



Moulton Niguel Water

Leading the Way in Service

MOULTON NIGUEL WATER DISTRICT

2014 Improvement District Refunding

December 18, 2013

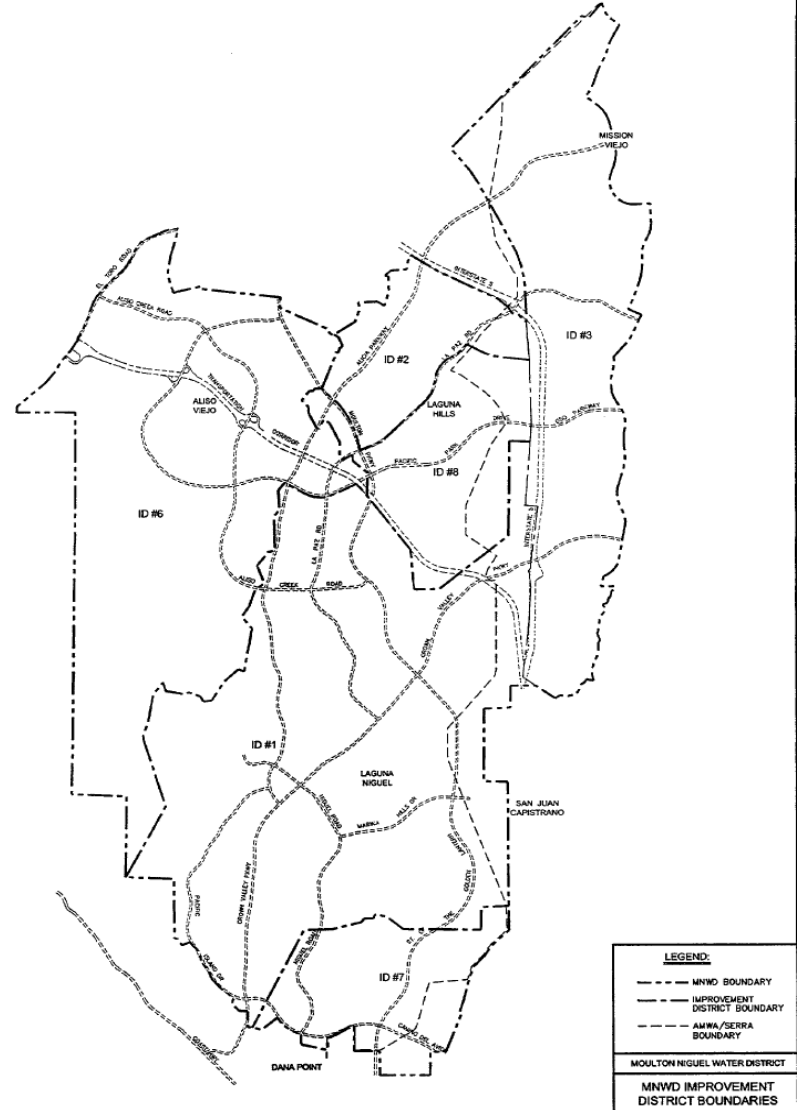
Improvement District No. 6 and No. 7

Improvement District No. 6

- Authorization of \$140,838,000
- \$63,400,000 of bonds have been issued and sold

Improvement District No. 7

- Authorization of \$26,664,000
- \$19,800,000 of bonds have been issued and sold



Outstanding Debt

- \$22,540,000 in 2003 Improvement District General Obligation Bonds Outstanding
- All debt is fixed rate and will be completely paid off in 2019
- Bonds can only be called on an interest payment date (March 1 or September 1)
- Improvement District Bonds are General Obligation Bonds of each Improvement District
 - Annual property assessments levied to pay full debt service for the coming year

	Principal	Interest	Total DS
9/1/2014	\$5,585,000	1,127,000	6,712,000
9/1/2015	\$6,000,000	847,750	6,847,750
9/1/2016	\$6,450,000	547,750	6,997,750
9/1/2017	\$1,395,000	225,250	1,620,250
9/1/2018	\$1,500,000	155,500	1,655,500
9/1/2019	\$1,610,000	80,500	1,690,500
Total	\$22,540,000	\$2,983,750	\$25,523,750

- Minimum savings target of 3%
- Current savings estimated at 6.09% or \$1.37 million (net of costs of issuance)
- Savings benefit property owners

Key Participants

- Issuer of Bonds – MNWD
 - Issues the bonds on behalf of property owners within the respective Improvement Districts
- Financial Advisor – PFM
 - Advises District on issuance and has a fiduciary responsibility during process
- Bond and Disclosure Counsel - Jones Hall
 - Represents District in refunding and responsible for any legal documents/agreements as well as ensuring necessary disclosure of information is provided by District
- District Counsel - Bowie, Arneson, Wiles & Giannone
 - Represents District and provides input on legal documents and agreements
- Underwriter – Stifel Nicolaus (formerly Stone & Youngberg)
 - Agrees to purchase bonds (and ultimately sell to investors); provides market commentary during transaction
- Underwriter Counsel – Norton Rose Fulbright
 - Represents underwriter and provides input on documents and disclosure to ensure investors are provided with necessary information on bonds and improvement districts.
- Trustee - U.S. Bank
 - Provides Trust services, ensures necessary notices to bondholders are sent out and facilitates refunding of bonds with proceeds from the transaction

Legal Agreements and Bond Documents (reviewed before January meeting)

■ Resolution to Issue Bonds

- The document in which the issuer authorizes the issuance.
- Bond Resolution describes the nature of the obligation, the issuer's duties to the bondholders and the issuer's rights with respect to the obligations and the security for the obligations.

■ Bond Purchase Agreement (BPA)

- A legally binding contract between the underwriter and the issuer setting forth the final terms, prices and conditions upon which the underwriter purchases a new issue of municipal securities.

■ Continuing Disclosure Requirements

- Disclosure of material information relating to municipal securities provided to the marketplace by the issuer with respect to the securities after the initial issuance.
- Including annual financial information, certain operating information and notices about specified events affecting the issuer, the obligor, the municipal securities or the project financed.

■ Preliminary Official Statement (POS)

- Preliminary bond offering document that will be seen by investors.
- POS outlines bond related information, summary of indenture and covenants as well as information related to improvement districts, economic data, basic information on District and will include a copy of CAFR

Proposed Schedule

Date	Action Item
January 8 th	Board to receive documents to review prior to Board Meeting
Week of January 13 th	Credit Rating Meeting
January 15 th and 16 th	Board Review of Transaction and Approval of Resolution
January 27 th	Receive Credit Rating
February 13 th	Sell Refunding Bonds
February 26 th	Close Transaction and place funds in Escrow
March 1 st	Call 2003 Bonds