 1 to re-establish the desired level of service and redundancy for the digester system. The project includes replacing valves, piping, and various mechanical equipment, as well as minor coating and surface repairs.

Project Need: The existing digester is nonfunctional and requires rehabilitation to return it to service. Rehabilitation is required to restore functionality and provide operational flexibility and system reliability.



Project Estimate:

Category		Estimated Cost
Design	$	100,000
CEQA Compliance		Exempt
Construction	$	700,000
Inspection	$	50,000
District Labor / Permits / Other	$	50,000
Total Project Budget	**$**	**900,000**

RTP Digester System Improvements (Solids)

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

Project Location: Regional Treatment Plant, Laguna Niguel

Description: This project will rehabilitate the existing anaerobic digesters and sludge equalization tank system. The project will upgrade the digester mixing process and includes replacement of mechanical equipment, piping, and associated electrical and control systems.

Project Need: The existing digester and sludge equalization tank systems have greatly exceeded their useful life. These systems are in need of rehabilitation and are requiring increased frequency of repairs and level of maintenance. This project will rehabilitate and improve the entirety of the digester and sludge equalization tank systems to re-establish the desired level of reliability and service.

Project Estimate:

Category		Estimated Cost
Design	$	650,000
CEQA Compliance		Exempt
Construction	$	2,300,000
Inspection	$	160,000
District Labor / Permits / Other	$	150,000
Total Project Budget	**$**	**3,260,000**



RTP Solids Thickening and Dewatering Improvements (Solids)

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

Project Location: Regional Treatment Plant, Laguna Niguel

Description: This project will replace the existing solids thickening, dewatering, load-out, and polymer systems to address aging equipment and operational constraints. The new systems will improve process reliability, safety, and operational efficiency. The project will support consistent solids processing and hauling operations.

Project Need: The equipment is nearing the end of its useful life and requiring increased maintenance and repair. This project will rehabilitate and improve the entirety of the solids thickening, dewatering, loud-out, chemical, and electrical and controls systems to re-establish the desired level of reliability and service.

Project Estimate:

Category		Estimated Cost
Design	$	1,600,000
CEQA Compliance		Exempt
Construction	$	5,800,000
Inspection	$	600,000
District Labor / Permits / Other	$	350,000
Total Project Budget	**$**	**8,350,000**



RTP Cogen and Biogas Processing Systems Improvements (Solids)

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

Project Location: Regional Treatment Plant, Laguna Niguel

Description: This project will construct a new cogeneration system, gas conditioning system, boiler, flare, emissions monitoring, and electrical and controls system. The improvements will replace aging equipment and support reliable energy recovery and biogas processing operations.

Project Need: The existing cogeneration system and related biogas processing equipment are reaching the end of their useful life and requiring increased maintenance and repairs, resulting in less run time. This project will replace the entirety of the cogeneration and biogas processing equipment with updated and right sized equipment to meet the latest facility power and air quality requirements.

Project Estimate:

Category		Estimated Cost
Design	$	1,300,000
CEQA Compliance		Exempt
Construction	$	4,550,000
Inspection	$	400,000
District Labor / Permits / Other	$	250,000
Total Project Budget	**$**	**6,500,000**



RTP Energy Building Roof, HVAC, and Ventilation Systems Replacements (Solids)

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

Project Location: Regional Treatment Plant, Laguna Niguel

Description: This project will replace the Energy Building roof and building ventilation system.

Project Need: The Energy Building was constructed in the early 1980s and is beyond its useful life. The metal deck, concrete fill, and other roof elements have corroded and are in need of replacement. Additionally, the supply and exhaust ventilation fans are requiring increased maintenance and repair.

Project Estimate:

Category		Estimated Cost
Design	$	1,000,000
CEQA Compliance		Exempt
Construction	$	3,500,000
Inspection	$	250,000
District Labor / Permits / Other	$	250,000
Total Project Budget	**$**	**5,000,000**



RTP Site Improvements (Common)

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

Project Location: Regional Treatment Plant, Laguna Niguel

Description: This project will construct both above grade and below grade improvements to restore and support site access, site security, and process reliability. The above grade improvements include a new secondary access route, asphalt pavement replacement, landscaping, perimeter fencing replacement, and plant security system upgrades. The below grade improvements include yard piping and storm drainage piping replacement.

Project Need: The existing pavement, landscaping, perimeter fencing, and security system have exceeded their useful life and are in need of replacement. The yard piping and storm drainage piping were constructed in the early 1980s and are nearing the end of their useful life, accelerated by highly corrosive soils. This project will improve daily operations and re-establish the desired level of reliability and service.

Project Estimate:

Category		Estimated Cost
Design	$	2,200,000
CEQA Compliance		Exempt
Construction	$	6,000,000
Inspection	$	800,000
District Labor / Permits / Other	$	400,000
Total Project Budget	**$**	**9,400,000**



Plant 3A AWT Improvements

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

Project Location: Plant 3A, Mission Viejo

Description: Improvements to the AWT filter cells including recoating the interior and exterior of the metal containers, replacement of system valves, replacement of filter media, improvements to the underdrain system, and replacement of bleach storage tank.



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 improvements to maintain product until they are replaced in the next few years.

Project Estimate:

Category		Estimated Cost
Design	$	25,000
CEQA Compliance		Exempt
Construction	$	250,000
Inspection	$	-
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**300,000**

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
Total Project Budget	**$**	**3,500,000**

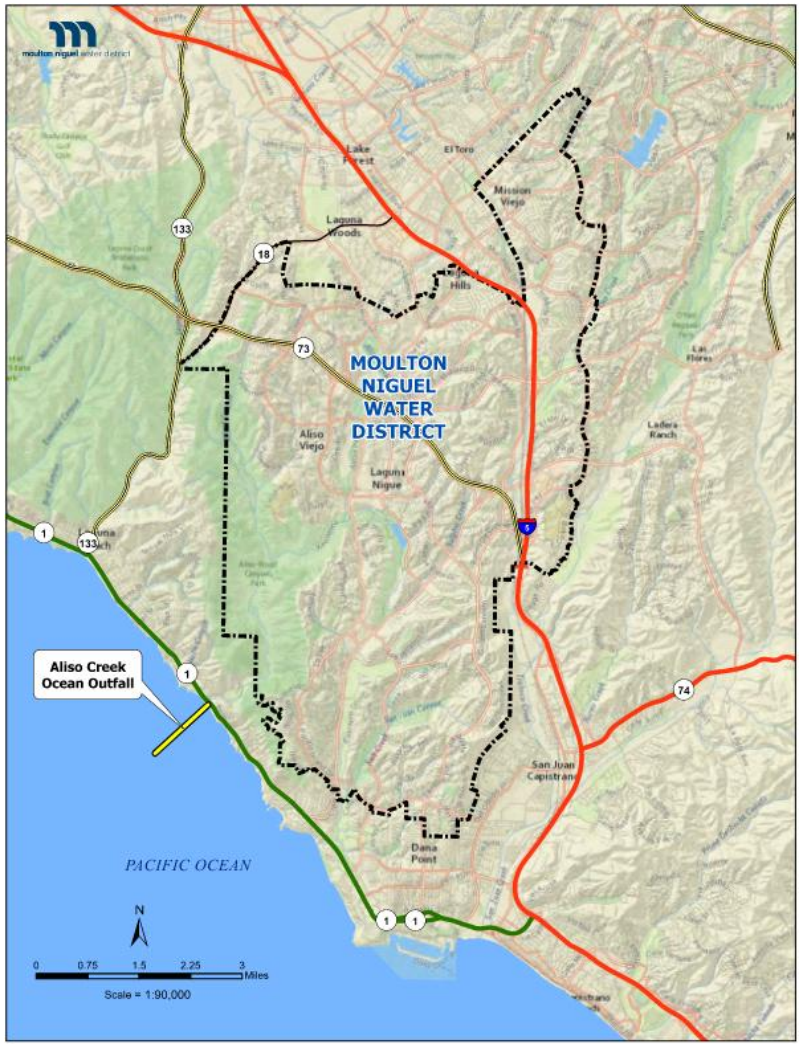
Aliso Creek Ocean Outfall c/o ETWD

Project No: ACOO
System: Wastewater Treatment
Fund: 7
Project Status: Program-External

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		TBD
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	3,790,660
Total Project Budget	**$**	**3,790,660**

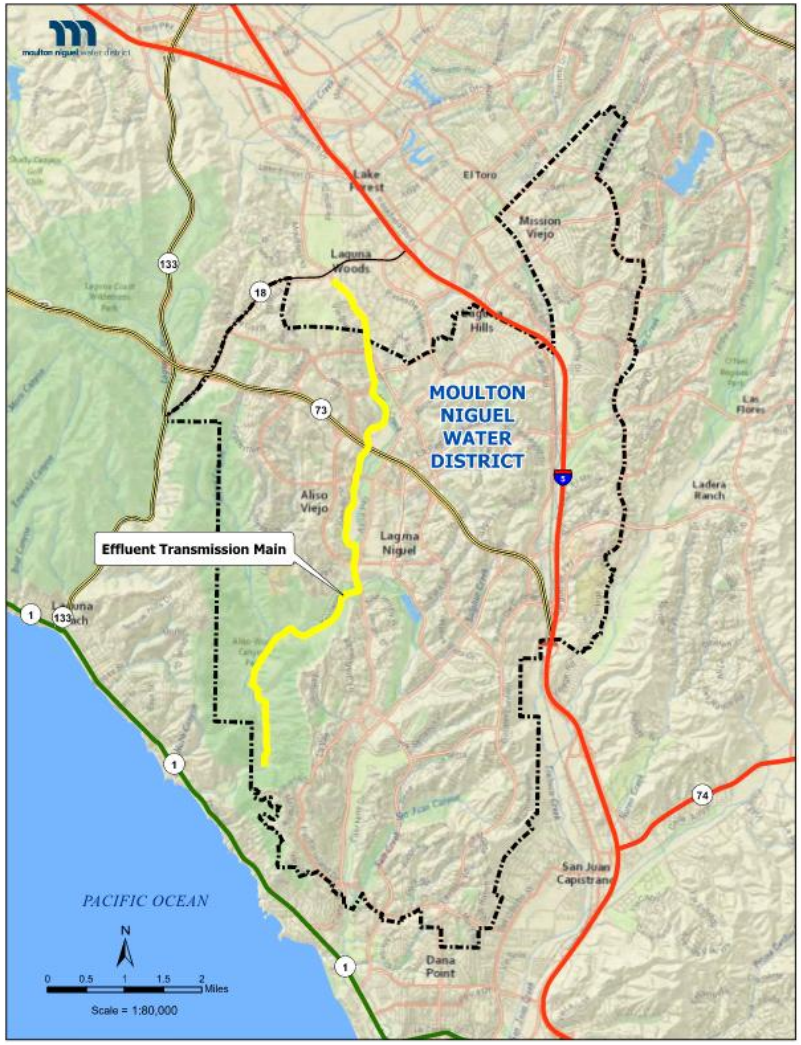
Effluent Transmission Main c/o ETWD

Project No: ETM
System: Wastewater Treatment
Fund: 7
Project Status: Program-External

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		TBD
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	223,802
Total Project Budget	**$**	**223,802**

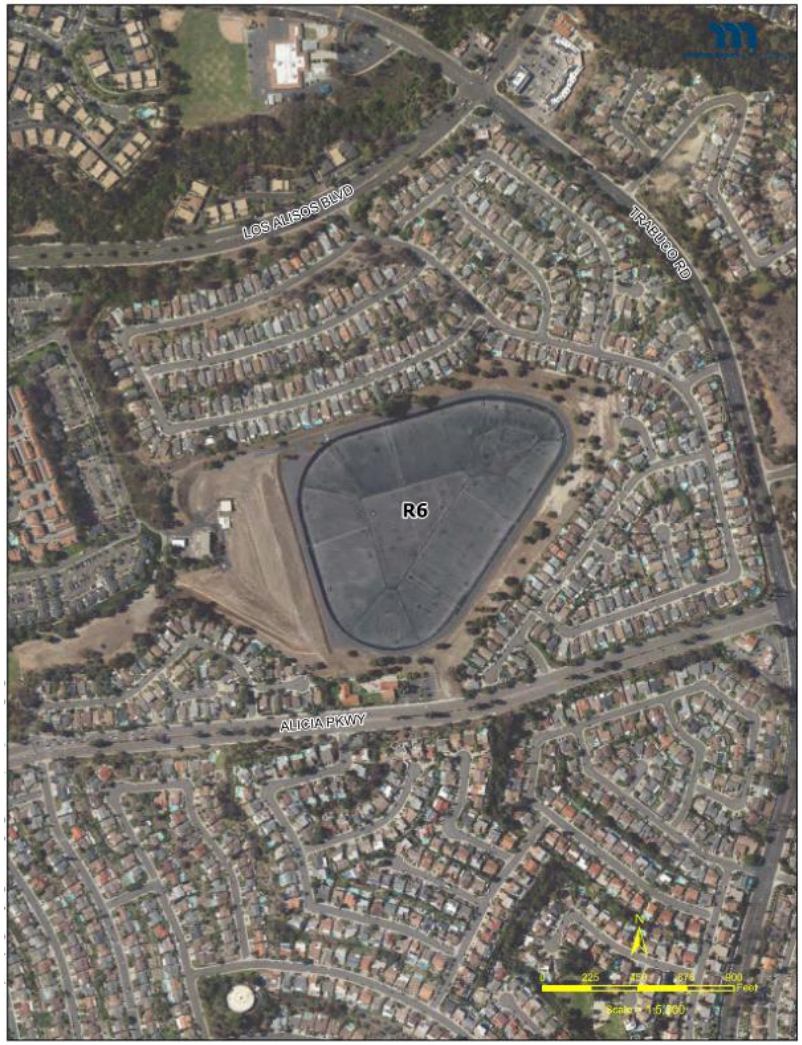
ETWD R6 Reservoir Capital Projects

Project No: ETWD
System: Potable
Fund: 7
Project Status: Program-External

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 for improvements to the facility.



Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		TBD
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	11,100
Total Project Budget	**$**	**11,100**

IRWD Baker Water Treatment Plant Capital Projects

Project No: IRWD
System: Potable
Fund: 7
Project Status: Program-External

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.

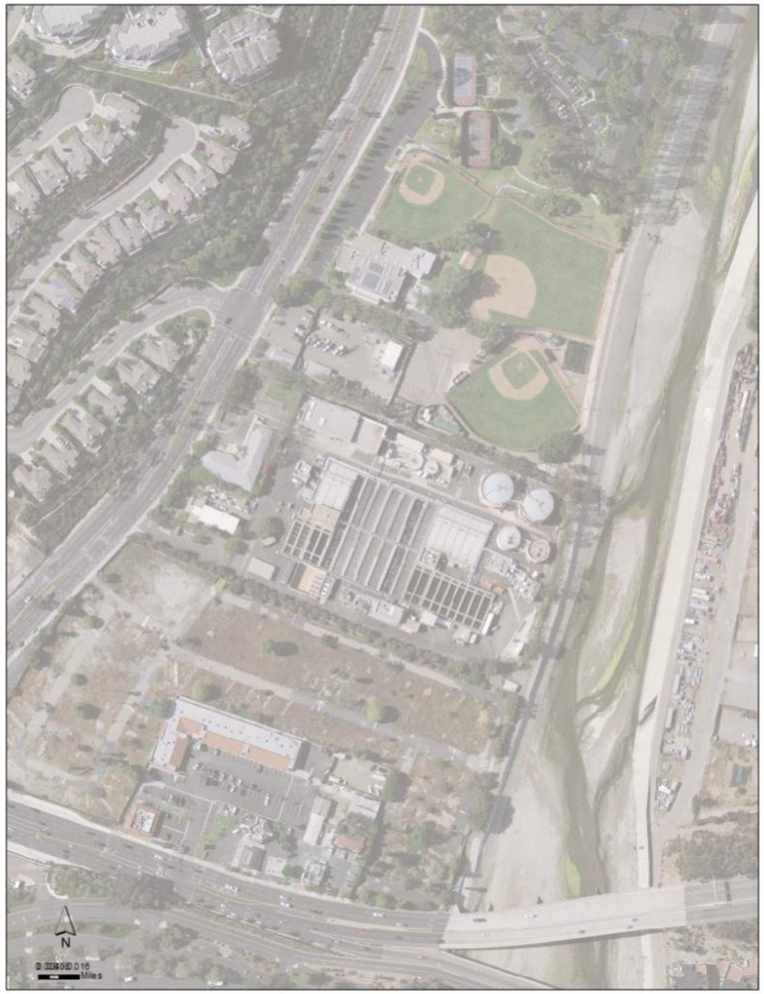
Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		TBD
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	1,500,000
Total Project Budget	**$**	**1,500,000**

J.B. Latham Treatment Plant c/o SCWD

Project No: JBL
System: Wastewater Treatment
Fund: 7
Project Status: Program-External

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. Latham treatment plant provides wastewater treatment to the District's service area. SOCWA develops and executes a capital improvement program for improvements to the facility.

Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		TBD
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	19,535,003
Total Project Budget	**$**	**19,535,003**

Laboratory at RTP

Project No: LAB
System: Wastewater Treatment
Fund: 7
Project Status: Program-External

Project Location: Regional Treatment Plant, Laguna Niguel

Description: This program covers capital improvements at the laboratory managed by the South Orange County Wastewater Authority (SOCWA), located within the Regional Treatment Plant.

Project Need: This laboratory provides regulatory compliance testing services for MNWD and other South Orange County agencies. SOCWA develops and executes a capital improvement program for improvements to the laboratory.

Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		TBD
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	400,718
Total Project Budget	**$**	**400,718**



SCWD Joint Transmission Main

Project No: SCWD
System: Potable
Fund: 7
Project Status: Program-External

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		TBD
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	5,511,325
Total Project Budget	**$**	**5,511,325**



San Juan Creek Ocean Outfall c/o SMWD

Project No: SJCOO
System: Wastewater Treatment
Fund: 7
Project Status: Program-External

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		TBD
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	207,499
Total Project Budget	**$**	**207,499**

San Juan Creek Ocean Outfall c/o SCWD

Project No: SJCOO
System: Wastewater Treatment
Fund: 7
Project Status: Program-External

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		TBD
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	144,194
Total Project Budget	**$**	**144,194**

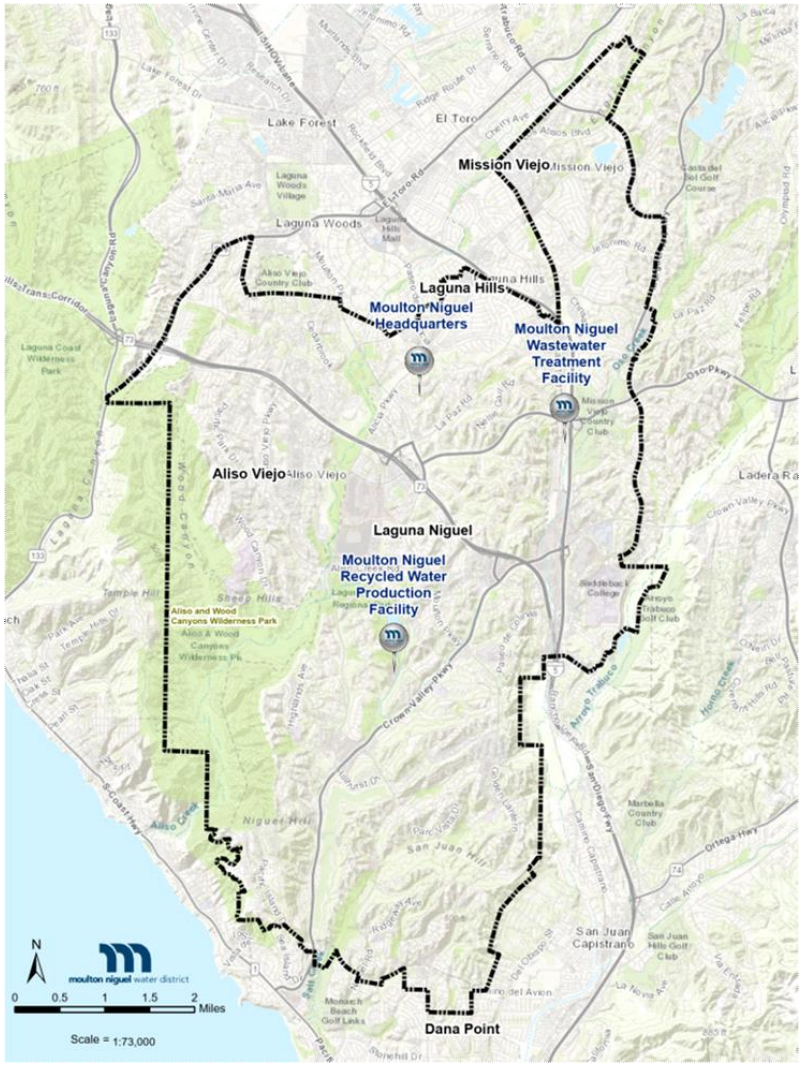
SMWD Joint Facilities

Project No: SMWD
System: Potable & Wastewater
Fund: 7
Project Status: Program-External

Project Location: Various

Description: This program covers various CIP projects identified by SMWD for facilities that are jointly owned by MNWD and SMWD. These facilities include: South Country Regulating Reservoir, La Paz Pump Station, Upper Chiquita Reservoir, and Upper Oso Reservoir.

Project Need: SMWD develops and executes a capital improvement program for improvements to the shared facilities.



Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		TBD
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	5,067,518
Total Project Budget	**$**	**5,067,518**

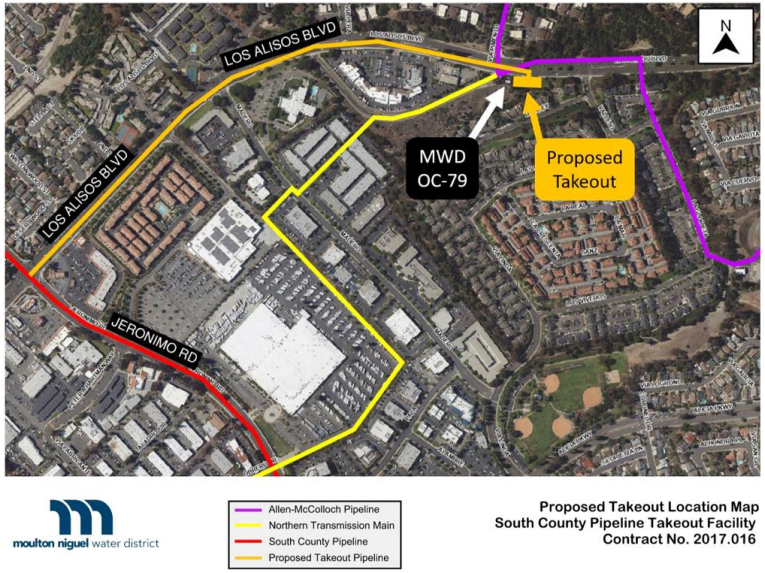
South County Pipeline Takeout Facility

Project No: 2017016
System: Potable
Fund: 12
Project Status: Design

Project Location: Adjacent to Metropolitan Water District's OC-79 turnout facility and along Los Alisos Boulevard, Mission Viejo

Description: Construct a new flow control facility adjacent to Metropolitan Water District's OC-79 turnout facility. Install a new 30-inch transmission main between the South County Pipeline connection point and new flow control facility. Approximate length of new transmission main is 3,900 feet.

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.



moulton niguel water district

Proposed Takeout Location Map
South County Pipeline Takeout Facility
Contract No. 2017.016

Project Estimate:

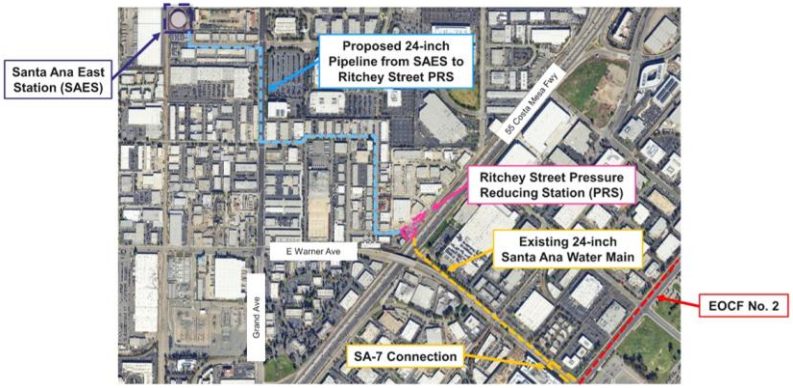
Category		Estimated Cost
Design	$	1,100,000
CEQA Compliance	$	110,000
Construction	$	8,700,000
Inspection	$	800,000
District Labor / Permits / Other	$	260,000
Total Project Budget	**$**	**10,970,000**

OCWD Basin Emergency Interconnection

Project No: 2022032
System: Potable
Fund: 12
Project Status: Design

Project Location: City of Santa Ana's East Station and Various Streets, Santa Ana

Description: Construct new infrastructure at the City of Santa Ana's East Station which includes a booster pump station, groundwater well, PFAS treatment and disinfectant residual. Install a new 24-inch transmission main between Santa Ana's East Station and Santa Ana SA-7 Pressure Regulating Station within public right-of-way. Approximate length of new transmission main is 5,500 feet.



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	$	1,500,000
CEQA Compliance	$	500,000
Construction	$	27,000,000
Inspection	$	750,000
District Labor / Permits / Other	$	250,000
Total Project Budget	**$**	**30,000,000**

OASIS Advanced Water Purification Demonstration Facility

Project No: TBD
System: Potable
Fund: 12
Project Status: New

Project Location: Laguna Hills

Description: Construction of an advanced water purification demonstration facility featuring a state-of-the-art seven-stage treatment system including ultrafiltration, reverse osmosis, and ultraviolet technologies.

Project Need: The proposed advanced water purification demonstration facility is a critical step toward a future full-scale facility that would provide a safe, reliable local water supply for District customers as a part of the proposed Optimized, Adaptive, Sustainable, Integrated Supply (OASIS) Water Resource Center program. The demonstration facility will support public outreach, design implementation, regulatory coordination, and operator training.

Project Estimate:

Category		Estimated Cost
Design	$	600,000
CEQA Compliance		Exempt
Construction	$	6,300,000
Inspection	$	100,000
District Labor / Permits / Other	$	5,000,000
Total Project Budget	**$**	**12,000,000**

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:

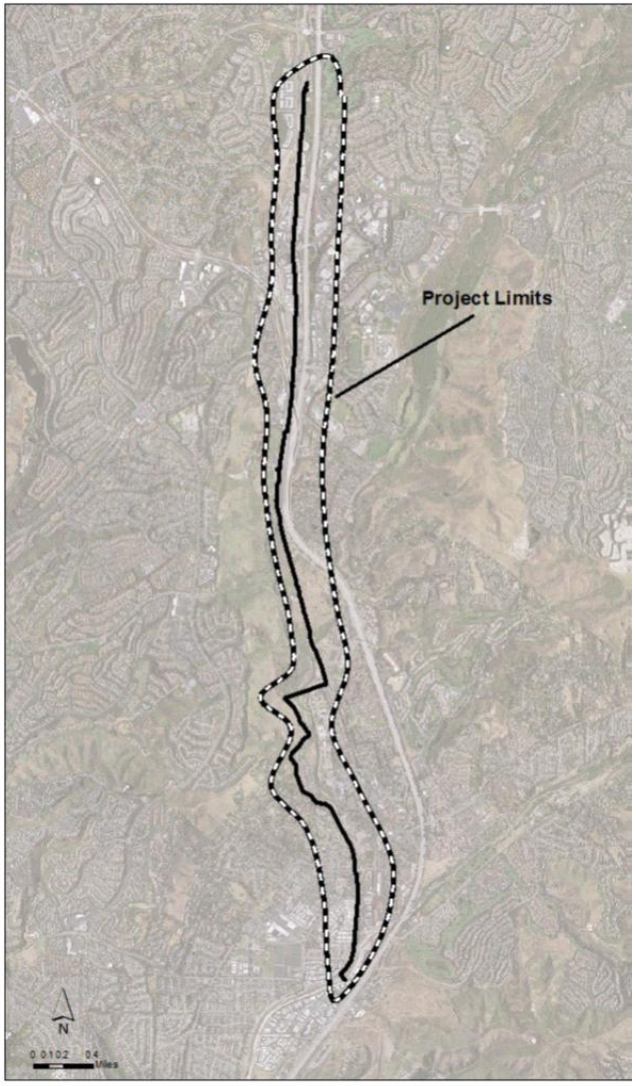
Category		Estimated Cost
Design	$	500,000
CEQA Compliance	$	100,000
Construction	$	4,000,000
Inspection	$	250,000
District Labor / Permits / Other	$	150,000
Total Project Budget	**$**	**5,000,000**

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: This project will 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	$	-
Total Project Budget	**$**	**450,000**

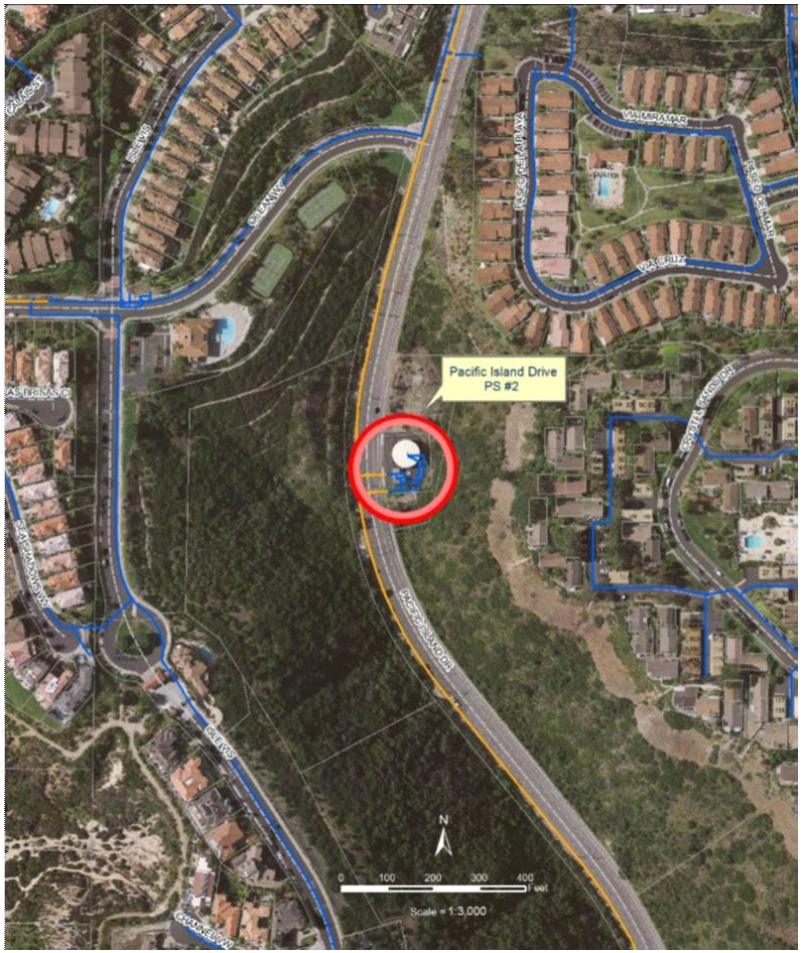
1050-Zone Secondary Feed Pump Station and Transmission Main

Project No: 2017019
System: Potable
Fund: 14
Project Status: Design

Project Location: PID Pump Station No. 2, 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. The pump station will include a package pump system and vertical turbine fire-pump, and standby generator.

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	$	675,000
CEQA Compliance	$	110,000
Construction	$	8,000,000
Inspection	$	800,000
District Labor / Permits / Other	$	250,000
Total Project Budget	**$**	**9,835,000**

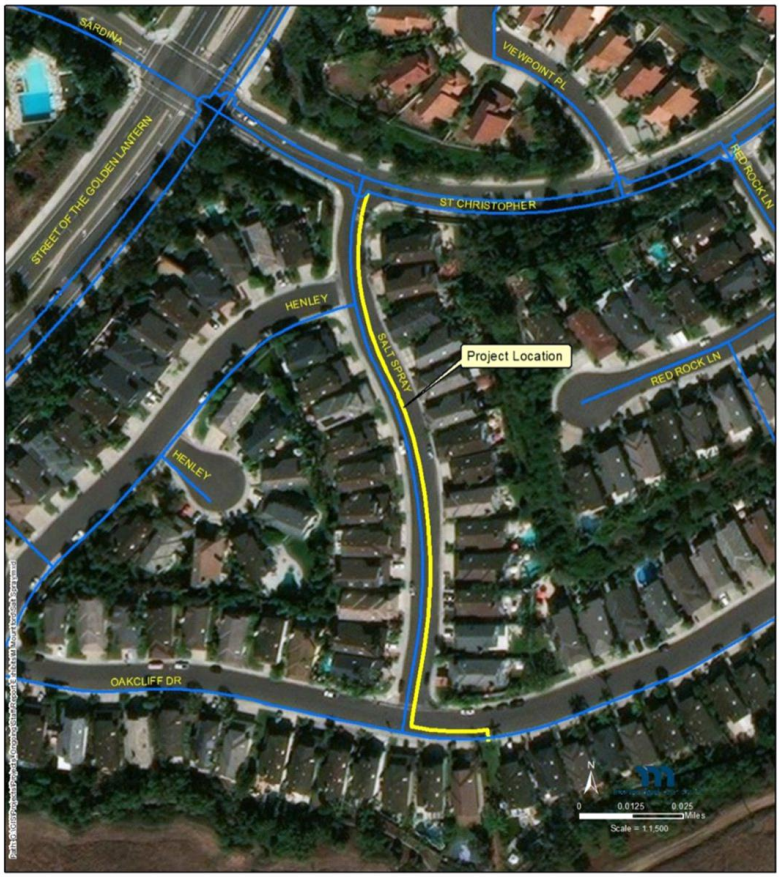
750-Zone PW System Extension at Salt Spray Drive

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.



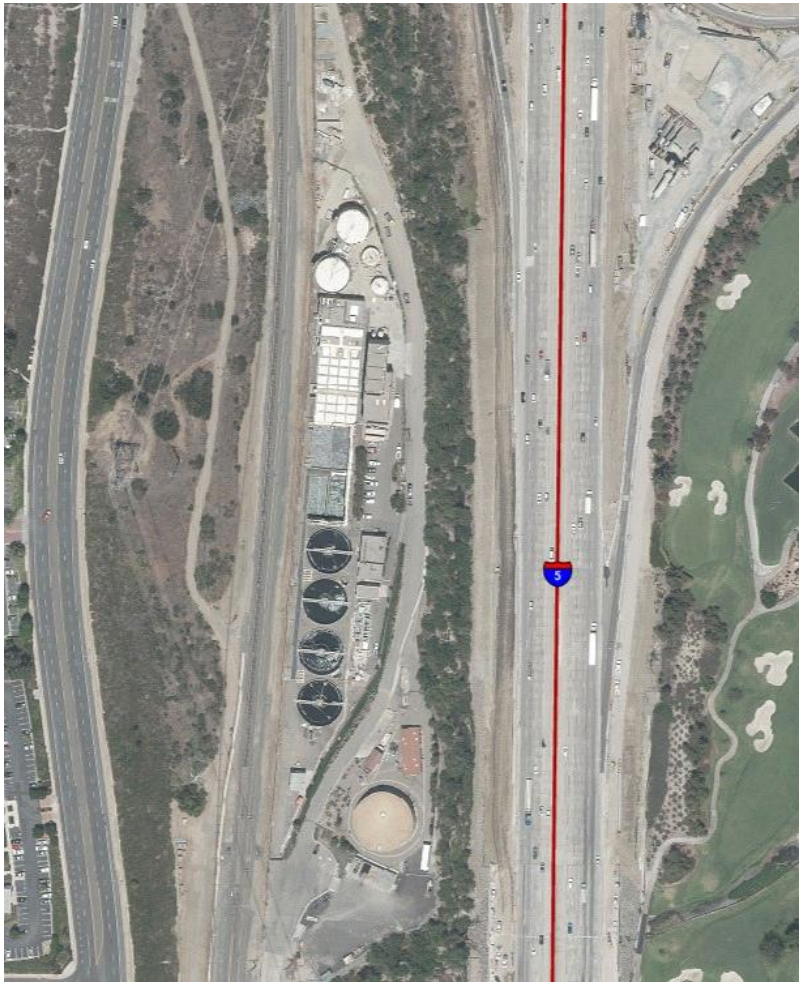
Project Estimate:

Category		Estimated Cost
Design	$	50,000
CEQA Compliance		Exempt
Construction	$	425,000
Inspection	$	-
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**500,000**

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
Total Project Budget	**$**	**7,407,737**

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	$	250,000
CEQA Compliance		Exempt
Construction	$	1,500,000
Inspection	$	50,000
District Labor / Permits / Other	$	200,000
Total Project Budget	**$**	**2,000,000**

EV Charging Stations at Headquarters

Project No: 2022030
System: Multi-System
Fund: 14
Project Status: Inactive

Project Location: MNWD Headquarters, Laguna Hills

Description: Install twelve (12) electrical vehicle charging stations and associated electrical conduits at MNWD Headquarters.

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



Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	-
Inspection	$	-
District Labor / Permits / Other	$	-
Total Project Budget	**$**	**-**

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 800 mg/L of Total Dissolved Solids (TDS). Sizing is for 3.5 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	$	3,265,224
CEQA Compliance	$	150,000
Construction	$	36,663,618
Inspection	$	300,000
District Labor / Permits / Other	$	300,000
Total Project Budget	**$**	**40,678,842**



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	$	150,000
Inspection	$	-
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**225,000**

SCADA Communication 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	$	-
Total Project Budget	**$**	**250,000**

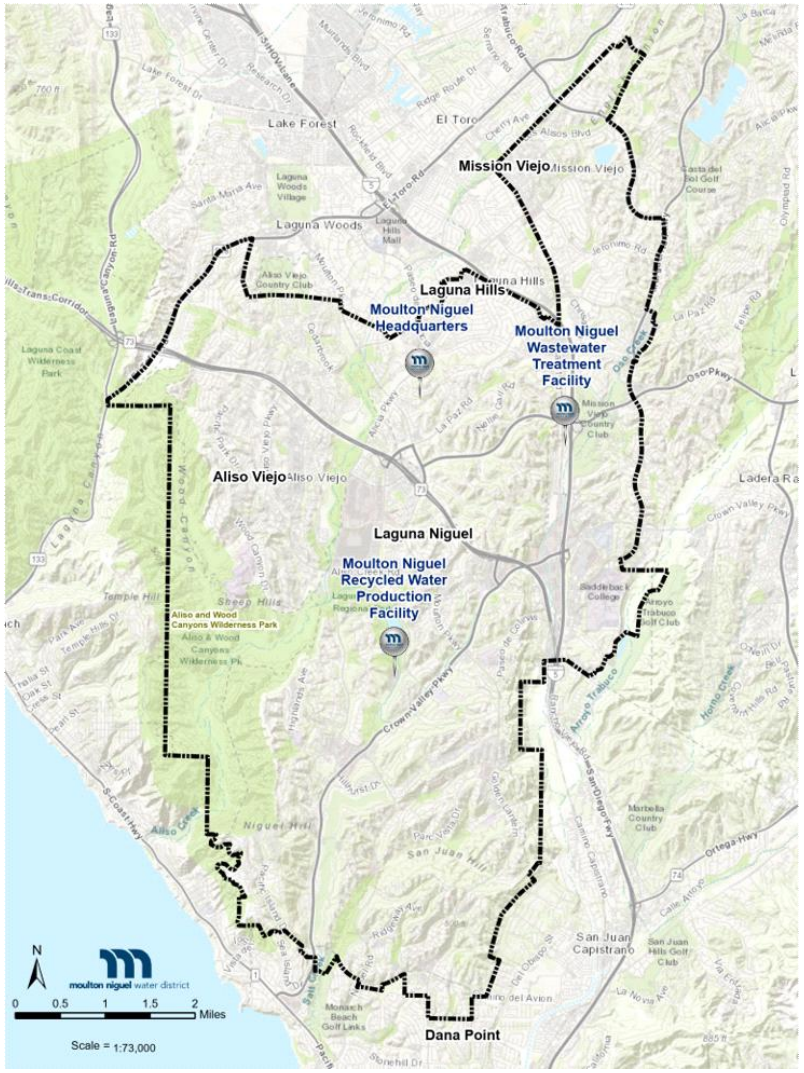
Building a Leading Utility Enterprise (BLUE) Data Governance

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	$	-
Total Project Budget	**$**	**1,000,000**

Lower Salada Lift Station Overflow Wetwell

Project No: 2023030
System: Wastewater
Fund: 14
Project Status: Design

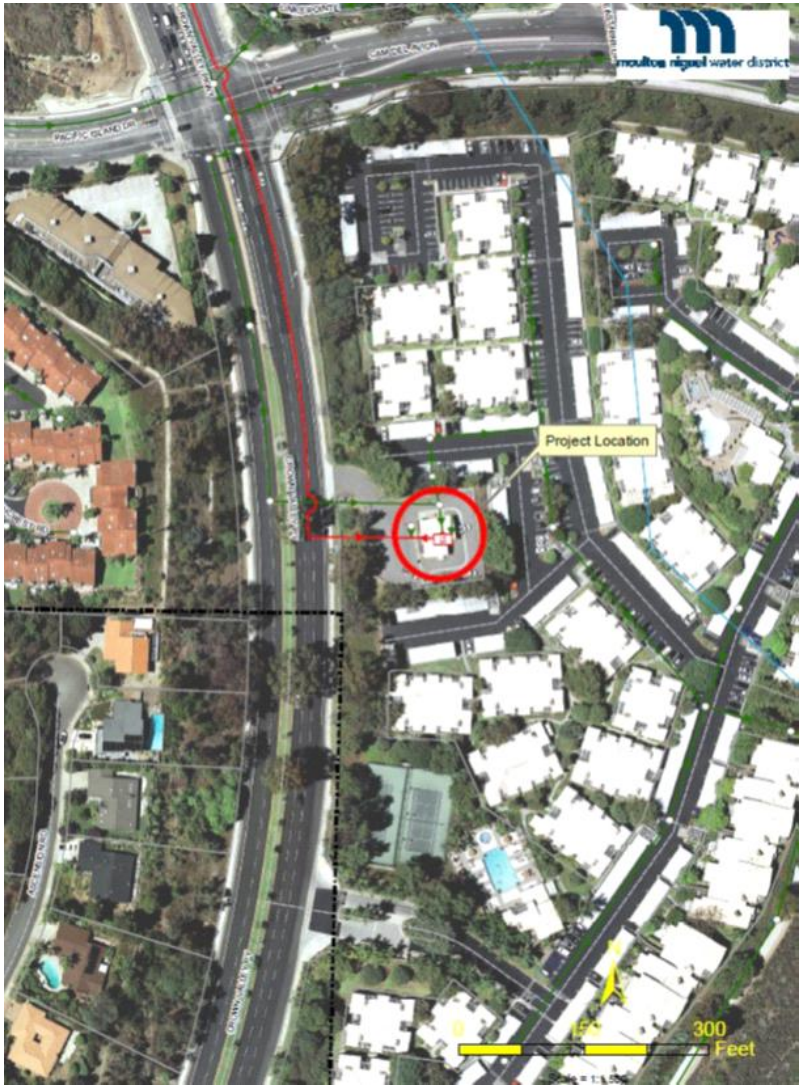
Project Location: Lower Salada Lift Station, Laguna Niguel

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	$	1,500,000
Inspection	$	300,000
District Labor / Permits / Other	$	150,000
Total Project Budget	**$**	**2,200,000**



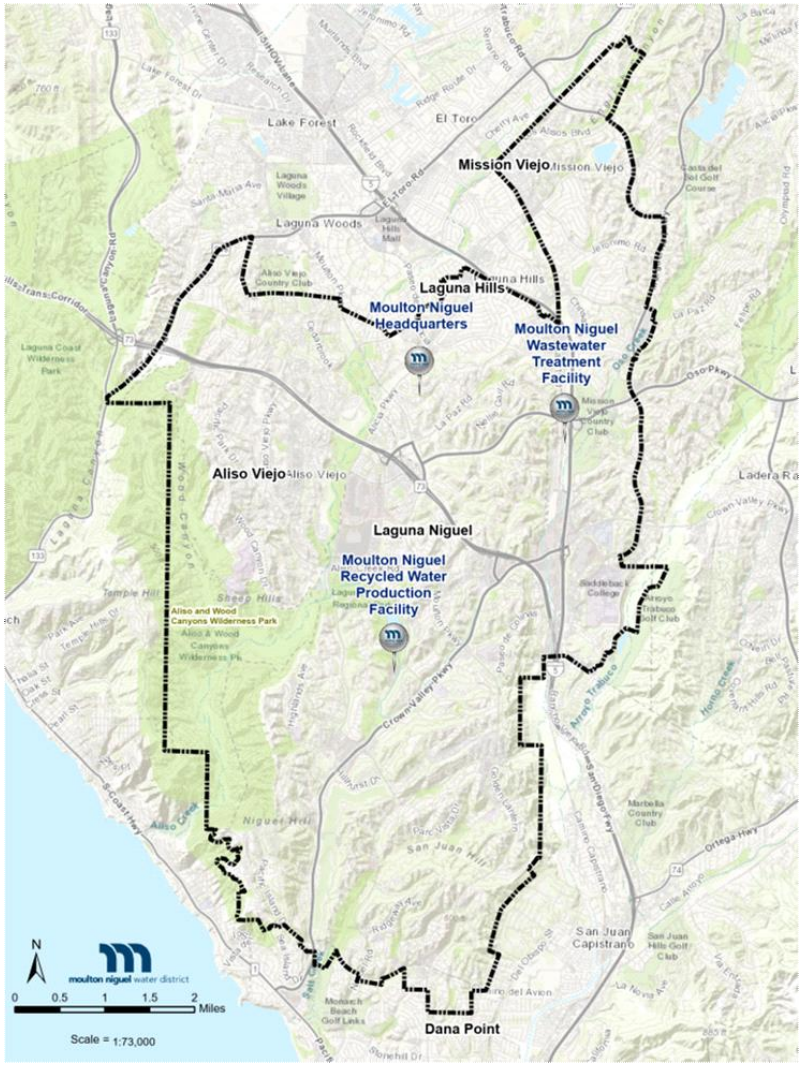
SCADA Communication System Expansion

Project No: 2024018
System: Multi-System
Fund: 14
Project Status: Construction

Project Location: Various

Description: Enhance communications for SCADA systems by upgrading and adding antenna infrastructure.

Project Need: Increasing interference due to tree growth and new buildings require changes to the SCADA system to meet current communications needs.



Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	200,000
Inspection	$	-
District Labor / Permits / Other	$	10,000
Total Project Budget	**$**	**210,000**

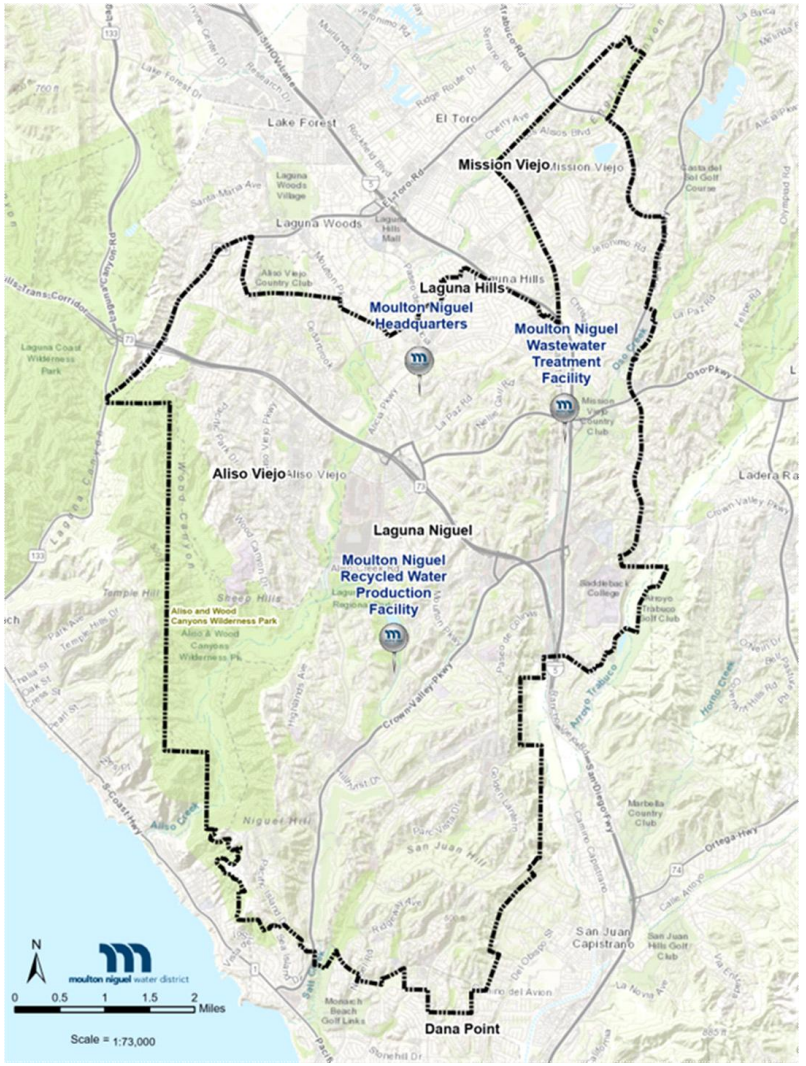
New System Valves

Project No: NEWVALVES
System: Potable
Fund: 14
Project Status: Program

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	$	-
District Labor / Permits / Other	$	10,000
Total Project Budget	**$**	**250,000**

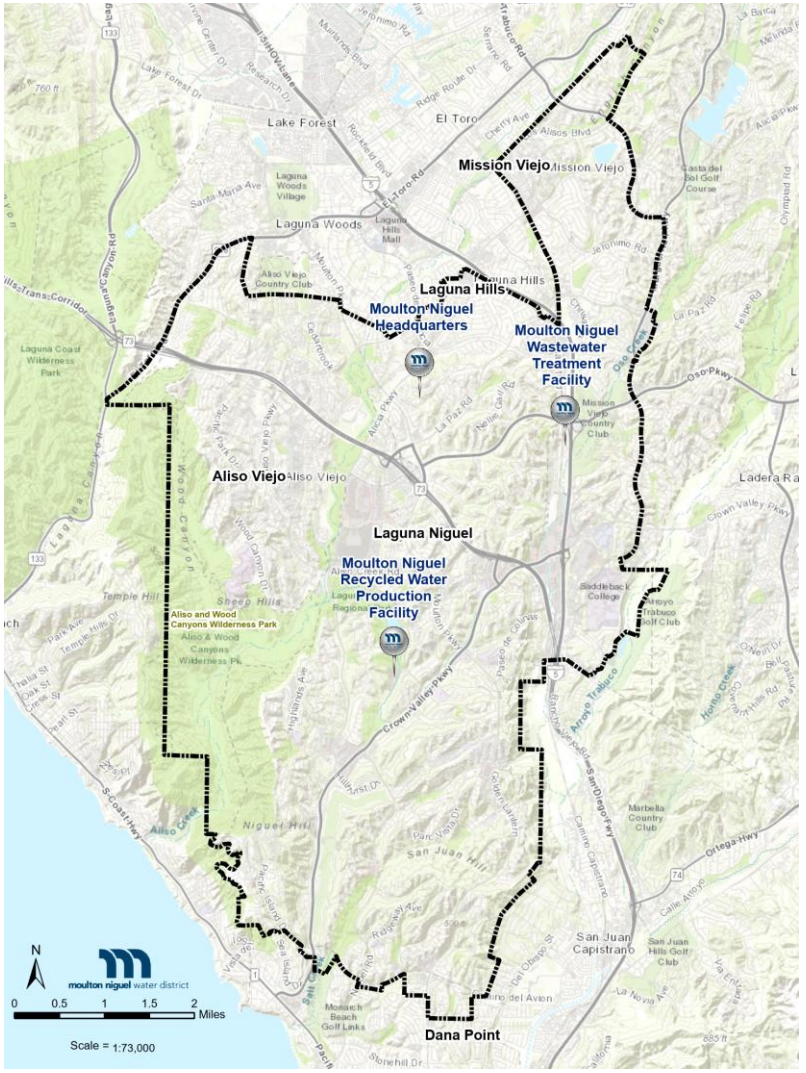
Software Subscriptions

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	$	12,000,000
Total Project Budget	**$**	**12,000,000**

Billing System Upgrade Phase II

Project No: TBD
System: Multi-System
Fund: 14
Project Status: New

Project Location: MNWD Headquarters, Laguna Hills

Description: Complete efficiency enhancements to new billing system including new bill redesign and streamlined automation.

Project Need: A new bill design for customers is required to provide more information in a more user friendly format.



Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	500,000
Inspection	$	-
District Labor / Permits / Other	$	100,000
Total Project Budget	**$**	**600,000**

Security Improvements at RTP

Project No: TBD
System: Multi-System
Fund: 14
Project Status: New

Project Location: Regional Treatment Plant, Laguna Niguel

Description: Upgrade access control and security system for Regional Treatment Plant.

Project Need: The existing access control and security system is approaching the end of its useful life and is becoming increasingly difficult to support and maintain. The proposed upgrade will improve system reliability and provide consistency with access control standards implemented at other District facilities.

Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	200,000
Inspection	$	-
District Labor / Permits / Other	$	20,000
Total Project Budget	**$**	**220,000**



Security Improvements at District Facilities

Project No: TBD
System: Multi-System
Fund: 14
Project Status: New

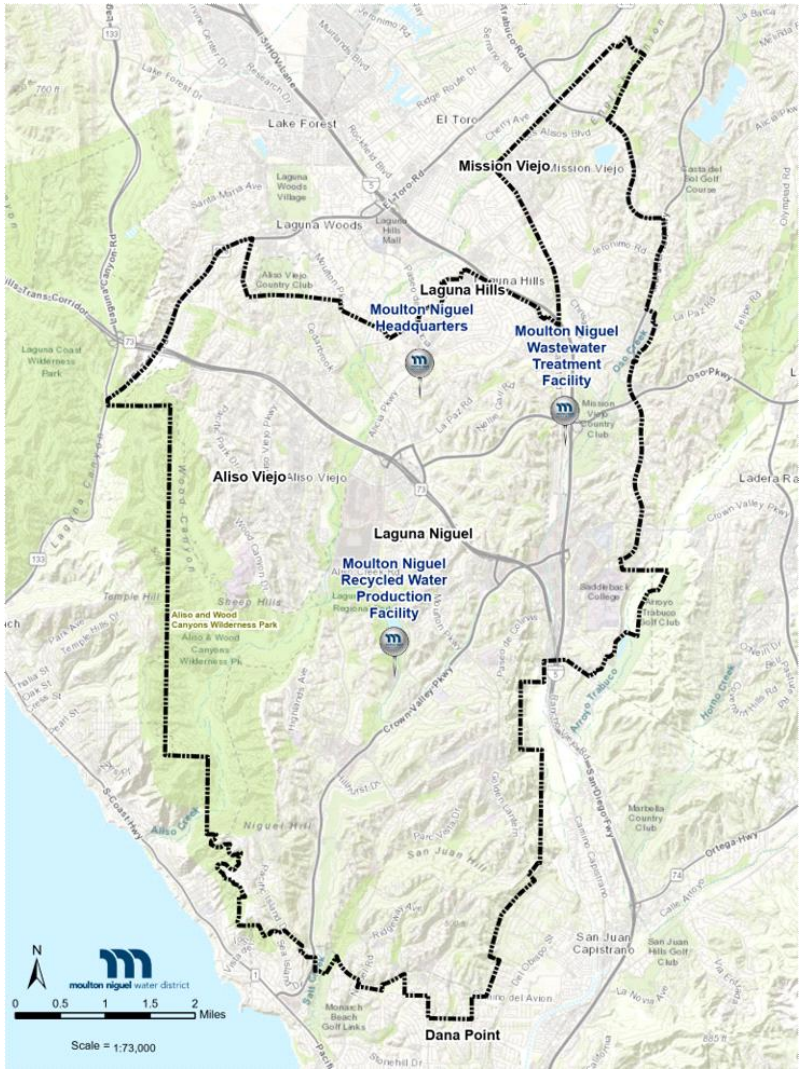
Project Location: Plant 3A, Mission Viejo; MNWD Headquarters, Laguna Hills

Description: Upgrade access control and security system for at Plant 3A, and security camera system at MNWD Headquarters.

Project Need: The existing access control and security system at Plant 3A is approaching the end of its useful life and is becoming increasingly difficult to support and maintain. The proposed upgrade will enhance system reliability, improve long-term maintainability, and provide consistency with access control standards implemented at other District facilities. The project also includes the installation of additional high-definition security cameras to strengthen security monitoring at the Headquarters facility.

Project Estimate:

Category		Estimated Cost
Design	$	-
CEQA Compliance		Exempt
Construction	$	300,000
Inspection	$	-
District Labor / Permits / Other	$	25,000
Total Project Budget	**$**	**325,000**



Mira Vista 650-750 Pressure Reducing Facility

Project No: TBD
System: Potable
Fund: 14
Project Status: New

Project Location: Mira Vista, Laguna Niguel

Description: Install a new check valve in place of the existing zone separation valves connecting the 750 and 650 pressure zones.



Project Need: This project will enhance reliability for the area supplied by the 750-Zone by adding an automatic backup feed in the event of high demand conditions.

Project Estimate:

Category		Estimated Cost
Design	$	60,000
CEQA Compliance		Exempt
Construction	$	450,000
Inspection	$	-
District Labor / Permits / Other	$	50,000
Total Project Budget	**$**	**560,000**

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	$	-
District Labor / Permits / Other	$	75,000
Total Project Budget	**$**	**1,500,000**

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	$	50,000
Total Project Budget	**$**	**850,000**

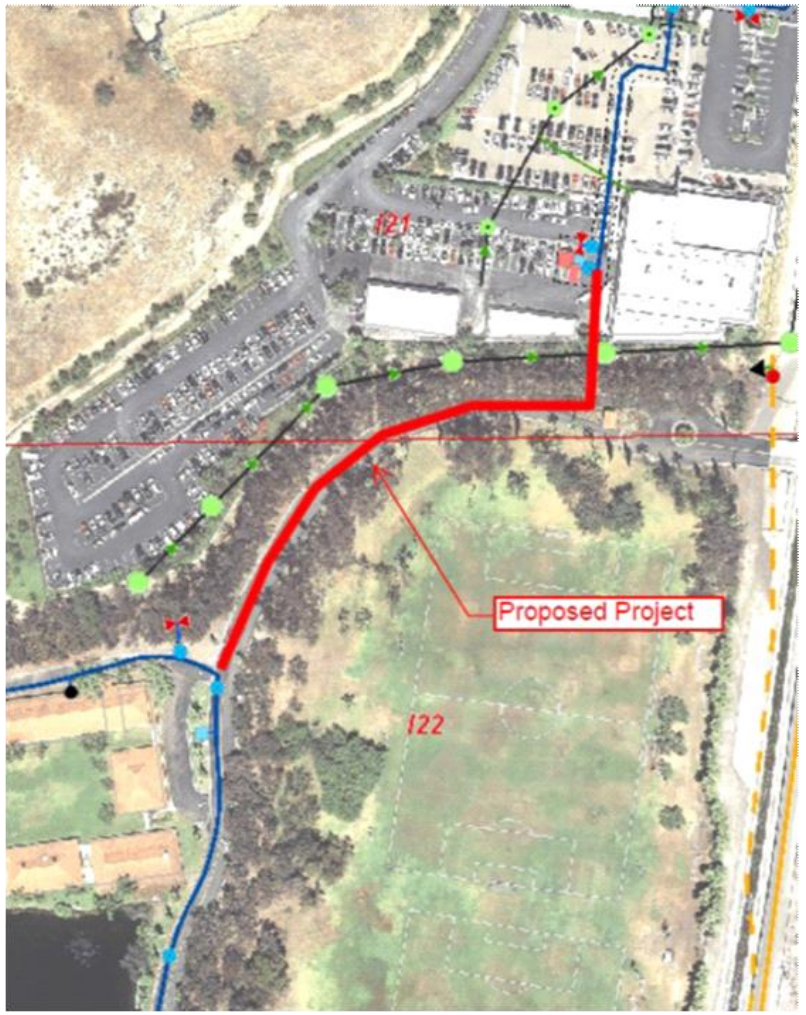
Rancho Capistrano 450-Zone Service

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
Total Project Budget	**$**	**410,000**

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.



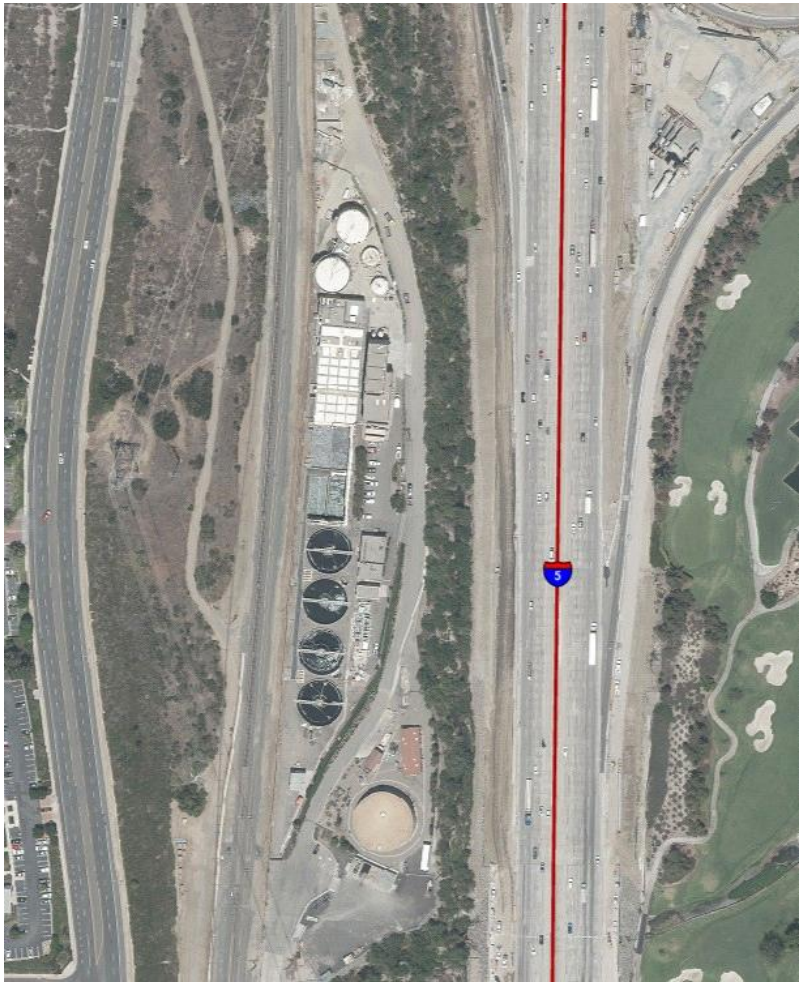
Project Estimate:

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

Plant 3A Generator

Project No: TBD
System: Wastewater Treatment
Fund: 14
Project Status: New

Project Location: Plant 3A, Mission Viejo



Description: Design and installation of a power system and/or emergency standby generator with associated fuel system and structures within Plant 3A to supply power to the plant during power outages.

Project Need: Plant 3A does not currently have an emergency standby power source during the loss of utility power. Currently, in the event that Plant 3A is inoperable due to loss of utility power, wastewater flows are bypassed to the JB Latham Treatment Plant. An emergency standby generator would power the plant during a power outage. A cogeneration system would produce power by converting the digester gas to electricity that will offset the cost of utility power.

Project Estimate:

Category		Estimated Cost
Design	$	300,000
CEQA Compliance	$	150,000
Construction	$	2,500,000
Inspection	$	50,000
District Labor / Permits / Other	$	150,000
Total Project Budget	**$**	**3,150,000**

RTP Network Cabling Improvements

Project No: TBD
System: Wastewater Treatment
Fund: 14
Project Status: Not Started

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	$	-
Total Project Budget	**$**	**200,000**

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 P1/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.

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:

• 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: Procuring Services, Materials & Public Works Projects (Policy A-5)

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

This policy applies to the procurement 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).

Procuring 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 up to and including 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. Contracts, however, may be divided to meet unique scheduling needs of a project or to meet necessary time frames. No Contract shall include language to limit competitive bidding or solicitation to any one

specific vendor, brand, product, thing, or service, except for the exempt items listed in this policy. (See Item #14)

4. Purchase Amounts Include Taxes and Shipping

Purchase amounts include taxes and the cost of shipping, freight fees, and any other charges billed by the supplier or contractor within the authorized limits in this Policy.

5. Online Purchases and Utilization of Electronic Signatures

The District may use electronic commerce whenever reasonable or cost-effective. The District may accept electronic signatures and records for District procurement.

6. Requisitions for Purchasing Materials and Services

District staff who require materials or services to carry out the defined duties of their positions shall submit Requisitions, in advance, for purchases in accordance with this Policy. The Procurement Department will generate a Purchase Order (PO) from the approved Requisition.

7. Check Requests

A check request can be used for certain limited materials or services without a PO. Requests should be submitted in advance of delivery of the materials or performance of the services. 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. For all service-related requests, the Procurement Departments should be engaged to ensure risks have been addressed and any required insurance has been obtained. Check requests are subject to the authorization limits established in Table 2.

8. Purchasing Cards

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

Services may not be purchased with District credit cards due to lack of insurance and indemnification language associated with these purchases. District staff using District credit cards are subject to the terms of this Policy and all related District credit card usage terms or amendments. A District credit card should not be used if a Purchase Order or other procurement method would be appropriate.

9. Blanket Purchase Orders

A Blanket Purchase Order is issued to cover all amounts expected to be paid to the supplier/contractor/Consultant for the fiscal year or through a Contract term. Blanket Purchase Orders expire at the end of the fiscal year or as soon as a Contract ends.

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 by the Board of Directors, 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 exceeding the General Manager's approval limit of $75,000. Non-Discretionary Purchases exceeding $25,000, 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 exceeding $75,000 pursuant to Board policy. The Board shall be notified of any such 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, Materials Procurement and Leases

The District requires a competitive bid or selection process for the procurement of non-professional services, materials, and leases, as well as Public Works projects, based on the estimated contract amount, as outlined below:

- $10,000 or less: District staff may request a quote or proposal from one qualified Consultant or Vendor.
- $10,001 to $75,000: District staff will request a minimum of three quotes or proposals from qualified vendors or consultants.
- Over $75,000: The District will initiate a formal solicitation, such as a RFP, RFQ or Invitation to Bid.
    - 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

Competitive solicitation requirements may be waived under the following circumstances:

- Sole Source Purchases
- Single Source Purchases
- Emergency expenditures
- Cooperative Purchasing/Piggybacking: Supplies, materials or equipment procured through a Cooperative Purchasing program or through "piggyback" agreements with federal, state, county, or other public agencies, in accordance with applicable laws.
- Insufficient Competition: Purchases made after a reasonable effort to obtain competitive bids or proposals where:
    - 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, and shall be awarded based on competence and qualifications for the services to be performed at fair and reasonable prices, as determined by the District.

- $25,000 or less: District staff may request a proposal from one qualified Consultant.
- $25,001 to $75,000: District staff will request three proposals from qualified consultants.
- Over $75,000: The District will initiate a formal 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 procuring sole or single source Professional Services, only one proposal from a qualified firm is required.
- For Professional Services in which it is infeasible to comply with the selection process because of the unique, exploratory or experimental nature of the project, District staff may request a proposal from one qualified Consultant.

20. Nonresponsive or Unqualified Bid or Response

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

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

Rejection of all bids or responses or cancellation of competitive solicitations, including determinations to re-bid, or re-solicit is subject to the same authority level required to award a Contract in Table 2, and as required by law.

In the case of RFPs and RFQs, the General Manager and the Board reserve the right to award Contracts based upon the best interests of the District, as determined by the District.

21. Change Orders for Goods and Services

The District may issue Change Orders, as required by changes in the specifications or conditions of a project, services performed, or materials issued.

Change orders or amendments that extend the expiration date of the original or Board approved contract by no more than 12 months, but do not affect the total contract price can be approved subject to the contract signing authority indicated in Table 2.

The Procurement 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.)

- <u>For Contracts and Amendments up to $75,000:</u>
    - 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.

- <u>For Contracts and Amendments over $75,000:</u>
    - 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 and design-bid-build work.
- Utilize job-order contracting.
- Participate in Cooperative Purchasing agreements to plan, build, and maintain Public Works.
- Undertake any other form of contract found to be in the District's lawful best interest.

24. Maintenance of this Policy

The General Manager and assigned representatives, working with the District's legal counsel, will maintain and propose revisions to this policy as needed. All changes to this policy shall require the approval of the Board of Directors. In all cases, the District shall implement this policy in a manner that is consistent with Federal, State or local regulations.

TABLE 1: Definitions

Administrative Personnel – District administrative employees authorized by the General Manager to purchase miscellaneous items, food and travel in support of District functions; includes Administrative Assistant, Administrative Analyst, Human Resources 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, including "piggyback" agreements, to leverage the benefits of volume purchases, delivery and supply chain advantages, best practices, and the reduction of administrative time and expenses.

District –Moulton Niguel Water District.

Emergency – A situation in which unforeseen circumstances present an immediate risk of harm or hazard to the public health, safety, and welfare, or to the District property, or threaten serious interruption of District operations.

General Manager – General Manager of the District or the person appointed by the Board to act in the capacity of the General Manager and authorized to administer this Policy on his/her behalf.

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

Lease - A contractual agreement in which the District obtains the right to use real or personal property owned by another party for a specified period of time in exchange for agreed-upon compensation, subject to the terms and conditions set forth in the agreement.

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.

Procurement 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 procuring 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 procuring 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 - Procuring 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 - Procuring 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).

TABLE 2: Procurement Limits and Contract Signature Authority

Procurement Limits and Contract Signature Authority		
Title	**Expenditures**	**Contract Signature Authority**
General Manager	up to $75,000	$75,001 and over with Board authorization up to $75,000 without Board authorization
Assistant General Manager *Deputy General Manager*	up to $50,000	up to $50,000
Staff Directors, Staff Officers, Controller	up to $25,000	up to $25,000
Board Secretary *Staff Assistant Directors*	up to $20,000	None
Superintendents, Managers, Coordinators, Senior/Principal Engineers, Chief Plant Operators	up to $10,000	None
Supervisors, Purchasing Agent, Administrative Personnel, Sr. Water Efficiency Specialist, Assistant Chief Plant Operators, Sr. Wastewater Treatment Plant Operators, Administrators, Sr. Construction & Ops Analysts	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) to determine that the contractor is not suspended or debarred. Documentation of this search will be maintained in the grant procurement file.

17. Open and Free Competition - *Legal requirement: 2 CFR 200.319*

Proposal selection shall be based on responsiveness to the solicitation, price, quality, deadlines of delivery, warranties, accountability and fulfillment of the service and other relevant factors.

To ensure full and open competition, the District will abide by the following guidelines:

Procurement Amount	Action
Greater than $75,000	Formal solicitations shall be conducted, and a cost/price analysis shall be conducted
$10,001 - $75,000	Cost/price analysis shall be conducted
$1 - $10,000	Formal solicitations or cost/price analysis are not required

The District reserves the right to award purchase orders, consultant agreements or project contracts on a sole source/noncompetitive basis when one or more of the following circumstances apply: (1) the item or service is available only from a single source that has predominate capability; (2) there is a public emergency that will not permit a delay from competitive solicitations; (3) The District received prior approval from the awarding agency; or (4) competition is determined to be inadequate after solicitation from a number of sources. A written justification will be prepared and kept on file for any noncompetitive procurement.

18. Procurement Procedures - *Legal requirement: 2 CFR 200.320*

A. **Methods of Procurement.** One of the following procurement methods must be used:

Procurement Method	Purpose
Micro-purchases	For supplies or services when the aggregate dollar amount does not exceed $10,000 Solicitation of price quotations is not required.
Small purchases	For supplies, services or other property that do not exceed $75,000. A cost/price analysis must be conducted. A minimum of three written price quotes shall be obtained.
Sealed bids	The preferred procurement method for construction projects. Formal advertising required. A minimum of three responsible bidders must be considered. Public works contracts will be awarded to the lowest responsive bidder.
Competitive proposals	For supplies and services of more than $75,000 when the use of sealed bids is not appropriate.

	Requests for proposals must be formally advertised and solicited from a minimum of three qualified sources. Formal solicitations shall be conducted.
Noncompetitive proposals	Authorized only by the General Manager.

B. **Procurement Authority for Operating Expenses.** The individuals with purchasing authority and the ability to sign contracts is listed in Table 2 of the Purchasing Policy.

RFPs must be publicized and identify all evaluation factors and their relative importance. All proposals will be reviewed by the project manager and the contracts department using similar evaluation criteria for nonfederal awards.

19. Use of Small Businesses, Minority-owned Firms and Women's Business Enterprises - Legal *requirement: 2 CFR 200.321*

The District will make positive efforts to utilize small businesses, minority-owned firms, women's business enterprises, wherever fully practicable. To further this goal, the District will:

a. Place qualified small and minority businesses and women's business enterprises on solicitation lists to encourage and facilitate their participation;
b. Solicit small and minority businesses and women's business enterprises when they are identified as potential sources;
c. When feasible, divide larger projects into smaller components to permit maximum participation by small and minority businesses and women's business enterprises;
d. Establish delivery schedules, when permissible, that encourages participation by small and minority businesses and women's business enterprises;
e. Use the services of organizations such as local Chambers of Commerce, the Small Business Administration and the Minority Business Development Agency of the Department of Commerce;
f. Require prime contractors to take the same affirmative steps if subcontracts are awarded.

20. Cost or Price Analysis - *Legal requirement: 2 CFR 200.323*

A cost or price analysis shall be conducted for every procurement action **greater than $10,000**. The cost or price analysis shall be performed **prior to** receiving bids or

proposals. A cost analysis shall consist of a review and evaluation of each element of cost to determine reasonableness, allocability and allowability. A price analysis shall consist of comparing price quotations, market prices and similar information.

21. Required Contract Provisions - *Legal requirement: 2 CFR 200.326*

The District shall include all provisions required by the Federal funding agency and applicable provisions found in *Appendix II of the Uniform Guidance (2 CFR Part 200)*.

22. Equipment Records - *Legal requirement: 2 CFR 200.313(d)(1)*

A. For all equipment purchased with federal grant funds, the District will maintain accurate information about the equipment including the following:

   i. A description and serial number or other identification number;
   ii. Source of funding, including the Federal Award Information Number (FAIN);
   iii. Whether title vests in the recipient or the federal government;
   iv. Acquisition or received date and cost;
   v. Percentage of federal participation in the cost;
   vi. Location use, condition, and the date the information was reported;
   vii. Ultimate disposition data, including date of disposal and sales price.

B. Equipment owned by the federal government shall be identified as such.

23. Inventory - *Legal requirement: 2 CFR 200.313(d)(2)*

The District will conduct a physical inventory at least once each year. Any differences between quantities between the inspection and the accounting records shall be investigated. The District will verify the existence, current utilization and continued need for the equipment.

24. Disposition of Equipment - *Legal requirement: 2 CFR 200.311(c) 2 CFR 200.313(d)(5) and 2 CFR 200.313(e)*

When equipment purchased with federal funds is no longer needed for the original project or program, District staff will consult the grant's terms and conditions, and the federal program officer for disposition instructions.

25. Financial and Program Records - *Legal requirement: 2 CFR 200.333*

All records will be retained in accordance with the District's records retention policy and retained for at least three years. The only exceptions are the following:

a. Litigation, claims, or audits - records shall be retained until all litigation, claims or audit findings involving the records have been resolved;
b. If the District is notified by the granting agency that records must be retained beyond the three-year period;
c. Records for disposition of equipment shall be retained for three years after disposition;

26. Access to Records - *Legal requirement: 2 CFR 200.336*

The District will grant personnel from the federal awarding agency, Inspectors General, the Comptroller General of the United States and the pass-through entity, or any of their authorized representatives, access to any documents, papers, or other records which are pertinent to the federal grant. District staff will be available to answer questions related to such documents.

27. Safeguarding Sensitive Information - *Legal requirement: 2 CFR 200.303(e)*

The District will take reasonable measures to safeguard protected personally identifiable information and other information the Federal awarding agency or District considers sensitive consistent with laws regarding privacy and obligations of confidentiality.

Appendix I: 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. <u>Liquid Fund:</u>

   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 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 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, 2031. 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 397 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 Investment Company Act of 1940 https://www.govinfo.gov/content/pkg/COMPS-1879/pdf/COMPS-1879.pdf, 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, 2031, 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, 2031, 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.

<u>Mitigating Market Risk:</u>

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 & Finance 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.

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)

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.

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.

4. District May Use Certain Reserves for Cash Flow Requirements

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

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

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

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

5. Funds Must Be Replenished As Soon As Possible

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

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

Water Supply Reliability Reserves as part of the budget process. The District's General Manager or Director of Finance/Treasurer will do a full review 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.