



**moulton niguel**  
water district

# ANNUAL COMPREHENSIVE FINANCIAL REPORT



**For Fiscal Year Ended June 30, 2025**

26161 Gordon Road, Laguna Hills, CA 92653



**moulton niguel** water district

**MOULTON NIGUEL WATER DISTRICT**  
Laguna Hills, California

**Annual Comprehensive Financial Report**  
Year Ended June 30, 2025

**Prepared By:**  
**The Finance Department**

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Laguna Hills, CA 92653  
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**Moulton Niguel Water District  
Annual Comprehensive Financial Report  
Year Ended June 30, 2025**

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**moulton niguel** water district

December 1, 2025

Members of the Board of Directors and Customers,  
Moulton Niguel Water District

We are pleased to present the Moulton Niguel Water District's ("District") Annual Comprehensive Financial Report ("ACFR") for the fiscal year ended June 30, 2025. This report was prepared by District staff in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of certified public accountants.

The ACFR provides an assessment of the District's financial condition, informs readers about District services, includes information about current District initiatives, capital improvement projects, and offers financial and demographic trend information. Management at the District is responsible for both the accuracy and completeness of the data presented and fairness of the presentation, including all disclosures. The information and data, as presented, is accurate in all material respects, and is presented in a manner that provides a fair representation of the financial position and operations of the District. We have included all disclosures that are necessary to enhance the understanding of the financial condition of the District.

The District's financial statements have been audited by Vasquez and Company, LLP, a firm of independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified, "clean", opinion that the District's financial statements for the fiscal year ended June 30, 2025, were fairly presented in conformity with GAAP. The Independent Auditor's Report is presented as the first component of the financial section of this report.

The Management Discussion & Analysis ("MD&A") includes a narrative introduction, overview, and analysis to provide a better understanding of the accompanying financial statements. The MD&A immediately follows the Independent Auditor's Report.

## Profile of the District

### *Authority, Services, and Customers*

The District was formed on November 16, 1960, under the provisions of the California Water District Law, Division 13, of the Water Code of the State of California, commencing with Section 34000. The District was formed for the purpose of providing a water supply to the communities within its service area. In 1963, the California Water District Act was amended, allowing California water districts to provide wastewater reclamation services. On July 1, 1964, the District began operation and management of wastewater services previously provided by Orange County Sanitation District No. 12.

BOARD OF  
DIRECTORS

Richard Fiore  
DIRECTOR

Donald Froelich  
DIRECTOR

Bill Moorhead  
DIRECTOR

Brian S. Probolsky  
VICE PRESIDENT

Diane Rifkin  
VICE PRESIDENT

Sherry Wanninger  
DIRECTOR



The District is authorized to acquire, control, store, treat, reclaim, recapture, and salvage any water (including wastewater) for the beneficial use of the District and its customers. The District's water and wastewater customers include retail customers (e.g., residential and commercial) located in incorporated areas within the District's service area. The District is also authorized to levy and collect taxes; to revise and collect rates or other charges for the delivery of water and collection and treatment of wastewater, use of facilities or property, or provisions for service. The District may also issue bonds, borrow money, and incur indebtedness.

### ***Governance***

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

Policy-making and legislative authority are vested with the Board. The Board has the authority to set rates and charges for water, recycled water, and wastewater services. The Board is responsible for, among other things, setting policies governing the operation of the District, adopting the budget, appointing committees, and hiring the General Manager. The General Manager is responsible for carrying out the policies of the Board, for overseeing the day-to-day operations of the District, and for hiring staff for the District.

### ***Service Area***

The District's service area, located in South Orange County, California, encompasses approximately 37 square miles, serving approximately 170,000 residents and 6,000 businesses and institutions within the cities of Laguna Niguel, Aliso Viejo, Laguna Hills, Mission Viejo, San Juan Capistrano, and Dana Point. The District distributes water to over 55,000 accounts, over 50,000 of which also receive wastewater service. Elevation within the District ranges from 230 to 904 feet above sea level. Climate is typical of the coastal plains of Southern California, with temperatures mild and relatively uniform. The District's service area experienced a net taxable value increase of 4.5% for the most current tax roll. The assessed net taxable valuation of the properties within the District's service area has grown to \$48.2 billion as of June 30, 2025.

### ***Water Supply and Services***

The District imports all its potable water from the Metropolitan Water District of Southern California ("MET") through its member agency, the Municipal Water District of Orange County ("MWDOC"), a wholesale importer of water from MET. The District is a customer agency of MWDOC and, as such, receives water from available sources of MET. MET's sources of water primarily include water imported from the Colorado River Aqueduct and from the State Water Project. All the District's potable water is treated at either the Robert B. Diemer Water Treatment Plant ("Diemer Plant") in Yorba Linda, California, or the Baker Water Treatment Plant ("Baker Plant") in Lake Forest, California. The Diemer Plant is owned and operated by MET and supplies approximately two-thirds of the District's treated potable water. The Baker Plant was completed in October 2016 and provides approximately one-third of the treated potable water to the District. The Baker Plant, which is owned by the District in partnership with four other water agencies, provides a secondary treatment plant that treats imported MET water and improves local water reliability. All potable water is delivered through three major transmission facilities: the South County Pipeline, East Orange County Feeder #2 ("EOFC #2"), and the Allen-McColloch Pipeline ("AMP").

Delivering safe drinking water is the highest priority of the District. To ensure the District is meeting drinking water quality standards, the District conducts approximately 12,000 water quality tests each year that are independently analyzed at state-of-the-art laboratories. Our water is tested at each stage of the treatment process to ensure it's safe when it reaches our customer's home or business. These tests continue to demonstrate that the water provided to the District's customers is safe, clean, and meets every state and federal water quality standard. In July 2025, the District issued the 2024 Water

Quality Report, which provides an overview of the water quality testing and results for the previous calendar year.

Long-range water supply planning is paramount to ensuring our customers have access to sufficient water supplies and investments in water supply reliability projects are appropriate and cost-effective. In fiscal year 2025-26, the District will be updating its Long-Range Water Reliability Plan ("LRWRP"), which is updated every five years and was last completed in 2020. In March 2021, the District adopted a resolution setting forth goals to enhance potable water system and supply reliability based on the 2020 LRWRP. The goals included evaluating and developing reliability projects and demand management measures that will provide at least 31 days, and up to 60 days of supplies to meet customer demands in the event of emergencies or planned outages that limit the availability of imported water supplies and considers phasing in dry-year storage levels of up to 10,000 acre-feet. With the implementation of projects like the Baker Plant, Upper Chiquita Reservoir, and other water reliability projects and demand management programs, the District is currently able to meet an average system outage of approximately 32 days. The District has continued to pursue expansion of its reuse programs through implementation of its Recycled Water Optimization Study and has initiated several planning studies to evaluate the OASIS Water Resources Center to further expand the District's local water reliability.

The District operates and maintains over 650 miles of domestic water distribution pipelines. In addition, the District has 26 steel and 2 pre-stressed concrete operational storage reservoirs for a District-wide total water storage capacity of over 170 million gallons. The District owns capacity rights in several adjoining water agencies' reservoirs and pipelines, such as El Toro Water District R-6 reservoir, the Santa Margarita Water District Upper Chiquita Reservoir, the Joint Transmission Main (a joint powers agreement between the District and other water agencies), Eastern Transmission Main jointly owned by the District and the Santa Margarita Water District, and the Irvine Ranch Water District Interconnection jointly owned with Irvine Ranch Water District. The District also operates 25 pump stations to pump water from lower pressure zones to the higher-pressure zones and 21 pressure reducing stations and flow control facilities to convey water from high to low zones.



### ***Wastewater Services***

The District maintains approximately 500 miles of wastewater pipelines. The District's wastewater system has 17 lift stations that pump wastewater over the ridge lines to the various treatment plants for disposal or recycling. The District owns and operates two wastewater treatment plants, the Regional Treatment Plant ("RTP") and Plant 3A, which together treat approximately 85% of all wastewater generated by the District's customers and produce 100% of all recycled water used within the District's service area. The remaining 15% of wastewater is treated and disposed by the South Orange County Wastewater Authority ("SOCWA") via contract with SOCWA member agencies. Capital projects in the District's 10-year Capital Improvement Plan include projects to upgrade the two wastewater treatment plants, replace critical pipelines and rehabilitate lift stations to ensure reliable operation, conveyance and treatment of wastewater. The District also owns and operates the Advance Water Treatment ("AWT") facilities located at the RTP and Plant 3A to treat wastewater to Title 22 standards for recycled water supply. The AWT facilities provide recycled water to irrigation customers meeting more than 20% of the District's overall water demands.

The District utilizes a Sewer System Management Plan ("SSMP"), a requirement from the State Water Resources Control Board, as the basis for the operation and maintenance of the wastewater collection system. The SSMP incorporates the District's Sanitary Sewer Overflow Prevention Plan and Sanitary Sewer Overflow Response Plan along with existing pretreatment and engineering programs to complete the remaining SSMP requirements. The SSMP facilitates proper funding and management of the District's sanitary sewer system.

### ***Recycled Water Supply and Services***

The District promotes the use of recycled water to reduce imported water and maximize the reuse of available resources. The recycled water system consists of two AWT plants to treat wastewater and produce recycled water, as well as approximately 150 miles of recycled water distribution pipelines with 5 pre-stressed concrete and 6 steel storage reservoirs to service the recycled water system. The District also operates 10 pump stations to pump recycled water from lower pressure zones to the higher-pressure zones. In addition, the District owns 1,000 acre-feet of capacity rights in the Upper Oso recycled water reservoir owned by the Santa Margarita Water District.

While the District continues to expand its recycled water system pursuant to the Recycled Water Optimization Study, the District is evaluating the feasibility of direct potable reuse as a means for advancing its water reuse programs and reducing the discharge of treated wastewater to the ocean. The OASIS Water Resources Center will purify available wastewater to the highest standards established by the California State Water Resources Control Board to provide a local potable water supply source. The District is initiating several studies to evaluate the technical requirements for developing the OASIS project, along with studies to determine the potential for recovering dry weather runoff and stormwater flows to supplement local water supplies. The District has received tremendous support from the local and regional communities on this exciting program, including receiving several millions of dollars from the United States Bureau of Reclamation and the California Office of Emergency Services to fund the studies.

### **Factors Affecting Financial Conditions**

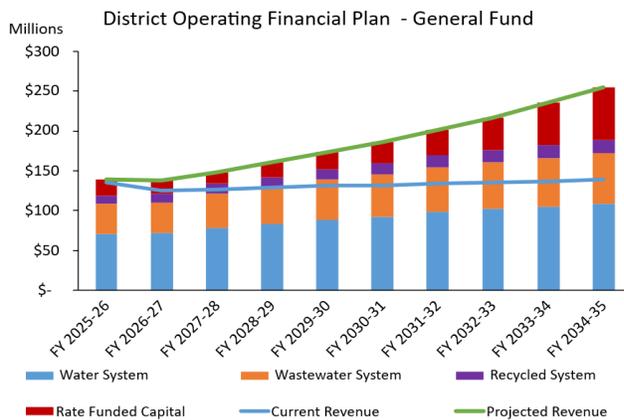
The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the District operates.

#### ***Local Community***

The District serves communities within South Orange County that historically report stronger financial indicators than that of the nation and state. There are four major land uses in the District: (1) residential (single-family and multi-family); (2) commercial (retail and light industrial); (3) schools; and (4) recreation areas (parks, golf courses, etc.). Residential development is the predominant land use throughout the District. The highest concentration of commercial use 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 in 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 within the service area is in Laguna Niguel and Aliso Viejo, where each has a golf course and regional parks. Future growth will primarily occur on a redevelopment basis of existing property and land.

#### ***Fiscal Responsibility***

The District currently possesses a AAA-rating from both Fitch and S&P Global Ratings, the highest rating available from each agency. Both agencies cited the District's financial resiliency, affordable customer bills, infrastructure investments and risk mitigation strategies as key factors in determining those ratings.



The Board adopts an operating and capital budget prior to each new fiscal year, commencing on July 1<sup>st</sup>. The development of the operating and the capital budgets are guided by the Ten-Year Cash Flow and the Ten-Year Capital Improvement Program. The operating and capital budgets serve as the foundation for the District's financial planning and control of District operations and enterprise functions.

The District reports its water, wastewater, and recycled water services as a single enterprise fund. On a monthly basis, a budget comparison report is submitted to the Board to provide a year-to-date comparison of the revenues and expenses against the adopted budget, and on a quarterly basis, a capital improvement program progress report is submitted to the Board to provide the status of current infrastructure projects.

The District's annual budget process includes reviewing and updating, if necessary, District policies that govern financial affairs, and contains policies for Reserves, Investments, Purchasing, Capitalization and Surplus, Debt Management and Federal Grants Management. Each of those policies serve as an important tool in managing the financial affairs of the District:

- The main objective of the Reserve Policy is to set target levels for cash reserves to establish a relationship between current and anticipated future risks. The District's reserve categories are discussed in Note 18 of the Notes to Financial Statements. The Board receives monthly updates on the status of the adopted reserve targets.
- The Investment Policy is used to direct the purchasing of securities, while also maintaining the flexibility to fund infrastructure improvements. The Board receives a quarterly investment report.
- The Purchasing Policy establishes procedures for acquiring services and materials, equipment, and supplies, and for public works projects for the District.
- The Capitalization and Surplus policy is intended to provide guidance for accounting and treatment related to the District's investments in critical assets.
- The Debt Management Policy is used to document the 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 Federal Grants Management Policy is designed to provide guidance to District staff in executing projects and utilizing funds provided through Federal grants, and to comply with the provisions of the Uniform Guidance.

### *Long-term Financial Planning*

The District uses various planning documents, i.e., Urban Water Management Plan (“UWMP”), Long Range Water Reliability Plan, and Long Range Financial Plan (“LRFP”) to forecast the District’s needs for water use and demand, capital improvement projects, water supply reliability projects, and financial resources. The associated financial models supporting those planning documents are significant assets to the District and have been built internally by District staff, allowing the District and the Board to be proactive, analyze and evaluate different scenarios for things such as: changes to the economic environment, operational requirements, or critical infrastructure investments.

The objective of the LRFP is to identify strategies and actions to ensure sufficient financial resources to enable the District to achieve its mission and to utilize those financial resources effectively. Additionally, the LRFP serves as key contextual information to aid in making near-term financial decisions. The LRFP incorporates the District’s reserve policies, debt policies, coverage ratios, water demand needs with associated water purchase costs, water rates, capital improvement program, and operating budget to provide a financial forecast for the District. The District has historically maintained a strong financial position based upon conservative planning and budgeting, maintenance of adequate cash balances, and maintaining the proper debt service coverage ratios.

Additionally, the District utilizes a cost-of-service-based rate design, as data has shown that design to be the most effective tool to encourage the efficient use of water resources, while still providing the necessary revenues to recover the District’s expenses, regardless of changing water demands and maintains compliance with legal and regulatory standards. The State Water Resources Control Board (“SWRCB”) recognized the District’s specific rate design as a best practice amongst more than 400 urban water utilities statewide. The rates are also structured to ensure that an appropriate level of fixed expenses is recovered with fixed revenue. As a result, the District has managed to remain financially strong despite a consistent reduction in per person water use while continuing to maintain water rates among the lowest in the region. The Board annually reviews the financial plan and projected rates through the ten-year cash flow model to ensure the District’s financial forecasts are consistent with District policy and objectives while providing a strong foundation.

### *Imported Water Costs*

As mentioned, the District imports all of its potable water from MET through our wholesaler, MWDOC. MET is responsible for importing water supplies from both the Colorado River and Northern California to Southern California and treating it to the necessary water quality standards. As a result, investments in infrastructure, such as treatment plants, aqueducts, and transmission mains by MET, will continue to drive up costs for our potable water. Additionally, imported water supply costs may increase as the State and the region develop solutions to address varying climate conditions that will impact available water supplies. The costs borne by MET and MWDOC for importing and treating water are passed directly to its retail agencies, including the District. Imported water purchases represent the District's largest operating expense category and MET rate increases have a direct and substantial impact on the District's budget and associated water rates.

### *Internal Controls*

Management of the District has established a comprehensive internal control framework that is designed both to protect the District’s assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the District’s financial statements in conformity with GAAP. The District’s comprehensive framework of internal controls has been designed to provide reasonable assurance that the financial statements will be free from material misstatement. The Board and District staff continue to evaluate the District’s internal control framework to determine if improvements are attainable and implement feasible recommendations.

## Major Initiatives

### *Strategic Planning*

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

Beginning in 2023, the District's key goals and objectives were consolidated into five areas comprising: 1) Fiscal Responsibility, 2) Operational Optimization, 3) Community and Government Relations, 4) Unified Workforce, and 5) Secure and Reliable Service (collectively F.O.C.U.S). While these do not account for all areas of the District's activities, they are intended to substantially encapsulate the services necessary to carry out the District's mission within the upcoming fiscal year. Additional information regarding the F.O.C.U.S. goals and objectives can be found in the District adopted fiscal year 2024-2025 and 2025-2026 Budgets available on the District's website.

### *Investment in Critical Infrastructure*

The District has implemented an extensive Capital Improvement Program that includes more than \$800 million over the next 10 years, in building, maintaining and upgrading our capital infrastructure assets to support reliable water service, maintain wastewater treatment and regulatory compliance and enhance local fire protection. Our 10-Year Capital Improvement Plan includes ongoing rehabilitation of the District's treatment plants, reservoirs, pump stations, and transmission pipelines, as well as valves and fire hydrants.

During the past year, the District has initiated several major capital infrastructure projects that will continue to ensure the water and wastewater systems will be resilient to serve the District's customers today and in the future. One of the major projects completed during fiscal year 2024-25 was the Crown Valley Parkway Pipeline Replacement project which replaced a 60-year water main and a critical wastewater force main. Replacement of the pipelines was necessary to improve water and wastewater infrastructure to ensure continued safe, reliable services for decades to come.



Construction continued at Plant 3A focusing on upgrading the solids treatment process. The solids handling facility at Plant 3A is nearly 30 years old and requires frequent repairs and increased maintenance. This project rehabilitates and significantly improves the entirety of the solids handling facility at that plant and re-establishes the desired level of service and redundancy of the solids handling processes. The project is expected to conclude in fiscal year 2025-26.

The District also continued work on a progressive design build contract to provide salinity management treatment for its recycled water supplies at the Regional Treatment Plant AWT facility. The project will address the increasing total dissolved solids, iron, and manganese concentrations within the recycled water produced at that facility. High concentrations of these dissolved solids in recycled water makes the water less suitable for beneficial reuse. Reduction of the total dissolved solids is necessary to assure current and future delivery of quality recycled water to customers.



During fiscal year 2024-25, the District continued work on the Regional Lift Station Force Main Replacement project which will help improve the reliability of sewer pipelines in the Laguna Niguel Regional Park and signifies a substantial stride towards bolstering the communities resilience to emergencies. To help offset the cost of the project, the District sought and was awarded a \$10.3 million grant award administered by the California Office of Emergency Services (CalOES) and funded by the Federal Management Agency's (FEMA) Hazard Mitigation Grant Program. The grant period for this project continues into January 2027.

The District also continued work on the OASIS Water Resources Center which aims to introduce a new drinking water source, enhance recycled water supplies through surface water diversion, improve watershed conditions and create opportunity for regional partnership. The District has received two grant awards to help fund the cost of studies and preliminary design review to evaluate the implementation of the OASIS Water Resources Center, a direct potable reuse facility, at or near the Regional Treatment Plant. The studies also evaluate diverting runoff from the Aliso Creek watershed with a nature-based treatment system. One of the grant awards is a \$1.6 million grant administered by CalOES and funded by FEMA's Building Resilient Infrastructure and Communities Grant Program. The other grant award is a \$337,500 grant administered by the United States Bureau of Reclamation (USBR) for a WaterSmart grant. Planning studies and preliminary design review are anticipated to be complete during fiscal year 2026-27.

In the second half of fiscal year 2024-25, the District commenced Phase II of its Low Resolution Meter Replacement Program which will replace 2,850 meters in the District's service area with low resolution ultrasonic meters. The District was awarded over \$400,000 in Federal funding from USBR through its WaterSmart grant program to fund the meter replacement project which will be completed in fiscal year 2025-26.

These projects are several examples of the significant investment the District continues to make into critical water and wastewater infrastructure. The District continues to lead the industry in innovation and prides itself on delivering high-quality drinking water, recycled water, and wastewater services to the communities we serve.

### ***Emergency Preparedness***

Recent fires in Southern California underscore the vital role our water system plays in protecting lives and property. At Moulton Niguel, we're dedicated to safeguarding our community in every way possible. Over the past 18 months, Moulton Niguel completed a Resiliency Action Plan that outlines a comprehensive framework for promoting ongoing service and business continuity during emergencies.

Moulton Niguel is working closely with the City of Santa Ana and Orange County Water District ("OCWD") to establish a new emergency water interconnection with the Orange County groundwater basin. This emergency interconnection for South Orange County would allow water from the basin to be pumped into the regional water distribution system. This will provide a vital backup water source for our customers during a catastrophic event that disrupts the delivery of imported water from MET.

Moulton Niguel is partnering with the local emergency coordination agency - the Water Emergency Response Organization of Orange County (WEROC) - to establish a new Emergency Operations Center (EOC) for South Orange County at our headquarters in Laguna Hills. This new EOC will serve as a hub for the seamless coordination between water and wastewater agencies, the County of Orange, and the Governor's Office of Emergency Services.

Moulton Niguel is working to enhance our fire readiness and response capabilities to better protect our community from fires. In total, Moulton Niguel maintains approximately 7,000 fire hydrants in South Orange County. The District collaborated with the Orange County Fire Authority, County of Orange, City of Aliso Viejo, and Aliso Viejo Community Association to install a new Helicopter Hydrant system in Aliso Viejo. The new pipeline and fire hydrants provide emergency responders with access to 7,500 gallons of water in just 5 minutes.



### ***Asset Optimization***

During fiscal year 2024-25, the District embarked on an initiative to develop a data management framework to enhance the District's asset management program and identify opportunities to optimize system operations and capital infrastructure investments. The District is calling the project "Building a Leading Utility Ecosystem" ("BLUE"). BLUE will centralize several of the District's existing data sources as part of a developed framework and implement a digital solution that enables advanced analytics. These advanced analytics will enhance the District's ability to monitor water loss by pressure zones at increased time intervals to optimize leak detection programs and support future infrastructure investments. It will also enhance the District's ability to monitor wastewater flow patterns to track potential inflow and infiltration in the wastewater collections system that will optimize sewer and manhole lining programs and will provide energy management tools to optimize pump rehabilitation efforts to maximize pump performance and reduce energy costs. These are just a few examples of how centralized and streamlined data will enable data-informed decision making that provides value to customers and helps reduce costs. Components of the project are expected to be developed and available for District staff in fiscal year 2025-26 with additional components rolled out in fiscal years 2026-27 through 2028-29.

### ***Water Education Activities***

The District's Board continues to partner with local and regional agencies to provide a variety of water education and water-saving programs and opportunities to District customers, many of which are discussed in detail on the District's website at [Conservation - Moulton Niguel Water District \(mnwd.com\)](https://www.mnwd.com). This past year, the District has continued to focus on education programs for its customers, local youth, and the broader water community by hosting free classes and workshops including sustainable landscaping classes and irrigation workshops and the Fix-A-Leak workshop to educate residents on how to find and repair common household leaks.

The District held its annual H2O for HOAs workshop in October 2025. The workshop partners with over a dozen water agencies and Cities, with the District leading the initiative to provide education and inspire conversation and collaboration on water management topics, specifically geared toward Homeowner's Association Boards, property managers and landscape professionals.

Lastly, the District joined forces with the California Data Collaborative to host the tenth annual California Water Data Summit. The three-day event showcased transformative insights and software that have modernized the water industry. Through keynote speeches, panel discussions, and interactive workshops, participants explored the evolution of data-driven methodologies, shared success stories, and set the course for tapping into, wielding, and unleashing the power of data to effectively manage our greatest assets besides water.

## **Regional Collaborative Ventures**

The District coordinates with neighboring agencies on capital projects that may bring additional regional water reliability benefits and cost sharing. The District also looks to find operational cost savings by participating in shared service opportunities with other local agencies. Further, the District partners with other agencies to explore opportunities for future collaboration that work towards regional water reliability. One such effort previously mentioned is the partnership with the City of Santa Ana and OCWD through an interagency agreement for the purpose of establishing a new emergency interconnection in South Orange County that will deliver water from the Orange County groundwater basin to the East Orange County Feeder #2 during emergency conditions.

Additionally, the District has entered into several Memorandums of Understanding ("MOU") in relation to the OASIS Water Resources Center including MOUs with the County of Orange, the City of Laguna Beach and the Los Angeles Department of Water and Power ("LADWP"). In addition to the primary benefit of enhancing service to the local community, the OASIS project has several areas of potential shared benefits between the District and neighboring agencies including the County of Orange and the City of Laguna Beach. These areas of mutual interest and benefit include watershed education, runoff reduction, environmental enhancements to the local creeks and beaches, and reduced impacts from storm water flows. The District and LADWP also identified areas of mutual benefit that would transpire through knowledge exchange where the two agencies would share information on the District's OASIS Water Resources Center and LADWP's Pure Water Los Angeles Program which also envisions incorporating potable reuse at a large scale. The purpose of these three MOUs is to further explore the opportunities to realize these mutual benefits through the development of the OASIS Water Resources Center.

The District is also exploring opportunities for waste management and diversion of waste from municipal landfills. The District joined the City of San Bernardino and other Southern California agencies as part of an interagency agreement forming the Southern California Regional Biosolids Coalition to study the feasibility of beneficial reuse or disposal of biosolids. Further, the District partnered with Orange County Waste and Recycling as part of an MOU that seeks to support efforts to beneficially reuse food waste generated in Orange County including reuse at anaerobic digester facilities within the County.

Lastly, The District is installing two in-conduit micro-hydro turbine and pressure management systems to generate clean energy at its Bridlewood Flow Control Facility. The 224 kilowatt system is anticipated to generate over 800,000 kilowatt hours annually and offset 5% of the District's total energy demands. The project has been submitted to San Diego Gas and Electric's Renewal Energy Self-Generation Bill Credit Transfer tariff program to reduce the District's annual energy bill, along with various federal incentive programs that will offset the cost of the micro-hydro turbines.

## **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to Moulton Niguel Water District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the 2024-25 ACFR continues to meet the Certificate of Achievement Program requirements and this report will mark our seventeenth consecutive submission to the GFOA to determine its eligibility for another certificate. The District has received the award for its ACFRs for each of the past sixteen years.

The District also received the Distinguished Budget Presentation Award from GFOA for its fiscal year 2023-24 Budget and the Popular Annual Financial Reporting Award from GFOA for its fiscal year 2023-24 Popular Annual Financial Report (PAFR). The combination of these two awards and the Certificate of Achievement for Excellence in Financial Reporting resulted in recognition as a "Triple Crown" agency for upholding the spirit of full disclosure by transparently communicating the District's financial story. This marks the third consecutive year as a Triple Crown agency and the District believes its fiscal year 2024-25 budget and financial reporting documents will again earn the Triple Crown.

Lastly, the District continues to receive awards from various agencies for innovation and excellence amongst peers. One such award is the Top Workplace by the Orange County Register which the District has received for the last eight years. The top workplace designation has been a key tool in recruitment successes over the past several years. The award program is administered by Energage in partnership with major media outlets, such as the Orange County Register, the Boston Globe, and the Washington Post.

Respectfully submitted,



Joone Kim-Lopez  
General Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Moulton Niguel Water District  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

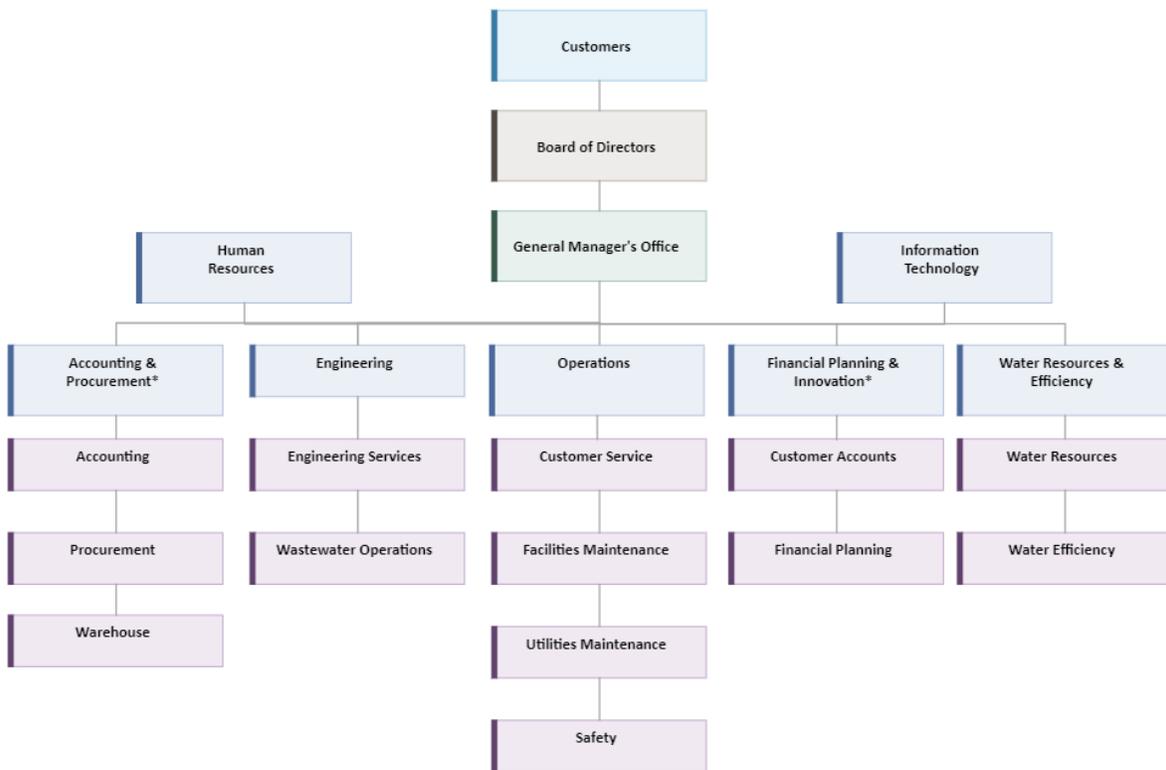
*Christopher P. Morill*

Executive Director/CEO

## Board of Directors as of June 30, 2025

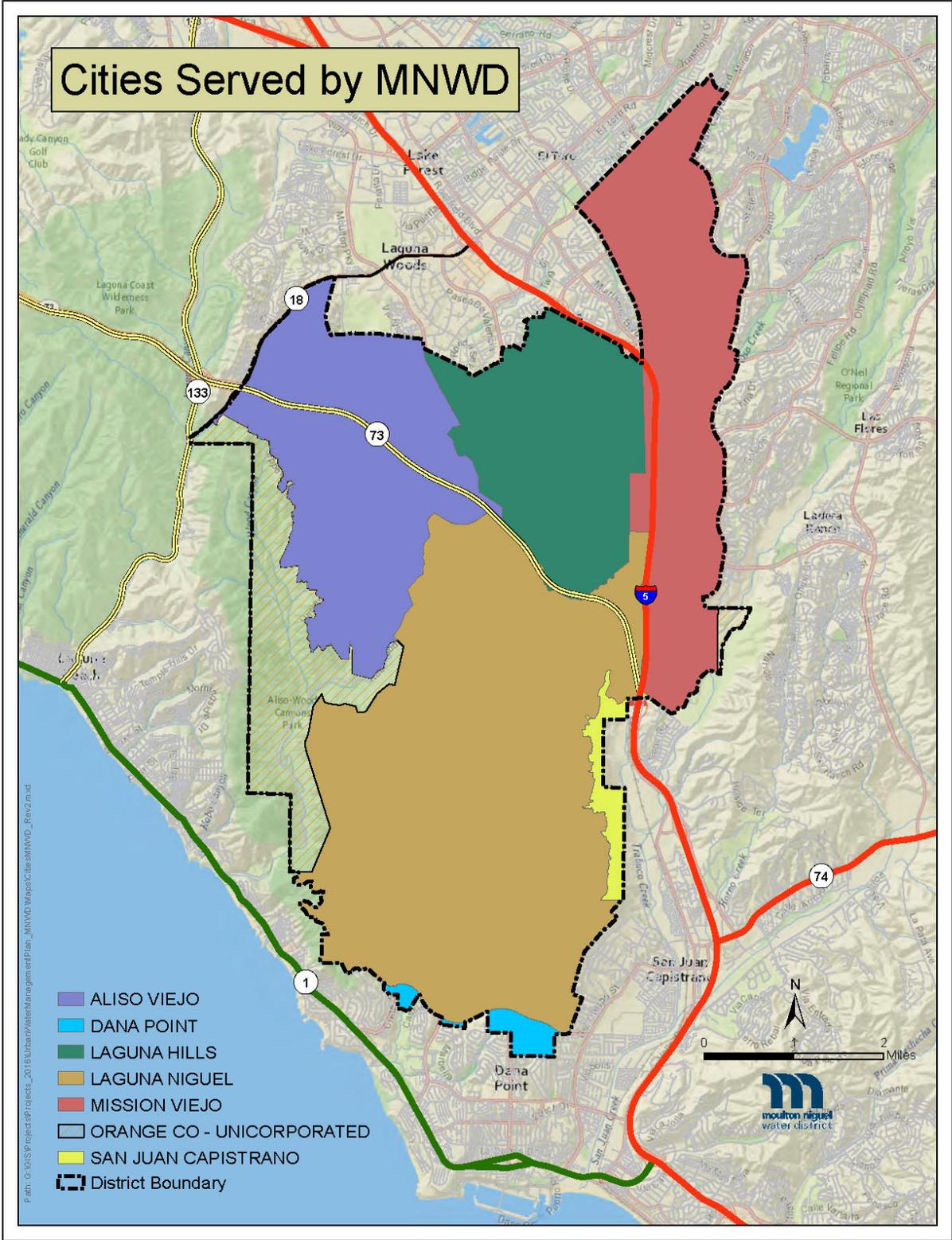
Duane Cave	Brian Probolsky	Diane Rifkin	Richard Fiore	Donald Froelich	Bill Moorhead	Sherry Wanninger
President	Vice President	Vice President	Director	Director	Director	Director

## Organization Chart



\*Collectively, "the Finance Department"

# Service Area (Cities)





## **Independent Auditor's Report**

**The Honorable Members of the Board  
Moulton Niguel Water District  
Laguna Hills, California**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the Moulton Niguel Water District (the District), which comprise the statement of net position as of June 30, 2025, the related statements of revenues, expenses and changes in net position, and cash flows for the year then ended, and the related notes to the financial statements, (collectively, the District's basic financial statements).

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2025, and the changes in its financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Management's Responsibilities for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.



### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, and the required supplementary information on pages 66 through 69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

**Glendale, California  
December 1, 2025**



**moulton niguel** water district

**Moulton Niguel Water District  
Management's Discussion & Analysis  
Year Ended June 30, 2025**

**Overview of the Financial Statements**

The Moulton Niguel Water District ("District") financial statements are prepared in conformity with Generally Accepted Accounting Principles ("GAAP") and include the Statement of Net Position, the Statement of Revenues, Expenses, and Changes in Net Position, and the Statement of Cash Flows. Readers should evaluate the financial statements with the accompanying Notes to Financial Statements. The Notes to Financial Statements are an integral part of the financial statements and provide useful explanations and detailed information on the financial statements. The Management's Discussion and Analysis precedes the financial statements, and its purpose is to provide an overall analysis of the District's financial position and results of operations.

**Financial Highlights**

- Total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$429.4 million (total net position). Net position consists of \$317.6 million in net investment in capital assets, \$0.1 million in restricted for capital projects, and \$111.7 million of unrestricted net position.
- Total capital assets for the year ended June 30, 2025, were \$550.6 million, an increase of \$53.9 million, or 10.9%. The District placed \$62.7 million of capital assets into service during the fiscal year.
- The District received \$37.0 million for its share of the 1% ad valorem property taxes, an increase of \$1.5 million, or 4.2% over the prior fiscal year.
- Total Expenses increased by \$15.8 million to \$135.2 million, representing an increase of 13.2% as compared to the prior fiscal year. This increase was largely driven by \$5.1 million or 17.8% higher water purchases, \$3.2 million or 12.1% higher general and administrative expenses, \$2.7 million or 13.8% higher wastewater treatment and pumping expenses, \$1.9 million or 7.9% higher depreciation expense, and \$1.5 million or 29.1% higher interest on long-term debt.

**Required Financial Statements**

The Statement of Net Position presents the financial position of the District at June 30, 2025. This statement includes five components: District assets plus deferred outflows of resources, less liabilities and deferred inflows of resources, with the remaining difference between those items being reported as net position. The assets and liabilities are listed in order of their liquidity. Therefore, assets readily convertible to cash, such as cash and investments, appear first.

The *Statement of Revenues, Expenses, and Change in Net Position* accounts for the annual results of operations. This statement shows the current year's revenues, expenses, capital contributions, and calculates the overall change in net position. The sum of the beginning net position and the current year's change in net position equals the ending net position balance. The same ending net position balance appears on the *Statement of Net Position*. Over time, changes in net position serve as a key indicator of the District's financial health.

Both the *Statement of Net Position* and the *Statement of Revenues, Expenses, and Change in Net Position* are shown using the accrual basis of accounting. This means revenues are recorded when earned and expenses are recorded when incurred regardless of the timing of cash receipts and payments.

**Moulton Niguel Water District  
Management's Discussion & Analysis  
Year Ended June 30, 2025**

By contrast, the *Statement of Cash Flows* presents information about changes in cash and cash equivalents during the year. The statement categorizes changes by operating activities, non-capital financing activities, capital and related financing activities, and investing activities. From this statement the reader can obtain information on the sources and uses of the District's cash.

**District Financial Analysis**

The following condensed schedules contain summary financial information extracted from the basic financial statements and are meant to assist readers in evaluating the District's overall financial position and results of operations. These schedules can be used to assess whether the District's overall financial position has improved or deteriorated. Other external factors such as changes in economic conditions, customer growth, and legislative mandates should also be considered as part of this analysis.

**Financial Position Summary:**

<b>Table 1 - Condensed Statement of Net Position (In Thousands)</b>				
	Fiscal Year	Fiscal Year	Increase/(Decrease)	
	2024-25	2023-24	Amount	Percent
Current and noncurrent assets	\$ 211,142	\$ 168,748	\$ 42,394	25.1%
Capital assets, net	550,617	496,684	53,933	10.9%
<b>Total Assets</b>	<b>761,759</b>	<b>665,432</b>	<b>96,327</b>	<b>14.5%</b>
<b>Deferred Outflows of Resources</b>	<b>11,735</b>	<b>14,572</b>	<b>(2,837)</b>	<b>-19.5%</b>
Current liabilities	45,429	26,667	18,762	70.4%
Long-term liabilities	287,621	206,273	81,348	39.4%
<b>Total Liabilities</b>	<b>333,050</b>	<b>232,940</b>	<b>100,110</b>	<b>43.0%</b>
<b>Deferred Inflows of Resources</b>	<b>11,092</b>	<b>13,657</b>	<b>(2,565)</b>	<b>-18.8%</b>
Net investment in capital assets	317,603	315,464	2,139	0.7%
Restricted for capital projects	81	175	(94)	-53.7%
Unrestricted net position	111,668	117,768	(6,100)	-5.2%
<b>Total Net Position</b>	<b>\$ 429,352</b>	<b>\$ 433,407</b>	<b>\$ (4,055)</b>	<b>-0.9%</b>

The *Statement of Net Position* presents the District's financial position as of June 30. The statement consists of assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Total net position represents the District's net worth.

As shown above in Table 1 in the condensed *Statement of Net Position*, the District's total assets increased \$96.3 million, or 14.5%. This increase was primarily due to \$38.6 million higher cash and investments driven by \$44.6 million of unspent bond proceeds at June 30, 2025 related to the issuance of \$80.5 million in certificates of participation ("COPs") during fiscal year 2025, offset by \$7.2 million for the acquisition of the Regional Treatment Plant ("RTP") as discussed in the capital assets section on page 11. In addition, capital assets net of accumulated depreciation, increased \$28.2 million and construction in progress increased \$25.3 million, both of which are due to spending on capital projects and as discussed in more detail in the capital assets section on page 12.

**Moulton Niguel Water District  
Management’s Discussion & Analysis  
Year Ended June 30, 2025**

**Financial Position Summary (Continued):**

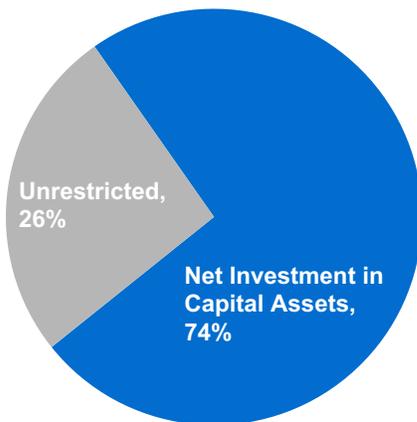
The deferred outflows of resources balance decreased by \$2.8 million, or -19.5% as compared to the prior fiscal year balance of \$14.6 million. This is primarily the result of a decrease in deferred items related to pension and OPEB due to changes in investment returns during the measurement period.

Total liabilities increased by \$100.1 million, or 43.0% as compared to the previous fiscal year. The main driver for this increase was \$77.6 million higher certificates of participation payable due to the issuance of \$80.5 million in COPs as discussed in the long-term debt section on page 13. In addition, promissory notes payable increased \$14.0 million. The promissory notes relate to the acquisition of the Regional Treatment Plant as discussed in the capital assets section on page 11. Also contributing to the increase in liabilities was \$8.8 million higher accounts payable due to an increase in capital project expenditures during the fiscal year and \$1.0 million higher interest payable due to the issuance of 2025 COPs. These increases were offset by \$2.5 million lower bonds payable due to debt service payments during the fiscal year.

Deferred inflows of resources ended the fiscal year at \$11.1 million, a decrease of \$2.6 million in comparison to the prior fiscal year reported amounts. The primary driver of that decrease was \$2.1 million related to leases due to scheduled amortization as discussed in Note 4 of the Notes to Financial Statements. Additionally, deferred inflows related to pension decreased \$0.4 million due to changes in investment returns during the measurement period.

The District’s total ending net position at June 30, 2025, amounted to \$429.4 million, which was \$4.1 million lower than the prior fiscal year.

**Figure 1  
Net Position  
June 30, 2025**



Net position consists of \$317.6 million in net investment in capital assets, \$0.1 million restricted for capital projects, and \$111.7 million in unrestricted net position. Net investment in capital assets reflects capital assets, net of accumulated depreciation or amortization and liabilities attributed to the acquisition, construction, or improvement of those assets. In addition, this amount includes the net amount of regulated assets and intangible right to use assets. The District’s net investment in capital assets balance increased by \$2.1 million, or 0.7%, and represents 74% of total net position primarily due to an increase in capital assets, net of accumulated depreciation. More information on net investment in capital assets can be found in Note 16 of the Notes to Financial Statements.

Restricted net position ended the year at \$0.1 million. Restricted net position represents the unspent portion of capacity fees paid by developers for connecting to the District’s water and wastewater system. Annually as part of the budget process, the District specifies which capital projects will be funded from this balance.

**Moulton Niguel Water District  
Management's Discussion & Analysis  
Year Ended June 30, 2025**

**Financial Position Summary (Continued):**

Unrestricted net position was \$111.7 million at June 30, 2025, a decrease of \$6.1 million, or 5.2% from the prior year amount due to the increase in net investment in capital assets of \$2.1 million and net loss of \$4.5 million, offset by capital contributions of \$0.9 million. Additional information on unrestricted net position can be found in Note 18 of the Notes to Financial Statements.

**Activities and Change in Net Position:**

The *Statement of Revenues, Expenses, and Change in Net Position* summarizes the District's operations during the fiscal year. A summary of the District's changes in net position for the fiscal years ended June 30, is included in Table 2, below:

Table 2 - Statement of Revenues, Expenses and Change in Net Position (In Thousands)				
(\$ In Thousands)	2024-25	2023-24	Increase/(Decrease)	
			Amount	Percent
<b>Operating Revenues:</b>				
Water charges	\$ 40,037	\$ 34,252	\$ 5,785	16.9%
Recycled charges	6,122	4,822	1,300	27.0%
Sanitation charges	33,916	32,555	1,361	4.2%
Other	1,440	497	943	189.8%
<b>Total Operating Revenues</b>	<b>81,515</b>	<b>72,126</b>	<b>9,389</b>	<b>13.0%</b>
<b>Non-operating Revenues:</b>				
Property taxes	37,030	35,526	1,504	4.2%
Investment income	7,940	6,637	1,303	19.6%
Interest income	492	633	(141)	-22.3%
Cellular lease income	1,717	1,638	79	4.8%
Intergovernmental revenue	1,416	931	485	52.1%
Other	614	417	197	47.3%
<b>Total Non-operating revenues</b>	<b>49,209</b>	<b>45,782</b>	<b>3,427</b>	<b>7.5%</b>
<b>Total Revenues</b>	<b>130,724</b>	<b>117,908</b>	<b>12,816</b>	<b>10.9%</b>
<b>Operating expenses</b>				
Water purchases	33,765	28,657	5,108	17.8%
Utilities	3,206	3,025	181	6.0%
Wastewater treatment & pumping	22,098	19,417	2,681	13.8%
Water transmission & distribution	2,242	2,236	6	0.3%
Customer service & water efficiency	9,909	9,152	757	8.3%
General, administrative & other	29,808	26,598	3,210	12.1%
Depreciation and amortization	26,439	24,498	1,941	7.9%
<b>Total Operating Expenses</b>	<b>127,467</b>	<b>113,583</b>	<b>13,884</b>	<b>12.2%</b>
<b>Non-operating Expenses:</b>				
Investment expense	416	236	180	76.4%
Interest on long-term debt	6,769	5,245	1,524	29.1%
Other	584	354	230	65.0%
<b>Total Non-operating Expenses</b>	<b>7,769</b>	<b>5,835</b>	<b>1,934</b>	<b>33.1%</b>
<b>Total Expenses</b>	<b>135,236</b>	<b>119,418</b>	<b>15,818</b>	<b>13.2%</b>
Income (loss) before capital contributions	(4,512)	(1,510)	(3,002)	198.8%
Capital contributions	925	1,510	(585)	-38.7%
<b>Change in Net Position</b>	<b>(3,587)</b>	<b>—</b>	<b>(3,587)</b>	<b>160.1%</b>
Beginning Net Position, as Restated <sup>1</sup>	432,939	433,407	(468)	-0.1%
<b>Ending Net Position</b>	<b>\$ 429,352</b>	<b>\$ 433,407</b>	<b>\$ (4,055)</b>	<b>-0.9%</b>

<sup>1</sup>In fiscal year 2024-25, the District implemented GASB Statement 101, *Compensated Absences* which resulted in a restatement of beginning net position. See Note 1.u. in the Notes to Financial Statements. Fiscal year 2023-24 was not restated for the implementation of this GASB statement.

**Moulton Niguel Water District  
Management's Discussion & Analysis  
Year Ended June 30, 2025**

**Activities and Change in Net Position (Continued):**

**Revenues:**

As shown in Table 2, the District's total revenues increased by \$12.8 million, or 10.9% in fiscal year 2025, totaling \$130.7 million.

Operating revenues amounted to \$81.5 million for the fiscal year ended June 30, 2025, increasing 13.0% over the prior fiscal year total of \$72.1 million. Total operating revenues represented approximately 62% of total revenues for the fiscal year ended. Figure 2 provides an illustration of the different sources of revenue the District received during the fiscal year.

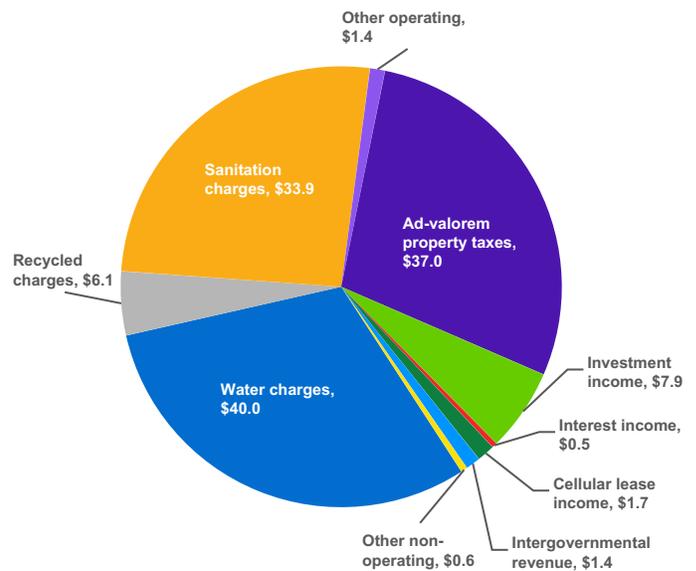
Water charges contributed the largest share of total revenues at \$40.0 million, or 31% of total revenues. The fiscal year total for water charges represented a 16.9% increase compared to the prior fiscal year amount of \$34.3 million. The increase was a result of higher water rates and higher consumption compared to prior fiscal year rates. Total consumption during the fiscal year was 9.27 million billing units, an increase of 1.03 million billing units from the prior fiscal year, primarily due to drier conditions.

Recycled water charges increased by \$1.3 million, or 27.0% over the prior fiscal year. Recycled water customers consumed 2.47 million billing units in fiscal year 2025 compared to 1.73 million billing units in the prior fiscal year. The increase in consumption was primarily due to drier conditions.

Sanitation charges increased by \$1.4 million or 4.2% over the prior fiscal year due to higher rates.

Non-operating revenues totaled \$49.2 million for the fiscal year ended, an increase of \$3.4 million or 7.5% compared to the prior fiscal year. Non-operating revenues represent approximately 38% of total revenues for the year. Ad-valorem property tax revenues is the largest portion of non-operating revenues which totaled \$37.0 million, representing an increase of 4.2% when compared to the prior fiscal year. The \$37.0 million is the largest amount of property taxes received by the District in a fiscal year and continues to serve as an important revenue stream that the District uses to offset rate revenue requirements. Also contributing to the increase in non-operating revenues was \$1.3 million higher investment income due to higher unrealized gains on investments as compared to the prior fiscal year. In addition, intergovernmental revenue increased by \$0.5 million due to grant awards for capital projects.

**Figure 2 - Revenues  
Year Ended June 30, 2025  
(\$ In Millions)**

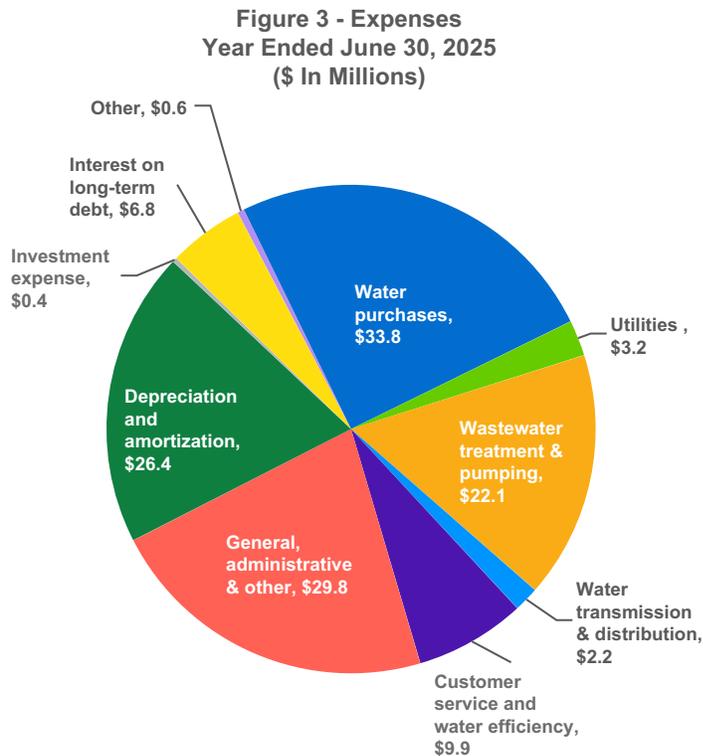


**Moulton Niguel Water District  
Management's Discussion & Analysis  
Year Ended June 30, 2025**

**Activities and Change in Net Position (Continued):**

**Expenses:**

As seen in Table 2, total expenses for the fiscal year ended June 30, 2025, increased to \$135.2 million representing an increase of \$15.8 million or 13.2% over the prior fiscal year. Operating expenses for the fiscal year amounted to \$127.5 million, an increase of \$13.9 million, or 12.2% over the fiscal year 2023-24 total.



Water purchases, wastewater treatment and pumping, and water transmission and distribution amount to 43% of total expenses for the District. Water purchases increased by \$5.1 million to \$33.8 million for the fiscal year ended, primarily due to increased cost per acre foot of water purchased. Wastewater treatment and pumping increased by \$2.7 million or 13.8% due to increased costs related to the District's participation in the South Orange County Wastewater Authority ("SOCWA") prior to its withdrawal on December 12, 2024, as discussed in more detail in Note 15 of the Notes to Financial Statements. Additionally, the costs of chemicals at the wastewater treatment plants have increased with inflation.

General, administrative and other expenses increased by \$3.2 million or 12.1% due to inflationary factors on supplies, materials and consulting costs as well as property and general liability insurance premiums. In addition, actuarially determined contributions for pension and OPEB have increased and the District recognized increased general, administrative and other expenses for the implementation of GASB Statement 101, *Compensated Absences* as discussed in Note 1.u. in the Notes to Financial Statements.

Non-operating expenses increased by \$1.9 million to \$7.8 million, representing a 33.1% increase as compared to the prior fiscal year primarily due to an increase of \$1.5 million in interest on long-term debt due to the issuance of 2025 Certificates of Participation as discussed in the long-term debt section on page 13.

**Capital Contributions:**

As noted in Table 2, capital contributions were \$0.6 million or 38.7% lower as compared to the prior fiscal year, decreasing to \$0.9 million. This decrease was mostly due to reimbursements received for capital-related work from facilities that the District jointly participates with neighboring agencies.

**Moulton Niguel Water District  
Management's Discussion & Analysis  
Year Ended June 30, 2025**

**Capital Assets:**

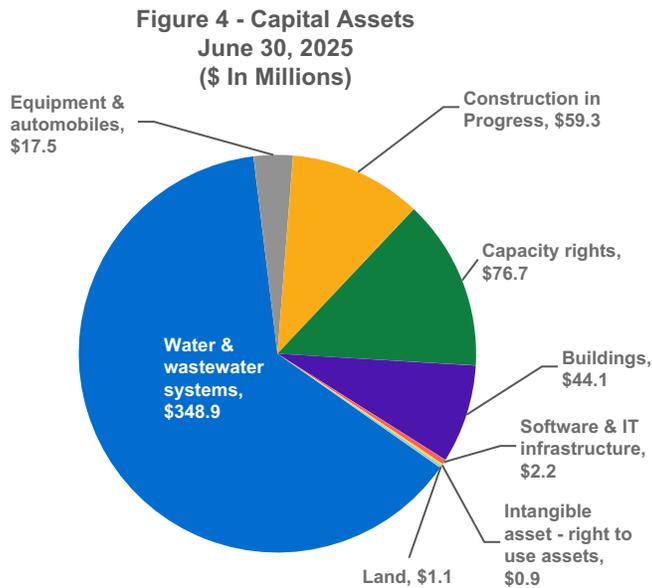
<b>Table 3 - Condensed Capital Asset Summary (In Thousands)</b>				
<i>(\$ In Thousands)</i>	Fiscal Year	Fiscal Year	Increase/(Decrease)	
	2024-25	2023-24	Amount	Percent
Water and wastewater systems	\$ 348,917	\$ 283,088	\$ 65,828	23.3 %
Capacity rights	76,666	113,910	(37,244)	-32.7 %
Buildings	44,138	45,457	(1,319)	-2.9 %
Equipment and automobiles	17,507	16,369	1,138	6.9 %
Software and information technology infrastructure	2,176	2,417	(240)	n/a
<b>Total Net Depreciable Assets</b>	<b>489,404</b>	<b>461,241</b>	<b>28,163</b>	<b>6.1 %</b>
Intangible right to use lease assets	129	2	127	5113.8 %
Intangible right to use subscription assets	737	387	349	n/a
<b>Total Intangible Assets</b>	<b>866</b>	<b>389</b>	<b>476</b>	<b>122 %</b>
Land	1,070	1,070	—	— %
Construction in Progress	59,277	33,984	25,294	74.4 %
<b>Total Non-Depreciable Assets</b>	<b>60,347</b>	<b>35,054</b>	<b>25,294</b>	<b>72.2 %</b>
<b>Capital Assets, Net</b>	<b>\$ 550,617</b>	<b>\$ 496,684</b>	<b>\$ 53,933</b>	<b>10.9 %</b>

As shown in Table 3, the District held \$550.6 million in total net capital assets as of June 30, 2025. Total net depreciable assets increased by \$28.2 million, representing a 6.1% increase, net of \$26.4 million in depreciation expense.

Water and wastewater systems are the largest individual asset type held by the District, totaling \$348.9 million, representing 63% of total capital assets at June 30, 2025 followed by capacity rights, totaling \$76.7 million or 14% of total capital assets at June 30, 2025. Water and wastewater systems increased \$65.8 million or 23.3% and capacity rights decreased by \$37.2 million or 32.7%. The primary cause of the increase in water and wastewater systems and the decrease in capacity rights relates to the acquisition of RTP by the District along with the District's formal withdrawal from SOCWA and assignment of the District's capacity rights in remaining SOCWA facilities to various SOCWA member agencies. Prior to the acquisition, the District owned capacity rights in RTP. As a result of the transfer, the District recognized an addition of \$30.5 million to water and wastewater systems and reclassified \$25.3 million in capacity rights net of accumulated depreciation to water and wastewater systems. Additionally, \$8.6 million of capacity rights net of accumulated depreciation were removed from the District's capital asset balances related to the capacity rights at the Coastal Treatment Plant that were assigned to remaining SOCWA member agencies as a result of the District's withdrawal from SOCWA. The District's capacity rights in other SOCWA facilities remain as they are being reserved exclusively for the District. More information on the District's withdrawal from SOCWA can be found in Note 15 of the Notes to Financial Statements.

**Moulton Niguel Water District  
Management's Discussion & Analysis  
Year Ended June 30, 2025**

**Capital Assets (Continued):**

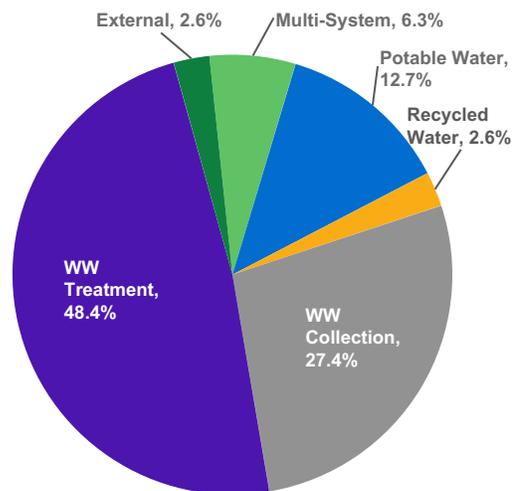


The District invested \$56.5 million in additional construction in progress expenses during the fiscal year. The projects with the largest construction in progress expenditures during the year were the Reservoir Management System Replacement Phase 4, 3A Solids Handling Facility Improvements and Lower Salada Lift Station Force Main Replacement project. These projects are part of the District's continued investment in improving water and wastewater infrastructure.

The District completed \$30.9 million in projects during fiscal year 2025 and transferred those completed assets from construction in progress to depreciable asset categories. The largest projects completed were slope stabilization at La Paz road, RTP AWT filter system improvements, Crown Valley Parkway transmission main lower reach replacement project, as well as service line replacements and valve replacements throughout the District's service area. The total completed projects added to the water and wastewater system assets was \$27.8 million which exceeded annual depreciation of \$19.5 million. As shown in Figure 5 below, the District's fiscal year 2026 Adopted Budget includes \$125.7 million in capital spending, primarily for potable water and wastewater related projects.

**Figure 5 - Adopted Budget Capital Spending**

(\$ In Thousands)	FY 2025-26
SYSTEM	Budget
Multi-System	\$ 7,925
Potable Water	16,015
Recycled Water	3,210
Wastewater Collection	34,425
Wastewater Treatment	60,839
External	3,313
<b>Total FY 2026 Adopted CIP Budget</b>	<b>\$ 125,727</b>



See Note 6 in the Notes to Financial Statements for additional details on capital asset activities.

**Moulton Niguel Water District  
Management’s Discussion & Analysis  
Year Ended June 30, 2025**

**Long-term Debt:**

As noted in Table 4 below, the District’s total long-term debt at June 30, 2025, was \$267.2 million, representing an increase of \$89.1 million, or 50.0% when compared to the prior fiscal year. The increase is due to the issuance of \$80.5 million in 2025 Certificates of Participation, and \$14.0 million promissory note for the acquisition of RTP, offset by \$4.6 million in scheduled debt service payments and \$.9 million in amortization of premiums during the fiscal year. The District’s outstanding debt is rated AAA, by both Fitch and Standard and Poor’s rating agencies. Fitch reaffirmed those ratings in February 2025. AAA is the highest rating available from both rating agencies.

<b>Table 4 - Condensed Long-Term Debt Summary (In Thousands)</b>				
	Fiscal Year	Fiscal Year	Increase/(Decrease)	
	2024-25	2023-24	Amount	Percent
Promissory Note	\$ 14,013	\$ —	\$ 14,013	n/a
Bonds Payable	53,577	56,125	(2,548)	-4.5%
Certificates of Participation (COP)	\$ 199,656	\$ 122,023	\$ 77,634	63.6%
<b>Total Long-term Debt</b>	<b>\$ 267,246</b>	<b>\$ 178,148</b>	<b>\$ 89,098</b>	<b>50.0%</b>

The District utilizes a Ten-Year Cash Flow model to forecast and plan for future debt issuances, project potential future rate adjustments, and anticipate the District’s future debt coverage ratio. Although the official debt covenants in most issuances call for a coverage ratio of 125%, the District’s Board of Directors has established a target of maintaining a coverage of 175%. This means that net revenues would exceed debt service payments on any given year by 175%. As noted in the District’s Fiscal Year 2025-2026 Budget, the District anticipates its debt coverage ratio will be over 175% for at least the next ten years.

See Note 8 in the Notes to Financial Statements for detail on long-term liabilities.

**Contacting the District**

This financial report is designed to provide the District’s elected officials, customers, investors, employees, and creditors with an assessment of the District’s financial condition and an accounting of the public’s funds. An electronic copy of the Annual Comprehensive Financial Report can be found on the District’s website, [www.mnwd.com](http://www.mnwd.com). If you have questions about this report or need additional financial information, please contact the Finance Department at Moulton Niguel Water District at (949) 831-2500.

**Moulton Niguel Water District**  
**Statement of Net Position**  
**June 30, 2025**

**Assets:**

Current:

Cash and cash equivalents	\$ 39,603,272
Accounts receivable:	
Water and sanitation charges	8,846,986
Taxes	390,601
Other accounts receivable	2,087,245
Grants receivable	871,699
Interest receivable	936,130
Leases receivable, current portion	1,220,103
Inventory	4,066,674
Prepaid items	1,124,225
Retrofit loans receivable, current portion	20,000
	<b>59,166,935</b>

Noncurrent:

Investments	89,914,336
Restricted cash and investments with fiscal agent	45,140,426
Retrofit loans receivable, noncurrent portion	382,368
Prepaid water purchases	2,512,000
Leases receivable, noncurrent portion	9,350,815
Regulated assets - net of accumulated amortization	4,675,762
Capital assets - net of accumulated depreciation	489,403,447
Capital assets, intangible right to use lease assets	128,989
Capital assets, intangible right to use subscription assets	736,545
Capital assets not being depreciated:	
Land	1,070,126
Construction in progress	59,277,426
	<b>702,592,240</b>

<b>Total Assets</b>	<b>761,759,175</b>
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**Deferred Outflows of Resources:**

Deferred outflows of resources related to pension	10,623,610
Deferred outflows of resources related to OPEB	1,111,253
	<b>11,734,863</b>

<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 773,494,038</b>
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*See Accompanying Notes to Basic Financial Statements.*

**Moulton Niguel Water District**  
**Statement of Net Position**  
**June 30, 2025**

**Liabilities:**

Current:

Accounts payable	\$ 26,345,358
Interest payable	3,053,679
Compensated absences, current portion	2,281,108
Lease liabilities, current portion	40,796
Subscription liabilities, current portion	353,980
Current portion of long-term debt:	
Promissory note	6,926,972
Bonds payable	2,648,120
Certificates of participation	3,779,114
<b>Total Current Liabilities</b>	<b><u>45,429,127</u></b>

Long-term Liabilities:

Compensated absences, noncurrent portion	1,115,780
Long-term debt:	
Promissory note	7,085,861
Bonds payable	50,928,839
Certificates of participation	195,877,099
Net pension liability	31,765,715
Net OPEB liability	553,084
Lease liabilities, noncurrent portion	88,412
Subscription liabilities, noncurrent portion	205,854
<b>Total Long-term Liabilities</b>	<b><u>287,620,644</u></b>

**Total Liabilities**

**333,049,771**

**Deferred Inflows of Resources:**

Deferred inflows of resources related to pension	276,269
Deferred inflows of resources related to OPEB	244,966
Deferred inflows of resources related to leases	10,570,918
<b>Total Deferred Inflows of Resources</b>	<b><u>11,092,153</u></b>

**Net Position:**

Net investment in capital assets	317,603,685
Restricted for capital projects	80,700
Unrestricted	111,667,729
<b>Total Net Position</b>	<b><u>429,352,114</u></b>

**Total Liabilities, Deferred Inflows of Resources, and Net Position**

**\$ 773,494,038**

*See Accompanying Notes to Basic Financial Statements.*



**Moulton Niguel Water District**  
**Statement of Revenues, Expenses, and Change in Net Position**  
**Fiscal Year Ended June 30, 2025**

<b>Operating Revenues:</b>	
Water charges	\$ 40,036,891
Recycled charges	6,122,280
Sanitation charges	33,916,254
Other	1,439,951
<b>Total Operating Revenues</b>	<b>81,515,376</b>
<b>Operating Expenses:</b>	
Source of supply:	
Water purchases	33,765,252
Utilities	3,205,519
Pumping water	2,081,746
Wastewater treatment	20,015,723
Water transmission and distribution	2,242,284
Customer service	4,305,058
Water efficiency	5,603,596
General, administrative, and other	29,807,946
Amortization:	
Right to use lease assets	7,872
Right to use subscription assets	400,258
Regulated assets	303,442
Depreciation	25,727,827
<b>Total Operating Expenses</b>	<b>127,466,523</b>
<b>Operating Loss</b>	<b>(45,951,147)</b>
<b>Non-Operating Revenues (Expenses):</b>	
Investment income, net	7,141,289
Investment income - restricted, net	382,571
Interest income - leases	491,772
Property tax revenue	37,029,977
Interest expense	(6,768,845)
Intergovernmental revenue	1,415,933
Cellular lease and license income	1,717,299
Other non-operating revenues	613,432
Other non-operating expenses	(584,234)
<b>Total Non-Operating Revenues, Net</b>	<b>41,439,194</b>
<b>Loss Before Capital Contributions</b>	<b>(4,511,953)</b>
<b>Capital Contributions:</b>	
Developer donated capital facilities	649,290
Capacity fees	74,133
Other contributions	202,038
<b>Total Capital Contributions</b>	<b>925,461</b>
<b>Change in Net Position</b>	<b>(3,586,492)</b>
<b>Net Position, Beginning of Fiscal Year, as Restated (Note 1.u.)</b>	432,938,606
<b>Net Position, End of Fiscal Year</b>	<b>\$ 429,352,114</b>

*See Accompanying Notes to Basic Financial Statements.*

**Moulton Niguel Water District  
Statement of Cash Flows  
Fiscal Year Ended June 30, 2025**

<b>Cash Flows from Operating Activities:</b>	
Cash received from customers	\$ 80,639,333
Cash paid to suppliers	(84,154,894)
Cash paid to employees	(21,966,687)
<b>Net Cash Used by Operating Activities</b>	<b><u>(25,482,248)</u></b>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Cash received from property taxes	<u>37,066,723</u>
<b>Net Cash Provided by Non-Capital Financing Activities</b>	<b><u>37,066,723</u></b>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Acquisition and construction of capital assets	(51,756,339)
Acquisition and construction of regulated assets	(969,470)
Proceeds from capital debt	80,548,444
Capital contributions	276,171
Principal payments on long-term debt	(4,580,000)
Interest payments on long-term debt	(6,597,884)
Lease payments	(8,189)
Subscription payments	(559,312)
Intergovernmental revenue	667,910
Proceeds from the sale of assets	280,592
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b><u>17,301,923</u></b>
<b>Cash Flows From Investing Activities:</b>	
Investment earnings received	4,116,436
Repayments of notes receivable	18,666
Lease receipts	1,715,138
Proceeds from sales and maturities of investments	78,774,311
Purchases of investments	(113,335,606)
<b>Net Cash Used by Investing Activities</b>	<b><u>(28,711,055)</u></b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>175,343</b>
Cash and Cash Equivalents, Beginning of Year	<u>39,952,149</u>
<b>Cash and Cash Equivalents, End of Year</b>	<b><u>\$ 40,127,492</u></b>

*See Accompanying Notes to Basic Financial Statements.*

**Moulton Niguel Water District  
Statement of Cash Flows  
Fiscal Year Ended June 30, 2025**

**Reconciliation of Operating Loss to Net Cash Used by Operating Activities:**

Operating Loss	<u>\$ (45,951,147)</u>
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**Adjustment to Reconcile Operating Loss to Net Cash Used by Operating Activities:**

Depreciation	25,727,827
Amortization of right to use lease assets	7,872
Amortization of right to use subscription assets	400,258
Amortization of regulated assets	303,442
Other non-operating revenue	339,176
Other non-operating expense	(584,233)
Changes in assets, liabilities, deferred outflows and deferred inflows:	
Increase in accounts receivable, water and sanitation	(482,708)
Increase in accounts receivable, other	(148,277)
Increase in inventory	(751,280)
Increase in prepaid items	(569,887)
Increase in prepaid water purchases	(2,512,000)
Decrease in accounts payable	(4,020,856)
Increase in compensated absences	934,870
Decrease in net pension liability	(154,726)
Decrease in net OPEB liability	(358,540)
Decrease in pension related deferred outflows of resources	2,643,082
Decrease in OPEB related to deferred outflows of resources	193,468
Decrease in pension related deferred inflows of resources	(437,925)
Decrease in OPEB related deferred inflows of resources	<u>(60,664)</u>

<b>Net Cash Used by Operating Activities</b>	<u><u>\$ (25,482,248)</u></u>
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**Non-cash Investing, Capital, and Financing Activities:**

Unrealized loss on investments	\$ 3,863,659
Developer donated capital facilities	649,290
Amortization of premiums	(882,917)
Capital assets in accounts payable	12,772,070
Acquisition of capital through promissory note payable	14,012,833
Exchange of capacity rights for Regional Treatment Plant	8,998,771
Acquisition of assets through leases	134,387
Acquisition of assets through subscriptions	749,458

*See Accompanying Notes to Basic Financial Statements.*



**moulton niguel** water district

## Moulton Niguel Water District

### Notes to Financial Statements June 30, 2025

#### Note 1: Organization and Summary of Significant Accounting Policies

The accounting principles of the Moulton Niguel Water District ("District") conform to generally accepted accounting principles ("GAAP") applicable to governmental-type organizations. The following is a summary of the District's significant accounting policies.

##### a. Description of the Reporting Entity

The District was established on November 16, 1960, under the provisions of the California Water District Law, Division 13 of the Water Code. The District provides water and collects, treats, and recycles wastewater to the communities of Aliso Viejo, Laguna Niguel, Laguna Hills, Mission Viejo, Dana Point and San Juan Capistrano. The District is governed by a seven-member Board of Directors.

For financial reporting purposes, the District includes all funds that are controlled by, or dependent on, the District's Board of Directors. Management has determined that the District is a single enterprise fund reporting unit for financial reporting purposes by applying the criteria set forth in the Governmental Accounting Standards Board ("GASB") Statement No. 14, *The Financial Reporting Entity*, as amended ("GASB 14"). This criteria requires the reporting entity to have a separate elected governing body, that it be a legal separate entity, and fiscally independent.

##### b. Basis of Accounting

The District reports its activities as an enterprise fund. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. The District uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred.

Enterprise funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal operations. The principal operating revenues of the District consist of water, recycled water, and sanitation charges. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

##### c. MNWD Public Facilities Corporation

The MNWD Public Facilities Corporation ("Corporation") was incorporated as a California Non-profit Public Facilities Corporation on October 12, 1993, and has received tax-exempt status from the Internal Revenue Service and California Franchise Tax Board.

## Moulton Niguel Water District

### Notes to Financial Statements (Continued) June 30, 2025

#### Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The Corporation was formed for the purpose of providing financing through the issuance of certificates of participation to construct the District's infrastructure necessary to provide water, wastewater, and recycled water services to existing and future customers within the District. Members of the Board of Directors of the District act as the Corporation's governing board and exert significant influence over its operations. Separate financial statements are prepared for the Corporation. To obtain complete financial information from the Corporation, please contact the District at 26161 Gordon Road, Laguna Hills, Ca, 92653, or via telephone at (949) 831-2500.

The criteria used in determining the scope of the reporting entity are based on the provisions of GASB 14. Certain organizations warrant inclusion as part of the financial reporting entity because of the nature and significance of its relationship with the District. In accordance with GASB 14, a component unit should be included in the reporting entity financial statements using the blending method in any of these circumstances:

- i. The component unit's governing body is substantively the same as the governing body of the primary government and (1) there is a financial benefit or burden relationship between the primary government and the component unit, or (2) management of the primary government has operational responsibility for the component unit. Management of a primary government has operational responsibility for a component unit if it manages the activities of the component unit in essentially the same manner in which it manages its own programs, departments, or agencies.
- ii. The component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it. Usually the services provided by a blended component unit are financing services provided solely to the primary government.
- iii. The component unit's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the primary government. Repayment generally occurs through a continuing pledge and appropriation by the primary government to the component unit that, in turn, pledges those appropriation payments as the primary source of repayment for its debt.

Because the Corporation meets the requirements in circumstances i, ii, and iii, the Corporation has been reported as a blended component unit. In accordance with GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - An Amendment of GASB Statement No. 14 and No. 34* ("GASB 61"), as amended, condensed financial information is reported in Note 12.

#### d. Property Taxes

The District is authorized to levy taxes on all taxable property within its boundaries for the purposes of carrying on its operations and paying its obligations, subject to certain limitations in the Water Code, the Revenue and Taxation Code, and the California Constitution. Historically, a portion of the taxes were levied to meet the District's debt service requirements on its general obligation bonds which have been paid off since fiscal year 2020.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**

**June 30, 2025**

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

Property taxes are levied annually as of July 1, using a lien date of January 1, and are payable by property owners in two equal installments, which are due by December 10 and April 10. The taxes levied are billed and collected by the County of Orange and remitted to the District throughout the year.

**e. Accounts Receivable**

The District extends credit to customers in the normal course of operations. Management evaluates all accounts receivable and if it is determined that they are uncollectible, they are written off as bad debt expense. Charges of \$76,365 were written off for the year ended June 30, 2025.

**f. Inventory, Prepaid Items and Prepaid Water Purchases**

Inventory consists of meters, meter components and operating supplies. Inventory is valued at cost on a first-in, first-out method.

Certain payments to vendors, primarily related to services, reflect costs applicable to future accounting periods and are initially recorded as prepaid expenses and expensed through the lifetime of the agreement.

During fiscal year 2025, the District participated in Metropolitan Water District of Southern California's (MWDSC) Reverse Cyclic Program which resulted in the purchase of 2,000 acre-feet of imported water to be delivered at a later date but paid for in advance of delivery at current rates for imported water. As a result, the District recorded prepaid water purchases of \$2,512,000. MWDSC may elect to deliver water between fiscal year 2025 and fiscal year 2030. At June 30, 2025, none of the prepaid imported water had been delivered to Moulton Niguel and the balance of prepaid water purchases remains at \$2,512,000 at June 30, 2025.

**g. Capital Assets**

Capital assets are valued at cost where historical records are available, and at an estimated historical cost where no historical records exist. Donated assets are valued at their acquisition value on the date received. The District capitalizes all assets with a historical cost of at least \$3,000 and a useful life of at least five years. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are expensed. The District also records the value of intangible right to use assets based on the underlying leased asset or subscription asset in accordance with GASB Statement No. 87, *Leases* ("GASB 87") and GASB Statement No. 96, *Subscription Based Information Technology Arrangements* ("GASB 96"), respectively. The intangible right to use assets is amortized each year for the term of the contract.

Depreciation for capital assets is computed utilizing the straight-line method over the following estimated useful lives:

Water and wastewater systems	10 to 75 years
Capacity rights	10 to 99 years
Buildings	5 to 40 years
Automobiles and equipment	5 to 20 years
Software and information technology infrastructure	5 to 15 years

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**

**June 30, 2025**

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**h. Regulated Assets**

Regulated assets are created by deferring certain expenses that are recoverable by future rate charges in accordance with the District's rate ordinance. To be considered a regulated asset, expenses must meet the following criteria:

- 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

Amortization is computed utilizing the straight-line method to match the associated revenues and expenses:

Potable regulated assets	15 to 25 years
Wastewater regulated assets	15 to 25 years

**i. Water, Recycled Water and Sanitation Charges**

Sales of water, recycled water and sanitation services provided to customers are billed on a monthly, cyclical basis; respective revenues are recognized as operating revenues of the District when they are earned.

**j. Compensated Absences**

It is the District's policy to permit employees to accrue vacation leave up to 200% of their annual vacation accrual. Vacation accrual schedules vary depending on length of employment and begin on the date of regular full-time employment. Once employees reach the maximum accrual limit, they cease to accrue vacation until vacation is reduced to an amount below the limit. Employees are eligible to be compensated in cash for up to a maximum of their annual vacation accrual, upon meeting certain criteria.

All regular full-time employees are eligible to accrue 96 hours of sick leave per year from the date of employment. Prior to December 31 of each year, employees who have accumulated more than 176 hours of sick leave are eligible to receive compensation equal to 75% of the amount over 176 hours.

Upon separation from employment, the District pays employees 100% of vacation leave accrued but not taken. In addition, employees who worked for the District between ten and fifteen consecutive years will receive 50% of sick leave accrued but not taken while employees who worked for the District between fifteen and twenty consecutive years will receive 75% of sick leave accrued but not taken. Employees who have worked for the District for twenty or more consecutive years will receive 100% of sick leave accrued but not taken.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**

**June 30, 2025**

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**j. Compensated Absences (Continued)**

Liabilities for compensated absences are recognized for leave attributable to past services that accumulates and is more likely than not to be used for time off or otherwise paid/settled; the liability is measured at current pay rates plus directly and incrementally associated salary-related payments. Certain leave types (e.g., parental, military, jury duty, holidays) are recognized only when the leave commences. All accrued vacation and sick leave pay are recorded as an expense and a liability at the time the benefit is earned.

**k. Cash and Cash Equivalents**

For the purposes of the *Statement of Cash Flows*, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash, or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates and have an original maturity date of three months or less. Investments held by fiscal agent are classified as non-current assets regardless of the maturity date. These investments are typically held as a covenant for long-term debt service and therefore, continually re-invested and held until the maturity of the debt service obligation. Cash and cash equivalents in the *Statement of Cash Flows* also includes restricted cash balances held in escrow accounts.

**l. Investments**

Investment income includes interest earnings, changes in fair value (unrealized gains or losses) and realized gains or losses upon the liquidation or sale of investments.

**m. Fair Value Measurement**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**n. Net Pension Liability**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the pension plan fiduciary net position and additions to/deductions from the pension plan fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**

**June 30, 2025**

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**n. Net Pension Liability (Continued)**

GAAP requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023, to June 30, 2024

**o. Net OPEB Liability**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GAAP requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	January 1, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023, to June 30, 2024

**p. Leases**

The District recognizes a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease, or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset is measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs.

The District recognizes a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. The District continues recognizing the asset underlying the lease. The lease receivable should be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources is measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)  
June 30, 2025**

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**q. Subscription Based Information Technology Arrangements (SBITAs)**

The District recognizes an intangible right to use subscription assets and a corresponding subscription liability at commencement of the subscription term, which is when the subscription is placed into service.

The subscription liability is initially measured at the present value of the subscriptions payments expected to be made during the subscription term. Future subscription payments are discounted using the District's incremental borrowing rate. The District recognizes amortization of the discount on the subscription liability as an outflow of resources.

The subscription asset is initially measured as the sum of (1) the initial subscription liability; (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before commencement of the subscription term. The District recognizes amortization of the subscription asset as an outflow of resources over the subscription term.

**r. Deferred Outflows and Inflows of Resources**

In addition to assets, the *Statement of Net Position* reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the *Statement of Net Position* reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as inflow of resources in the period that the amounts become applicable.

**s. Net Position**

Net position of the District is categorized as net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets represent the capitalized cost of capital assets, net of depreciation and the related outstanding debt balances or other capital related liabilities, including related deferred outflows of resources. Additionally, the District includes the right to use lease assets, right to use subscription assets and regulated asset balances in this balance. Refer to Note 16 for additional information.

Restricted net position represents net position that is constrained by externally imposed requirements of creditors (such as through debt covenants), laws or regulations of other governments or by law, through constitutional provisions or enabling legislation. Refer to Note 17 for additional information.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 1: Organization and Summary of Significant Accounting Policies (Continued)**

**s. Net Position (Continued)**

All net position not categorized as net investment in capital assets or restricted are included in unrestricted net position, including amounts reserved in accordance with designations by the Board of Directors included in Note 18.

**t. Use of Estimates**

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**u. New Accounting Pronouncements**

In fiscal year 2025, the District implemented GASB Statement No. 101, *Compensated Absences* (GASB 101). This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. To comply with this standard, the District recalculated its compensated absences for fiscal year 2023-24 resulting in an increase of \$245,318 in vacation pay liability and an increase of \$418,393 in sick pay liability for a total increase in compensated absences of \$663,711 for fiscal year 2023-24. Of the total increase in compensated absences, \$195,516 was accounted for in the accounts payable balance in fiscal year 2023-24, leaving a restatement to beginning net position of and \$468,195 in fiscal year 2024-25.

The District is currently evaluating its accounting practices to determine potential impact on the financials for the following GASB Statements that are effective in a future fiscal year:

- GASB Statement No. 103, *Financial Reporting Model Improvements* (effective for fiscal year 2026); and
- GASB Statement No. 104, *Disclosure of Certain Capital Assets* (effective for fiscal year 2026).

The following pronouncement issued by GASB was determined to not have a significant impact to the District's financial statements:

- GASB Statement No. 102, *Certain Risk Disclosures* (effective for fiscal year 2025).

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**

**June 30, 2025**

**Note 2: Cash and Investments**

Cash and Investments are classified in the accompanying Statement of Net Position as follows at June 30, 2025:

Cash and Cash Equivalents:		
Cash and Investments, Current	\$	39,603,272
Restricted Cash in Escrow		<u>524,220</u>
Total Cash and Cash Equivalents	\$	40,127,492
Investments, Non-Current		89,914,336
Restricted Cash and Investments		<u>44,616,206</u>
Total Cash and Investments	\$	<u><u>174,658,034</u></u>

Cash and Investments held by the District at June 30, 2025, consisted of the following:

Cash:		
Petty Cash on Hand	\$	2,936
Deposits with Financial Institutions		<u>2,204,841</u>
Total Cash	\$	2,207,777
Investments		<u>172,450,257</u>
Total Cash and Investments	\$	<u><u>174,658,034</u></u>

Investments Authorized by the California Government Code and the District's Investment Policy

The following table identifies the investment types that are authorized for the District by the California Government Code and the District's investment policy. The table also identifies certain provisions of the California Government Code (or the District's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk.

The table on the next page, does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy:

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 2: Cash and Investments (Continued)**

	Maximum Maturity <sup>1</sup>	Maximum Percentage of Portfolio <sup>1</sup>	Maximum Investment in One Issuer <sup>1</sup>
Municipal Securities	10 years <sup>2</sup>	30%	5%
U.S. Treasury Obligations	10 years <sup>2</sup>	None	None
Federal Agency Securities	10 years <sup>2</sup>	None	25%
Bankers Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit (CDs)	5 years	30%	5%
Federally Insured Time Deposits	5 years	20%	FDIC Max
Collateralized Bank and Time Deposits	5 years	20%	None
Repurchase Agreements	1 year	None	None
Corporate Medium-Term Notes	5 years	30%	5%
Mutual Funds <sup>3</sup>	N/A	20%	10%
Money Market Mutual Funds <sup>3</sup>	N/A	20%	None
Asset Backed and Mortgage Backed Securities	5 years	20%	5%
Local Agency Investment Fund (LAIF)	N/A	\$75M	None
Local Government Investment Pools	N/A	None <sup>4</sup>	None
Supranationals	5 years	30%	10%

<sup>1</sup>Based on state law requirements or investment policy requirements, whichever is more restrictive, except for maturities in excess of 5 years, as described below.

<sup>2</sup>5 years for the limited maturity fund, up to 10 years and a maximum of 40% exceeding 5 years for the operating reserve fund, as allowed by the investment policy.

<sup>3</sup>Government code allows a combined total of 20% between mutual funds and money market mutual funds.

<sup>4</sup>The District may invest up to the maximum amount permitted by the investment pool.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

The table below identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk:

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
Federal Agency Securities	None	None	None
Bankers Acceptances	360 days	None	None
Municipal Obligations	None	None	None
Money Market Mutual Funds	120 days	None	None
Investment Agreements	None	None	None
LAIF	None	None	None

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 2: Cash and Investments (Continued)**

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk attributable to changes in market interest rates that will adversely affect the fair value of an investment. Generally, investments with longer maturities have greater sensitivity to fair value when market interest rates fluctuate. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

Investment Type	Total	12 Months or Less	13 to 36 Months	37 to 60 Months	More Than 60 Months
U.S. Treasury - Notes	\$ 52,419,423	\$ 19,000,000	\$ 7,182,707	\$ 8,544,184	\$ 17,692,532
Federal Agency Securities	25,408,216	689,046	5,832,890	8,762,772	10,123,508
Municipal Securities	2,564,210	—	—	—	2,564,210
Corporate Notes	24,719,853	2,772,842	6,934,508	15,012,503	—
LAIF	14,622,492	14,622,492	—	—	—
Asset Backed Securities	4,630,703	—	136,827	4,493,876	—
Money Market Fund	591,817	591,817	—	—	—
Supranational	2,877,336	852,836	—	2,024,500	—
Held by Fiscal Agent					
Money Market Fund	44,616,207	44,616,207	—	—	—
Total Investments	<u>\$ 172,450,257</u>	<u>\$ 83,145,240</u>	<u>\$ 20,086,932</u>	<u>\$ 38,837,835</u>	<u>\$ 30,380,250</u>

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 2: Cash and Investments (Continued)**

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following table shows the minimum rating required (where applicable) by the California Government Code, the District's investment policy or debt agreements, and the actual rating from Moody's rating agency (or another Nationally Recognized Statistical Ratings Organization if Moody's rating is unavailable) as of year-end for each investment type:

Investment Type	Total	Minimum Applicable Rating <sup>1</sup>	Ratings as of Year-End			
			AAA	AA	A	Not Rated <sup>2</sup>
U.S. Treasury - Notes	\$ 52,419,423	N/A	\$ —	\$ —	\$ —	\$ 52,419,423
Federal Agency Securities	25,408,216	N/A	4,621,206	20,787,010	—	—
Municipal Securities	2,564,210	A	—	2,564,210	—	—
Corporate Notes	24,719,853	A	—	7,117,933	17,601,920	—
LAIF	14,622,492	N/A	—	—	—	14,622,492
Asset Backed Securities	4,630,703	AA	4,630,703	—	—	—
Money Market Fund	591,817	N/A	591,817	—	—	—
Supranational	2,877,336	AA	2,877,336	—	—	—
Held by Fiscal Agent						
Money Market Fund	44,616,207	N/A	44,616,207	—	—	—
<b>Total Investments</b>	<u>\$ 172,450,257</u>		<u>\$ 57,337,269</u>	<u>\$ 30,469,153</u>	<u>\$ 17,601,920</u>	<u>\$ 67,041,915</u>

<sup>1</sup>Minimum legal rating required according to California Government Code or Investment Policy.

<sup>2</sup>Obligations of the U.S. Government or those explicitly guaranteed by the U.S. Government are exempt from disclosure requirements.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code or the District's Investment Policy. Investments in any one issuer (excluding U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments are as follows:

Issuer Name	Year-end Balance	Percent
LAIF	\$ 14,622,492	11.4 %
Federal Home Loan Mortgage Corp	14,007,212	11.0 %
Federal Home Loan Bank	6,399,400	5.0 %

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 2: Cash and Investments (Continued)**

Disclosures Relating to Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The District had the following recurring fair value measurements as of June 30, 2025:

Investment Type	Total	Significant Other Observable Inputs (Level 2)
U.S. Treasury - Notes	\$ 52,419,423	\$ 52,419,423
Federal Agency Securities	25,408,216	25,408,216
Municipal Securities	2,564,210	2,564,210
Corporate Notes	24,719,853	24,719,853
Asset Backed Securities	4,630,703	4,630,703
Supranational	2,877,336	2,877,336
Total Investments by Fair Value Level	112,619,741	\$ 112,619,741
Investments Not Subject to Fair Value Level:		
Money Market Funds	591,817	
LAIF	14,622,492	
Held by Fiscal Agent - Money Market Funds	44,616,207	
Total Investment Not Subject to Fair Value Level	59,830,516	
Total Investments	\$ 172,450,257	

Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing model and evaluated based on various market and industry inputs. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The State Investment Pool, Local Agency Investment Fund ("LAIF"), is managed by the State Treasurer, and by law is regulated by the California Government Code. Deposits and withdrawals in LAIF are made on the basis of \$1 and not fair value. Accordingly, the District's investments in LAIF at June 30, 2025, of \$14,622,492 is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input. The money market funds held by the District are measured at amortized cost and are listed as uncategorized.

## Moulton Niguel Water District

### Notes to Financial Statements (Continued)

June 30, 2025

#### Note 2: Cash and Investments (Continued)

##### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment, or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy limits custodial credit risk by requiring that financial institutions secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. For investments, the District's portfolio is held in safekeeping in the District's name by a third-party bank trust department, acting as agent for the District, under the terms of a custody agreement. The District Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

##### State Treasurer's Investment Pool

The District is a voluntary participant in the LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

##### Investment Earnings

The calculation of realized gains and losses is independent of the calculation of the change in the fair value of investments and as a result, realized gains and losses of the current period include unrealized amounts from prior periods. Investment earnings consisted of the following for the year ended June 30, 2025:

Investment income, net	\$	3,660,201
Unrealized gain, net		3,863,659
Total investment income, net	\$	<u>7,523,860</u>
Investment income - unrestricted, net	\$	7,141,289
Investment income - restricted, net		382,571
Total investment income, net	\$	<u>7,523,860</u>

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**

**June 30, 2025**

**Note 3: Retrofit Loans**

In November 1996, the Board adopted Resolution 96-26, allowing for qualifying non-profit entities and public agency applicants to obtain a loan through the District to finance the cost for on-site recycled water retrofits of the applicant’s irrigation system. The program offers incentive to customers who would otherwise have difficulties financing the cost of the recycled water retrofits. As of the end of the fiscal year, the District has 40 loans outstanding totaling \$402,368 which includes both principal and interest. The re-payment of the loan agreement is structured based on a volumetric consumption amount of recycled water at \$0.25 a billing unit per month. Since re-payment is based on usage, it is difficult to provide a structured repayment schedule. On average, the District receives approximately \$20,000 a year towards the principal and interest portion of the loan.

Most of the loans are re-paid within 10 years with the balance of the loans to be repaid within 30+ years from the date of the agreement.

**Note 4: Leases**

The District has several leasing arrangements, summarized below:

**Lessee:**

The District entered into an agreement to lease a postage machine for sixty months, beginning January 2020. Under the terms of the lease, the District paid \$424 per month over the life of the agreement including principal and interest payments using an incremental discount rate of 1.0060% based on the true interest cost for its most recent debt issuance for the same time period. The lease terminated December 2024. In January 2025, the District entered into a new agreement to lease a postage machine for sixty months. Under the terms of the agreement, the District makes quarterly payments of \$1,221 including principal and interest payments using an incremental discount rate of 2.2920% based on the true interest cost for its most recent debt issuance for the same time period. The lease expires December 2029.

The District also entered into an agreement for printers for thirty six months beginning June 2025. Under the terms of the agreement, the District makes monthly payments of \$3,204 including principal and interest payments using an incremental discount rate of 2.2767% based on the true interest cost for its most recent debt issuance for the same time period. The lease expires May 2028.

At June 30, 2025, the District has recognized right to use assets of \$128,989 and amortized the right to use assets as follows during the fiscal year:

Lessee activities	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Right to use assets				
Mail postage machine	\$ 2,474	\$ 23,012	\$ (4,776)	\$ 20,710
Printers and copiers	—	111,375	(3,096)	108,279
Total, right to use assets	<u>\$ 2,474</u>	<u>\$ 134,387</u>	<u>\$ (7,872)</u>	<u>\$ 128,989</u>

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 4: Leases (Continued)**

**Lessee (Continued):**

At June 30, 2025, the District made principal payments of \$7,709 and interest payments of \$477 related to these agreements and has recognized lease liabilities of \$129,208, as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Lease liabilities	\$ 2,534	\$ 134,383	\$ (7,709)	\$ 129,208

Remaining obligations associated with these leases are as follows:

Fiscal Year Ended June 30,	Principal	Interest
2026	\$ 40,796	\$ 2,530
2027	41,736	1,591
2028	39,493	630
2029	4,761	124
2030	2,422	21
Total	<u>\$ 129,208</u>	<u>\$ 4,896</u>

**Lessor:**

The District licenses (leases) a portion of its facilities for cellular tower antenna sites. These licenses are non-cancelable for a period of 10 years, with one renewal period of 5 years. The District believes the licensees will exercise the renewal option with reasonable certainty. The agreements allow for 3.0% – 4.0% annual increases to the license payments. At termination, lessees must remove all equipment and restore the site to its original state or the lessee will continue to incur monthly charges. During the fiscal year, the District recognized \$1,717,299 in cellular lease revenue which includes \$556,013 related to decommissioning fees or continued monthly charges for failure to restore the site to its original state. The District also recognized \$902,424 in terminations and \$491,772 in interest income related to these agreements. At June 30, 2025, the District recorded \$10,570,918 in lease receivables and \$10,570,918 in deferred inflows of resources for these arrangements. The District used an interest rate of between 3.64%, 3.79%, 4.96%, and 6.04% based on the rates available to finance real estate or machinery and equipment over the same time periods.

A summary of the leases receivable activity during the year ended June 30, 2025 was as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Leases receivable	\$ 12,634,628	\$ —	\$ (2,063,710)	\$ 10,570,918

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 4: Leases (Continued)**

**Lessor (Continued):**

Remaining amounts to be received associated with these leases are as follows:

Fiscal Year Ended June 30	Lease Revenue
2026	\$ 1,220,103
2027	1,337,244
2028	1,462,030
2029	1,594,903
2030	1,773,710
2031-2035	2,449,495
2036-2038	733,433
Total	<u>\$ 10,570,918</u>

A summary of the deferred inflow of resources activity during the year ended June 30, 2025 was as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Deferred inflows related to leases	\$ 12,636,789	\$ —	\$ (2,065,871)	\$ 10,570,918

During the fiscal year, none of the deletions to deferred inflows of resources related to leases were due to renewals or modifications. Further, \$902,424 of the deletions of deferred items related to leases was a result of lease termination.

**Note 5: Subscription Based Information Technology Arrangements (SBITAs)**

The District has several SBITAs, summarized below:

A. The District entered into a subscription agreement for software and cloud services including use of Amazon Web Services cloud platform. The subscription was entered into in March 2022 and terminates February 2026. Under the terms of the subscription, the District is billed based on consumption but at a minimum, pays \$14,642 per month for these services. The calculation of the right to use subscription asset and the subscription liability is based on the fixed minimum cost per month and excludes the variable consumption costs, as well as, additional fees for support and monitoring services. At July 1, 2022, the District recognized a right to use subscription asset of \$641,442 and a subscription liability for the same amount. During the fiscal year, the District recorded \$174,938 in amortization expense and \$519 in interest expense for the right to use the software and cloud platform. The District used an incremental borrowing rate of .2450%, based on the true interest cost for its most recent debt issuance for the same time periods. At June 30, 2025, the District has recognized a right to use subscription asset of \$116,626 net of accumulated amortization and a subscription liability of \$117,031 related to this agreement.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**

**June 30, 2025**

**Note 5: Subscription Based Information Technology Arrangements (SBITAs) (Continued)**

- B. The District entered into a subscription agreement to use a software for fuel tank level monitoring and compliance reporting beginning November 2021 and terminating November 2024. Under the terms of the subscription, the District paid \$21,564 at commencement of the subscription. At July 1, 2022, the District recognized a right to use subscription asset of \$17,367. There was no liability recognized as the balance was prepaid at commencement. During the fiscal year, the District recorded \$2,995 in amortization expense for the right to use the software. The District used an incremental discount rate of .197%, based on the true interest cost for its most recent debt issuance for the same time periods.
- C. The District entered into a subscription agreement to use a software for accounts payable automation beginning April 2024 and terminating April 2025 with two optional one-year extensions which the District believes it will renew with reasonable certainty. Under the terms of the subscription, the District pays \$31,800 in subscription payments which increases by a CPI factor not to exceed 6% at each annual renewal. In April 2024, the District recognized a right to use subscription asset of \$101,221 and a subscription liability for the same amount. In September 2024, the District recognized additional software customization costs of \$112,872. During the fiscal year, the District recorded \$69,013 in amortization expense for the right to use the accounts payable automation software. The District used an incremental borrowing rate of .197%, based on the true interest cost for its most recent debt issuance for the same time periods. At June 30, 2025, the District has recognized a right to use subscription asset of \$136,645 net of accumulated amortization and a subscription liability of \$35,725 related to this agreement.
- D. The District entered into a subscription agreement to use a geographic information system software beginning July 2024 and terminating August 2025. Under the terms of the subscription, the District paid \$16,865 at commencement of the subscription and recognized a right to use subscription asset and subscription liability for the same amount. During the fiscal year, the District recorded \$14,456 in amortization expense for the right to use the software. The District used an incremental discount rate of 2.270%, based on the true interest cost for its most recent debt issuance for the same time periods. At June 30, 2025, the District has recognized a right to use subscription asset of \$2,409 net of accumulated amortization and there was no remaining subscription liability as the balance was paid at commencement.
- E. The District entered into a subscription agreement for Microsoft products beginning January 2025 and terminating December 2027. Under the terms of the subscription, the District pays \$132,746 at the beginning of each year over the life of the agreement. At January 1, 2025, the District recognized a right to use subscription asset of \$387,859 and a subscription liability for the same amount. During the fiscal year, the District recorded \$64,643 in amortization expense and \$3,932 in interest expense for the right to use the Microsoft products. The District used an incremental borrowing rate of 2.277%, based on the true interest cost for its most recent debt issuance for the same time periods. At June 30, 2025, the District has recognized a right to use subscription asset of \$323,216 net of accumulated amortization and a subscription liability of \$259,046 related to this agreement.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 5: Subscription Based Information Technology Arrangements (SBITAs) (Continued)**

- F. The District entered into a subscription agreement to use a software that provides critical monitoring and alarm notification capabilities beginning April 2025 and terminating March 2028. Under the terms of the subscription, the District paid \$12,300 at commencement of the subscription. At April 1, 2025, the District recognized a right to use subscription asset of \$12,300 and a subscription liability for the same amount. During the fiscal year, the District recorded \$1,025 in amortization expense for the right to use the software. The District used an incremental discount rate of 2.277%, based on the true interest cost for its most recent debt issuance for the same time periods. At June 30, 2025, the District has recognized a right to use subscription asset of \$11,275 net of accumulated amortization and there was no remaining subscription liability as the balance was paid at commencement.
- G. The District entered into a subscription agreement to use a compliance software for utilities beginning July 2024 and terminating June 2025 with two optional one-year extensions which the District believes it will renew with reasonable certainty. Under the terms of the subscription, the District pays \$75,000 at the beginning of each year over the life of the agreement. At July 1, 2024, the District recognized a right to use subscription asset of \$216,562 and a subscription liability for the same amount. During the fiscal year, the District recorded \$73,188 in amortization expense and \$3,471 in interest expense for the right to use the compliance software. The District used an incremental borrowing rate of 2.277%, based on the true interest cost for its most recent debt issuance for the same time periods. At June 30, 2025, the District has recognized a right to use subscription asset of \$146,374 net of accumulated amortization and a subscription liability of \$148,032 related to this agreement.

The District amortized the right to use subscription assets as follows during the fiscal year:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Right to use subscription assets				
SBITA A	\$ 291,564	\$ —	\$ (174,938)	\$ 116,626
SBITA B	2,995	—	(2,995)	—
SBITA C	92,786	112,872	(69,013)	136,645
SBITA D	—	16,865	(14,456)	2,409
SBITA E	—	387,859	(64,643)	323,216
SBITA F	—	12,300	(1,025)	11,275
SBITA G	—	219,562	(73,188)	146,374
Total right to use subscription assets	\$ 387,345	\$ 749,458	\$ (400,258)	\$ 736,545

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 5: Subscription Based Information Technology Arrangements (SBITAs) (Continued)**

The subscription liabilities for the year ended June 30, 2025, were as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Subscription liabilities				
SBITA A	\$ 292,219	\$ —	\$ (175,188)	\$ 117,031
SBITA B	—	—	—	—
SBITA C	69,421	—	(33,696)	35,725
SBITA D	—	16,865	(16,865)	—
SBITA E	—	387,859	(128,813)	259,046
SBITA F	—	12,300	(12,300)	—
SBITA G	—	219,562	(71,530)	148,032
Total subscription liabilities	<u>\$ 361,640</u>	<u>\$ 636,586</u>	<u>\$ (438,392)</u>	<u>\$ 559,834</u>

Remaining obligations associated with these SBITAs are as follows:

	Fiscal Year Ended		
	June 30,	Principal	Interest
	2026	\$ 353,980	\$ 6,688
	2027	205,854	1,892
	Total	<u>\$ 559,834</u>	<u>\$ 8,580</u>

In November 2024, the District entered into a subscription agreement for a new utility billing system to replace the District's existing platform. The subscription agreement stipulates annual payments of \$243,359 increased by 5.00% each year, over a four year term with a one-year extension option that the District is reasonably certain to exercise. As of June 30, 2025, implementation of the new utility billing system was underway, with a planned launch in Spring 2026. Upon going live, the District will recognize both a right to use subscription asset and a corresponding subscription liability.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 6: Capital Assets**

Capital asset activity for the year ended June 30, 2025, is as follows:

Capital Assets	Balance at June 30, 2024	Transfers	Additions	Deletions	Balance at June 30, 2025
Depreciable assets:					
Water and wastewater systems <sup>1</sup>	\$683,952,000	\$ 73,547,065	\$ 30,699,676	\$ (305,578)	\$787,893,163
Capacity rights <sup>1</sup>	163,583,378	(44,296,075)	—	(13,612,038)	105,675,265
Building	56,137,353	2,747	—	—	56,140,100
Automobiles and equipment	36,647,588	1,680,050	936,266	(425,147)	38,838,757
Software and IT infrastructure	6,384,248	411	94,212	—	6,478,871
Total depreciable assets	<u>946,704,567</u>	<u>30,934,198</u>	<u>31,730,154</u>	<u>(14,342,763)</u>	<u>995,026,156</u>
Less accumulated depreciation:					
Water and wastewater systems <sup>1</sup>	(400,863,840)	(18,965,258)	(19,452,901)	305,378	(438,976,621)
Capacity rights <sup>1</sup>	(49,672,951)	18,965,258	(3,139,598)	4,838,176	(29,009,115)
Building	(10,680,755)	—	(1,321,630)	—	(12,002,385)
Automobiles and equipment	(20,278,305)	—	(1,478,744)	425,147	(21,331,902)
Software and IT infrastructure	(3,967,732)	—	(334,954)	—	(4,302,686)
Total accumulated depreciation	<u>(485,463,583)</u>	<u>—</u>	<u>(25,727,827)</u>	<u>5,568,701</u>	<u>(505,622,709)</u>
Net depreciable assets	<u>461,240,984</u>	<u>30,934,198</u>	<u>6,002,327</u>	<u>(8,774,062)</u>	<u>489,403,447</u>
Amortized assets:					
Intangible right to use lease assets	2,806,634	—	134,387	—	2,941,021
Intangible right to use subscription assets	799,875	—	749,458	—	1,549,333
Total amortized assets	<u>3,606,509</u>	<u>—</u>	<u>883,845</u>	<u>—</u>	<u>4,490,354</u>
Less accumulated amortization:					
Intangible right to use lease assets	(2,804,160)	—	(7,872)	—	(2,812,032)
Intangible right to use subscription assets	(412,530)	—	(400,258)	—	(812,788)
Total accumulated amortization	<u>(3,216,690)</u>	<u>—</u>	<u>(408,130)</u>	<u>—</u>	<u>(3,624,820)</u>
Net amortized assets	<u>389,819</u>	<u>—</u>	<u>475,715</u>	<u>—</u>	<u>865,534</u>
Capital assets not depreciated:					
Land	1,070,126	—	—	—	1,070,126
Construction in progress	33,983,521	(30,934,198)	56,459,151	(231,048)	59,277,426
Total capital assets, net	<u>\$496,684,450</u>	<u>\$ —</u>	<u>\$ 62,937,193</u>	<u>\$ (9,005,110)</u>	<u>\$550,616,533</u>

<sup>1</sup>As discussed in Note 15, during fiscal year 2024-25, ownership and operation of the Regional Treatment Plant (RTP) was acquired by the District through a strategic reorganization of SOCWA that included the District's formal withdrawal from SOCWA and assignment of the District's capacity rights in remaining SOCWA facilities to various SOCWA member agencies. Prior to the acquisition, the District owned capacity rights in the RTP. As a result of the acquisition, the District recognized an addition of \$30.5 million to water and wastewater systems and reclassified \$25.3 million in capacity rights net of accumulated depreciation to water and wastewater systems. Additionally, \$8.6 million of capacity rights net of accumulated depreciation were removed from the District's capital asset balances related to the capacity rights at the Coastal Treatment Plant that were assigned to remaining SOCWA member agencies as a result of the District's withdrawal from SOCWA. The District's capacity rights in other SOCWA facilities remain as they are being reserved exclusively for the District.

Depreciation and amortization expenses were \$25,727,827 and \$408,130, respectively.

**Moulton Niguel Water District**  
**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 7: Regulated Assets**

Regulated asset activity for the year ended June 30, 2025, is as follows:

	Balance at June 30, 2024	Additions	Deletions	Balance at June 30, 2025
Potable meters	\$ 4,555,438	\$ 969,470	\$ —	\$ 5,524,908
Less accumulated amortization	(545,704)	(303,442)	—	(849,146)
Total regulated assets	<u>\$ 4,009,734</u>	<u>\$ 666,028</u>	<u>\$ —</u>	<u>\$ 4,675,762</u>

The District recognized \$303,442 in amortization during the fiscal year.

The District has approximately 55,000 meters in the potable water system. The District prioritizes the accuracy of the meters within the service area and continues to invest in technology that aims to prevent water loss. As a result, the District maintains a robust meter replacement plan, under which an average of 3,000 meters are replaced each year. The meters that are replaced are determined based on meter route age, with routes aged between 20-25 years.

**Note 8: Long-Term Liabilities**

Long-Term liabilities for the year ended June 30, 2025, are as follows:

	Balance at June 30, 2024 <i>(as restated)</i> <sup>1</sup>	Additions	Deletions	Balance at June 30, 2025	Due Within One Year
<b>Bonds payable:</b>					
2019 Refunding	\$ 48,605,000	\$ —	\$ (2,055,000)	\$ 46,550,000	\$ 2,155,000
Add: Premium	7,520,079	—	(493,120)	7,026,959	493,120
Total Bonds	56,125,079	—	(2,548,120)	53,576,959	2,648,120
<b>Certificates of Participation:</b>					
2019 COPs	59,830,000	—	(1,405,000)	58,425,000	1,475,000
Add: Premium	3,439,737	—	(136,227)	3,303,510	136,227
2021 COPs	54,695,000	—	(1,120,000)	53,575,000	1,180,000
Add: Premium	4,057,829	—	(148,911)	3,908,918	148,911
2025 COPs	—	71,260,000	—	71,260,000	525,000
Add: Premium	—	9,288,444	(104,659)	9,183,785	313,976
Total COPs	122,022,566	80,548,444	(2,914,797)	199,656,213	3,779,114
<b>Compensated Absences:</b>					
Vacation pay	1,710,590	3,082,377	(2,399,289)	2,393,678	1,621,298
Sick Pay	946,943	1,005,751	(949,484)	1,003,210	659,810
Total Compensated Absences	2,657,533	4,088,128	(3,348,773)	3,396,888	2,281,108
Promissory note payable	—	14,012,833	—	14,012,833	6,926,972
Net pension liability (Note 10)	31,920,441	3,843,954	(3,988,680)	31,765,715	—
Net OPEB Liability (Note 11)	911,624	438,173	(796,713)	553,084	—
Lease liabilities (Note 4)	2,534	134,383	(7,709)	129,208	40,796
Subscription liabilities (Note 5)	361,640	636,586	(438,392)	559,834	353,980
Total:	<u>\$ 214,001,417</u>	<u>\$ 103,702,501</u>	<u>\$ (14,043,184)</u>	<u>\$ 303,650,734</u>	<u>\$ 16,030,090</u>

<sup>1</sup>The District implemented GASB 101 in fiscal year 2024-25 which resulted in a restatement of fiscal year 2023-24 balances as described in Note 1.u.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 8: Long-Term Liabilities (Continued)**

***Bonds Payable***

2019 Revenue Refunding Bonds

In January 2019, the District issued \$48,605,000 of 2019 Revenue Refunding Bonds (“2019 Revenue Bonds”). Proceeds from the issuance were used to refund the 2009 Certificates of Participation, fund a debt service reserve fund for the Bonds, and pay the costs of issuing the Bonds. Interest on the Bonds is payable on March 1 and September 1 of each year at 5% per annum. The Bonds mature starting September 1, 2024, and end on September 1, 2039. The Bonds are special obligations of the District and are payable exclusively from Tax Revenues and Net Revenues of the District, and from amounts on deposit in certain funds and accounts established under the Indenture. If the District defaults on its obligation to make debt service payment on the bond, the District may be required to make accelerated debt service payments for any unpaid principal and interest.

***Certificates of Participation***

2019 Certificates of Participation

On November 1, 2019, the Corporation issued \$64,570,000 of 2019 Certificates of Participation (“2019 Certificates”) pursuant to an installment sale agreement with the District. The 2019 Certificates were issued to finance the acquisition and construction of certain capital improvements and pay for the costs of issuance. The 2019 Certificates accrue interest at rates between 2% and 5% and mature between September 1, 2020, and September 1, 2049. Interest is payable on September 1 and March 1 of each year.

If the District defaults on its obligation to make the installment payments in accordance with the agreement, the District may be required to make accelerated installment payments for any unpaid principal and interest.

The Certificates maturing on September 1, 2044 and September 1, 2049, are also subject to mandatory sinking fund prepayment on September 1 in each year on or after September 1, 2040 and September 1, 2045, respectively, by lot, in integral multiples of \$5,000, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest on the date of prepayment, from the principal component of the Installment Payments to be paid by the District pursuant to the Installment Sale Agreement with respect to each such prepayment, as follows:

Certificates Maturing September 1, 2044		Certificates Maturing September 1, 2049	
Fiscal Year	Principal Amount to be Prepaid	Fiscal Year	Principal Amount to be Prepaid
2041	\$ 2,490,000	2046	\$ 2,890,000
2042	2,565,000	2047	2,975,000
2043	2,645,000	2048	3,065,000
2044	2,725,000	2049	3,155,000
2045	2,805,000	2050	3,250,000

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)  
June 30, 2025**

**Note 8: Long-Term Liabilities (Continued)**

***Certificates of Participation (Continued)***

2021 Certificates of Participation

On December 2, 2021, the Corporation issued \$56,495,000 of 2021 Certificates of Participation (“2021 Certificates”) pursuant to an installment sale agreement with the District. The 2021 Certificates were issued to finance the acquisition and construction of certain capital improvements and pay for the costs of issuance. The 2021 Certificates accrue interest at rates between 2% and 5% and mature between September 1, 2022, and September 1, 2051. Interest is payable on September 1 and March 1 of each year.

If the District defaults on its obligation to make the installment payments in accordance with the agreement, the District may be required to make accelerated installment payments for any unpaid principal and interest.

The Certificates maturing on September 1, 2045, September 1, 2048 and September 1, 2051, are also subject to mandatory sinking fund prepayment on September 1 in each year on or after September 1, 2045, September 1, 2048, and September 1, 2051, respectively, by lot, in integral multiples of \$5,000, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest on the date of prepayment, from the principal component of the Installment Payments to be paid by the District pursuant to the Installment Sale Agreement with respect to each such prepayment, as follows:

Certificates Maturing September 1, 2045		Certificates Maturing September 1, 2048		Certificates Maturing September 1, 2051	
Fiscal Year	Principal Amount to be Prepaid	Fiscal Year	Principal Amount to be Prepaid	Fiscal Year	Principal Amount to be Prepaid
2045	\$ 2,320,000	2047	\$ 2,425,000	2050	\$ 2,595,000
2046	2,370,000	2048	2,480,000	2051	2,650,000
		2049	2,535,000	2052	2,710,000

2025 Certificates of Participation

On February 25, 2025, the Corporation issued \$71,260,000 of 2025 Certificates of Participation (“2025 Certificates”) pursuant to an installment sale agreement with the District. The 2025 Certificates were issued to finance the acquisition and construction of certain capital improvements and pay for the costs of issuance. The 2025 Certificates accrue interest at a rate of 5% and mature between September 1, 2025, and September 1, 2055. Interest is payable on September 1 and March 1 of each year.

If the District defaults on its obligation to make the installment payments in accordance with the agreement, the District may be required to make accelerated installment payments for any unpaid principal and interest.

The Certificates maturing on September 1, 2051 and September 1, 2054, are also subject to mandatory sinking fund prepayment on September 1 in each year on or after September 1, 2049 and September 1, 2052, respectively.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 8: Long-Term Liabilities (Continued)**

***Certificates of Participation (Continued)***

2025 Certificates of Participation (Continued)

The Certificates mature by lot, in integral multiples of \$5,000, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest on the date of prepayment, from the principal component of the Installment Payments to be paid by the District pursuant to the Installment Sale Agreement with respect to each such prepayment, as follows:

Certificates Maturing September 1, 2051		Certificates Maturing September 1, 2054	
Fiscal Year	Principal Amount to be Prepaid	Fiscal Year	Principal Amount to be Prepaid
2050	\$ 3,485,000	2053	\$ 4,035,000
2051	3,660,000	2054	4,240,000
2052	3,845,000	2055	4,450,000

***Remaining Payments on Long-Term Debt***

The long-term obligations of the District, at June 30, 2025, are as follows:

June 30	Bonds		Certificates of Participation		Promissory Note		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2026	\$ 2,155,000	\$ 2,273,625	\$ 3,180,000	\$ 5,084,634	\$ 6,926,972	\$ 239,695	\$ 19,859,926
2027	2,265,000	2,163,125	3,920,000	6,802,856	7,085,861	80,806	22,317,648
2028	2,380,000	2,047,000	4,115,000	6,603,356	—	—	15,145,356
2029	2,500,000	1,925,000	4,325,000	6,393,856	—	—	15,143,856
2030	2,620,000	1,797,000	4,540,000	6,173,856	—	—	15,130,856
2031-2035	15,210,000	6,830,000	26,035,000	27,597,653	—	—	75,672,653
2036-2040	19,420,000	2,522,000	31,185,000	22,491,756	—	—	75,618,756
2041-2045	—	—	36,785,000	16,858,194	—	—	53,643,194
2046-2050	—	—	43,585,000	10,001,756	—	—	53,586,756
2051-2055	—	—	25,590,000	3,254,525	—	—	28,844,525
Total	\$ 46,550,000	\$19,557,750	\$183,260,000	\$111,262,442	\$14,012,833	\$ 320,501	\$374,963,526
Unamortized premium/discount	\$ 7,026,959		\$ 16,396,213		\$ —		
Total Debt	53,576,959		199,656,213		14,012,833		
Less current portion	2,648,120		3,779,114		6,926,972		
Long-term portion	\$ 50,928,839		\$195,877,099		\$ 7,085,861		

***Compensated Absences***

Vacation and sick leave payable are recorded as an expense and a liability at the time the benefit is earned. As of June 30, 2025, the District's compensated absences liability was \$3,396,888.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**

**June 30, 2025**

**Note 8: Long-Term Liabilities (Continued)**

***Promissory Note Payable***

The District acquired the ownership and operation of the RTP from SOCWA on December 12, 2024. To complete the acquisition, the District paid \$7,166,666 to SOCWA and will pay SOCWA an additional \$7,166,667 in December 2025 and 2026. The amounts due to SOCWA in fiscal years 2026 and 2027 are recorded as a promissory note payable at the net present value using an implied discount rate of 2.27%. The acquisition of RTP is discussed in more detail in Note 15 of the Notes to Financial Statements.

**Note 9: Rate Covenants**

The District is required by certain debt documents to collect revenues which will be at least sufficient to yield net revenues equal to 125% of debt service payable during the fiscal year. The following demonstrates the District's compliance with the rate covenants for the year ended June 30, 2025:

<b>Debt Service Coverage</b>	<b>282% (D/E)</b>
Operating Revenues:	
Water sales and service charges	\$ 46,159,171
Wastewater service charges	33,916,254
Meter sales & other	1,439,951
<b>Total Operating Revenues</b>	<b>81,515,376 (A)</b>
Operations & Maintenance Expenses:	
Source of supply	36,970,771
Pumping water	2,081,746
Wastewater treatment	20,015,723
Water transmission & distribution	2,242,284
Customer service	4,305,058
Water efficiency	5,603,596
General, administrative & other	29,807,946
<b>Total Operations &amp; Maintenance Expenses</b>	<b>101,027,124 (B)</b>
<b>Net Operating Loss</b>	<b>(19,511,748) (A-B)</b>
Non-Operating Revenues (Expenses):	
Capacity fees	74,133
Cellular lease income	1,717,299
Interest income - leases	491,772
Investment income (loss), net	7,523,860
Intergovernmental revenue	1,415,933
Other contributions	851,328
Other income	613,432
Other expense	(584,234)
<b>Total Non-Operating Revenues</b>	<b>12,103,523 (C)</b>
<b>Net Expenses</b>	<b>(7,408,225) (A-B+C)</b>
<b>Property Tax Revenues</b>	<b>37,029,977</b>
<b>Sum of Net &amp; Tax Revenues</b>	<b>\$ 29,621,752 (D)</b>
<b>Debt Service</b>	
2019 Refunding Revenue Bonds	\$ 4,433,875
2019 Certificates of Participation	3,314,706
2021 Certificates of Participation	2,741,900
<b>Total Debt Service</b>	<b>\$ 10,490,481 (E)</b>

## Moulton Niguel Water District

### Notes to Financial Statements (Continued)

June 30, 2025

#### Note 10: Pension Plans

##### Defined Benefit Plan

##### ***Plan Description***

All qualified regular and probationary employees are eligible to participate in the District's Miscellaneous Defined Benefit Pension Plan ("Plan"), a cost-sharing, multiple employer defined benefit pension plan administered by the California Public Employees Retirement System ("CalPERS"). Board members are not eligible for participation in CalPERS. The CalPERS Plan consists of a miscellaneous pool and a safety pool (referred to as "risk pools"), which are comprised of individual employers miscellaneous and safety rate plans, respectively. The risk pools are included within the Public Employees' Retirement Fund C ("PERF C"). CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public agencies within the State of California. Benefit provisions and all other requirements are established by state statute and the District. The District's Board of Directors has authority over the District's participation in CalPERS, plan amendments and the choice of plan options within CalPERS. The CalPERS annual financial report may be obtained from their website at [www.calpers.ca.gov](http://www.calpers.ca.gov) or from their executive Office: 400 P Street, Sacramento, CA, 95814.

##### ***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members, who must be public employees, and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire as early as age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law ("PERL"). Each plan has a 3% annual cost-of-living allowance increase benefit.

The District has three different tiers that employees participate in: First Tier Miscellaneous Plan (hired by the District prior to July 28, 2009), Second Tier Miscellaneous Plan (hired by the District after July 28, 2009, or enrolled in CalPERS or reciprocal plan by January 1, 2013), and PEPRM Miscellaneous Plan (enrolled in CalPERS on or after January 1, 2013). The District's current plans are referred to as the 2% @ 55, which is closed to new CalPERS members as of January 1, 2013, and 2% @ 62 defined benefit plans, where a qualified employee may receive an annual retirement benefit equal to service credits earned, multiplied by the retirement benefit factor by tier, multiplied by the final compensation factor. First and Second Tier plans have a highest 12 consecutive months' compensation period and the PEPRM plan has a highest 36 consecutive months' compensation period.

**Moulton Niguel Water District**  
**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 10: Pension Plans (Continued)**

The plan provisions and benefits in effect at June 30, 2025, are summarized below:

	Tier 1	Tier 2	PEPRA
CalPERS enrollment date*	Hired by District and enrolled prior to July 28, 2009	Prior to January 1, 2013	January 1, 2013 and after
Benefit formula	2% @ 55	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	1.426% - 2.418%, 50 yrs - 63+ yrs, respectively	1.426% - 2.418%, 50 yrs - 63+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	7.000%	7.000%	8.000%
Required employer contribution rates	14.200%	13.050%	8.070%
Unfunded actuarial liability payment	\$2,304,743	\$34,830	\$32,638

\*A District employee enrolled in CalPERS at another agency prior to January 1, 2013, may be eligible for the District's Tier 2 plan. Tier 1 is closed to new entrants.

***Contribution Description***

Section 20814(c) of the PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2025, contributions to the plan were \$4,670,644, matching the Actuarially Determined Contribution.

***Pension Liabilities, Pension Expense, Deferred Outflows and Deferred Inflows of Resources Related to Pensions***

As of June 30, 2025, the District reported net pension liabilities for its proportionate share of the collective net pension liability as \$31,765,715.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 10: Pension Plans (Continued)**

The District's net pension liability at June 30, 2025, for the plan was measured as the proportionate share of the collective cost-sharing plan. The District's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, using standard actuarial update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the actuarially determined projected contributions of all participating employers. The District's proportion of the collective net pension liability as of June 30, 2024, and 2025, was as follows:

	Pension Plans
Proportion - June 30, 2024	0.63836%
Proportion - June 30, 2025	0.65678%
Change - Increase (Decrease)	0.01842%

***Recognition of Gains and Losses***

Under GASB Statement 68, gains and losses related to changes in total pension liability are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

For the year ended June 30, 2025, the District recognized pension expense of \$6,721,074, of which, \$766,875 was capitalized. At June 30, 2025, the District reported deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,746,438	\$ (107,164)
Change in assumptions	816,445	—
Differences between Projected and Actual Investment	1,828,713	—
Differences between Employer's Contributions and Proportionate Share of Contributions	330,931	(150,869)
Change in Employer's Proportion	230,439	(18,236)
Contribution subsequent to measurement date	4,670,644	—
<b>Total</b>	<b>\$ 10,623,610</b>	<b>\$ (276,269)</b>

The deferred outflow of resources for contributions subsequent to the measurement date of \$4,670,644 will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 10: Pension Plans (Continued)**

Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

June 30	Deferred Outflows/ (Inflows) of Resources
2026	\$ 1,948,165
2027	4,247,679
2028	107,531
2029	(626,678)
Total	\$ 5,676,697

The amortization period differs depending on the source of the deferred inflow or outflow of resources. The difference between projected and actual earnings is amortized straight-line over 5 years. All other deferred amounts are amortized straight-line over the expected average remaining service life (“EARSL”) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

The EARSL is calculated by dividing the total future service years of active employees by the total number of plan participants in PERF C. Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members’ probability of decrementing due to an event other than receiving a cash refund. As of the June 30, 2024, measurement period, the EARSL was 3.8 years.

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The June 30, 2023, valuation was rolled forward to determine the June 30, 2024, measurement date total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS’ Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

<sup>1</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 10: Pension Plans (Continued)**

***Long-term Expected Rate of Return***

In determining the long-term expected rate of return, CalPERS staff took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class are as follows:

Asset Class	Current Target Allocation	Real Return Years 1 - 10 <sup>1,2</sup>
Global equity - cap weighted	30.00%	4.54%
Global equity - non-cap weighted	12.00	3.84
Private equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	<u>100.00%</u>	

<sup>1</sup> An expected inflation of 2.3% was used for this period.

<sup>2</sup> Figures are based on the 2021-2022 Asset Liability Management Study.

***Discount Rate***

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)  
June 30, 2025**

**Note 10: Pension Plans (Continued)**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate***

The following table presents the District’s proportionate share of the net pension liability, calculated using the discount rate, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	Discount Rate -1%	Current Discount	Discount Rate +1%
	5.90%	6.90%	7.90%
District's proportionate share of the Net Pension Liability:	\$ 48,984,209	\$ 31,765,715	\$ 17,592,359

***Pension Plan Fiduciary Net Position***

Detailed information about the plan’s fiduciary net position is available in the separately issued CalPERS financial reports. See the CalPERS website for additional information.

Defined Contribution Plan

The District sponsors the Moulton Niguel Water District 401(a) Plan and Trust (“401(a) Plan”), a single employer defined contribution pension plan. The District’s Board of Directors established the 401(a) Plan and is authorized to amend the 401(a) Plan and to name its trustees. All employees participating in the Deferred Compensation Plan and all members of executive management are eligible to participate in the 401(a) Plan. Plan investments are held in trust by Lincoln Financial.

The District matches up to 2% of an employees’ salary to the 401(a) Plan if the employee elects to participate in the District’s 457 Deferred Compensation Plan. Employer contributions were \$375,844 and recognized as expense for the year ended June 30, 2025. All contributions are fully vested. The trustee maintains individual accounts for each participant. Each participant provides direction for investment of their account balance. Contributions, plus investment returns, are distributed to participants after separation from employment.

**Note 11: Other Post-Employment Benefits (OPEB)**

***Plan Description***

Under the authority of the District’s Board of Directors, the District has established a Retiree Healthcare Plan (HC Plan) and participates in an agent multiple employer defined benefit retiree healthcare plan. These benefits may be amended at the discretion of the Board of Directors. To mitigate the costs of increasing healthcare, the District has imposed a three-tier structure for its employees. Employees hired prior to July 1, 2008, retiring from the District at age 55 with ten years of service to the District, receive post-retirement health benefits for themselves and their dependents.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**

**June 30, 2025**

**Note 11: Other Post-Employment Benefits (OPEB) (Continued)**

Employees hired after July 1, 2008, but before July 1, 2017, retiring from the District at age 60 with fifteen years of continuous employment, receive post-retirement health benefits for themselves and their dependents. Employees hired on or after July 1, 2017, are not eligible for retiree health benefits. Board members elected after January 1, 1995, are not eligible for retiree health coverage, regardless of age and years of service at retirement.

After age 65, the District provides up to \$235 per month, as a reimbursement, towards a Medicare supplement policy to the retiree or former Board Member. Dependent coverage ceases when the retiree or former Board member reaches age 65.

**Employees Covered**

As of the January 1, 2023, actuarial valuation, the following current and former employees were covered by the benefit terms under the HC Plan:

Active plan members	91
Inactive employees or beneficiaries currently receiving benefits	49
Total	<u>140</u>

**Contributions**

The OPEB Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the District and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2025, District cash contributions were \$305,285 (including payments made to the trust and retiree payments made outside the trust) and the estimated implied subsidy was \$180,348, resulting in total payments of \$485,633. Contributions are not based on a measure of pay for the HC Plan.

**Net OPEB Liability**

The District's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated January 1, 2023, that was rolled forward to determine the June 30, 2025, total OPEB liability, based on the following actuarial methods and assumptions:

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**Actuarial Assumptions:**

Discount Rate	6.50%
Inflation	2.50%
Salary Increases	2.80% per year
Investment Rate of Return	6.50% per year based on CERBT asset allocation Strategy 2
Mortality Rate	Derived using CalPERS' Valuation Report as of June 30, 2022 for the District.
Healthcare Trend Rate	Derived using the "Getzen" model published by the Society of Actuaries for purposes of evaluating long term medical trend, 6.5% starting in year 2024 to 2025 and decreasing to an ultimate rate of 4.00% in year 2069 and beyond.

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**Moulton Niguel Water District**  
**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 11: Other Post-Employment Benefits (OPEB) (Continued)**

***Actuarial Cost Method***

The actuarial cost method for determining the benefit obligations is the individual Entry Age Normal Cost Method. Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of expected salary for each year of employment between entry age (defined as age at hire) and assumed exit.

The portion of this actuarial present value allocated to a valuation year is called the service costs. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the Fiduciary Net Position, and (b) the actuarial present value of future service costs is called the Net OPEB Liability ("NOL"). The Fiduciary Net Position is equal to fair value of assets as of the Measurement Date.

***Economic Assumptions***

Assets are invested in the California Employers' Retiree Benefit Trust ("CERBT") Fund Strategy 2. The District used a discount rate of 6.5% for the actuarial valuation dated January 1, 2023. This rate is derived on the fund's investment policy as shown below and includes a 2.5% long-term inflation assumption.

Asset Class	Expected Arithmetic Nominal Return (30 years)	Asset Allocation
Global Equity	7.24%	34.00%
US Fixed Income	4.48%	41.00%
Treasury Inflation-Protected Securities	3.96%	5.00%
Real Estate Investment Trusts	7.78%	17.00%
Commodities	3.89%	3.00%
Arithmetic Return (30 years)	6.47%	

***Discount Rate***

The discount rate used to measure the total OPEB liability was 6.5%. Under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* ("GASB 75"), the discount rate should reflect the long-term rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits. To the extent that OPEB plan assets along with expected future investment returns and expected future contributions are sufficient to finance all OPEB benefits, the discount rate should be based on the assumed investment return on plan assets. Currently, the District had set a funding policy of funding the OPEB liabilities in an amount equal to the service cost plus an amortization of the Net OPEB Liability. Therefore, current assets and expected future investment returns and expected future contributions are expected to be sufficient to fund all OPEB liabilities.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 11: Other Post-Employment Benefits (OPEB) (Continued)**

***Changes in the OPEB Liability***

The changes in the net OPEB liability for the HC Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2024 (Measurement Date June 30, 2023)	\$ 5,301,127	\$ 4,389,503	\$ 911,624
Changes recognized for the measurement period:			
Service cost	99,036	—	99,036
Interest	337,724	—	337,724
Benefit payments <sup>1</sup>	(436,565)	(436,565)	—
Contributions from employer	—	436,565	(436,565)
Net investment income	—	360,148	(360,148)
Administrative expense	—	(1,413)	1,413
<b>Net Changes</b>	<b>195</b>	<b>358,735</b>	<b>(358,540)</b>
Balance at June 30, 2025 (Measurement Date June 30, 2024)	\$ 5,301,322	\$ 4,748,238	\$ 553,084

<sup>1</sup>The amount shown is the OPEB reimbursements outside of the trust and includes actual benefit payments and estimated implicit subsidy payments.

***Sensitivity of the Net OPEB Liability to Changes in the Discount Rate***

The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

	Discount Rate -1% 5.50%	Current Discount 6.50%	Discount Rate +1% 7.50%
District's Net OPEB Liability:	\$ 976,967	\$ 553,084	\$ 212,927

**Moulton Niguel Water District**  
**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 11: Other Post-Employment Benefits (OPEB) (Continued)**

***Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates***

The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

	1% Decrease in Healthcare Costs Trend Rate	Current Healthcare Costs Trend Rate	1% Increase in Healthcare Costs Trend Rate
District's Net OPEB Liability:	\$ 319,572	\$ 553,084	\$ 863,218

***OPEB Plan Fiduciary Net Position***

CERBT issues a publicly available financial report that may be obtained from the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

***Recognition of Deferred Outflows and Deferred Inflows of Resources***

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The amortization period differs depending on the source of the deferred inflow or outflow of resources. The difference between projected and actual earnings is amortized straight-line over 5 years. All other deferred amounts are amortized straight-line over the EARSL of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period. As of the June 30, 2024, measurement date, the EARSL was 8.5 years.

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the fiscal year ended June 30, 2025, the District recognized OPEB expense of \$276,777. As of fiscal year, ended June 30, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 191,741	\$ (121,096)
Change in assumptions	155,645	(123,870)
Net differences between projected and actual investment returns	278,233	—
Contribution subsequent to measurement date	485,634	—
Total	\$ 1,111,253	\$ (244,966)

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)  
June 30, 2025**

**Note 11: Other Post-Employment Benefits (OPEB) (Continued)**

The \$485,634 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024, measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

June 30	Deferred Outflows/ (Inflows) of Resources
2026	\$ 98,371
2027	205,099
2028	20,033
2029	(2,856)
2030	18,959
Thereafter	41,047
Total	<u>\$ 380,653</u>

**Note 12: Blended Component Unit**

The Corporation has been included as part of the District financial statements as a blended component unit. In accordance with GASB 61, the following summarized information as of June 30, 2025, for the Corporation is required:

**Condensed Statement of Net Position at June 30, 2025:**

	District Financial Statements	Corporation Financial Statements	Eliminating Activities	Combined District Financial Statements
<b>Assets:</b>				
Current	\$ 59,166,935	\$ 6,056,960	\$ (6,056,960)	\$ 59,166,935
Noncurrent	702,592,240	195,877,099	(195,877,099)	702,592,240
Total assets:	<u>761,759,175</u>	<u>201,934,059</u>	<u>(201,934,059)</u>	<u>761,759,175</u>
Deferred outflows of resources	11,734,863	—	—	11,734,863
Total assets and deferred outflows of resources	<u>773,494,038</u>	<u>201,934,059</u>	<u>(201,934,059)</u>	<u>773,494,038</u>
<b>Liabilities:</b>				
Current	45,429,127	6,056,960	(6,056,960)	45,429,127
Long-term	287,620,644	195,877,099	(195,877,099)	287,620,644
Total liabilities	<u>333,049,771</u>	<u>201,934,059</u>	<u>(201,934,059)</u>	<u>333,049,771</u>
Deferred inflows of resources	11,092,153	—	—	11,092,153
<b>Net position:</b>				
Net investment in capital assets	317,603,685	—	—	317,603,685
Restricted	80,700	—	—	80,700
Unrestricted	111,667,729	—	—	111,667,729
Total net position	<u>429,352,114</u>	<u>—</u>	<u>—</u>	<u>429,352,114</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 773,494,038</u>	<u>\$ 201,934,059</u>	<u>\$ (201,934,059)</u>	<u>\$ 773,494,038</u>

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 12: Blended Component Unit (Continued)**

**Condensed Statement of Revenues, Expenses, and Changes in Net Position for the Year Ended June 30, 2025:**

	District Financial Statements	Corporation Financial Statements	Eliminating Activities	Combined District Financial Statements
Operating revenues				
Water charges	\$ 40,036,891	\$ —	\$ —	\$ 40,036,891
Recycled charges	6,122,280	—	—	6,122,280
Sanitation charges	33,916,254	—	—	33,916,254
Other	1,439,951	—	—	1,439,951
Total operating revenues	<u>81,515,376</u>	<u>—</u>	<u>—</u>	<u>81,515,376</u>
Operating expenses				
Operating expenses	101,738,696	—	—	101,738,696
Depreciation and amortization	25,727,827	—	—	25,727,827
Total operating expenses	<u>127,466,523</u>	<u>—</u>	<u>—</u>	<u>127,466,523</u>
Operating loss	<u>(45,951,147)</u>	<u>—</u>	<u>—</u>	<u>(45,951,147)</u>
Non-operating revenues (expenses)				
Property taxes	37,029,977	—	—	37,029,977
Investment income, net	7,523,860	4,750,933	(4,750,933)	7,523,860
Interest income - leases	491,772	—	—	491,772
Interest expense	(6,768,845)	(4,750,933)	4,750,933	(6,768,845)
Other non-operating revenue	3,162,430	—	—	3,162,430
Total non-operating revenues, net	<u>41,439,194</u>	<u>—</u>	<u>—</u>	<u>41,439,194</u>
Capital contributions	925,461	—	—	925,461
Change in net position	<u>(3,586,492)</u>	<u>—</u>	<u>—</u>	<u>(3,586,492)</u>
Net position, beginning	432,938,606	—	—	432,938,606
Net position, end of fiscal year	<u>\$ 429,352,114</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 429,352,114</u>

**Corporation Condensed Statement of Cash Flows for the Year Ended June 30, 2025:**

Net cash provided by (used by):				
Operating activities	\$ (25,482,248)	\$ —	\$ —	\$ (25,482,248)
Non-capital financing activities	37,066,723	(6,586,127)	6,586,127	37,066,723
Capital and related financing activities	17,301,923	—	—	17,301,923
Investing activities	(28,711,055)	6,586,127	(6,586,127)	(28,711,055)
Net increase in cash and cash equivalents	<u>175,343</u>	<u>—</u>	<u>—</u>	<u>175,343</u>
Cash and cash equivalents, beginning	39,952,149	—	—	39,952,149
Cash and cash equivalents, end of fiscal year	<u>\$ 40,127,492</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 40,127,492</u>

## Moulton Niguel Water District

### Notes to Financial Statements (Continued) June 30, 2025

#### Note 13: Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (“ACWA JPIA”), which offers risk management and self-insurance and insured programs. The program provides workers’ compensation, property, and employment liability and general liability coverage for the District. The membership includes over 460 public water agencies within California. A Board of Directors consisting of representatives from member agencies governs the ACWA JPIA. The general Board of Directors elects Executive Board members to provide oversight of the operations of the ACWA JPIA, including selection of management and approval of the operating budget.

The District maintains \$55,000,000 in commercial general liability insurance, auto liability, employment practices liability coverage and public official’s error & omissions. The District also has a \$3,000,000 cyber liability commercial insurance policy through ACWA JPIA which is not a risk-sharing program. The property damage insurance program provided for up to \$500,000,000 in limits, per occurrence, limited to insurable value on structures and contents with a \$25,000 deductible per loss, and underground storage tank pollution liability coverage of \$3,000,000.

The District has a \$50,000 retrospective allocation point (self-insured retention) per claim for general and automobile liability for the year. Workers’ Compensation coverage provides statutory limits for bodily injury by each accident and bodily injury per occurrence, and Employer’s Liability is \$2,000,000 per occurrence. If the District’s deposits are not adequate to meet costs of claims and expenses, a retrospective adjustment to make up the difference can take place. The District promotes safety in the workplace through an extensive safety program. As a result of the program, the District has received retrospective refunds from the ACWA JPIA Rate Stabilization Fund. The District also maintains a self-insurance reserve to provide for expenses incurred to the District for the deductible amounts on insurance claims under \$50,000. See Note 18 on the District’s reserve funds for additional information. Settlements have not exceeded insured limits in the past three fiscal years.

To obtain complete financial information contact ACWA JPIA at P.O. Box 619082, Roseville, CA, 95661, or via telephone at (800) 231-5742. Information may be available at [www.acwajpia.com](http://www.acwajpia.com).

The District also holds additional insurance policies amounting to a \$2,000,000 commercial blanket bond for employee dishonesty, forgery and alteration and computer fraud, and a \$30,000 bond for Notary Errors and Omissions that covers four notaries.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 14: Commitments and Contingencies**

The District considers the following to be material commitments, or existing arrangements to enter into future transactions or events, at June 30, 2025:

Project Name	Total Project Budget*	Cumulative Expenses as of June 30, 2025	Outstanding Commitments
Plant 3A Solids Handling Facilities Improvements	\$ 49,371,120	\$ 7,516,696	\$ 42,387,416
Regional Lift Station Force Main Replacement	29,155,499	2,910,833	24,698,177
North Aliso Lift Station Reconstruction	12,274,212	3,747,888	7,522,288
Plant 3A Solids Loadout Facility	7,407,737	301,311	5,842,692
Aliso Creek Lift Station Rehabilitation	9,018,301	2,559,059	5,716,907
Building E Rehabilitation	3,417,176	531,144	2,430,506
Electrical System Improvements Phase 4 - Recycled Water	2,535,525	489,650	1,757,750
Rehabilitation of the Marguerite Reservoir	2,190,780	437,193	1,755,574
Solar Panels at Headquarters	2,100,000	340,413	1,383,528
Reservoir Management System Replacement Phase 4	10,988,454	9,759,408	1,218,546
Billing System Upgrade	3,215,580	1,119,842	1,085,516
Lower Salada Lift Station Rehabilitation	11,025,000	224,538	1,040,713
Regional Treatment Plant AWT Salinity Management	40,500,000	3,087,814	890,668
I.D. No. 1 Master Meter Relocation	2,315,850	1,377,187	719,991
Electrical System Improvements Phase 4 - Potable Water	928,307	190,803	689,114

\*Total project budget at the end of fiscal year 2025, as reflected in the fiscal year 2025-2026 adopted budget.

**Note 15: Joint Powers Authorities and Joint Ventures**

South Orange County Wastewater Authority (a California Joint Powers Authority)

The South Orange County Wastewater Authority ("SOCWA") is a Joint Powers Authority that treats and disposes of wastewater in South Orange County. A Board of Directors, consisting of representatives from member agencies, governs SOCWA and its operations, including selection of management and approval of the annual budget. SOCWA has Project Committees that member agencies participate in financially at various levels, depending on their capacity rights.

Following extensive collaboration and planning during fiscal year 2024-25, the SOCWA member agencies, including the District, developed a strategic reorganization of services resulting in the District's acquisition of the Regional Treatment Plant ("RTP") to the District, along with the District's formal withdrawal from SOCWA. As part of the District's withdrawal, capacity rights in the Coastal Treatment Plant ("CTP") were assigned to other SOCWA member agencies, effectively removing the District from CTP. The District's capacity rights in other SOCWA facilities, including the J.B. Latham Treatment Plant ("JBL") and two ocean outfalls were assigned to El Toro Water District, Santa Margarita Water District and South Coast Water District. These agencies are three of SOCWA's remaining member agencies and are contractually required to reserve the assigned capacity rights exclusively for the District. The District is contractually required to reserve the capacity rights of the SOCWA member agencies who receive services from the RTP which includes, the City of Laguna Beach, Emerald Bay Services District, El Toro Water District and South Coast Water District.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 15: Joint Powers Authorities and Joint Ventures (Continued)**

South Orange County Wastewater Authority (a California Joint Powers Authority) (Continued)

The District will continue to receive essential services from SOCWA including permitting, and laboratory services. The District also remains liable for other post-employment benefit costs that accrued during the District's time as a SOCWA member agency. Further, the District continues to receive services at JBL and two of SOCWA's ocean outfalls but are billed for such services by South Coast Water District ("SCWD"), El Toro Water District ("ETWD"), and Santa Margarita Water District ("SMWD"), the agencies who are contractually required to reserve the District's capacity rights in those facilities.

Prior to the District's withdrawal from SOCWA, the District paid SOCWA \$6,757,487, consisting of \$5,426,076 for operations and maintenance and \$1,331,311 for capital projects. On December 12, 2024, the date of withdrawal, the District acquired RTP in exchange for consideration of \$21,500,000 consisting of a cash payments of \$7,166,666 and a promissory note of \$14,333,334 to be paid in installment payments over the next two fiscal years as discussed in Note 8 of the Notes to Financial Statements. In accordance with GASB Statement No. 69, the District recognized the assets acquired and liabilities assumed at acquisition values as of the acquisition date. The acquisition resulted in recognition of water and wastewater system capital assets, the reclassification of certain capacity rights and the disposal of other capacity rights, as described in Note 6 of the Notes to Financial Statements. The following table summarizes the assets and liabilities recognized at the time of acquisition and withdrawal from SOCWA.

Assets:

Capital assets - water and wastewater systems	
RTP acquisition	\$ 30,024,264
Transfer of RTP capacity rights, net of accumulated depreciation	26,755,381
Capital assets - capacity rights, net of accumulated depreciation	
Transfer of RTP to water and wastewater systems	(26,755,381)
Disposal for Coastal Treatment Plant (CTP) withdrawal	(8,773,862)
Capital assets - construction in progress disposal for CTP withdrawal	(228,901)
Cash paid	(7,166,666)
Total change in assets at acquisition of RTP	\$ 13,854,835

Liabilities:

Promissory note payable*	\$ 13,854,835
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\*The promissory note accrued interest of \$157,998 between the acquisition date and fiscal year end June 30, 2025.

Subsequent to the acquisition of RTP, the District has paid \$934,674 to SOCWA for other post-employment benefit costs and permitting and laboratory services.

The District paid \$1,072,552 to SCWD, \$169,196 to ETWD and \$36,554 to SMWD related to operations and maintenance costs associated with services at JBL and the two ocean outfalls.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 15: Joint Powers Authorities and Joint Ventures (Continued)**

South Orange County Wastewater Authority (a California Joint Powers Authority) (Continued)

The District billed SOCWA members agencies \$1,250,943 for the year ended June 30, 2025, consisting of \$1,115,389 for operations and maintenance costs at RTP and \$135,554 for capital projects at the treatment plant.

At fiscal year-end, SOCWA analyzes its actual costs and refunds or collects additional money from its members as appropriate. To obtain complete financial information from SOCWA, contact SOCWA at 34156 Del Obispo Street, Dana Point, CA, 92629, or via telephone at (949) 234-5421.

The relationships between the District and SOCWA and its member agencies is such that SOCWA and the member agencies are not component units of the District for financial reporting purposes.

Joint Regional Water Supply System (Formed Using a Trust Agreement)

The District is one of six members who participate in the Joint Regional Water Supply System ("JRWS"). JRWS owns and operates the Joint Transmission Main that serves the District. The pipeline delivers drinking water to the member agencies. SCWD serves as Trustee of JRWS. As Trustee, SCWD maintains the infrastructure, collects money to cover expenses from the member agencies and keeps records for JRWS.

The District deposits money with JRWS to cover its share of operation and capital costs. At fiscal year-end, JRWS analyzes its actual costs and refunds or collects additional money from its members as appropriate. The District incurred \$2,473,782 in expenses payable to JRWS for the year ended June 30, 2025, consisting of \$1,766,877 for capital projects and \$706,905 for O&M.

To obtain complete financial information from JRWS, contact SCWD at P.O. Box 30205, Laguna Niguel, CA, 92607, or via telephone at (949) 499-4555.

The relationships between the District and JRWS and SCWD are such that they are not component units of the District for financial reporting purposes.

Santiago Aqueduct Commission (a California Joint Powers Authority)

The District is a member of the Santiago Aqueduct Commission ("SAC") with five other member agencies. SAC operates and maintains the Baker Pipeline. The District has 13 cubic feet per second (cfs) of capacity rights in the Baker Pipeline and is responsible for costs to operate and maintain the Baker Pipeline. Irvine Ranch Water District ("IRWD") maintains the infrastructure, collects money to cover expenses from the members, and maintains the records for SAC. The District paid \$30,021 in operating costs to SAC for the year ended June 30, 2025.

To obtain complete financial information on SAC, contact Irvine Ranch Water District at 15600 Sand Canyon Avenue, Irvine, CA, 92618, or via telephone at (949) 453-5300.

The relationships between the District and SAC and IRWD are such that they are not component units of the District for financial reporting purposes.

**Moulton Niguel Water District**

**Notes to Financial Statements (Continued)**  
**June 30, 2025**

**Note 16: Net Investment in Capital Assets**

The calculation for the amount reported at June 30, 2025, for net investment in capital assets was as follows:

Total capital assets	\$ 549,750,999
Add right to use lease assets	128,989
Add right to use subscription assets	736,545
Add regulated assets	4,675,762
Less capital related debt	(267,246,005)
Less lease liabilities	(129,208)
Less subscription liabilities	(559,834)
Add unspent proceeds	44,596,437
Less capital related liabilities in accounts payable and retention payable	(14,350,000)
Total Net Investment in Capital Assets	\$ 317,603,685

**Note 17: Restricted Net Position**

At June 30, 2025, the District held \$80,700 in unspent capacity fee revenue. By State law the capacity fees must be spent on capital projects. All interest earned on these funds are added to the total restricted fund balance.

**Note 18: Unrestricted Net Position**

A portion of the District's unrestricted net position has been designated by the Board of Directors for specific purposes. The detail of unrestricted net position at June 30, 2025, is as follows:

Designated for rate stabilization	\$ 19,072,797
Designated for replacement and refurbishment	2,470,003
Designated for self-insurance reserves	353,123
Designated for planning and construction	4,677,038
Designated for water efficiency	1,345,785
Designated for emergency reserves	35,300,000
Designated for operating reserves	48,448,983
Total unrestricted net position	\$ 111,667,729

Rate Stabilization

The Rate Stabilization reserves were established to provide funds to be used specifically for stabilizing potential fluctuation in District water and wastewater service rates that may result from losses or reductions of ad valorem property tax revenues.

Replacement & Refurbishment

The Replacement & Refurbishment fund ("R&R") was established to fund ongoing costs related to the replacement and refurbishment of existing assets in conjunction with the District's Capital Improvement Plan. Funding for the R&R fund will be provided from new debt issuances or fund transfers as part of the District annual budget process.

## Moulton Niguel Water District

### Notes to Financial Statements (Continued) June 30, 2025

#### Note 18: Unrestricted Net Position (Continued)

##### Self-Insurance

The District maintains a Self-Insurance reserve to provide funding for property and liability insurance deductibles, losses exceeding insurance limits, and unemployment benefit payments.

##### Planning and Construction Reserves

Planning and Construction reserves were established to provide funding for the development of new capital facilities that do not result in new water or recycled water supplies as identified in the District Capital Improvement Plan. Funding for the Planning and Construction reserve will be provided from debt issuances or fund transfers as part of the District annual budget process.

##### Water Efficiency Fund

The Water Efficiency Fund was established for certain Water-Budget-Based Rate Structure ("WBBS") revenues. The District's intent is to use the revenues for purposes generally related to water efficiency, conservation goals and policies, and water reliability projects as specifically directed by the Board under budgetary and other approval programs from time to time.

##### Emergency Reserve

The Emergency Reserve was created to 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 is equal to 2% of the replacement costs of the District's assets as outlined in current guidelines from the Federal Management Agency.

##### General Operating Reserve

The District will maintain a General Operating Reserve in order to provide sufficient liquidity for funding the day-to-day operating expenses and District cash flow needs during normal operations due to standard delays between the receipt of revenues and the payment of expenses.

The target balance in the General Operating Reserve will equal three months of operating expenses, consistent with best practices in the industry for agencies with monthly rate revenue.



**Moulton Niguel Water District  
Required Supplementary Information  
Miscellaneous Plan – Cost Sharing Multiple Employer Benefit Plan  
Schedule of Proportionate Share of the Net Pension Liability  
Fiscal Year Ended June 30, 2025**

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Proportion of the Net Pension Liability (NPL)	0.47146 %	0.50610 %	0.52540 %	0.54095 %	0.56076 %	0.58155 %	0.73047 %	0.62664 %	0.63836 %	0.65678 %
Proportionate Share of the NPL	\$12,934,337	\$17,581,392	\$20,711,604	\$20,386,747	\$22,455,803	\$24,530,154	\$13,870,143	\$29,321,976	\$31,920,441	\$31,765,715
Covered Payroll	\$7,735,097	\$8,936,374	\$9,739,736	\$11,147,956	\$12,330,405	\$14,389,775	\$15,161,433	\$16,205,703	\$17,409,392	\$20,458,277
Proportionate Share of the NPL as a Percentage of Covered Payroll	167 %	197 %	213 %	183 %	182 %	170 %	91 %	181 %	183 %	155 %
Fiduciary Net Position as a Percentage of the Total Pension Liability	81.35 %	75.87 %	75.39 %	77.69 %	77.73 %	77.71 %	90.49 %	78.19 %	77.97 %	79.91 %

**Notes to Schedule:**

Benefit Changes: None

Changes of Assumptions:

1. In Fiscal Year 2017, the financial reporting discount for the PERF C was lowered from 7.65% to 7.15%.
2. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.
3. Effective with the June 30, 2021 valuation date (2022 measurement date), the discount rate was reduced to 6.9%. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

**Moulton Niguel Water District  
Required Supplementary Information  
Miscellaneous Plan – Cost Sharing Multiple Employer Benefit Plan  
Schedule of Plan Contributions  
Fiscal Year Ended June 30, 2025**

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
All Plans										
Actuarially Determined Contribution (ADC)	\$1,351,327	\$1,539,047	\$1,820,425	\$2,224,257	\$2,708,761	\$3,055,173	\$3,400,809	\$3,743,086	\$3,998,680	\$4,670,644
Contribution in Relation to the ADC	<u>\$(1,351,327)</u>	<u>\$(1,539,047)</u>	<u>\$(1,820,425)</u>	<u>\$(2,224,257)</u>	<u>\$(2,708,761)</u>	<u>\$(3,055,173)</u>	<u>\$(3,400,809)</u>	<u>\$(3,743,086)</u>	<u>\$(3,998,680)</u>	<u>\$(4,670,644)</u>
Contribution Deficiency (Excess)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Covered Payroll	\$8,936,374	\$9,739,736	\$11,147,956	\$12,330,405	\$14,389,775	\$15,161,433	\$16,205,703	\$17,409,392	\$20,458,277	\$22,903,478
Contributions as a Percentage of Covered payroll	12.89 %	15.12 %	15.80 %	16.33 %	18.04 %	18.82 %	20.15 %	20.99 %	19.55 %	20.39 %

**Moulton Niguel Water District**  
**Required Supplementary Information**  
**OPEB Plan - Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**Fiscal Year Ended June 30, 2025**

Last Ten Fiscal Years<sup>1</sup>

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
<i>Measurement Date: June 30,</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>
<b>Total OPEB Liability</b>								
Service cost	\$ 104,316	\$ 111,097	\$ 106,229	\$ 113,134	\$ 115,348	\$ 105,164	\$ 112,000	\$ 99,036
Interest on the total OPEB liability	329,346	328,136	327,519	326,684	322,878	319,617	320,981	337,724
Actual and expected experience difference	—	—	(337,990)	—	76,298	—	193,197	—
Changes in assumptions	—	—	(308,962)	(82,784)	(148,000)	—	58,777	—
Benefit payments	(441,013)	(477,082)	(417,212)	(431,807)	(403,490)	(409,624)	(412,601)	(436,565)
<b>Net change in total OPEB liability</b>	<b>(7,351)</b>	<b>(37,849)</b>	<b>(630,416)</b>	<b>(74,773)</b>	<b>(36,966)</b>	<b>15,157</b>	<b>272,354</b>	<b>195</b>
<b>Total OPEB liability - beginning</b>	<b>5,183,047</b>	<b>5,175,696</b>	<b>5,137,847</b>	<b>5,125,355</b>	<b>5,050,582</b>	<b>5,013,616</b>	<b>5,028,773</b>	<b>5,301,127</b>
<b>Total OPEB liability - ending (a)</b>	<b>5,175,696</b>	<b>5,137,847</b>	<b>4,507,431</b>	<b>5,050,582</b>	<b>5,013,616</b>	<b>5,028,773</b>	<b>5,301,127</b>	<b>5,301,322</b>
<b>Plan Fiduciary Net Position</b>								
Contribution - employer	559,297	477,082	417,212	431,804	403,490	409,624	412,601	436,565
Net investment income	225,973	204,998	254,804	207,155	797,170	(610,051)	150,997	360,148
Benefit payments	(441,013)	(477,082)	(417,212)	(431,807)	(403,490)	(409,624)	(412,601)	(436,565)
Administrative expense	(1,664)	(1,784)	(1,779)	(1,899)	(1,477)	(1,226)	(1,215)	(1,413)
<b>Net change in plan fiduciary net position</b>	<b>342,593</b>	<b>203,214</b>	<b>253,025</b>	<b>205,253</b>	<b>795,693</b>	<b>(611,277)</b>	<b>149,782</b>	<b>358,735</b>
<b>Plan fiduciary net position - beginning</b>	<b>3,051,218</b>	<b>3,393,811</b>	<b>3,597,025</b>	<b>3,850,050</b>	<b>4,055,305</b>	<b>4,850,998</b>	<b>4,239,721</b>	<b>4,389,503</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>3,393,811</b>	<b>3,597,025</b>	<b>3,850,050</b>	<b>4,055,303</b>	<b>4,850,998</b>	<b>4,239,721</b>	<b>4,389,503</b>	<b>4,748,238</b>
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$1,781,885</b>	<b>\$1,540,822</b>	<b>\$ 657,381</b>	<b>\$ 995,279</b>	<b>\$ 162,618</b>	<b>\$ 789,052</b>	<b>\$ 911,624</b>	<b>\$ 553,084</b>
Plan fiduciary net position as a percentage of the total OPEB liability	65.6 %	70.0 %	85.4 %	80.3 %	96.8 %	84.3 %	82.8 %	89.6 %
Covered employee payroll	\$10,391,010	\$10,389,025	\$10,102,781	\$10,696,756	\$10,534,902	\$10,422,293	\$10,257,551	\$10,790,737
Net OPEB liability as a percentage of covered employee payroll	17.1 %	14.8 %	6.5 %	9.3 %	1.5 %	7.6 %	8.9 %	5.1 %

<sup>1</sup>Historical information is required only for measurement to which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**Moulton Niguel Water District  
Required Supplementary Information  
OPEB Plan - Schedule of Contributions  
Fiscal Year Ended June 30, 2025**

**Last Ten Fiscal Years<sup>1</sup>**

*(In Thousands)*

	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution (ADC)	\$ 392,230	\$ 403,997	\$ 360,948	\$ 354,388	\$ 253,188	\$ 359,943	\$ 386,991	\$ 364,621
Contributions in relation to the ADC	<u>\$(477,082)</u>	<u>\$(467,077)</u>	<u>\$(431,807)</u>	<u>\$(403,490)</u>	<u>\$(409,624)</u>	<u>\$(412,601)</u>	<u>\$(436,565)</u>	<u>\$(485,634)</u>
Contribution Deficiency (Excess)	<u>\$ (84,852)</u>	<u>\$ (63,080)</u>	<u>\$ (70,859)</u>	<u>\$ (49,102)</u>	<u>\$(156,436)</u>	<u>\$ (52,658)</u>	<u>\$ (49,574)</u>	<u>\$(121,013)</u>
Covered Payroll	\$10,389,025	\$10,102,781	\$10,696,756	\$10,534,902	\$10,422,293	\$10,257,551	\$10,790,737	\$11,191,872
Contributions as a Percentage of Covered payroll	4.6 %	4.6 %	4.0 %	3.8 %	3.9 %	4.0 %	4.0 %	4.3 %

<sup>1</sup>Historical information is required only for measurement to which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**Notes to Schedule:**

Methods and assumptions used to set the actuarially determined contribution rates for fiscal year 2024-25 were from the January 1, 2023 actuarial valuation.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percent of expected salary for each year of employment between entry age and assumed exit
Discount Rate	6.50%
Inflation	2.50% per annum
Payroll Growth	2.80% per annum
Investment Rate of Return	6.50% per year based on CERBT asset allocation Strategy 2
Healthcare cost-trend rates	Derived from the "Getzen" model published by the Society of Actuaries for purposes of evaluating long term medical trend, 5.25% starting in year 2021 and decreased to 4.00% in year 2069 and beyond.
Retirement Age	According to the retirement rates under the most recent CalPERS pension plan experience study. According to the following retirement tables: Miscellaneous Tier 1: 2.00% @ 55 Miscellaneous Tier 2: 2.00% @ 62
Mortality	Derived from CalPERS Experience Study released in 2021 for all Miscellaneous members.

**Moulton Niguel Water District**  
**Schedule of Revenues, Expenses, and Other Sources (Uses) of Funds**  
**Fiscal Year Ended June 30, 2025**

The schedule below is the District's Adopted Budget Summary in the areas of revenues, expenses, debt service, capital improvement projects, and other sources and uses of District funds. It compares the District's projected figures to the actual amounts and is designed to monitor performance during the year and assist in future budget preparations.

	<u>FY 2025 Budget*</u>	<u>FY 2025 Actual*</u>	<u>Variance with Budget Over (Under)</u>	<u>% Variance with Budget Over (Under)</u>
<b>Revenues</b>				
Potable Water Sales	\$ 36,048,110	\$ 34,836,798	\$ (1,211,312)	(3.4)%
Recycled Water Sales	7,152,192	6,122,280	(1,029,912)	(14.4)%
Wastewater Sales	30,914,799	33,916,254	3,001,455	9.7 %
WBBRS Efficiency Funds	5,927,633	5,200,094	(727,539)	(12.3)%
Other Operating Income	1,427,569	1,439,951	12,382	0.9 %
Ad Valorem Property Tax	36,048,817	37,029,977	981,160	2.7 %
Investment Income, Net	2,667,934	7,523,860	4,855,926	182.0 %
Cellular Lease Income	2,249,665	1,717,299	(532,366)	(23.7)%
Capacity Fees	52,154	74,133	21,979	42.1 %
Demand Offset Fees	54,004	—	(54,004)	(100.0)%
Misc. Non-Operating Income***	2,252,932	2,788,231	535,299	23.8 %
<b>Total Revenues</b>	<b><u>124,795,809</u></b>	<b><u>130,648,877</u></b>	<b><u>5,853,068</u></b>	
<b>Expenses, Debt Obligations, and Capital Improvement Projects</b>				
Operations and Maintenance	100,105,480	98,939,115	(1,166,365)	(1.2)%
Capital Outlay	393,750	31,730,154 **	31,336,404	7958.5 %
Debt Service	10,852,731	6,416,094	(4,436,637)	(40.9)%
Depreciation and Amortization	—	26,439,399	26,439,399	— %
Replacement and Refurbishment Projects	56,818,437	41,607,061	(15,211,376)	(26.8)%
Regional Agency Projects	6,835,945	1,539,466	(5,296,479)	(77.5)%
Water Efficiency Projects	1,050,000	991,941	(58,059)	(5.5)%
Water Supply Reliability Projects	800,000	244,242	(555,758)	(69.5)%
Planning and Construction Projects	19,337,500	10,775,545	(8,561,955)	(44.3)%
<b>Total Expenses, Debt Obligations, and Capital Improvement Projects</b>	<b><u>196,193,843</u></b>	<b><u>218,683,017</u></b>	<b><u>22,489,174</u></b>	
<b>Net Income (Deficit)*</b>	<b><u>\$ (71,398,034)</u></b>	<b><u>\$ (88,034,140)</u></b>	<b><u>\$ (16,636,106)</u></b>	

\*The variance between budgetary basis net income and financial statement net income is due to the inclusion of Debt Service and capital activity as expenses on the budgetary basis.

\*\*FY 2025 capital outlay includes \$30.5 million acquisition of the Regional Treatment Plant.

\*\*\*Miscellaneous non-operating income includes other non-operating revenues and expenses, intergovernmental revenue, developer donated capital facilities, interest income on leases, and other contributions.

**Moulton Niguel Water District**  
**Schedule of Revenues, Expenses, and Other Sources (Uses) of Funds**  
**Fiscal Year Ended June 30, 2025**

The Operations and Maintenance (O&M) Budget Comparison Report was designed to compare the expenses of the District to the budget and/or the adjusted budget figures used by the District to monitor performance during the year. The Notes to the O&M Budget Comparison Report provides explanations for noteworthy items in this report.

	<u>Adopted Budget*</u>	<u>Actual Expense</u>	<u>Remaining Budget</u>
<b>General Fund</b>			
Salaries	\$ 21,164,717	\$ 20,367,974	\$ 796,743
Retirement Program	4,428,231	3,968,351	459,880
Educational Courses	55,266	43,986	11,280
Travel and Meetings	391,933	345,926	46,007
Recruitment and Employee Relations	81,510	26,342	55,168
General Services	473,600	557,935	(84,335)
Annual Audit	68,000	54,375	13,625
Member Agencies O&M	1,643,222	1,847,575	(204,353)
Dues and Memberships	184,810	205,466	(20,656)
Consulting Services	1,931,500	1,929,048	2,452
Equipment Rental	36,000	20,615	15,385
District Fuel	377,000	347,520	29,480
Insurance - District	1,186,800	1,349,889	(163,089)
Insurance - Personnel	598,825	578,595	20,230
Insurance - Benefits	4,000,073	3,580,086	419,987
Legal Services	450,000	675,684	(225,684)
District Office Supplies	647,302	760,984	(113,682)
District Operating Supplies	3,409,905	2,819,400	590,505
Repairs and Maintenance - Equipment	1,364,682	1,382,022	(17,340)
Repairs and Maintenance - Facilities	5,503,915	6,340,962	(837,047)
Safety Program and Compliance Requirements	523,458	1,236,858	(713,400)
Wastewater Treatment	5,900,085	5,873,165	26,920
Special Outside Assessments	168,298	225,068	(56,770)
Utilities	5,388,488	4,882,179	506,309
Water Purchases	33,508,301	33,760,561	(252,260)
<b>Water Efficiency Fund</b>			
Labor	2,510,933	2,895,613	(384,680)
Education/Certification	27,234	5,035	22,199
Travel & Meetings	43,627	35,386	8,241
Dues & Memberships	43,792	28,338	15,454
Consulting Services	1,250,000	1,679,736	(429,736)
Legal Services	25,000	12,223	12,777
Conservation supplies	288,198	170,522	117,676
Repairs and Maintenance - Equipment	321,000	312,312	8,688
Safety Program & Compliance Requirements	5,775	1,921	3,854
Water Efficiency	1,864,000	383,832	1,480,168
<b>Total O&amp;M</b>	<b>\$ 100,105,480</b>	<b>\$ 98,939,115</b>	<b>\$ 1,166,365</b>

\*The adopted budget includes a \$375,000 budget amendment approved by the Board in October 2024 for the transition of ownership and operation of the Regional Treatment Plant in December 2024.



**Moulton Niguel Water District  
Statistical Section Overview  
Year Ended June 30, 2025**

The Statistical Section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

	<b><u>Pages</u></b>
<u>Financial Trends</u> : These tables contain trend information to help the reader understand how the District's financial performance and well-being have changed overtime.	74-77
<u>Revenue Capacity</u> : These tables contain information to help the reader assess the factors affecting the District's ability to generate its sales and property taxes.	78-90
<u>Debt Capacity</u> : These tables present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	91-93
<u>Demographic and Economic Information</u> : These tables present demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	94-96
<u>Operating Information</u> : These tables contain service and infrastructure data to help the reader understand how information in the District's financial report relates to the service provided by the District and the activities it performs.	97-100

**Moulton Niguel Water District  
Statistical Section  
Net Position by Component  
Last Ten Fiscal Years**

	2016	2017	2018	2019	2020
<b>Assets:</b>					
Current & other assets	\$ 148,655,677	\$ 133,490,291	\$ 138,223,685	\$ 133,276,189	\$ 186,372,578
Capital assets	390,974,342	395,581,587	387,587,456	395,919,991	435,361,867
<b>Total Assets</b>	<b>539,630,019</b>	<b>529,071,878</b>	<b>525,811,141</b>	<b>529,196,180</b>	<b>621,734,445</b>
<b>Deferred Outflows of Resources:</b>	<b>2,356,834</b>	<b>5,269,166</b>	<b>7,320,802</b>	<b>6,004,908</b>	<b>6,593,895</b>
<b>Total Assets and Deferred Outflows of Resources</b>	<b>\$ 541,986,853</b>	<b>\$ 534,341,044</b>	<b>\$ 533,131,943</b>	<b>\$ 535,201,088</b>	<b>\$ 628,328,340</b>
<b>Liabilities:</b>					
Current and other liabilities	\$ 21,768,761	\$ 15,499,289	\$ 16,613,298	\$ 18,069,016	\$ 24,463,158
Long-term liabilities	102,531,779	101,316,497	101,294,408	94,308,568	158,566,143
<b>Total Liabilities</b>	<b>124,300,540</b>	<b>116,815,786</b>	<b>117,907,706</b>	<b>112,377,584</b>	<b>183,029,301</b>
<b>Deferred Inflows of Resources: <sup>1</sup></b>	<b>3,530,389</b>	<b>2,447,949</b>	<b>2,182,420</b>	<b>1,186,124</b>	<b>16,992,846</b>
<b>Net Position:</b>					
Net investment in capital assets	292,404,060	307,272,958	304,821,445	319,601,072	304,969,636
Restricted for capital projects	2,632,947	291,818	604,783	375,294	295,848
Unrestricted	119,118,917	107,512,533	107,615,589	101,661,014	123,040,709
<b>Total Net Position</b>	<b>414,155,924</b>	<b>415,077,309</b>	<b>413,041,817</b>	<b>421,637,380</b>	<b>428,306,193</b>
<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>	<b>\$ 541,986,853</b>	<b>\$ 534,341,044</b>	<b>\$ 533,131,943</b>	<b>\$ 535,201,088</b>	<b>\$ 628,328,340</b>

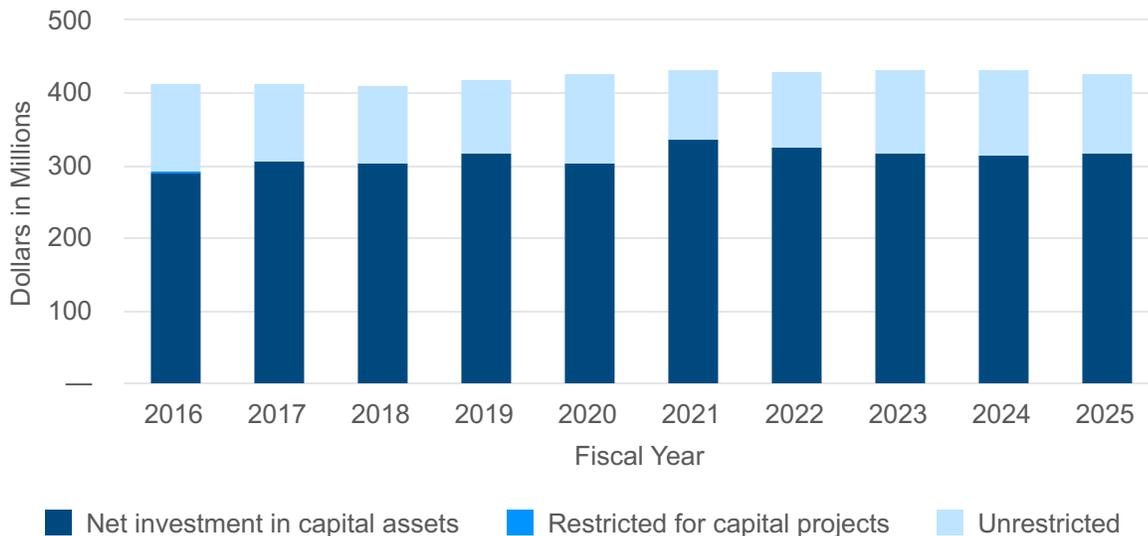
<sup>1</sup>The District added over \$15.2 million in deferred inflows of resources in fiscal year 2020 with implementation of GASB 87.

Source: Moulton Niguel Water District Audited Financial Statements.

**Moulton Niguel Water District  
Statistical Section  
Net Position by Component (Continued)  
Last Ten Fiscal Years**

2021	2022	2023	2024	2025	
\$ 156,092,547	\$ 196,825,068	\$ 186,717,308	\$ 168,747,728	\$ 211,141,642	<b>Assets:</b>
469,706,415	476,137,952	480,854,985	496,684,449	550,616,533	Current & non-current assets
<b>625,798,962</b>	<b>672,963,020</b>	<b>667,572,293</b>	<b>665,432,177</b>	<b>761,759,175</b>	Capital assets, net
<b>6,923,508</b>	<b>6,455,548</b>	<b>14,143,133</b>	<b>14,571,413</b>	<b>11,734,863</b>	<b>Total Assets</b>
<b>\$ 632,722,470</b>	<b>\$ 679,418,568</b>	<b>\$ 681,715,426</b>	<b>\$ 680,003,590</b>	<b>\$ 773,494,038</b>	<b>Deferred Outflows of Resources:</b>
					<b>Total Assets and Deferred Outflows of Resources</b>
\$ 26,322,307	\$ 20,918,667	\$ 22,446,956	\$ 26,667,513	\$ 45,429,127	<b>Liabilities:</b>
154,968,058	199,231,187	209,041,652	206,272,663	287,620,644	Current and other liabilities
<b>181,290,365</b>	<b>220,149,854</b>	<b>231,488,608</b>	<b>232,940,176</b>	<b>333,049,771</b>	Long-term liabilities
<b>17,618,585</b>	<b>29,074,998</b>	<b>16,819,905</b>	<b>13,656,613</b>	<b>11,092,153</b>	<b>Total Liabilities</b>
					<b>Deferred Inflows of Resources: <sup>1</sup></b>
337,705,648	327,139,013	318,688,968	315,463,823	317,602,685	<b>Net Position:</b>
107,046	132,953	192,038	175,195	80,700	Net investment in capital assets
96,000,826	102,921,750	114,525,907	117,767,783	111,667,729	Restricted for capital projects
<b>433,813,520</b>	<b>430,193,716</b>	<b>433,406,913</b>	<b>433,406,801</b>	<b>429,352,114</b>	Unrestricted
					<b>Total Net Position</b>
<b>\$ 632,722,470</b>	<b>\$ 679,418,568</b>	<b>\$ 681,715,426</b>	<b>\$ 680,003,590</b>	<b>\$ 773,494,038</b>	<b>Total Liabilities, Deferred Inflows of Resources and Net Position</b>

Net Position by Component



**Moulton Niguel Water District  
Statistical Section  
Changes in Net Position  
Last Ten Fiscal Years**

	2016	2017	2018	2019	2020
<b>Operating Revenue:</b>					
Water charges	\$ 29,812,128	\$ 32,149,585	\$ 32,317,988	\$ 32,680,545	\$ 32,980,943
Recycled water charges	4,850,326	5,030,973	5,597,493	5,161,153	5,049,306
Sanitation charges	18,963,978	20,156,723	22,623,626	25,463,110	26,695,247
Other	415,565	417,705	468,673	644,182	498,377
<b>Total Operating Revenue</b>	<b>54,041,997</b>	<b>57,754,986</b>	<b>61,007,780</b>	<b>63,948,990</b>	<b>65,223,873</b>
<b>Operating Expenses:</b>					
Source of supply <sup>1</sup>	26,357,342	26,681,334	29,446,569	25,879,882	28,192,240
Pumping water	3,177,393	1,629,215	1,656,773	2,108,350	1,714,355
Wastewater treatment	10,705,495	11,452,080	11,733,752	12,221,043	12,680,278
Water transmission and distribution	1,341,220	1,546,693	1,226,775	2,048,008	1,423,084
Customer service	3,047,070	3,094,606	3,346,966	3,413,313	3,555,680
Water efficiency	6,749,664	4,037,455	3,448,360	4,333,171	4,335,108
General, administrative and other	14,947,755	18,319,946	20,436,785	21,367,711	22,543,109
Post retirement medical benefits (OPEB) <sup>2</sup>	388,058	289,096	237,692	—	—
Amortization	—	—	—	—	945,595
Depreciation	17,123,278	17,811,064	19,374,985	19,743,524	20,830,890
<b>Total Operating Expenses</b>	<b>83,837,275</b>	<b>84,861,489</b>	<b>90,908,657</b>	<b>91,115,002</b>	<b>96,220,339</b>
<b>Operating Income (Loss)</b>	<b>(29,795,278)</b>	<b>(27,106,503)</b>	<b>(29,900,877)</b>	<b>(27,166,012)</b>	<b>(30,996,466)</b>
<b>Non-Operating Revenues (Expenses):</b>					
Investment income (loss), net <sup>3</sup>	4,139,084	(438,180)	(8,721)	6,067,463	7,083,317
Interest income - Leases <sup>4</sup>	—	—	—	—	601,770
Property tax revenue & GOB assessments	30,604,182	28,507,929	28,848,018	30,330,582	30,583,642
Interest on long-term debt	(4,910,737)	(4,629,947)	(4,517,784)	(4,078,474)	(4,307,575)
Intergovernmental Revenue	3,382,555	1,670,403	1,335,648	1,342,824	1,223,208
Cellular lease income <sup>4</sup>	1,623,544	1,772,941	1,897,765	1,769,978	1,312,711
Other non-operating revenues	(9,718)	126,847	252,021	78,189	136,200
Other non-operating expenses	—	(85,430)	(84,765)	(2,943,447)	(104,634)
<b>Total Non-operating Revenues (Expenses)</b>	<b>34,828,910</b>	<b>26,924,563</b>	<b>27,722,182</b>	<b>32,567,115</b>	<b>36,528,639</b>
<b>Income (Loss) before Capital Contributions</b>	<b>5,033,632</b>	<b>(181,940)</b>	<b>(2,178,695)</b>	<b>5,401,103</b>	<b>5,532,173</b>
<b>Capital Contributions:</b>					
Developer donated capital facilities	—	109,100	822,585	2,191,253	400,150
Connection fees	1,046,335	331,393	649,528	200,375	196,953
Other contributions	314,510	662,832	291,790	802,832	539,537
<b>Change in Net Position</b>	<b>6,394,477</b>	<b>921,385</b>	<b>(414,792)</b>	<b>8,595,563</b>	<b>6,668,813</b>
<b>Net Position - Beginning of Year <sup>5</sup></b>	<b>407,761,447</b>	<b>414,155,924</b>	<b>413,456,609</b>	<b>413,041,817</b>	<b>421,637,380</b>
<b>Net Position - End of Year</b>	<b>\$ 414,155,924</b>	<b>\$ 415,077,309</b>	<b>\$ 413,041,817</b>	<b>\$ 421,637,380</b>	<b>\$ 428,306,193</b>

<sup>1</sup> Source of supply includes water purchases, meter purchases (pre-2020) and utilities.

<sup>2</sup> GASB 75 was implemented in FY 2018, and modified the presentation of the OPEB expense. OPEB expense is now recorded in General, administrative and other.

<sup>3</sup> Investment income is combined with unrealized gain/loss on investments. For FY 2017, 2018, 2021 and 2022, the unrealized loss on investments exceeded the investment income.

<sup>4</sup> GASB 87 was implemented in FY 2020 and required recognition of interest on leases. Prior to FY 2020, those revenues were recognized as cellular lease income.

<sup>5</sup> Beginning net position was restated for 2018, 2021, 2022 and 2025.

Source: Moulton Niguel Water District Audited Financial Statements.

**Moulton Niguel Water District  
Statistical Section  
Changes in Net Position (Continued)  
Last Ten Fiscal Years**

	2021	2022	2023	2024	2025	
						<b>Operating Revenue:</b>
\$	37,593,121	\$ 37,129,591	\$ 33,715,449	\$ 34,252,144	\$ 40,036,891	Water charges
	6,179,569	6,032,984	5,144,470	4,821,732	6,122,280	Recycled water charges
	28,033,043	28,989,216	30,864,383	32,555,402	33,916,254	Sanitation charges
	329,171	335,128	908,796	496,786	1,439,951	Other
	<b>72,134,904</b>	<b>72,486,919</b>	<b>70,633,098</b>	<b>72,126,064</b>	<b>81,515,376</b>	<b>Total Operating Revenue</b>
						<b>Operating Expenses:</b>
	31,991,028	32,505,323	29,865,610	31,681,682	36,970,771	Source of supply <sup>1</sup>
	1,692,188	2,333,920	2,505,801	2,305,877	2,081,746	Pumping water
	13,029,758	13,132,670	17,047,968	17,110,279	20,015,723	Wastewater treatment
	1,958,001	1,136,929	2,067,556	2,236,274	2,242,284	Water transmission and distribution
	3,619,657	3,681,645	4,373,540	4,951,534	4,305,058	Customer service
	4,222,344	5,138,573	4,556,559	4,200,510	5,603,596	Water efficiency
	22,002,065	24,146,441	20,374,115	26,598,473	29,807,946	General, administrative and other
	—	—	—	—	—	Post retirement medical benefits (OPEB) <sup>2</sup>
	1,166,506	840,142	376,127	435,779	711,572	Amortization
	21,669,259	23,858,865	24,029,537	24,062,253	25,727,827	Depreciation
	<b>101,350,806</b>	<b>106,774,508</b>	<b>105,196,813</b>	<b>113,582,661</b>	<b>127,466,523</b>	<b>Total Operating Expenses</b>
	<b>(29,215,902)</b>	<b>(34,287,589)</b>	<b>(34,563,715)</b>	<b>(41,456,597)</b>	<b>(45,951,147)</b>	<b>Operating Income (Loss)</b>
						<b>Non-Operating Revenues (Expenses):</b>
	(265,693)	(6,048,726)	1,482,894	6,400,826	7,523,860	Investment income (loss), net <sup>3</sup>
	642,520	620,903	602,255	632,778	491,772	Interest income - Leases <sup>4</sup>
	31,289,772	32,092,257	34,369,798	35,526,158	37,029,977	Property tax revenue & GOB assessments
	(4,139,714)	(5,756,648)	(5,334,286)	(5,244,941)	(6,768,845)	Interest on long-term debt
	1,044,433	1,617,378	3,698,992	930,536	1,415,933	Intergovernmental Revenue
	1,288,542	1,449,393	1,635,521	1,637,950	1,717,299	Cellular lease income <sup>4</sup>
	212,058	4,881,357	403,160	417,557	613,432	Other non-operating revenues
	(194,234)	(1,418,753)	(353,557)	(354,088)	(584,234)	Other non-operating expenses
	<b>29,877,684</b>	<b>27,437,161</b>	<b>36,504,777</b>	<b>39,946,776</b>	<b>41,439,194</b>	<b>Total Non-operating Revenues (Expenses)</b>
	<b>661,782</b>	<b>(6,850,428)</b>	<b>1,941,062</b>	<b>(1,509,821)</b>	<b>(4,511,953)</b>	<b>Income (Loss) before Capital Contributions</b>
						<b>Capital Contributions:</b>
	455,688	453,115	—	463,240	649,290	Developer donated capital facilities
	112,936	152,291	283,730	93,977	74,133	Connection fees
	699,855	1,777,020	988,405	952,492	202,038	Other contributions
	<b>1,930,261</b>	<b>(4,468,002)</b>	<b>3,213,197</b>	<b>(112)</b>	<b>(3,586,492)</b>	<b>Change in Net Position</b>
	431,883,259	434,661,718	430,193,716	433,406,913	432,938,606	<b>Net Position - Beginning of Year <sup>5</sup></b>
<b>\$</b>	<b>433,813,520</b>	<b>\$ 430,193,716</b>	<b>\$ 433,406,913</b>	<b>\$ 433,406,801</b>	<b>\$ 429,352,114</b>	<b>Net Position - End of Year</b>

**Moulton Niguel Water District  
Statistical Section  
Water and Wastewater Sold by Type of Customer  
Last Ten Fiscal Years**

<b>Water Sales</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Residential	\$ 16,737,282	\$ 21,705,825	\$ 21,714,865	\$ 21,970,677	\$ 22,364,171
Commercial	5,588,565	4,002,347	3,897,389	3,910,338	3,886,401
Multi-Family Commercial	4,870,615	3,480,712	3,666,405	3,890,988	3,985,933
Irrigation	2,516,562	2,887,963	2,957,065	2,818,794	2,719,367
Recycled Water	4,850,326	5,030,973	5,597,493	5,161,153	5,049,306
Hydrant	21,738	11,609	18,128	16,889	25,071
<b>Total Water Sales</b>	<b>\$ 34,585,088</b>	<b>\$ 37,119,429</b>	<b>\$ 37,851,345</b>	<b>\$ 37,768,839</b>	<b>\$ 38,030,249</b>
<b>Metered Accounts</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Residential	47,535	47,333	47,333	47,332	47,342
Commercial	4,738	5,006	5,032	5,060	5,064
Irrigation <sup>1</sup>	1,286	1,313	1,294	1,291	1,289
Recycled Water <sup>1</sup>	1,247	1,356	1,369	1,380	1,396
Hydrant <sup>1</sup>	43	22	39	45	44
<b>Total Metered Accounts</b>	<b>54,849</b>	<b>55,030</b>	<b>55,067</b>	<b>55,108</b>	<b>55,135</b>
<b>Metered Water Deliveries (ccf)</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Residential	7,144,008	7,037,805	7,502,233	6,905,559	6,918,292
Commercial	1,059,835	1,151,593	1,187,557	1,132,174	1,008,912
Irrigation <sup>1</sup>	1,181,379	1,147,740	1,349,334	1,193,799	1,152,547
Recycled <sup>1</sup>	2,709,831	2,533,987	2,774,999	2,349,420	2,183,872
Hydrant <sup>1</sup>	15,729	1,069	2,967	4,223	8,851
<b>Total Metered Water Deliveries</b>	<b>12,110,782</b>	<b>11,872,194</b>	<b>12,817,090</b>	<b>11,585,175</b>	<b>11,272,474</b>
<b>Average Daily Water Consumption in Gallons/Metered Account</b>	<b>452</b>	<b>442</b>	<b>477</b>	<b>431</b>	<b>419</b>
<b>Wastewater sales</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Residential	\$ 16,343,821	\$ 14,283,045	\$ 15,848,211	\$ 17,569,583	\$ 18,228,512
Commercial <sup>2</sup>	2,697,523	5,934,807	6,839,551	7,966,386	8,466,735
<b>Total Wastewater sales<sup>3</sup></b>	<b>\$ 19,041,344</b>	<b>\$ 20,217,852</b>	<b>\$ 22,687,762</b>	<b>\$ 25,535,969</b>	<b>\$ 26,695,247</b>
<b>Wastewater accounts</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Residential	47,372	46,848	46,854	46,830	46,866
Commercial <sup>2</sup>	4,984	3,793	3,811	3,808	3,807
<b>Total wastewater accounts</b>	<b>52,356</b>	<b>50,641</b>	<b>50,665</b>	<b>50,638</b>	<b>50,673</b>

<sup>1</sup> Irrigation, Hydrant, and Recycled Water sales do not include wastewater services.

<sup>2</sup> Multi-family residential units are billed to a single property management company but treated as individual occupant units.

<sup>3</sup> Total wastewater sales include receipts by the District for wastewater services provided by South Coast Water District (SCWD) to Laguna Sur, Monarch Point and Seaview Communities, which are then remitted by the District to SCWD.

Source: Moulton Niguel Water District Billing Department

**Moulton Niguel Water District  
Statistical Section  
Water and Wastewater Sold by Type of Customer (Continued)  
Last Ten Fiscal Years**

<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Water Sales</b>
\$ 25,510,935	\$ 24,875,312	\$ 21,848,009	\$ 22,144,156	\$ 25,715,100	Residential
4,080,224	4,396,440	4,618,088	4,744,811	5,377,999	Commercial
4,344,041	4,531,195	4,837,880	5,095,973	5,787,049	Multi-Family Commercial
3,631,678	3,302,062	2,387,569	2,242,757	3,133,423	Irrigation
6,179,569	6,032,984	5,144,470	4,821,732	6,122,280	Recycled Water
26,243	24,582	23,903	24,447	23,320	Hydrant
<b>\$ 43,772,690</b>	<b>\$ 43,162,575</b>	<b>\$ 38,859,919</b>	<b>\$ 39,073,876</b>	<b>\$ 46,159,171</b>	<b>Total Water Sales</b>
<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Metered Accounts</b>
47,341	47,333	47,334	47,336	47,337	Residential
5,075	5,073	5,080	5,085	5,106	Commercial
1,291	1,295	1,288	1,283	1,282	Irrigation <sup>1</sup>
1,393	1,394	1,400	1,401	1,405	Recycled Water <sup>1</sup>
42	44	42	41	46	Hydrant <sup>1</sup>
<b>55,142</b>	<b>55,139</b>	<b>55,144</b>	<b>55,146</b>	<b>55,176</b>	<b>Total Metered Accounts</b>
<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Metered Water Deliveries (ccf)</b>
7,590,317	7,562,287	6,521,725	6,408,665	7,073,743	Residential
945,677	949,379	913,147	889,901	950,816	Commercial
1,460,123	1,457,851	1,042,061	942,772	1,240,990	Irrigation <sup>1</sup>
2,710,080	2,965,112	2,134,344	1,727,501	2,468,085	Recycled <sup>1</sup>
8,136	5,997	3,402	2,784	2,840	Hydrant <sup>1</sup>
<b>12,714,333</b>	<b>12,940,626</b>	<b>10,614,679</b>	<b>9,971,623</b>	<b>11,736,474</b>	<b>Total Metered Water Deliveries</b>
<b>473</b>	<b>481</b>	<b>394</b>	<b>371</b>	<b>436</b>	<b>Average Daily Water Consumption in Gallons/Metered Account</b>
<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Wastewater sales</b>
\$ 19,079,104	\$ 19,755,735	\$ 21,541,202	\$ 22,539,104	\$ 23,648,491	Residential
8,953,939	9,233,481	9,323,181	10,016,298	10,267,763	Commercial <sup>2</sup>
<b>\$ 28,033,043</b>	<b>\$ 28,989,216</b>	<b>\$ 30,864,383</b>	<b>\$ 32,555,402</b>	<b>\$ 33,916,254</b>	<b>Total Wastewater sales<sup>3</sup></b>
<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Wastewater accounts</b>
46,871	46,849	46,912	46,914	46,915	Residential
3,805	3,809	4,059	4,060	4,085	Commercial <sup>2</sup>
<b>50,676</b>	<b>50,658</b>	<b>50,971</b>	<b>50,974</b>	<b>51,000</b>	<b>Total wastewater accounts</b>

**Moulton Niguel Water District  
Statistical Section  
Water Rates  
Last Ten Fiscal Years**

Residential & Multi-Family Potable Water Rate by Fiscal Year										
Consumption Tiers <sup>1</sup>	2016	2017	2018 <sup>2</sup>	2019	2020	2021	2022	2023	2024	2025 <sup>3</sup>
Tier 1	\$ 1.49	\$ 1.56	\$ 1.69	\$ 1.82	\$ 1.95	\$ 2.08	\$ 2.18	\$ 2.25	\$ 2.31	\$ 2.38
Tier 2	1.70	1.78	1.94	2.10	2.26	2.42	2.47	2.54	2.62	2.70
Tier 3	2.62	2.73	3.32	3.41	3.50	3.59	4.09	4.18	4.27	4.36
Tier 4	4.38	4.49	5.12	5.21	5.30	5.39	6.88	6.96	7.05	7.15
Tier 5	9.17	9.28	9.59	9.68	9.77	9.86	10.77	10.86	10.95	11.04

Commercial & Irrigation Potable Water Rate by Fiscal Year										
Consumption Tiers <sup>1</sup>	2016	2017	2018 <sup>2</sup>	2019	2020	2021	2022	2023	2024	2025 <sup>3</sup>
Tier 1	\$ 1.61	\$ 1.70	\$ 1.78	\$ 1.94	\$ 2.10	\$ 2.26	\$ 2.47	\$ 2.54	\$ 2.62	\$ 2.70
Tier 2	2.49	2.62	2.73	3.32	3.41	3.50	4.09	4.18	4.27	4.36
Tier 3	4.25	4.38	4.49	5.12	5.21	5.30	6.88	6.96	7.05	7.15
Tier 4	9.04	9.17	9.28	9.59	9.68	9.77	10.77	10.86	10.95	11.04

Monthly Basic Service Charge for Potable Water										
Meter Size	2016					2017				
	Residential	Multi family	Commercial	Irrigation	Fire Protection	Residential	Multi family	Commercial	Irrigation	Fire Protection
5/8"	\$ 11.39	\$ 7.01	\$ 6.26	\$ 17.83	\$ 3.78	\$ 11.91	\$ 7.33	\$ 6.55	\$ 18.65	\$ 3.95
3/4"	11.39	7.01	6.26	17.83	3.78	11.91	7.33	6.55	18.65	3.95
1"	11.39	7.01	6.26	17.83	3.78	11.91	7.33	6.55	18.65	3.95
1.5"	37.98	23.37	20.88	59.42	12.61	39.73	24.45	21.84	62.15	13.19
2"	60.77	37.39	33.40	95.07	20.18	63.57	39.11	34.94	99.44	21.11
3"	132.94	81.81	73.06	207.97	44.14	—	—	—	—	33.64
4"	227.88	140.24	125.24	356.51	75.66	139.06	85.57	76.42	217.54	46.17
6"	475.14	292.40	261.13	743.32	157.63	238.36	146.69	131.00	372.91	79.14
8"	683.65	420.71	375.72	1,069.52	226.99	497.00	305.85	273.14	777.51	164.88
10"	1,101.82	678.05	605.54	1,723.71	365.70	715.10	440.06	393.00	1,118.72	237.43

<sup>1</sup> Tiers 1 and 2 of budgets are based on the number of persons in the household; amount of irrigated acreage; evapotranspiration rate; and the number of days in the billing cycle. Tiers 3, 4 and 5 apply to usage that exceeds budget.

<sup>2</sup> A revised Water Budget Based Rate Structure was implemented April 2018. Indoor allowance was lowered to 55 R-GPCD.

<sup>3</sup> Beginning January 1, 2025, an additional 14-cent Wholesale Pass-Through Rate is charged for each unit of potable water.

Note: 1 Billing Unit (B.U.) is = 100 cubic feet = 748 gallons.

Source: Moulton Niguel Water District Billing Department

**Moulton Niguel Water District  
Statistical Section  
Water Rates (Continued)  
Last Ten Fiscal Years**

Monthly Basic Service Charge for Potable Water										
Meter Size	2018					2019				
	Residential	Multi family	Commercial	Irrigation	Fire Protection	Residential	Multi family	Commercial	Irrigation	Fire Protection
5/8"	\$ 11.22	\$ 10.78	\$ 5.54	\$ 18.06	\$ 4.29	\$ 10.71	\$ 10.59	\$ 4.91	\$ 17.24	\$ 4.42
3/4"	11.22	10.78	5.54	18.06	4.29	10.71	10.59	4.91	17.24	4.42
1"	11.22	10.78	5.54	18.06	4.29	10.71	10.59	4.91	17.24	4.42
1.5"	37.41	25.20	18.46	60.21	14.31	35.69	24.22	16.35	57.45	14.74
2"	59.85	37.56	29.54	96.34	22.90	57.11	35.91	26.16	91.93	23.59
2.5"	—	—	—	—	36.50	—	—	—	—	37.60
3"	130.94	76.70	64.61	210.76	50.10	124.95	72.93	57.23	201.11	51.60
4"	224.46	128.19	110.76	361.29	85.88	214.19	121.63	98.10	344.75	88.46
6"	467.62	262.09	230.76	752.68	178.92	446.23	248.27	204.38	718.24	184.29
8"	673.37	375.38	332.29	1,083.86	257.65	642.56	355.42	294.31	1,034.25	265.38
10"	1,084.87	601.96	535.36	1,746.22	415.10	1,035.24	569.72	474.17	1,666.30	427.55
Meter Size	2020					2021				
	Residential	Multi family	Commercial	Irrigation	Fire Protection	Residential	Multi family	Commercial	Irrigation	Fire Protection
5/8"	\$ 10.22	\$ 10.41	\$ 4.29	\$ 16.46	\$ 4.56	\$ 9.77	\$ 10.26	\$ 3.71	\$ 15.72	\$ 4.69
3/4"	10.22	10.41	4.29	16.46	4.56	9.77	10.26	3.71	15.72	4.69
1"	10.22	10.41	4.29	16.46	4.56	9.77	10.26	3.71	15.72	4.69
1.5"	34.08	23.30	14.31	54.85	15.18	32.56	22.45	12.36	52.41	15.64
2"	54.53	34.36	22.90	87.76	24.30	52.10	32.90	19.77	83.86	25.02
2.5"	—	—	—	—	38.72	—	—	—	—	39.88
3"	119.29	69.36	50.10	192.00	53.15	113.98	66.00	43.25	183.45	54.75
4"	204.49	115.42	85.89	329.14	91.11	195.39	109.55	74.14	314.48	93.85
6"	426.03	235.16	178.94	685.71	189.82	407.06	222.78	154.46	655.16	195.51
8"	613.47	336.48	257.67	987.42	273.34	586.16	318.59	222.42	943.43	281.54
10"	988.38	539.13	415.14	1,590.84	440.38	944.36	510.22	358.35	1,519.98	453.59
Meter Size	2022					2023				
	Residential	Multi family	Commercial	Irrigation	Fire Protection	Residential	Multi family	Commercial	Irrigation	Fire Protection
5/8"	\$ 9.64	\$ 10.40	\$ 3.64	\$ 15.58	\$ 5.44	\$ 9.93	\$ 10.34	\$ 3.75	\$ 16.05	\$ 5.60
3/4"	9.64	10.40	3.64	15.58	5.44	9.93	10.34	3.75	16.05	5.60
1"	9.64	10.40	3.64	15.58	5.44	9.93	10.34	3.75	16.05	5.60
1.5"	32.13	21.51	12.15	51.93	18.13	33.10	22.15	12.51	53.49	18.68
2"	51.42	31.34	19.44	83.09	29.01	52.96	32.28	20.02	85.59	29.89
2.5"	—	—	—	—	46.24	—	—	—	—	47.62
3"	112.49	62.47	42.52	181.79	63.48	115.86	64.34	43.80	187.24	65.38
4"	192.83	103.42	72.89	311.62	108.81	198.61	106.52	75.08	320.97	112.08
6"	401.72	209.91	151.86	649.22	226.69	413.78	216.21	156.42	668.70	233.49
8"	578.48	300.01	218.68	934.87	326.44	595.83	309.01	225.24	962.92	336.23
10"	932.00	480.22	352.32	1,506.19	525.93	959.96	494.62	362.89	1,551.38	541.71
Meter Size	2024					2025				
	Residential	Multi family	Commercial	Irrigation	Fire Protection	Residential	Multi family	Commercial	Irrigation	Fire Protection
5/8"	\$ 10.23	\$ 10.65	\$ 3.87	\$ 16.53	\$ 5.77	\$ 10.54	\$ 10.97	\$ 3.98	\$ 17.03	\$ 5.95
3/4"	10.23	10.65	3.87	16.53	5.77	10.54	10.97	3.98	17.03	5.95
1"	10.23	10.65	3.87	16.53	5.77	10.54	10.97	3.98	17.03	5.95
1.5"	34.09	22.82	12.89	55.09	19.24	35.11	23.50	13.27	56.75	19.82
2"	54.55	33.24	20.62	88.16	30.78	56.18	34.24	21.24	90.80	31.71
2.5"	—	—	—	—	49.05	—	—	—	—	50.52
3"	119.34	66.27	45.11	192.86	67.34	122.92	68.26	46.46	198.64	69.36
4"	204.57	109.72	77.33	330.60	115.44	210.71	113.01	79.65	340.25	118.90
6"	426.19	222.69	161.11	688.76	240.50	438.98	229.37	165.94	709.42	247.71
8"	613.71	318.28	232.00	991.81	346.32	632.12	327.83	238.96	1,021.56	356.71
10"	988.76	509.46	373.77	1,597.92	557.96	1,018.42	524.75	384.99	1,645.85	574.70

**Moulton Niguel Water District  
Statistical Section  
Wastewater Rates  
Last Ten Fiscal Years**

RESIDENTIAL WASTEWATER RATES										
Volumetric Charge	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Basic Service Charges	\$ 24.83	\$ 26.22	\$ 14.36	\$ 15.15	\$ 15.99	\$ 16.86	\$ 19.05	\$ 20.10	\$ 21.20	\$ 22.37
Per Person Charge <sup>1</sup>	—	—	4.31	4.55	4.80	5.06	5.08	5.36	5.66	5.97

COMMERCIAL AND MULTI-FAMILY WASTEWATER RATES										
Meter Size	2016					2017				
	MFR	Comm 1	Comm 2	Comm 3	Comm 4	MFR	Comm 1	Comm 2	Comm 3	Comm 4
5/8"	\$ 27.07	\$ 19.56	\$ 41.69	\$ 85.76	\$ 92.52	\$ 28.58	\$ 20.66	\$ 44.02	\$ 90.56	\$ 97.70
3/4"	27.07	19.56	41.69	85.76	92.52	28.58	20.66	44.02	90.56	97.70
1"	27.07	19.56	41.69	85.76	92.52	28.58	20.66	44.02	90.56	97.70
1.5"	83.11	58.09	131.83	278.72	301.25	87.76	61.35	139.21	294.33	318.12
2"	131.15	91.12	209.10	444.14	480.19	138.50	96.23	220.81	469.01	507.08
2.5"	131.15	91.12	209.10	444.14	480.19	—	—	—	—	—
3"	283.30	195.73	453.84	968.02	1,046.88	299.17	206.69	479.25	1,022.23	1,105.51
4"	483.47	333.35	775.81	1,657.24	1,792.43	510.54	352.02	819.25	1,750.04	1,892.81
6"	1,003.93	691.18	1,612.98	3,449.31	3,730.96	1,060.15	729.89	1,703.30	3,642.47	3,939.89
8"	1,444.31	993.95	2,321.33	4,965.62	5,371.20	1,525.19	1,049.61	2,451.32	5,243.70	5,671.99
10"	2,325.09	1,599.51	3,738.07	7,998.33	8,651.77	2,455.30	1,689.08	3,947.40	8,446.24	9,136.27
Basic Service Charge	22.28	—	—	—	—	—	—	—	—	—

**Wastewater Classes:**

Class 1/Comm 1: Typical users include residential, banks, car washes, churches, department and retail stores, laundromats, professional offices, schools and colleges.

Class 2/Comm 2: Typical users includes beauty and barber shops, hospitals and convalescent facilities, commercial laundry, repair shops, service stations and veterinary hospitals.

Class 3/Comm 3: Typical users include hotels with dining facilities, markets with garbage disposals, mortuaries and fast-food restaurants.

Class 4/Comm 4: Typical users include restaurants, auto steam cleaning facilities and bakeries.

*Classifications are subject to change upon inspection by the District in order to comply with the intent of the District's rules and regulations and regulatory mandates.*

<sup>1</sup> Per person wastewater charge applies to residential and multi-family residential customers.

Source: Moulton Niguel Water District Billing Department

**Moulton Niguel Water District  
Statistical Section  
Wastewater Rates (Continued)  
Last Ten Fiscal Years**

<b>COMMERCIAL AND MULTI-FAMILY WASTEWATER RATES</b>										
<b>Meter Size</b>	<b>2018</b>					<b>2019</b>				
	<b>MFR</b>	<b>Comm 1</b>	<b>Comm 2</b>	<b>Comm 3</b>	<b>Comm 4</b>	<b>MFR</b>	<b>Comm 1</b>	<b>Comm 2</b>	<b>Comm 3</b>	<b>Comm 4</b>
5/8"	\$ 16.94	\$ 20.84	\$ 49.92	\$ 107.85	\$ 117.98	\$ 17.87	\$ 21.99	\$ 52.66	\$ 113.78	\$ 124.46
3/4"	16.94	20.84	49.92	107.85	117.98	17.87	21.99	52.66	113.78	124.46
1"	16.94	20.84	49.92	107.85	117.98	17.87	21.99	52.66	113.78	124.46
1.5"	51.38	64.39	161.31	354.40	388.15	54.20	67.94	170.18	373.89	409.50
2"	80.91	101.73	256.81	565.75	619.76	85.35	107.33	270.93	596.87	653.84
3"	174.42	219.98	559.23	1,235.12	1,353.26	184.01	232.08	589.99	1,303.05	1,427.69
4"	297.44	375.55	957.11	2,115.74	2,318.26	313.80	396.20	1,009.75	2,232.10	2,445.76
6"	617.32	780.05	1,991.64	4,405.47	4,827.39	651.27	822.95	2,101.18	4,647.77	5,092.90
8"	887.98	1,122.30	2,866.98	6,342.87	6,950.43	936.82	1,184.03	3,024.67	6,691.73	7,332.71
10"	1,429.31	1,806.83	4,617.72	10,217.77	11,196.63	1,507.92	1,906.21	4,871.69	10,779.75	11,812.45
<b>Meter Size</b>	<b>2020</b>					<b>2021</b>				
	<b>MFR</b>	<b>Comm 1</b>	<b>Comm 2</b>	<b>Comm 3</b>	<b>Comm 4</b>	<b>MFR</b>	<b>Comm 1</b>	<b>Comm 2</b>	<b>Comm 3</b>	<b>Comm 4</b>
5/8"	\$ 18.85	\$ 23.20	\$ 55.56	\$ 120.04	\$ 131.31	\$ 19.89	\$ 24.47	\$ 58.62	\$ 126.64	\$ 138.53
3/4"	18.85	23.20	55.56	120.04	131.31	19.89	24.47	58.62	126.64	138.53
1"	18.85	23.20	55.56	120.04	131.31	19.89	24.47	58.62	126.64	138.53
1.5"	57.19	71.67	179.54	394.45	432.02	60.33	75.62	189.42	416.15	455.78
2"	90.05	113.23	285.83	629.70	689.80	95.00	119.46	301.55	664.33	727.74
3"	194.13	244.84	622.44	1,374.72	1,506.21	204.81	258.31	656.68	1,450.33	1,589.06
4"	331.06	417.99	1,065.29	2,354.87	2,580.28	349.27	440.98	1,123.88	2,484.39	2,722.20
6"	687.09	868.21	2,216.75	4,903.40	5,373.01	724.88	915.96	2,338.67	5,173.08	5,668.52
8"	988.34	1,249.15	3,191.03	7,059.77	7,736.01	1,042.70	1,317.85	3,366.53	7,448.06	8,161.49
10"	1,590.86	2,011.05	5,139.64	11,372.64	12,462.13	1,678.35	2,121.66	5,422.32	11,998.13	13,147.55
<b>Meter Size</b>	<b>2022</b>					<b>2023</b>				
	<b>MFR</b>	<b>Comm 1</b>	<b>Comm 2</b>	<b>Comm 3</b>	<b>Comm 4</b>	<b>MFR</b>	<b>Comm 1</b>	<b>Comm 2</b>	<b>Comm 3</b>	<b>Comm 4</b>
5/8"	\$ 21.82	\$ 24.79	\$ 57.64	\$ 124.93	\$ 141.52	\$ 23.02	\$ 26.16	\$ 60.81	\$ 131.80	\$ 149.31
3/4"	21.82	24.79	57.64	124.93	141.52	23.02	26.16	60.81	131.80	149.31
1"	21.82	24.79	57.64	124.93	141.52	23.02	26.16	60.81	131.80	149.31
1.5"	65.84	75.75	185.22	409.51	464.81	69.47	79.91	195.41	432.03	490.38
2"	103.58	119.43	294.60	653.47	741.96	109.28	126.00	310.80	689.41	782.77
3"	223.11	257.77	640.98	1,426.09	1,619.68	223.11	271.95	676.24	1,504.52	1,708.76
4"	380.35	439.77	1,096.69	2,442.54	2,774.41	380.35	463.95	1,157.00	2,576.88	2,927.00
6"	789.20	912.99	2,281.58	5,085.47	5,776.86	789.20	963.21	2,407.07	5,365.17	6,094.59
8"	1,135.15	1,313.40	3,284.15	7,321.72	8,317.32	1,135.15	1,385.64	3,464.78	7,724.42	8,774.77
10"	1,827.05	2,114.24	5,289.35	11,794.34	13,398.37	1,827.05	2,230.52	5,580.27	12,443.03	14,135.28
<b>Meter Size</b>	<b>2024</b>					<b>2025</b>				
	<b>MFR</b>	<b>Comm 1</b>	<b>Comm 2</b>	<b>Comm 3</b>	<b>Comm 4</b>	<b>MFR</b>	<b>Comm 1</b>	<b>Comm 2</b>	<b>Comm 3</b>	<b>Comm 4</b>
5/8"	\$ 24.29	\$ 27.59	\$ 64.15	\$ 139.05	\$ 157.52	\$ 25.62	\$ 29.11	\$ 67.68	\$ 146.70	\$ 166.18
3/4"	24.29	27.59	64.15	139.05	157.52	25.62	29.11	67.68	146.70	166.18
1"	24.29	27.59	64.15	139.05	157.52	25.62	29.11	67.68	146.70	166.18
1.5"	73.29	84.31	206.16	455.79	517.35	77.32	88.95	217.50	480.86	545.80
2"	115.29	132.93	327.89	727.33	825.82	121.63	140.24	345.93	767.33	871.24
3"	248.32	286.90	713.43	1,587.27	1,802.74	261.98	302.68	752.67	1,674.57	1,901.90
4"	423.34	489.47	1,220.64	2,718.61	3,087.98	446.62	516.39	1,287.77	2,868.13	3,257.82
6"	878.40	1,016.18	2,539.46	5,660.26	6,429.79	926.72	1,072.07	2,679.13	5,971.57	6,783.43
8"	1,263.45	1,461.85	3,655.35	8,149.26	9,257.38	1,332.94	1,542.25	3,856.39	8,597.47	9,766.54
10"	2,033.55	2,353.20	5,887.18	13,127.40	14,912.72	2,145.40	2,482.62	6,210.98	13,849.41	15,732.92

**Moulton Niguel Water District  
Statistical Section  
Recycled Water Rates  
Last Ten Fiscal Years**

Recycled Water Rates by Fiscal Year										
Consumption Tiers <sup>1</sup>	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Tier 1	1.24	1.29	1.39	1.47	1.55	1.63	1.73	1.78	1.84	1.89
Tier 2	1.74	1.81	2.51	2.69	2.87	3.05	3.19	3.25	3.31	3.37
Tier 3	3.50	3.57	4.31	4.49	4.67	4.85	5.98	6.04	6.10	6.16
Tier 4	8.29	8.36	8.78	8.96	9.14	9.32	9.87	9.93	9.99	10.05

Recycled Water Basic Service Charge										
Meter Size	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
5/8"	\$ 17.83	\$ 18.65	\$ 18.06	\$ 17.24	\$ 16.46	\$ 15.72	\$ 15.58	\$ 16.05	\$ 16.53	\$ 17.03
3/4"	17.83	18.65	18.06	17.24	16.46	15.72	15.58	16.05	16.53	17.03
1"	17.83	18.65	18.06	17.24	16.46	15.72	15.58	16.05	16.53	17.03
1.5"	59.42	62.15	60.21	57.45	54.85	52.41	51.93	53.49	55.09	56.75
2"	95.07	99.44	96.34	91.93	87.76	83.86	83.09	85.59	88.16	90.80
3"	207.97	217.54	210.76	201.11	192.00	183.45	181.79	187.24	192.86	198.64
4"	356.51	372.91	361.29	344.75	329.14	314.48	311.62	320.97	330.60	340.52
6"	743.32	777.51	752.68	718.24	685.71	655.16	649.22	668.70	688.76	709.42
8"	1,069.52	1,118.72	1,083.86	1,034.25	987.42	943.43	934.87	962.92	991.81	1,021.56
10"	1,723.71	1,803.00	1,746.22	1,666.30	1,590.84	1,519.98	1,506.19	1,551.38	1,597.92	1,645.85

<sup>1</sup> Tiers 1 and 2 apply to usage within budget, while Tiers 3 and 4 apply to usage in excess of budget.

Source: Moulton Niguel Water District Billing Department

**Moulton Niguel Water District  
Statistical Section  
Principal Water Customers  
Current Fiscal Year and Nine Years Ago**

**Fiscal Year 2025**

Customer	Type of Property	Total Water Sales <sup>1</sup>	Percentage of Total Water Sales
Niguel Villas	Multi Family Residential	\$ 237,377	0.59 %
Bre Properties	Multi Family Residential	231,605	0.58
Soka University	Private University	187,610	0.47
St. Moritz Lessee #1 LLC	Multi Family Residential	177,137	0.44
Hidden Hills Apartments	Multi Family Residential	166,342	0.42
Barcelona Resorts LP	Multi Family Residential	155,186	0.39
City of Laguna Niguel	City	150,217	0.38
Idyllwillow LP	Multi Family Residential	148,596	0.37
City of Mission Viejo	City	144,148	0.36
Mission Hospital Regional Medical Center	Medical Facility	141,149	0.35
		\$ 1,739,367	4.35 %

**Total Water Sales for FY 2025 \$ 40,036,891**

**Fiscal Year 2016**

Customer	Type of Property	Total Water Sales <sup>1</sup>	Percentage of Total Water Sales
Moritz Associates LLC	Multi Family Residential	\$ 167,088	0.56 %
Barcelona LLC	Parks, Slopes, Medians	144,179	0.48
Soka University of America	Private University	139,401	0.47
Quail Creek-La Paz HOA	Residential Landscapes	138,092	0.46
Mission Hospital Regional Medical Center	Medical Facility	137,512	0.46
FPA-Reit Holdings LLC	Multi Family Residential	135,674	0.46
BRE Properties	Multi Family Residential	130,732	0.44
City of Laguna Niguel	Parks, Slopes, Medians	128,906	0.43
City of Mission Viejo	Parks, Slopes, Medians	117,693	0.39
Shea Properties/City Lights	Multi Family Residential	109,003	0.37
		\$ 1,348,280	4.52 %

**Total Water Sales for FY 2016 \$ 29,812,128**

<sup>1</sup> Total water sales includes only potable water sales.

Source: Moulton Niguel Water District Billing Department

**Moulton Niguel Water District  
Statistical Section  
Principal Wastewater Customers  
Current Fiscal Year and Nine Years Ago**

**Fiscal Year 2025**

Customer	Type of Property	Total Wastewater Sales	Percentage of Total Wastewater Sales
St Moritz Lessee #1 LLC	Multi-family Residential	\$ 330,340	0.97 %
Barcelona Resorts LP	Multi-family Residential	239,173	0.71
Heather Ridge Condo Association	Multi-family Residential	175,237	0.52
Laguna Gardens Apartments	Multi-family Residential	168,464	0.50
Aliso Creek - Sares	Multi-family Residential	160,306	0.47
Bre Properties	Multi Family Residential	154,946	0.46
Shea Properties/City Lights	Multi Family Residential	150,663	0.44
ERP Operating LP LN	Multi Family Residential	150,597	0.44
Aliso Meadows Condo Association	Multi Family Residential	135,475	0.40
Alize At Aliso Viejo	Multi Family Residential	134,410	0.40
		\$ 1,799,611	5.31 %

**Total Wastewater Sales for FY 2025 \$ 33,916,254**

**Fiscal Year 2016**

Customer	Type of Property	Total Wastewater Sales	Percentage of Total Wastewater Sales
Moritz Associates LLC	Multi Family Residential	\$ 223,143	1.18 %
Barcelona LLC	Multi Family Residential	137,429	0.72
Heather Ridge Condo Association	Multi Family Residential	108,562	0.57
Laguna Gardens Apartments	Multi Family Residential	95,607	0.50
BRE Properties	Multi Family Residential	85,964	0.45
FPA-Reit Holdings LLC	Multi Family Residential	82,993	0.44
Aliso Creek - Sares	Multi Family Residential	79,542	0.42
Seabrook Apartments	Multi Family Residential	77,235	0.41
Alize at Aliso Viejo	Multi Family Residential	74,951	0.40
Seaside Meadows Apartments	Multi Family Residential	72,658	0.38
		\$ 1,038,084	5.47 %

**Total Wastewater Sales for FY 2016 \$ 18,963,978**

Source: Moulton Niguel Water District Billing Department

**Moulton Niguel Water District  
Statistical Section  
Principal Recycled Water Customers  
Current Fiscal Year and Nine Years Ago**

**Fiscal Year 2025**

Customer	Type of Property	Total Recycled Water Sales	Percentage of Total Sales
Aliso Viejo Comm Association	Parks, Slopes, Medians	\$ 722,992	11.81 %
City of Laguna Niguel	Parks, Slopes, Medians	356,254	5.82
City of Mission Viejo	Parks, Slopes, Medians	267,408	4.37
Mission Viejo Country Club	Parks, Slopes, Medians	256,972	4.20
City of Laguna Hills	Parks, Slopes, Medians	241,366	3.94
El Niguel Country Club	Golf Course	222,404	3.63
Aliso Viejo Club Owner LLC	Parks, Slopes, Medians	177,861	2.91
Marina Hills PCA	Landscape	153,757	2.51
Beacon Hill Planned Community	Landscape	109,273	1.78
Soka University of America	Private University	107,543	1.76
		\$ 2,615,830	42.73 %
<b>Total Recycled Water Sales for Fiscal Year 2025</b>		<b>\$ 6,122,280</b>	

**Fiscal Year 2016**

Customer	Type of Property	Total Recycled Water Consumption <sup>1</sup>	Percentage of Total Consumption
Aliso Viejo Community Association	Parks, Slopes, Medians	\$ 645,764	13.31 %
City of Laguna Niguel	Parks, Slopes, Medians	279,653	5.77
City of Mission Viejo	Parks, Slopes, Medians	255,123	5.26
Mission Viejo Country Club	Golf Course	231,100	4.76
Aliso Viejo Country Club	Golf Course	201,120	4.15
El Niguel Country Club	Golf Course	177,471	3.66
Arroyo Trabuco Golf Club	Golf Course	153,106	3.16
City of Laguna Hills	Parks, Slopes, Medians	147,042	3.03
Marina Hills PCA	Golf Course	140,811	2.90
Soka University of America	Private University	93,746	1.93
		\$ 2,324,936	47.93 %
<b>Total Recycled Water Sales for Fiscal Year 2016</b>		<b>\$ 4,850,326</b>	

Source: Moulton Niguel Water District Billing Department

**Moulton Niguel Water District  
Statistical Section  
Annual Domestic Consumption in Acre Feet (AF)  
Last Ten Fiscal Years**

Fiscal Year	Usage (AF)	Purchase Price <sup>1</sup>	Average cost per AF	Metered Accounts	Average AF per Metered Account	Average Cost per Metered Account
2016	28,762	\$ 21,829,003	\$ 759	54,849	0.52	\$ 395
2017	22,916	20,933,121	913	55,030	0.42	383
2018	26,797	24,041,011	897	55,067	0.49	440
2019	23,676	22,557,276	953	55,108	0.43	410
2020	23,239	22,982,131	989	55,135	0.42	415
2021	25,519	24,861,840	974	55,142	0.46	448
2022	23,938	24,413,679	1,020	55,139	0.43	439
2023	20,731	21,022,764	1,014	55,144	0.38	385
2024	20,404	22,859,273	1,120	55,146	0.37	414
2025	22,772	27,830,271	1,222	55,176	0.41	501

<sup>1</sup>Purchase price does not include any charges for service.

Source: Moulton Niguel Water District Billing Department

**Moulton Niguel Water District  
Statistical Section  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Levy Year	Total Tax Levy	Collected within the Levy Year			Delinquency Rate	Total Collections to Date	
		Amount <sup>1</sup>	Percentage of Levy	Collections from Prior Years <sup>2</sup>		Amount	Percentage of Levy
2016	\$ 25,996,107	\$ 24,906,067	95.81%	\$ 391,998	4.19	\$ 25,298,065	97.31%
2017	27,121,477	26,078,739	96.16	355,371	3.84	26,434,110	97.47
2018	28,757,033	27,513,830	95.68	412,403	4.32	27,926,233	97.11
2019	29,303,633	28,633,242	97.71	477,414	2.29	29,110,656	99.34
2020	30,793,007	29,439,004	95.60	468,149	4.40	29,907,153	97.12
2021	31,343,103	30,771,290	98.18	518,482	1.82	31,289,772	99.83
2022	32,215,936	31,590,618	98.06	501,639	1.94	32,092,257	99.62
2023	34,640,107	33,775,140	97.50	594,658	2.50	34,369,798	99.22
2024	35,900,472	34,850,920	97.08	675,238	2.92	35,526,158	98.96
2025	37,394,250	36,336,139	97.17	693,838	2.83	37,029,977	99.03

<sup>1</sup> Property tax revenue is the District's second major revenue source.

<sup>2</sup> Collections from prior years does not include penalty revenue.

Source: Moulton Niguel Water District Finance Department and Orange County Auditor-Controller's Office

**Moulton Niguel Water District  
Statistical Section  
Assessed Valuations and Largest Principal Local Secured Taxpayers  
Current Fiscal Year and Nine Years Ago**

<u>Land Use</u>	<b>Assessed Land Values by Use<sup>1</sup></b>	
	<u>FY 2025</u>	<u>FY 2016</u>
	<u>Secured Assessed Value</u>	
Residential	\$ 26,856,482,643	\$ 16,223,170,917
Commercial	2,604,220,549	1,628,380,344
Industrial	532,129,078	381,274,206
Vacant/Other	20,137,330	17,945,916
<b>Total</b>	<b>\$ 30,012,969,600</b>	<b>\$ 18,250,771,383</b>

**Principal Local Secured Taxpayers  
For Fiscal Year 2025**

<u>Rank</u>	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>Assessed Valuation</u>	<u>% of Total</u>
1	St. Moritz Property Owner LLC	Apartments	\$ 272,217,186	0.91%
2	Barcelona LLC	Apartments	118,903,177	0.40
3	Vilara Evergreen SPE LLC	Apartments	95,716,800	0.32
4	Idyllwillow LP	Apartments	88,585,338	0.30
5	BRE-FMCA LLC	Apartments	86,771,918	0.29
6	TGA 26600-26700 Aliso Viejo Parkway LLC	Commercial	79,590,600	0.27
7	IMT Capital VI Laguna Niguel LLC	Apartments	58,711,500	0.20
8	Monarch Coast I Owner LLC	Apartments	47,641,979	0.16
9	Taghkanic Real Estate Holdings I LLC	Apartments	47,000,000	0.16
10	Sullivan Mission Medical LLC	Commercial	45,457,547	0.15
			\$ 940,596,045	3.13%

**Fiscal Year 2025 Total Principal Local Secured Net Taxable Value: \$ 30,012,969,600**

**Principal Local Secured Taxpayers  
For Fiscal Year 2016**

<u>Rank</u>	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>Assessed Valuation</u>	<u>% of Total</u>
1	BRE-FMCA LLC	Apartments	\$ 73,642,556	0.40%
2	Moritz Associates LLC	Apartments	45,501,015	0.25
3	Innovation Institute LLC	Commercial	41,100,000	0.23
4	Barcelona LLC	Apartments	39,317,650	0.22
5	Sequoia Equities-Alicante	Apartments	36,073,834	0.20
6	Vista Real Apartments MV LLC	Apartments	35,410,488	0.19
7	Vista Bella Apartments AV	Apartments	34,801,337	0.19
8	Sequoia Equities-Alize	Apartments	33,653,193	0.18
9	Shops at Mission Viejo	Commercial	33,155,899	0.18
10	Target Corporation	Commercial	30,526,728	0.17
			\$ 403,182,700	2.21%

**Fiscal Year 2016 Total Principal Local Secured Net Taxable Value: \$ 18,250,771,383**

<sup>1</sup> Values are for land only and do not include any improvements.

Source: HDL and California Municipal Statistics, Inc.

**Moulton Niguel Water District  
Statistical Section  
Outstanding Debt by Type and Debt per Customer  
Last Ten Fiscal Years**

Fiscal Year	Bonds Payable	Certificates of Participation <sup>1</sup>	Loans Payable	Promissory Note Payable	Lease liabilities <sup>2</sup>	Subscription liabilities <sup>2</sup>	Total				
							Total Debt	Total Customer Accounts	Debt per Customer Accounts	Est. District Population <sup>3</sup>	Debt per Capita
2016	\$ 24,890,785	\$ 63,928,642	\$10,688,013	\$ —	\$ —	\$ —	\$ 99,507,440	54,849	\$ 1,814	170,610	\$ 583
2017	18,327,964	61,946,234	8,693,016	—	—	—	88,967,214	55,030	1,617	171,178	520
2018	16,632,769	60,000,000	6,660,906	—	—	—	83,293,675	55,067	1,513	171,661	485
2019	71,646,102	—	5,088,318	—	—	—	76,734,420	55,108	1,392	171,746	447
2020	67,527,000	68,554,646	—	—	—	—	136,081,646	55,135	2,468	170,236	799
2021	64,777,898	67,508,419	—	—	1,305,724	—	133,592,041	55,142	2,423	170,616	783
2022	61,933,796	127,007,843	—	—	16,937	—	188,958,576	55,139	3,427	170,996	1,105
2023	58,984,194	124,717,705	—	—	7,563	477,718	184,187,180	55,144	3,340	171,376	1,075
2024	56,125,079	122,022,566	—	—	2,534	361,640	178,511,819	55,146	3,237	171,580	1,040
2025	53,576,959	199,656,213	—	14,012,833	129,208	559,834	267,935,047	55,176	4,856	170,801	1,569

<sup>1</sup> The 2009 Certificates of Participation were fully refunded by the 2019 Revenue Refunding Bonds.

<sup>2</sup> The District implemented GASB 87, Leases, and GASB 96, Subscription Based Information Technology Arrangements, in fiscal year 2021 and 2023, respectively. Lease liabilities and subscription liabilities were not recorded in the financial statements prior to implementation of those standards.

<sup>3</sup> Estimated District Population is based on the most recent available data.

Source: Moulton Niguel Water District Finance Department and California Municipal Statistics, Inc.

**Moulton Niguel Water District  
Statistical Section  
Outstanding Debt by Type and Debt per Customer  
Last Ten Fiscal Years**

**2024-25 Assessed Valuations:** \$30,041,089,385 (Land only)

**Direct & Overlapping Tax and Assessment Debt:**  
(Based on all property assessed valuation of \$48,162,530,425)

	Total Debt 06/30/2025	% Applicable <sup>1</sup>	District's Share of Debt 06/30/2025
Metropolitan Water District	\$ 17,155,000	1.183%	\$ 202,944
Capistrano Unified School District School Facilities Improvement District No. 1	3,327,455	28.571	950,687
Laguna Beach Unified School District	7,690,000	1.630	125,347
Saddleback Valley Unified School District	64,475,000	20.110	12,965,923
City of San Juan Capistrano	21,540,000	0.010	2,154
City of Aliso Viejo Community Facilities District No. 2005-01	22,035,000	100.000	22,035,000
<i>Total Direct &amp; Overlapping Tax and Assessment Debt</i>			<u><u>\$ 36,282,055</u></u>

**Direct & Overlapping General Fund Debt:**

Orange County General Fund Obligations	\$ 429,065,000	6.041%	\$ 25,490,752
Orange County Board of Education Certificates of Participation	9,120,000	6.041	541,819
Capistrano Unified School District Certificates of Participation	17,290,000	30.438	5,183,888
City of Aliso Viejo Certificates of Participation	11,035,000	98.014	10,810,438
City of Laguna Hills Certificates of Participation	34,921,592	70.258	12,084,268
City of Mission Viejo Certificates of Participation		34.957	
City of San Juan Capistrano Certificates of Participation and Judgment Obligations	208,873	0.011	21
<b>Moulton-Niguel Water District General Fund Obligations</b>	<b>46,550,000</b>	<b>100.000</b>	<b>46,550,000</b>
<i>Total Direct &amp; Overlapping General Fund Debt</i>			<u><u>\$ 100,661,186</u></u>

<b>TOTAL DIRECT DEBT</b>	<b>\$ 46,550,000</b>
TOTAL OVERLAPPING DEBT	\$ 90,393,241
Combined Total Debt <sup>2</sup>	\$ 136,943,241

**Ratios to Land Only Assessed Valuation:**

Total Direct and Overlapping Tax and Assessment Debt 0.46%

**Ratios to All Property Assessed Valuation:**

Total Direct Debt (\$46,550,000) 0.10%  
Combined Total Debt 0.30%

<sup>1</sup> The percentage of overlapping debt applicable to the district is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the water district divided by the overlapping district's total taxable assessed value.

<sup>2</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, lease and subscription obligations.

Source: California Municipal Statistics, Inc.

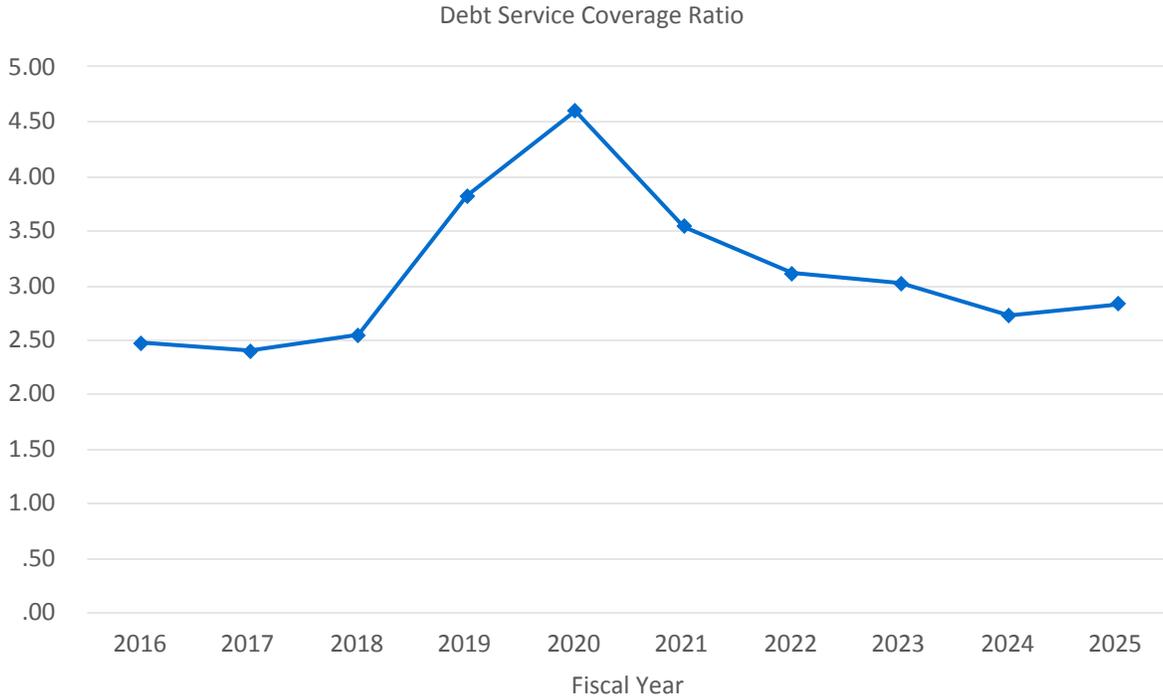
**Moulton Niguel Water District  
Statistical Section  
Debt Service Coverage Ratio  
Last Ten Fiscal Years**

Fiscal Year	Total Revenues <sup>1</sup>	Operating Expenses <sup>2</sup>	Net Available Revenues	Annual Debt Service <sup>3</sup>			Coverage Ratio
				Principal	Interest	Total	
2016	\$ 88,604,859	\$ 66,713,997	\$ 21,890,862	\$ 3,766,711	\$ 5,093,380	\$ 8,860,091	2.47
2017	88,339,002	67,050,425	21,288,577	3,849,998	5,027,110	8,877,108	2.40
2018	94,089,864	71,533,672	22,556,192	3,957,110	4,914,398	8,871,508	2.54
2019	105,512,586	74,314,925	31,197,661	3,377,588	4,792,953	8,170,541	3.82
2020	106,624,872	75,474,164	31,150,708	3,178,260	3,599,396	6,777,656	4.60
2021	107,615,014	79,821,181	27,793,833	2,900,000	4,967,831	7,867,831	3.53
2022	109,481,907	84,248,343	25,233,567	3,300,000	4,812,831	8,112,831	3.11
2023	114,097,853	81,144,706	32,953,147	4,195,000	6,727,835	10,922,835	3.02
2024	119,181,578	89,438,717	29,472,861	4,710,000	6,142,731	10,852,731	2.72
2025	131,233,110	101,611,358	29,621,752	4,580,000	5,910,481	10,490,481	2.82

<sup>1</sup> Total Revenues include all operating revenues, interest income and other non-operating revenues, but excludes general obligation bond assessment revenues used to repay the general obligation bond debt.

<sup>2</sup> Operating expenses exclude depreciation and amortization expense.

<sup>3</sup> Principal and interest amounts do not include debt obligations related to general obligation bonds.



Source: Moulton Niguel Water District Finance Department

**Moulton Niguel Water District  
Statistical Section  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Moulton Niguel Water District <sup>1</sup></b>	
<b>Fiscal Year</b>	<b>Estimated District Population</b>
2015	170,326
2016	170,610
2017	171,178
2018	171,661
2019	171,746
2020	170,236
2021	170,616
2022	170,996
2023	171,376
2024	171,580

<b>City of Laguna Niguel <sup>2</sup></b>					
<b>Fiscal Year</b>	<b>Population</b>	<b>Total Personal Income (in thousands)</b>	<b>Per Capita Income</b>	<b>Unemployment Rate</b>	
2015	64,449	\$ 3,215,232	\$ 49,888	5.0%	
2016	66,142	3,327,443	51,713	4.1%	
2017	66,689	3,337,813	50,050	3.7%	
2018	65,377	3,380,822	51,713	3.3%	
2019	66,748	3,496,077	52,377	2.8%	
2020	65,316	3,654,152	55,946	2.7%	
2021	65,168	3,920,887	60,165	7.7%	
2022	64,316	4,058,420	63,101	5.5%	
2023	64,702	4,358,404	67,361	3.1%	
2024	64,291	4,793,710	74,562	3.5%	

<b>City of Aliso Viejo <sup>3</sup></b>					
<b>Fiscal Year</b>	<b>Population</b>	<b>Total Personal Income (in thousands)</b>	<b>Per Capita Income</b>	<b>Unemployment Rate</b>	
2014	49,939	\$ 2,181,535	\$ 43,684	4.3%	
2015	50,509	2,223,991	44,492	3.5%	
2016	50,312	2,274,460	45,207	3.1%	
2017	51,950	2,311,366	44,492	3.0%	
2018	51,372	2,385,153	46,429	2.6%	
2019	50,044	2,447,088	48,899	2.5%	
2020	49,813	2,559,352	51,379	7.5%	
2021	50,782	2,566,572	50,541	5.1%	
2022	50,766	2,785,309	54,865	3.0%	
2023	50,068	3,106,090	62,037	3.3%	

<sup>1</sup> The District is presenting population data from fiscal years 2015 through 2024 to be consistent with the available data from the Cities within its service area.

<sup>2</sup> Based on the most recent data available from the City of Laguna Niguel Finance Department. The District serves 100% of the City of Laguna Niguel which represents approximately 38% of the total District population.

<sup>3</sup> Based on the most recent data available from the City of Aliso Viejo Finance Department. The District serves 98% of the City of Aliso Viejo which represents approximately 29% of the District population.

<sup>4</sup> Based on the most recent data available from the City of Laguna Hills Finance Department. The portion of the City of Laguna Hills served by the District, represents approximately 13% of the total District population.

<sup>5</sup> Based on the most recent data available from the City of Mission Viejo Finance Department. The portion of the City of Mission Viejo served by the District, represents approximately 19% of the total District population.

<sup>6</sup> Based on most recent data available from the City of Dana Point Finance Department. The District serves approximately 5% of the City of Dana Point which represents approximately 1% of the total District population.

Note: The District boundaries encompass six cities: Aliso Viejo, Dana Point, Laguna Hills, Laguna Niguel, San Juan Capistrano and Mission Viejo. Aliso Viejo, Laguna Hills, Laguna Niguel and Mission Viejo represent approximately 99% of the District population. The City of San Juan Capistrano is not presented in the statistical section since the portion of the City served by the District is less than .01% of the District population.

**Moulton Niguel Water District  
Statistical Section  
Demographic and Economic Statistics (Continued)  
Last Ten Fiscal Years**

<b>Moulton Niguel Water District <sup>1</sup></b>	
<b>Fiscal Year</b>	<b>Estimated District Population</b>
2015	170,326
2016	170,610
2017	171,178
2018	171,661
2019	171,746
2020	170,236
2021	170,616
2022	170,996
2023	171,376
2024	171,580

<b>City of Laguna Hills <sup>4</sup></b>					
<b>Fiscal Year</b>	<b>Population</b>	<b>Total Personal Income (in thousands)</b>	<b>Per Capita Income</b>	<b>Unemployment Rate</b>	
2014	30,857	\$ 1,336,181	\$ 43,315	5.0%	
2015	30,681	1,373,184	44,757	4.1%	
2016	31,544	1,479,761	46,911	3.7%	
2017	31,818	1,587,577	49,896	2.6%	
2018	31,572	1,661,606	52,629	2.2%	
2019	31,508	1,724,666	54,737	12.2%	
2020	31,073	1,661,606	59,083	7.4%	
2021	30,750	2,086,807	67,864	2.2%	
2022	30,525	2,416,252	79,157	2.9%	
2024	30,315	2,681,544	88,456	3.0%	

<b>City of Mission Viejo <sup>5</sup></b>					
<b>Fiscal Year</b>	<b>Population</b>	<b>Total Personal Income (in thousands)<sup>5</sup></b>	<b>Per Capita Income<sup>5</sup></b>	<b>Unemployment Rate</b>	
2015	96,652	\$ 181,300,000	\$ 57,133	4.2%	
2016	96,701	189,800,000	59,303	4.1%	
2017	95,985	208,700,000	65,011	3.4%	
2018	95,987	220,700,000	69,268	3.1%	
2019	96,434	227,700,000	71,712	3.0%	
2020	94,267	242,300,000	76,343	8.6%	
2021	94,119	257,100,000	81,189	5.5%	
2022	92,515	271,700,000	85,589	3.0%	
2023	91,846	284,800,000	89,473	3.8%	
2024	91,304	284,800,000	89,473	4.0%	

<b>City of Dana Point <sup>6</sup></b>					
<b>Fiscal Year</b>	<b>Population</b>	<b>Total Personal Income (in thousands)</b>	<b>Per Capita Income</b>	<b>Unemployment Rate</b>	
2015	33,710	\$ 1,649,000	\$ 48,917	5.2%	
2016	33,415	1,742,949	52,161	4.2%	
2017	34,902	1,811,000	58,218	3.8%	
2018	34,619	1,841,000	61,088	3.2%	
2019	34,359	1,927,000	59,496	2.7%	
2020	34,139	2,078,000	62,138	2.6%	
2021	33,745	2,175,000	65,140	7.8%	
2022	33,765	2,195,000	74,713	5.3%	
2023	33,882	2,249,000	73,048	2.9%	
2024	33,446	2,473,000	77,070	3.3%	

**Moulton Niguel Water District  
Statistical Section  
Principal Employers  
Current Fiscal Year and Nine Years Ago**

Fiscal Year 2024<sup>1,2</sup>

Rank	Employer	Operating City	Number of Employees	Percent of Each City's Employment
1	Providence Mission Hospital	City of Mission Viejo	2,764	5.66%
2	MemorialCare Saddleback Medical Center	City of Laguna Hills	1,925	11.46
3	Saddleback College	City of Mission Viejo	1,770	3.63
4	MicroVention	City of Aliso Viejo	1,700	6.03
5	United Parcel Service	City of Aliso Viejo	1,200	4.26
6	Waldorf Astoria Monarch Beach	City of Dana Point	1,200	7.02
7	Saddleback Valley Unified School District	City of Mission Viejo	917	1.88
8	Glaukos Corporation	City of Aliso Viejo	907	3.22
9	Ambry Genetics Corporation	City of Aliso Viejo	706	2.50
10	Costco Wholesale Corporation	City of Laguna Niguel	619	1.82

Fiscal Year 2016<sup>1</sup>

Rank	Employer	Operating City	Number of Employees	Percent of Each City's Employment
1	Saddleback College	City of Mission Viejo	3,033	6.00%
2	Mission Hospital Regional Medical Center	City of Mission Viejo	2,200	4.00
3	MemorialCare Saddleback Medical Center	City of Laguna Hills	1,707	10.04
4	Saddleback Valley Unified School District	City of Mission Viejo	1,200	2.00
5	United Parcel Service	City of Aliso Viejo	1,000	4.08
6	Ritz-Carlton Laguna Niguel	City of Dana Point	970	5.00
7	Pacific Life Insurance	City of Aliso Viejo	811	3.31
8	Monarch Beach Resort	City of Dana Point	800	5.00
9	Capistrano Unified School District	City of Mission Viejo	691	1.00
10	Capistrano Unified School District	City of Aliso Viejo	679	2.77

<sup>1</sup> Principal Employers represents blended data from the five cities the District serves: Aliso Viejo, Laguna Hills, Laguna Niguel, Mission Viejo, and Dana Point. The District also serves a portion of the City of San Juan Capistrano but employer data for that City is excluded as it represents less than .01% of District population.

<sup>2</sup> The District used data from the Fiscal Year 2023-24, the most recent available data.

**Moulton Niguel Water District  
Statistical Section  
Number of Employees  
Last Ten Fiscal Years<sup>1</sup>**

<u>Function</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Office of the General Manager	7	6	6	8	7	8	9	10	9	8
Human Resources	2	2	2	2	3	3	2	3	3	3
Customer Service - Admin	1	1	1	1	1	1	1	3	3	3
Customer Service - Field	16	16	16	16	16	18	18	18	19	19
Customer Accounts	12	13	13	14	14	15	16	14	14	14
Engineering - Admin	8	10	10	4	4	4	3	3	4	3
Engineering	—	—	—	12	12	12	12	15	15	15
Inspection	12	13	13	13	13	14	14	13	12	12
Procurement & Warehouse	3	3	4	2	2	2	3	2	4	3
Information Technology	4	6	6	7	7	8	8	8	8	9
Financial Planning & Innovation	3	3	3	4	4	4	5	3	3	3
Accounting	6	6	6	6	6	6	6	6	6	8
Operations - Admin	8	6	6	2	2	3	6	5	6	5
Operations - Facilities	19	16	16	19	20	21	22	22	21	22
Operations - Utilities	22	28	28	28	31	28	26	28	27	27
Water Resources & Water Efficiency	6	9	9	8	10	10	11	11	9	10
Wastewater Treatment Plant Operations	—	—	—	6	6	6	5	7	6	19
<b>Total</b>	<b>129</b>	<b>138</b>	<b>139</b>	<b>146</b>	<b>152</b>	<b>157</b>	<b>162</b>	<b>171</b>	<b>169</b>	<b>183</b>

<sup>1</sup>Based on full-time positions at June 30th of each applicable year, excluding vacancies.

Source: Moulton Niguel Water District Payroll Department

**Moulton Niguel Water District  
Statistical Section  
Historical Billings, Collections and Delinquencies  
Last Ten Fiscal Years**

Fiscal Year	Balance Beginning FY	Billings	Payments	Balance Ending FY	Write Off	% of Billing
2016	\$ 4,486,337	\$ 53,993,901	\$ 53,935,343	\$ 4,424,073	\$ 120,822	0.22%
2017	4,424,073	57,576,647	57,337,280	4,604,674	58,766	0.10
2018	4,604,674	60,771,136	60,539,107	4,765,549	71,154	0.12
2019	4,765,549	63,553,192	63,304,808	4,941,903	72,030	0.11
2020	4,941,903	64,964,975	64,772,881	5,061,133	72,864	0.11
2021	5,061,133	71,810,915	71,805,733	4,971,336	94,979	0.13
2022	4,971,336	73,230,924	72,134,904	5,981,506	85,850	0.12
2023	5,981,506	69,850,378	69,724,302	6,063,685	43,897	0.06
2024	6,063,685	70,946,174	71,629,278	5,368,966	11,615	0.02
2025	5,368,966	79,852,067	80,075,425	5,069,243	76,365	0.10

Source: Moulton Niguel Water District Finance Department

**Moulton Niguel Water District  
Statistical Section  
Operating Indicators  
Last Ten Fiscal Years**

FISCAL YEAR	SERVICE CONNECTIONS	NET INCREASE PIPELINE (MILES)	MONTH OF PEAK CONSUMPTION	PEAK MONTHLY CONSUMPTION (M.G.D.)	AVERAGE DAILY CONSUMPTION ( M.G.D.) <sup>1</sup>	AVG. DAILY SEWAGE (M.G.D.)	AVG. DAILY POTABLE IMPORT (M.G.D.)	TAKEOUTS
2016	54,849	~1,300	June	31.66	24.75	11.2	20.72	13
2017	55,030	~1,300	September	37.32	24.28	10.9	22.47	9
2018	55,067	~1,300	September	35.44	26.28	10.8	22.94	9
2019	55,108	~1,300	August	38.34	23.69	10.6	21.30	9
2020	55,135	~1,300	August	35.85	22.67	10.7	20.80	11
2021	55,142	~1,300	July	34.21	26.01	10.6	24.70	11
2022	55,139	~1,300	July	37.61	26.50	10.3	21.40	11
2023	55,144	~1,300	September	37.55	21.71	10.8	18.80	12
2024	55,146	~1,300	September	29.40	20.40	10.5	19.90	12
2025	55,176	~1,300	August	35.69	24.39	10.2	20.87	12

FISCAL YEAR	PUMP STATIONS <sup>2</sup>			RESERVOIRS <sup>2</sup>		NO. OF FIRE HYDRANTS	TREATMENT PLANTS <sup>2</sup>	MILES OF WATER	MILES OF WASTEWATER	MILES OF RECYCLED
	RECYCLED	POTABLE	LIFT	RECYCLED	POTABLE					
2016	10	25	18	11	28	7,149	4	668	505	141
2017	9	23	17	11	28	7,154	4	655	501	142
2018	9	23	17	11	28	7,163	4	656	501	142
2019	9	23	17	11	28	7,148	4	656	501	142
2020	9	25	17	11	28	7,159	4	656	501	142
2021	9	25	17	11	28	7,166	4	656	500	141
2022	10	25	17	11	28	7,170	4	656	500	141
2023	10	25	17	11	28	7,161	4	655	500	140
2024	10	25	17	11	28	7,171	4	655	500	140
2025	10	25	17	11	28	7,132	3	654	500	140

Note: MGD = Millions of Gallons per Day.

<sup>1</sup>Consumption includes Recycled Water.

<sup>2</sup>The District wholly owns or has capacity rights in its pump stations, reservoirs, and treatment plants. The District released it's capacity rights in the Coastal Treatment Plant in December 2024 with the acquisition of the Regional Treatment Plant.

Source: Moulton Niguel Water District Operations and Billing Departments

**Moulton Niguel Water District  
Statistical Section  
Capital Assets  
Last Ten Fiscal Years**

Fiscal Year	Water Systems	Capacity Rights	Buildings	Automobiles & Equipment	Software & IT Infrastructure <sup>1</sup>	Intangible Right to Use Asset <sup>2</sup>	Land	Construction in Progress	Capital Assets, Net of Depreciation
2016	\$ 271,113,215	\$ 63,993,270	\$ 2,408,058	\$ 7,232,783	\$ —	\$ —	\$ 1,091,910	\$ 45,135,106	\$ 390,974,342
2017	267,966,653	67,862,518	2,126,682	11,685,232	—	—	1,091,910	44,848,592	395,581,587
2018	261,018,260	106,002,867	1,845,743	10,174,076	—	—	1,091,910	7,454,600	387,587,456
2019	260,190,540	110,611,241	1,565,874	8,952,263	—	—	1,091,910	13,508,163	395,919,991
2020	260,332,469	115,164,617	1,469,712	7,156,152	—	1,880,958	1,091,910	48,266,047	435,361,865
2021	273,182,770	116,709,901	52,167,328	5,505,294	—	769,052	1,091,910	20,280,160	469,706,415
2022	282,883,688	117,445,433	51,056,521	3,913,092	—	16,719	1,070,126	19,752,374	476,137,953
2023	268,304,353	113,757,312	46,798,612	16,992,355	3,183,263	494,843	1,070,126	30,254,121	480,854,985
2024	283,088,160	113,910,427	45,456,598	16,369,283	2,416,516	389,819	1,070,126	33,983,521	496,684,450
2025	348,916,542	76,666,150	44,137,715	17,506,855	2,176,185	865,534	1,070,126	59,277,426	550,616,533

<sup>1</sup> In fiscal year 2023, the District reclassified assets to software and IT infrastructure from automobiles and equipment. Prior years were not restated.

<sup>2</sup> The District implemented GASB 87 during fiscal year 2020 and recognized an intangible right to use lease assets and in fiscal year 2023, implemented GASB 96 recognizing an intangible right to use subscription assets.

