



**FINANCE & INFORMATION TECHNOLOGY
BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
December 18, 2013
9:00 AM
Approximate Meeting Time: 2 Hours**

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE NOVEMBER 20, 2013 SPECIAL FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING
3. APPROVE THE MINUTES OF THE NOVEMBER 21, 2013 SPECIAL FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING
4. PUBLIC COMMENTS
Persons wishing to address the Board of Directors on matters not listed on the Agenda may do so at this time. "Request To Be Heard" forms are available at the entrance to the Board Room. Comments are limited to five minutes unless further time is granted by the Presiding Officer. Submit form to the Recording Secretary prior to the beginning of the meeting.

Those wishing to address the Board of Directors on any item listed on the Agenda should submit a "Request To Be Heard" form to the Recording Secretary before the Presiding Officer announces that agenda item. Your name will be called to speak at that time.

PRESENTATION ITEMS

DISCUSSION ITEMS

5. Comprehensive Annual Financial Report (CAFR)
6. Resolution Appointing Acting Treasurer of the District (Resolution No. 13-___)
7. Resolution Declaring Intention to Issue Consolidated General Obligation Refunding Bonds (re:Improvements Districts Nos. 6 and 7) (Resolution No. 13-__)

INFORMATION ITEMS

8. Summary of Disbursements November 30, 2013

9. Late Items (Appropriate Findings to be Made)

- A. Need to take immediate action; and
- B. Need for action came to District's attention after Agenda Posting. [Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

ADJOURNMENT

The Board of Directors' Meeting Room is wheelchair accessible. If you require any special disability related accommodations (i.e., access to an amplified sound system, etc.), please contact the Moulton Niguel Water District Secretary's office at (949) 831-2500 at least forty-eight (48) hours prior to the scheduled meeting. This agenda can be obtained in alternate format upon written request to the Moulton Niguel Water District Secretary at least forty-eight (48) hours prior to the scheduled meeting.

Agenda exhibits and other writings that are disclosable public records distributed to all, or a majority of, the members of the Moulton Niguel Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection at the District Office, 27500 La Paz Road, Laguna Niguel, CA ("District Office"). If such writings are distributed to members of the Board less than seventy-two (72) hours prior to the meeting, they will be available in the reception area of the District Office at the same time as they are distributed except that, if such writings are distributed immediately prior to, or during the meeting, they will be available in the Board meeting room and on the District website at www.mnwd.com.



**MINUTES OF THE SPECIAL MEETING
OF THE FINANCE & INFORMATION TECHNOLOGY
BOARD OF DIRECTORS
OF THE
MOULTON NIGUEL WATER DISTRICT**

November 20, 2013

A Special Meeting of the Finance & Information Technology Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 8:00 AM on November 20, 2013. There were present and participating:

DIRECTORS

Larry McKenney	President
Scott Colton	Director
Richard Fiore	Director
Donald Froelich	Vice President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President/Chair

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Marc Serna	Director of Engineering & Operations
Michael Gomez	Director of Finance/Treasurer
Gina Hillary	Director of Human Resources
Kelly Winsor	Assistant to the General Manager
Todd Novacek	MNWD
Eva Plajzer	MNWD
Glenn Davidson	MNWD
Karren Maddox	MNWD
Megan Geer	MNWD
Ruby Yuen	MNWD
Jennifer Farr	Auditor, Mayer Hoffman McCann
Brian Thomas	PFM

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Eric Espino	PFM
Michael Bell	PFM
Paige Gulck	Board Secretary

1. CALL MEETING TO ORDER

The meeting was called to order by Don Froelich at 8:00 a.m.

2. APPROVE THE MINUTES OF THE OCTOBER 16, 2013 FINANCE BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY SCOTT COLTON, MINUTES OF THE REGULAR MEETING OF THE FINANCE BOARD OF DIRECTORS DATED OCTOBER 16, 2013 WERE APPROVED AS PRESENTED.

3. PUBLIC COMMENTS

None

PRESENTATION ITEMS

4. Fiscal Year 2012-13 Annual Audit Presentation

Jennifer Farr and Michael Gomez presented the annual audit.

Brian Probolsky arrived at 9:10 a.m.

Larry McKenney arrived at 9:55 a.m.

5. Financial Planning Overview

Michael Gomez and staff presented the District's Financial Planning Overview. Discussion ensued regarding the 10-year cash flow forecast, bond refinancing, multi-year financial planning, and the budget.

DISCUSSION ITEMS

6. CONTRACT AMENDMENT WITH PUBLIC FINANCIAL MANAGEMENT, INC. (PFM)

RECOMMENDATION:

It is recommended that the Board of Directors approve an amendment to the Professional Services Agreement with PFM, and authorize the General Manager to execute all necessary documents on behalf of the District.

MOTION DULY MADE BY SCOTT COLTON AND SECONDED BY LARRY MCKENNEY, THE AMENDMENT TO THE PROFESSIONAL SERVICES AGREEMENT WITH PFM WAS APPROVED ON THE CONTINGENCY THAT CHANGES REGARDING THE INSURANCE ARE MADE, WITH NO OTHER SUBSTANTIVE CHANGES.

ADJOURNMENT

The meeting was adjourned at 12:05 p.m. to Thursday, November 21, 2013 at 5:30 p.m. to be held right after or concurrently with the regular Board meeting.

Respectfully submitted,

Paige Gulck
Board Secretary

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**MINUTES OF THE SPECIAL MEETING
OF THE FINANCE & INFORMATION TECHNOLOGY
BOARD OF DIRECTORS
OF THE
MOULTON NIGUEL WATER DISTRICT**

November 21, 2013

A Special Meeting of the Finance & Information Technology Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 5:30 p.m on November 21, 2013. There were present and participating:

DIRECTORS

Larry McKenney	President
Scott Colton	Director
Richard Fiore	Director
Donald Froelich	Vice President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President/Chair

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Matt Collings	Assistant General Manager
Marc Serna	Director of Engineering & Operations
Michael Gomez	Director of Finance/Treasurer
Gina Hillary	Director of Human Resources
Kelly Winsor	Assistant to the General Manager
Megan Geer	MNWD
Ruby Yuen	MNWD
Michael Bell	PFM
Paul Niednagel	Member of the Public
Debbie Neve	Laguna Beach County Water District
Renaë Hinchey	Laguna Beach County Water District
Pat Giannone	Bowie, Arneson, Wiles & Giannone
Paige Gulck	Board Secretary

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1. CALL MEETING TO ORDER

The meeting was called to order by Larry McKenney at 5:30 p.m.

INFORMATION ITEMS

7. First Quarter Budget Comparison

Michael Gomez presented the first quarter budget. Discussion ensued on the budget balance report.

Brian Probolsky arrived at 5:35 p.m.

8. Summary of Disbursements October 31, 2013

Joone Lopez stated the disbursement log is attached for reference in the agenda packet.

9. Late Items (Special Meeting - No Additions)

None

ADJOURNMENT

The meeting was adjourned at 5:51p.m.

Respectfully submitted,

Paige Gulck
Board Secretary



Moulton Niguel Water District

STAFF REPORT

TO: Finance Board **MEETING DATE:** December 18, 2013
FROM: Ruby Yuen, Controller
SUBJECT: Comprehensive Annual Financial Report (CAFR)

SUMMARY

Issue: Review the Final Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2013.

Recommendation: It is recommended that the Board of Directors receive and file this item.

Fiscal Impact: No fiscal impact to the District.

BACKGROUND

The CAFR has been updated by the Finance Department, and a final copy is now available for review. The Report was prepared in accordance with the guidelines set forth by the Governmental Accounting Standards Board ("GASB"). Mayer Hoffman McCann, P.C. has conducted an independent audit and has expressed an unqualified opinion for the District's financial statements for fiscal year ended June 30, 2013, in accordance with generally accepted auditing standards.

DISCUSSION:

In the statistical section, the "Principal Water Customers", "Principal Sewer Customers", and "Principal Recycled Customers" tables were updated to present the current fiscal year plus six years ago, which meets the current GFOA presentation requirement.

Attachment: Final CAFR for Fiscal Year Ended June 30, 2013

RESOLUTION NO. 13-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT APPOINTING ACTING TREASURER
OF THE DISTRICT**

WHEREAS, there is a current vacancy in the office of Treasurer of the Moulton Niguel Water District (“District”) and the Board of Directors of the District (“Board”) wishes to appoint an acting Treasurer to provide for the continued, uninterrupted business of the District until such time as the District fills the position of permanent chief financial officer; and

WHEREAS, District Staff recommends the appointment of Matt Collings, Assistant General Manager, to serve as acting Treasurer.

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

Section 1. The Board hereby appoints Matt Collings, Assistant General Manager, to serve as acting Treasurer of the District, with all the authority and power to carry out the duties of the office of Treasurer as may be necessary or convenient, such appointment to be effective as of the date of adoption of this Resolution.

Section 2. This Resolution shall be effective immediately upon adoption and shall remain in full force and effect until rescinded, or superseded, by Board action.

ADOPTED, SIGNED and **APPROVED** this 19th day of December, 2013.

MOULTON NIGUEL WATER DISTRICT

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

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

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APPROVED AS TO FORM:

Bowie, Arneson, Wiles & Giannone
Legal Counsel – MNWD

By _____
Patricia B. Giannone

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Issuance. On January 16, 2014, after the hearing is conducted, the Board of Directors will be requested to adopt the Resolution of Issuance and approve other documents as to form including the Indenture of Trust, Bond Purchase Agreement, Preliminary Official Statement, and Continuing Disclosure Agreement, assuming the present value savings level can be achieved. These documents will be available to the Board approximately one week in advance of the January meeting. The General Manager would be authorized to make final changes to these documents in substantially the form presented to the Board in this issuance resolution.

Nothing in the Resolution of Intention obligates the District to sell the Refunding Bonds. In January, upon adoption of the Resolution of Issuance, if the savings level equals or exceeds 3%, the General Manager would be authorized to complete the sale and finalize the financing documents without further Board action. Cost incurred for the issuance of the Bonds would only apply if there is a sale and would be paid from Bond proceeds.

The Resolution of Intention establishes Thursday, January 16, 2014 at 5:30 p.m. as the time and place of the hearing on the 2014 Consolidated Refunding Bonds. The Resolution of Intention further authorizes the Secretary of the District and Legal Counsel to publish the Resolution of Intention at least fourteen (14) days prior to the hearing.

Attachments: Final Resolution of the Board of Directors of the Moulton Niguel Water District Declaring Intention to Issue 2014 Consolidated Refunding Bonds (re: Improvement District Nos. 6 and 7); form of Resolution of Issuance

RESOLUTION NO. 13-__

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT DECLARING INTENTION
TO ISSUE 2014 CONSOLIDATED REFUNDING BONDS
(RE: IMPROVEMENT DISTRICT NOS. 6 AND 7)**

WHEREAS, the Board of Directors (the "Board") of Moulton Niguel Water District ("MNWD") deems it proper that bonds of Improvement District Nos. 6 and 7 (the "Improvement Districts") be issued as consolidated refunding bonds (the "Bonds") pursuant to Sections 36060 et seq. and Sections 36447 et seq. of the California Water Code, and Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, for the purpose of refunding the outstanding bonds of the consolidated bonds designated "MOULTON NIGUEL WATER DISTRICT, 2003 CONSOLIDATED REFUNDING BONDS" (the "Prior Bonds"), which were issued to refund certain series of bonds of the Improvement Districts (and another MNWD improvement district) as more fully described in the below-mentioned proposed Resolution of Issuance; and

WHEREAS, the Board has been presented with a proposed resolution providing for the issuance of the Bonds (the "Resolution of Issuance").

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MOULTON NIGUEL WATER DISTRICT DOES HEREBY **RESOLVE, DETERMINE AND ORDER** AS FOLLOWS:

Section 1. The Resolution of Issuance, as presented to the Board concurrently herewith, is approved as to form. The total principal amount of the Bonds shall be comprised of the amounts of the Improvement Districts to be determined as provided therein, as that amount sufficient to refund the respective Prior Bonds of such Improvement Districts.

The provisions for the interest rates on the Bonds and other features of the Bonds, shall all be conceptually as set forth in the Resolution of Issuance and in the indenture of trust (the "Indenture") to be entered into in connection with the negotiated sale of the Bonds. The form of the Indenture shall be adopted concurrently with the Resolution of Issuance.

Section 2. Thursday, the 16th day of January, 2014, at the hour of 5:30 p.m. (or as soon thereafter as reasonably practicable) in the Board of Directors Meeting Room of Moulton Niguel Water District, 27500 La Paz Road, Laguna Niguel, California, be and the same are hereby fixed by the Board as the time and place for a hearing on the proposed Resolution of Issuance.

Section 3. At the time and place fixed in Section 2 of this Resolution declaring intention to issue the Bonds (the "Resolution of Intention"), or at any time or place to which such hearing may be continued, any person interested, including all persons owning land in the Improvement Districts or any person otherwise interested in the Bonds, may appear and be heard concerning any matter set forth in this Resolution of Intention and the proposed Resolution of Issuance or any matters material thereto, including the question of whether the burden on the

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lands of any of the Improvement Districts would be increased over the burden that would be borne by such Improvement District were its refunding bonds sold separately.

Section 4. The Secretary of MNWD and Legal Counsel thereto are directed to publish notice of such hearing by publishing a copy of this Resolution of Intention once a week for two successive weeks pursuant to Section 6066 of the California Government Code, in a newspaper of general circulation published in Orange County. The first publication shall be at least fourteen (14) days prior to the time fixed for the hearing. The Secretary is further directed to post a copy of this Resolution of Intention in three public places within each Improvement District, and at mnwd.com, for at least fourteen (14) days prior to the time fixed for the hearing. To the extent the Secretary has, prior to adoption hereof, accomplished any of the publications or postings directed by this Section, the same are hereby ratified.

APPROVED, ADOPTED and SIGNED this 19th day of December, 2013.

MOULTON NIGUEL WATER DISTRICT

President
MOULTON NIGUEL WATER DISTRICT
and the Board of Directors thereof

Secretary
MOULTON NIGUEL WATER DISTRICT
and the Board of Directors thereof

APPROVED AS TO FORM:

Bowie, Arneson, Wiles & Giannone
Legal Counsel - MNWD

By _____
Patricia B. Giannone

**MOULTON NIGUEL WATER DISTRICT
SUMMARY OF DISBURSEMENTS
FOR THE MONTH OF NOVEMBER 2013**

<u>GENERAL FUND TOTAL</u>		\$ 4,317,064
<u>RESTRICTED FUNDS</u>		
SELF INSURANCE FUND	\$ 15,317	
WBBRS EFFICIENCY FUND	119,251	
REPLACEMENT & REFURBISHMENT FUND	166,518	
TOTAL RESTRICTED FUNDS		301,086
TOTAL DISBURSEMENTS ALL FUNDS		<u><u>\$ 4,618,150</u></u>

The major expenditures for November 2013 include the following:

1. Municipal Water District of Orange County (MWDOC)		
September Water Purchases AF 2970.50	\$ 2,525,668	
August Reclaimed Rebate		(158,096)
September Capacity Charge		22,913
September RTS Charges		120,510
September SCP Operation Surcharge		14,868
		<u><u>\$ 2,525,862</u></u>
2. Santa Margarita Water District		
O&M Expenses FY 2013/2014	\$ 63,212	
3. South Coast WD/JRWSS		
O&M Expenses FY 2013/2014	\$ 116,829	
CIP Expenses FY 2013/2014		64,317
		<u><u>\$ 181,146</u></u>

