



**FINANCE & INFORMATION TECHNOLOGY
BOARD OF DIRECTORS' MEETING
MOULTON NIGUEL WATER DISTRICT
27500 La Paz Road, Laguna Niguel
June 17, 2015
8:30 AM
Approximate Meeting Time: 4 Hours**

**THIS BOARD MEETING WILL INCLUDE TELECONFERENCING AT THE
FOLLOWING LOCATION: 12025 CEDAR SHORE ROAD, ELLISON BAY,
WISCONSIN**

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE MAY 20, 2015 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING
3. 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.

DISCUSSION ITEMS

4. Fiscal Year 2015-16 Proposed Budget
5. Annual Gann Appropriations Limit for Fiscal Year 2015-16
6. General Obligation Bond Tax Rates for Fiscal Year 2015-16
7. Laguna Sur Sewer Rates
8. Amendment No. 4 to Professional Services Agreement - Public Financial Management, Inc.
9. Professional Services Agreement - Michael Bell Management Consulting, Inc.
10. Customer Communication Services Contract
11. Rebate Applications for Turf Removal and Synthetic Turf Installation

INFORMATION ITEMS

12. Update on Bond Issuance
13. Outreach Update
14. Monthly Financial Report
 - a. Summary of Financial Results
 - b. Budget Comparison Report
 - c. Financial Statements
 - d. Restricted Cash and Investments with Fiscal Agent
 - e. Unrestricted and Restricted Fund Balances
 - f. Summary of Disbursements May 2015
15. Future Agenda Items (Any items added under this section are for discussion at future meetings only)
16. 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]

CLOSED SESSION:

17. PURSUANT TO GOVERNMENT CODE SECTION 54957.6, A CLOSED SESSION WILL BE CONDUCTED FOR:

Conference with Labor Negotiators

District Representatives: Donald Froelich & Richard Fiore

Unrepresented Employee: General Manager

OPEN SESSION:

18. CONSIDERATION OF AN AMENDMENT TO THE GENERAL MANAGER'S CONTRACT

Amend the General Manager's Contract

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

May 20, 2015

A Regular 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 8:30 AM on May 20, 2015. There were present and participating:

DIRECTORS

Duane Cave	Director
Scott Colton	Vice President
Richard Fiore	Director
Donald Froelich	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
Ruth Zintzun	Finance Manager
Michael Bell	Public Financial Management
Brian Thomas	Public Financial Management
Paige Gulck	Board Secretary
Tim Bonita	MNWD
Marc Serna	MNWD
Gina Hillary	MNWD
Carole Wayman-Piasek	MNWD
Fiona Hutton	Fiona Hutton & Associates
Jayson Schmidt	Chandler Asset Management
Scott Dey	Mission Viejo Country Club

#2.

1. CALL MEETING TO ORDER

The meeting was called to order by Brian Probolsky at 8:31 a.m.

2. APPROVE THE MINUTES OF THE APRIL 15, 2015 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING

MOTION DULY MADE BY DUANE CAVE AND SECONDED BY GARY KURTZ, MINUTES OF THE APRIL 15, 2015 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, SCOTT COLTON, RICHARD FIORE, DONALD FROELICH, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

3. PUBLIC COMMENTS

None.

PRESENTATION ITEMS

4. Quarterly Investment Report - Chandler Asset Management

Jayson Schmidt from Chandler Asset Management presented the Quarterly Investment Report. Key topics presented were the account profile, portfolio holdings, and economic update.

5. Customer Outreach Campaign

The Board discussed this item first on the agenda. Richard Fiore briefly discussed the outreach ad hoc direction and goals for the future. Fiona Hutton presented the Customer Outreach Campaign. Key topics presented were communications objectives and strategy, key audiences, the proposed scope, messaging, and media relations.

DISCUSSION ITEMS

6. Rebate Applications for Turf Removal and Synthetic Turf Installation

Matt Collings presented the Rebate Applications for Turf Removal and Synthetic Turf Installation. Discussion ensued regarding the residential rebate requests. Scott Dey presented the Mission Viejo Country Club Turf Reduction Plan. Richard Fiore recused himself from the discussion in regards to the HOAs rebates as his firm has provided legal services for the HOAs. Staff recommends that the Board of Directors (1) consider the rebate applications for the identified project without a limitation on the maximum allowable acreage for each project and direct staff accordingly and (2) increase the maximum allowable acreage for residential applications to 3,000 square feet. Discussion ensued regarding changes to the recommendations, which will be brought to

the Thursday, May 21, 2015 Board Meeting.

INFORMATION ITEMS

7. 2003 Certificates of Participation Refunding

Brian Thomas provided an update on the 2003 Certificates of Participation Refunding. The net present value savings of interest expense is \$1.56 million for the District.

8. Monthly Financial Report

Ruth Zintzun presented the monthly financial report.

9. Future Agenda Items (Any items added under this section are for discussion at future meetings only)

None.

10. Late Items (Appropriate Findings to be Made)

Staff has none.

ADJOURNMENT

The meeting was adjourned at 11:50 a.m.

Respectfully submitted,

Timothy Bonita
Recording Secretary



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** June, 2015

FROM: Ruth Zintzun, Finance Manager

SUBJECT: Fiscal Year 2015-16 Proposed Budget

DIVISION: District-Wide

SUMMARY:

Issue: The current Operating and Maintenance Budget and the annual Capital Improvement Program for Fiscal Year 2015-16 has been revised to reflect current resource needs.

Recommendation: It is recommended that the Board of Directors approve the resolution entitled, “Approving a Budget Appropriation and Adopting the Operating Budget and Capital Improvement Program Budget for Fiscal Year 2015-16.”

Fiscal Impact: The proposed Operating and Maintenance budget and the Capital Improvement budget, along with the Cash Fund balances, was presented during the June Board workshop.

BACKGROUND:

The District adopted a two-year Operating and Maintenance budget and annual Capital Improvement Program in June 2014. The adopted budget has been updated to reflect current resource and capital needs. The Operating and Maintenance budget includes the necessary resources and services to provide water, wastewater, and recycled water services to the District’s customers. The Capital Improvement Program budget includes appropriate funding to perform infrastructure improvements and/or the addition of new infrastructure.

DISCUSSION:

On June 1, 2015, the Board participated in a budget workshop to review the details of the proposed budget and provide input through the process. The draft budget document

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Fiscal Year 2015-16 Proposed Budget

June, 2015

Page 2 of 2

provides a summary of the current Fiscal Year 2014-15 budget, and proposed budget for Fiscal Year 2015-16. The budget document also includes narrative and graphics to provide additional context to the proposed budget and incorporates changes generated during the budget workshop.

Attachments: Resolution Approving a Budget Appropriation and Adopting the Operating Budget and Capital Improvement Program Budget for Fiscal Year 2015-16.

RESOLUTION NO. 15-__

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
APPROVING A BUDGET APPROPRIATION AND ADOPTING THE OPERATING
BUDGET AND CAPITAL IMPROVEMENT PROGRAM BUDGET
FOR FISCAL YEAR 2015-16**

WHEREAS, the Board of Directors of the Moulton Niguel Water District (“Board of Directors”) held multiple public meetings to review and discuss the proposed Fiscal Year 2015-16 Operating Budget and Capital Improvement Budget.

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

SECTION 1. A certain document now on file in the Finance Division of the Moulton Niguel Water District entitled, “Moulton Niguel Water District Operating and Capital Improvement Program Budget,” is hereby made part of this Resolution.

SECTION 2. Said Operating and Capital Improvement Budget is hereby adopted for the Fiscal Year beginning July 1, 2015, and ending June 30, 2016, and consists of the estimated and anticipated expenditures and revenues for the Fiscal Year for all funds.

SECTION 3. The expenditure amounts designated to each fund for which they are designated and such appropriations shall not be increased except as provided herein.

SECTION 4. The appropriations for each fund may only be increased or decreased by the Board of Directors by passage of a resolution amending the Budget except as provided herein.

SECTION 5. The following controls are hereby placed on the use and transfers of budgeted funds:

- A. No expenditure of funds shall be authorized unless sufficient funds have been appropriated by the Board of Directors or General Manager as described below. The General Manager may authorize all transfers of funds from category to category within the same fund. The General Manager may delegate authority to transfer funds between categories as necessary.
- B. The General Manager may authorize out-of-state travel for appropriate training and education of staff or for public safety and/or emergency services purposes in compliance with applicable District policies.

#4.

- C. The Board of Directors must authorize any increase in the number of authorized regular full time personnel positions in addition to those identified in Section 1 (Staffing Plan) of the Budget document.
- D. The General Manager is authorized to employ during the fiscal year(s) covered by this Budget, the number and classifications of such full time and part time employees as are shown in the Budget, all subject to the total number of authorized positions. The General Manager may also authorize the hiring of temporary or part time staff provided that the total to be obligated and expended within any fund as set forth in said Budget for the category of "Salaries" does not exceed the budgeted and appropriated amount, as the same may be amended by the Board of Directors.

SECTION 6. All appropriations for the Capital Improvement Projects remaining unexpended on June 30, 2015, are hereby appropriated for such Capital Projects for the 2015-16 Fiscal Year.

SECTION 7. All appropriations and outstanding encumbrances for non-Capital Projects as of June 30, 2015, expire as of said date.

SECTION 8. The legal level of budgetary control is at the fund level. Budgets may not legally be exceeded at the fund level without appropriate authorization by the Board of Directors.

SECTION 9. The Board of Directors does hereby approve and adopt the General Unit, Supervisory Unit and Exempt Employees' Job Classification Salary Schedules effective June 27, 2014, for Fiscal Year 2015-2016.

ADOPTED, SIGNED and APPROVED this 18th day of June, 2015.

MOULTON NIGUEL WATER DISTRICT

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

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

Draft Budget
will be
distributed
separately.

#5.

Annual Gann Appropriations Limit for Fiscal Year 2015-16

June 17, 2015

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are subject to the limit. Charges for services, regulatory fees, grants, loans, donations and other non-tax proceeds are not subject to the limit. Each year the Board of Directors must adopt by Resolution the District's Appropriations Limit for the following year. For Fiscal Year 2015-16 the Appropriations Limit is calculated to be \$7,097,398.

Attachments:

1. Resolution Approving Appropriations Limit for Fiscal Year 2015-16 and Finding Compliance With Article XIII B of the Constitution of the State of California
2. Computation of the Appropriation Limit for Fiscal Year 2015-16

RESOLUTION NO. 15-____

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
APPROVING ITS APPROPRIATIONS LIMIT FOR FISCAL YEAR 2015-16 AND
FINDING COMPLIANCE WITH ARTICLE XIII B OF THE CONSTITUTION
OF THE STATE OF CALIFORNIA**

WHEREAS, the Board of Directors of the Moulton Niguel Water District (MNWD) has reviewed the financial affairs of MNWD and has reviewed the proposed Budget for the Fiscal Year 2015-16; and

WHEREAS, the Board of Directors desires to establish an Appropriations Limit for Fiscal Year 2015-16 for the purpose of complying with Article XIII B of the Constitution of the State of California; and

WHEREAS, the Board of Directors desires at this time to approve its Budget for the Fiscal Year 2015-16, as well as its Appropriations Limit for said Fiscal Year 2015-16;

NOW, THEREFORE, the Board of Directors of MNWD does RESOLVE, DETERMINE, and ORDER as follows:

Section 1. That an Appropriations Limit of **\$7,097,398** be and the same hereby is established as the limit to which funds derived from ad valorem taxes may be appropriated during the Fiscal Year 2015-16.

Section 2. That the Budget for the Fiscal Year 2015-16 be and the same hereby is approved by this Board of Directors which Budget is on file with the Treasurer of MNWD and is by this reference incorporated herein.

Section 3. That the Treasurer of MNWD be and the same is hereby authorized to file copies of said Budget with such other public agencies as may be necessary.

#5.

ADOPTED, SIGNED and APPROVED this 18th day of June, 2015.

MOULTON NIGUEL WATER DISTRICT

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

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

MOULTON NIGUEL WATER DISTRICT
Permitted Growth Rate in Appropriations for 2015-16

Appropriation Limitation 2014-15 \$6,763,210

Increase In CA Per Capita Personal Income

$$\frac{3.82 + 100.00}{100} \quad 1.038200$$

Increase In Population
Orange County

$$\frac{1.08 + 100.00}{100} \quad 1.0108$$

Change Ratio .10382 x 1.0108 1.0494

Appropriations Limitation for 2015-16 \$7,097,398

Data Source: Department of Finance, State of California



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** June 17, 2015

FROM: Ruth Zintzun, Finance Manager

SUBJECT: General Obligation Bond Tax Rates for Fiscal Year 2015-16

DIVISION: District-Wide

SUMMARY:

Issue: Requesting approval of the Fiscal Year 2015-16 General Obligation Bond Tax Rates.

Recommendation: It is recommended that the Board of Directors approve the resolution entitled, "Setting Tax Rates for Fiscal Year 2015-16."

Fiscal Impact: Revenues collected from taxable property within Improvement Districts No. 6 and 7 are used to pay for voter approved District debt.

BACKGROUND:

Since its inception in 1960, the District has formed multiple improvement districts to provide major water distribution facilities and sewage collection, treatment and disposal facilities services within their respective boundaries. Through consolidations and annexations, the District now contains 6 operational improvement districts, Improvement District Nos. 1, 2, 3, 6, 7 and 8. A map of the improvement districts is attached. Improvement District Nos. 6 and 7 are the only improvement districts that currently have debt outstanding. The voters in Improvement District 6 have authorized \$140 million of water and sewer bonds, of which \$63 million have been sold and \$10 million is outstanding. The voters in Improvement District 7 have authorized \$27 million of water and sewer bonds, of which \$20 million have been sold and \$7 million is outstanding.

DISCUSSION:

The District calculates the amount of money necessary to be raised by taxation upon the taxable property within each Improvement District and estimates the tax rate to be levied.

#6.

General Obligation Bond Tax Rates for Fiscal Year 2015-16

June 17, 2015

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Each year, the Board of Directors must adopt by Resolution the District's required revenue for each Improvement District and estimated tax rate for the following year. For Fiscal Year 2015-16 the required revenue and estimated tax rates are as follows:

Improvement District No.	Required Revenue	Estimated Tax Rate
6	\$4,043,131	0.08980%
7	\$970,139	0.06204%

Attachments:

1. Resolution Setting Tax Rates for Outstanding General Obligation Bonds of Improvement Districts for Fiscal Year 2015-16.
2. Computation of the Improvement District No. 6 and ID No. 7 tax rates for Fiscal Year 2015-16.
3. Map of the Improvement Districts.

RESOLUTION NO. 15-_____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
MOULTON NIGUEL WATER DISTRICT SETTING TAX RATES FOR
OUTSTANDING GENERAL OBLIGATION BONDS OF IMPROVEMENT DISTRICTS
FOR FISCAL YEAR 2015-16**

WHEREAS, the Board of Directors of MOULTON NIGUEL WATER DISTRICT (sometimes the “District” herein) has considered the financial needs of the MOULTON NIGUEL WATER DISTRICT and its’ IMPROVEMENT DISTRICT NOS. 6 and 7 for the 2015-16 Fiscal Year for payment of outstanding bonded indebtedness of such improvement districts, and the funds available and estimated to become available for meeting said financial needs; and

WHEREAS, pursuant to Section 37206 of the Water Code of the State of California, the Board of Directors of the District shall furnish to the Board of Supervisors of the County of Orange and the Auditor of the County of Orange an estimate in writing of the amount of money needed to be raised by the District during the 2015-16 Fiscal Year for the payment of outstanding voter approved general obligation bonded indebtedness of the District’s improvement districts for the 2015-16 Fiscal Year.

NOW, THEREFORE, the Board of Directors of MOULTON NIGUEL WATER DISTRICT does hereby resolve, determine and order as follows:

Section 1. That the amount of money necessary to be raised by ad valorem assessments upon the taxable property (land only) within the IMPROVEMENT DISTRICT NO. 6 of MOULTON NIGUEL WATER DISTRICT as revenue to pay the voter approved indebtedness for said improvement district for the 2015-16 Fiscal Year is the sum of \$4,043,131. The estimated tax rate to be levied shall be .0008980 percent (.08980%) of taxable land value. The tax rate herein is levied pursuant to Section 93 and 93.61 (a)(1) of the Revenue and Taxation Code for the purpose of paying voter approved indebtedness of the MOULTON NIGUEL WATER DISTRICT for IMPROVEMENT DISTRICT NO. 6.

Section 2. That the amount of money necessary to be raised by ad valorem assessments upon the taxable property (land only) within the IMPROVEMENT DISTRICT NO. 7 of MOULTON NIGUEL WATER DISTRICT as revenue to pay the voter approved indebtedness for said district for the 2015-16 Fiscal Year is the sum of \$940,139. The estimated tax rate to be levied shall be .0006204 percent (.06204%) of taxable land value. The tax rate herein is levied pursuant to Section 93 and 93.61 (a) (1) of the Revenue and Taxation Code for the purpose of paying voter approved indebtedness of the MOULTON NIGUEL WATER DISTRICT for IMPROVEMENT DISTRICT NO. 7.

Section 3. That the Secretary and Acting Treasurer of the District are hereby requested to furnish a certified copy of this Resolution to the Auditor of the County of Orange.

#6.

APPROVED, ADOPTED and SIGNED this 16th day of April, 2015.

MOULTON NIGUEL WATER DISTRICT

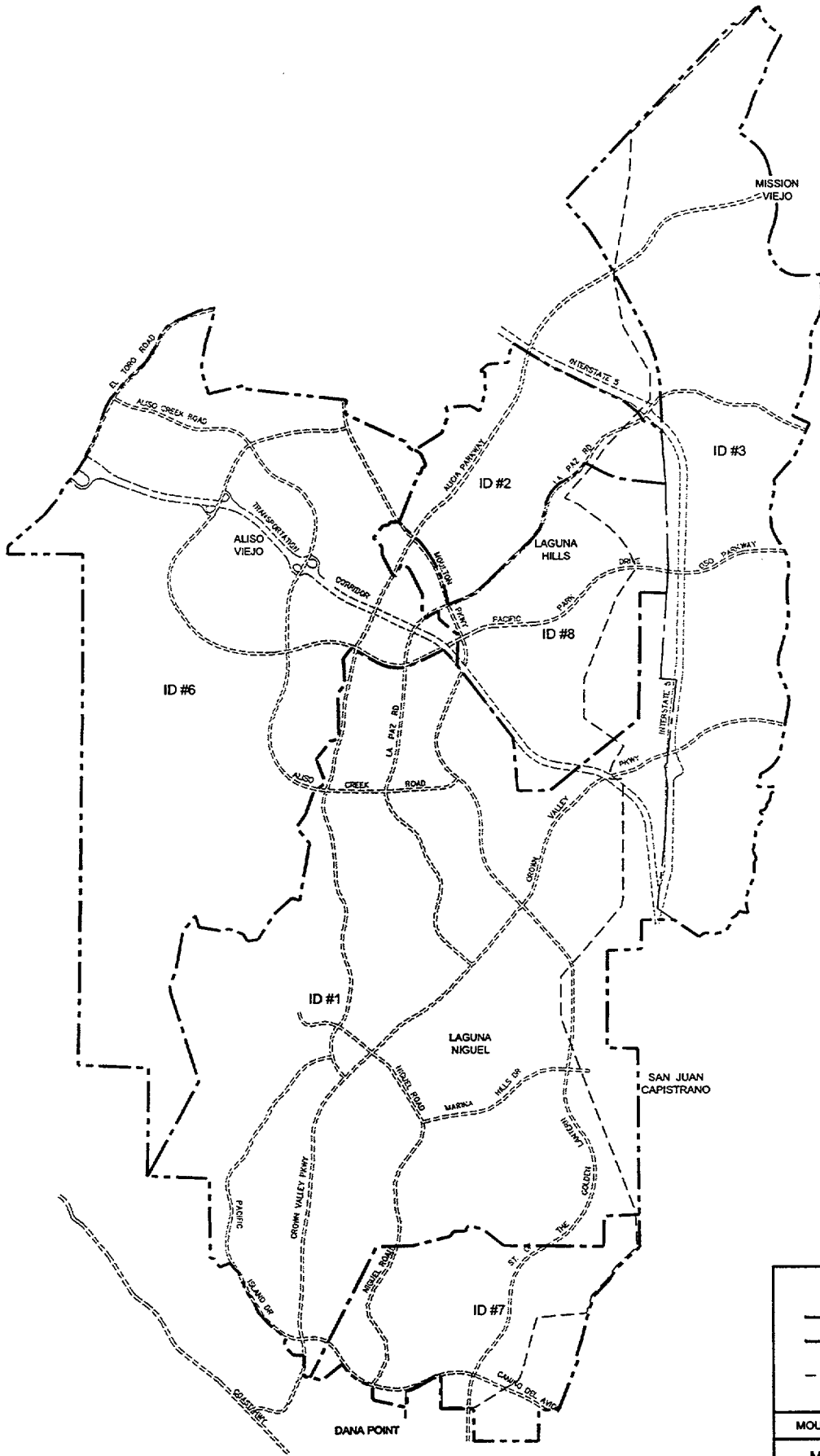
By: _____
President
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

By: _____
Secretary
MOULTON NIGUEL WATER DISTRICT
and of the Board of Directors thereof

Tax Rate Calculation

	<u>ID #6</u>	<u>ID #7</u>	<u>Total</u>
Total Debt Service for FY 2015-16	4,884,400	1,356,100	6,240,500
Plus 5% Delinquency Factor	244,220	67,805	312,025
Less: Estimated Interest Earnings	(117,000)	(33,000)	(150,000)
Less: Prior year's taxes available	(968,489)	(450,766)	(1,419,255)
Total Assessment Requirement for 2015-16	<u>\$ 4,043,131</u>	<u>\$ 940,139</u>	<u>\$ 4,983,269</u>

Secured Assessed Value - Estimated	4,502,314,688	1,515,366,215	6,017,680,903
Full Value Tax % Percentage	0.08980%	0.06204%	0.15184%



LEGEND:

- MNWD BOUNDARY
- - - IMPROVEMENT DISTRICT BOUNDARY
- - - AMWA/SERRA BOUNDARY

MOULTON NIGUEL WATER DISTRICT

MNWD IMPROVEMENT DISTRICT BOUNDARIES

DWG: P:\20-12\mwd\06se-FG01-8X11-03-14-03.dwg USER: dgero
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Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** June 17, 2015

FROM: Ruth Zintzun, Finance Manager

SUBJECT: Laguna Sur Sewer Rates

DIVISION: District-Wide

SUMMARY:

Issue: Setting sewer service charges and usage rates for Laguna Sur/Monarch Point properties for fiscal year 2015-16.

Recommendation: It is recommended that the Board of Directors approve the resolution entitled, "Setting Fiscal Year 2015-16 Sewer Service Charges and Usage Rates for Specified Parcels in Laguna Sur/Monarch Point Property to be Collected via Property Tax Statements on the FY 2015-16 Tax Roll, Directing Filing of Written Report and Calling a Hearing thereon (Laguna Sur/Monarch Point LAFCO Reorganization RO96-05)."

Fiscal Impact: No impact.

BACKGROUND:

The Laguna Sur/Monarch Point Reorganization Area was detached from South Coast Water District (SCWD) and annexed into Moulton Niguel Water District (MNWD), effective April 1997. SCWD continues to provide sewer service to the Reorganization Area through contract with MNWD. As part of the terms and conditions of the reorganization, MNWD continues the prior SCWD practice of collection of the sewer service charges and rates on the tax roll, and then remits the charges and rates to SCWD.

DISCUSSION:

Attached is a resolution to continue collection of the sewer service charges and rates for the Reorganization Area on the property tax bills. The collection procedure under Health and Safety Code Section 5473 et seq. requires SCWD to prepare a report of the assessor parcel numbers and corresponding sewer service charges and rates. It also requires that MNWD notice a public hearing and adopt the report, absent a majority protest to tax roll collection procedure. The proposed charges and rates are

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Laguna Sur Sewer Rates

June 17, 2015

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anticipated to be the same as those adopted for fiscal year 2014-15 by SCWD and MNWD in July 2013 pursuant to a Proposition 218 hearing process.

Attachment: Resolution Setting Fiscal Year 2015-16 Sewer Service Charges and Usage Rates for Specified Parcels Laguna Sur/Monarch Point Property to be Collected via Property Tax Statements on the FY 2015-16 Tax Roll, Directing Filing of Written Report and Calling a Hearing thereon (Laguna Sur/Monarch Point LAFCO Reorganization RO96-05).

RESOLUTION NO. 15-__

**RESOLUTION OF THE BOARD OF DIRECTORS OF
MOULTON NIGUEL WATER DISTRICT
SETTING 2015-16 SEWER SERVICE CHARGES AND USAGE RATES FOR
SPECIFIED PARCELS (LAGUNA SUR/MONARCH POINT PROPERTY) TO BE
COLLECTED VIA PROPERTY TAX STATEMENTS ON THE TAX ROLL,
DIRECTING FILING OF WRITTEN REPORT AND CALLING A HEARING
THEREON**

(LAGUNA SUR/MONARCH POINT LAFCO REORGANIZATION RO96-05)

WHEREAS, the Moulton Niguel Water District (“MNWD” or “District”) is a California Water District organized and existing under the California Water District Law (California Water Code Section 34000, *et seq.*), and all of the land within the boundaries of said District are located in the County of Orange, State of California;

WHEREAS, pursuant to Orange County Local Agency Formation Commission (LAFCO) Reorganization RO96-05, certain real property commonly known as the Laguna Sur/Monarch Point area (“Property”) was detached from South Coast Water District (“SCWD”) and annexed to MNWD, subject to the terms and conditions approved by LAFCO for Reorganization RO96-05. Reference is made to the map and legal description depicting the boundaries of the property under Reorganization RO96-05 attached to LAFCO’s Certificate of Completion recorded on April 30, 1997;

WHEREAS, included within the terms and conditions of Reorganization RO96-05 is the requirement that SCWD continue to provide for sewage collection, conveyance, treatment and disposal services to the Property, and annually furnish MNWD with SCWD’s authorized annual sewer service charges and usage rates (together the “Reorganization Sewer Service Charges”) in sufficient time for MNWD to arrange for the continued collection of such charges via property tax statements on the tax roll;

WHEREAS, after individual notice to property owners of parcels within the Property, a public hearing pursuant to Health and Safety Code Section 5473, *et seq.*, and adoption of Ordinance No. 180 entitled “An Ordinance of the Board of Directors of South Coast Water District Establishing Method for Billing Sewer Service Charges for the Fiscal Year Commencing July 1, 1995,” on July 25 1995, as thereafter supplemented by SCWD Ordinance Nos. 186 and 188 and subsequent ordinances and resolutions, SCWD approved the Reorganization Sewer Service Charges to be collected from parcels within the Property via the property tax statements on the tax roll, and the District thereafter provided for the collection of the Reorganization Sewer Service Charges, as revised from time to time by SCWD, via the property tax statements on the tax roll;

WHEREAS, SCWD most recently revised the Reorganization Sewer Service Charges for the Property for fiscal years 2013-14 and 2014-15 in July, 2013 (“2013 SCWD Rate Revisions”);

WHEREAS, MNWD adopted Ordinance No. 13-01 authorizing the 2013 SCWD Rate Revisions for the Property, and the fiscal year 2014-15 rates so authorized will continue to apply in fiscal year 2015-16 and thereafter until otherwise adjusted by SCWD in the future and implemented by MNWD;

WHEREAS, the Board of Directors of MNWD (the “Board”) finds it in MNWD’s best interest to continue to collect the Reorganization Sewer Service Charges on the tax roll via the property tax statements;

WHEREAS, Section 5473 of the Health and Safety Code provides that a district electing to have such charges collected via the property tax statements on the tax roll shall cause a written report (“Report”) to be filed each year containing a description of each parcel and the amount of the charges for each parcel for the year; and

WHEREAS, pursuant to Section 5473.1 of the Health and Safety Code, the Secretary of MNWD must cause a notice of the filing of the Report and of the time and place of a public hearing on the proposed Reorganization Sewer Service Charges to be published.

NOW, THEREFORE, the Board of Directors of MNWD does hereby **RESOLVE, DETERMINE AND ORDER** as follows:

Section 1. In accordance with the provisions of Health and Safety Code Section 5473 *et seq.*, the General Manager, or her designees, are hereby directed to file with the Secretary of the District the written Report containing a description of each parcel of real property as to which the Reorganization Sewer Service Charges, are proposed to be collected via the property tax statements on the tax roll, and the amount of the charges for each such parcel, commencing July 1, 2015.

Section 2. Thursday, the 16th day of July 2015, at the hour of 6:00 p.m., or as soon thereafter as possible, in the Board Meeting Room of MNWD, 27500 La Paz Road, Laguna Niguel, California 92677, be and the same are hereby fixed by the Board as the time and place for hearing and consideration by this Board of all objections or protests, if any, to the Report.

Section 3. The Secretary of the District and Legal Counsel are hereby authorized and directed to publish notice of the filing of the Report and the time and place of the hearing pursuant to Health and Safety Code Section 5473.1 and Government Code Section 6066, in substantially the form attached to this Resolution as *Exhibit A* (subject to any adjustments to the Reorganization Sewer Service Charges as may be approved by SCWD prior to publication, to be determined by the General Manager, or her designees), in a newspaper of general circulation printed and published within MNWD and the Property. Additionally, the Secretary is hereby authorized and directed to post a copy of this Resolution at the District offices and on the District website at www.MNWD.com .

Section 4. The election made in Section 1 of this Resolution to have the Reorganization Sewer Charges for parcels within the Property as listed in the Report to be

prepared each year, collected via the property tax statements on the tax roll, shall remain in effect until this Resolution is rescinded.

Section 5. The General Manager, or her designees, and the Secretary are hereby authorized and directed to file a certified copy of this Resolution with the County of Orange Auditor-Controller, and such other officers of the County of Orange if so required by such officers.

ADOPTED, SIGNED and APPROVED this 18th day of June 2015.

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 - MOULTON NIGUEL WATER DISTRICT

By: _____
Patricia B. Giannone

Exhibit A**MOULTON NIGUEL WATER DISTRICT
• NOTICE OF PUBLIC HEARING •****LAGUNA SUR/MONARCH POINT REORGANIZATION AREA
2015-2016 ANNUAL SEWER SERVICE CHARGES AND USAGE RATES TAX ROLL
COLLECTION**

Notice is hereby given pursuant to California Health and Safety Code Section 5473.1 of a public hearing to be held by the Board of Directors of the Moulton Niguel Water District (MNWD) (Laguna Niguel, California) on **July 16, 2015, at 6:00 pm**, or as soon thereafter as possible, in the Board Meeting Room located at 27500 La Paz Road, Laguna Niguel, California 92677. Said hearing is to be held for the purpose of considering approval of a written report pertaining to certain property generally known as the “Laguna Sur/Monarch Point LAFCO 96-05 Reorganization Area,” which property is provided sewer service by **South Coast Water District (SCWD)**, but is within MNWD, pursuant to the terms of LAFCO Reorganization No. 96-05, and to consider public comments and all objections or protests regarding use of the County of Orange property tax roll for continuing the current practice of billing sewer service charges and usage rates for sewer collection, treatment and disposal services. The following sewer service charges and rates have been proposed by **SCWD** to be collected on the property tax roll for **2015-16** (no change from the 2014-15 charges and rates):

The proposed amounts are the maximum charges and rates that SCWD will consider. If approved, the charges and rates on all tables below will be effective as of July 1, 2015, pursuant to MNWD Ordinance No. 13-01.

TABLE 1: PROPOSED ANNUAL SEWER SERVICE CHARGE – RESIDENTIAL

SERVICE	CURRENT CHARGES	PROPOSED 2015-16
Single Family Detached	\$446.46	\$446.46

**TABLE 2: PROPOSED SEWER USAGE RATES – RESIDENTIAL
SINGLE FAMILY DETACHED**

(1 unit of water = 748 gallons)

CURRENT RATES Per Unit of Water	PROPOSED 2015-16 Per Unit of Water
\$1.20	\$1.20

**TABLE 3: PROPOSED ANNUAL SEWER SERVICE CHARGES – HOMEOWNERS’
ASSOCIATION/CONDOMINIUMS**

SERVICE	CURRENT CHARGES	PROPOSED 2015-16
Duplex, 2 units	\$296.53	\$296.53
Triplex, 3 units	\$309.89	\$309.89

SERVICE	CURRENT CHARGES	PROPOSED 2015-16
Fourplex, 4 units	\$314.19	\$314.19
5 or more units	\$231.91	\$231.91
Association Guardhouse	\$446.46	\$446.46
Association Recreation Area (no food service)	\$446.46	\$446.46

TABLE 4: PROPOSED ANNUAL SEWER USAGE RATES – HOMEOWNERS’ ASSOCIATION
(1 unit of water = 748 gallons)

SERVICE	CURRENT RATES Per Unit of Water	PROPOSED 2015-16 Per Unit of Water
Master Metered Condominium Units	\$1.20	\$1.20
Association Guardhouse	\$6.62	\$6.62
Association Recreation Area (no food service)	\$6.62	\$6.62

For more information on the sewer charges and rates for the Reorganization Area, please call MNWD customer service at (949) 851-1300. All communications regarding the sewer charges and rates, or the public hearing, including protests against collection of the charges and rates on the property tax bill, should be made in writing to the attention of the General Manager at the MNWD address above. Protests must be received in writing prior to the conclusion of the public hearing, and include the owner’s name and address and assessor parcel number, the owner’s original signature, and a statement of protest as to the property tax bill collection process. Email protests or other electronic protests are not valid and cannot be accepted as official protests. Protest letters will be tabulated and presented to the MNWD Board at the public hearing on the tax roll collection process. MNWD will count one written protest per property address. If written protests are not filed by a majority of record owners of property in the Laguna Sur/Monarch Point area, the MNWD Board will be authorized to adopt the report and collect the charges and rates using the property tax bill collection process.

Paige Gulck

s/Secretary
MOULTON NIGUEL WATER DISTRICT



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** June 17, 2015

FROM: Ruth Zintzun, Finance Manager

SUBJECT: Amendment No. 4 to Professional Services Agreement – Public Financial Management, Inc.

DIVISION: District-Wide

SUMMARY:

Issue: The term of the existing Professional Services Agreement expired on June 1, 2015, and an extension is required to continue financial advisory services.

Recommendation: It is recommended that the Board of Directors approve Amendment No. 4 to the Professional Services Agreement with Public Financial Management, Inc., and authorize the General Manager to execute Amendment No. 4.

Fiscal Impact: Sufficient funds are included in the proposed Fiscal Year 2015-16 operating budget for consideration by the Board of Directors.

BACKGROUND:

The District entered into an Agreement for Professional Services (Agreement) with Public Financial Management, Inc. (PFM) in June 2013 to support various financial analyses. In November 2013, Amendment No. 1 to the Agreement was executed to increase the scope of work to include additional support for the District’s executive management in the day-to-day execution of the District’s financial responsibilities in the absence of the Director of Finance. In April 2014, Amendment No. 2 to the Agreement was executed to extend Agreement through June 30, 2015. In August 2014, Amendment No. 3 was executed to decrease the monthly retainer due to reduced need for outsourced financial services as a result of staff recruitment.

Previous PFM contracts included Michael Bell Management Consulting (MBMC) fees, as MBMC was subcontracted. Staff is proposing the Board of Directors authorize the General Manager to approve a Professional Services Agreement with MBMC separately to continue technical and management support of District financial activities.

#8.

Amendment No. 4 – Public Financial Management

June 17, 2015

Page 2 of 2

DISCUSSION:

It is recommended that the Board of Directors approve Amendment No.4 to extend the term of PFM's contract through Fiscal Year 2015-16 and reduced the monthly retainer from \$2,500 to \$1,500 due to decreased need for daily financial advisory support. The scope of work proposed in Amendment No. 4 includes policy, financial planning, and debt management advisory services.

A summary of the authorized and proposed expenditures associated with the PFM Agreement is as follows:

Agreement	Term	Agreement Amount	Cumulative Total
Initial Agreement		\$44,000	
Amendment No. 1	7 months	\$245,700	\$289,700
Amendment No. 2	12 months	\$361,200	\$650,900
Amendment No. 3	10 months	-\$156,600	\$494,300
Amendment No. 4	12 months	\$20,000	\$514,300
Monthly retainer		\$1,500	
Expenses		\$2,000	

Attachments:

1. Amendment No. 4 to the Agreement for Professional Services
2. Amendment No. 3 to the Agreement for Professional Services
3. Amendment No. 2 to the Agreement for Professional Services
4. Amendment No. 1 to the Agreement for Professional Services
5. Original Agreement: executed June 1, 2013

**AMENDMENT NO. 4 TO THE AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
PUBLIC FINANCIAL MANAGEMENT, INC.
FOR FINANCIAL ANALYSIS AND ADVISORY SUPPORT
CONTRACT NO. OM13-14.012**

This Amendment No. 4 (this “Amendment”) is entered into and effective as of July 1, 2015, amending the Agreement for Professional Services, dated June 1, 2013 (the “Agreement”) as previously amended, by and between the Moulton Niguel Water District, a California Water District (“MNWD” or “District”), and Public Financial Management, Inc. (PFM) (“Consultant”) (collectively, the “Parties”). Where applicable, the term “Agreement” as used in this Amendment includes the Agreement together with this Amendment and any prior amendments. All capitalized terms not defined herein shall have the meanings set forth in the Agreement.

RECITALS

A. The Parties desire to extend the Agreement, as amended, for an additional twelve (12) month term from the expiration date of the Agreement; and

B. WHEREAS, the Parties desire to amend the Agreement’s Scope of Services to adjust the level of services to be performed by Consultant under the Agreement; and

C. WHEREAS, the Parties have negotiated and agreed to a revised Scope of Services and related fee schedule.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, MNWD and Consultant agree as follows:

1. The term of the Agreement is hereby extended through June 30, 2016.

2. Amendment to Exhibit A, Scope of Services. The Scope of Services set forth in the Agreement, as amended, shall be deleted in its entirety and replaced by the Exhibit A, Scope of Services, which is attached hereto and incorporated herein by this reference.

3. MNWD will pay Consultant a monthly flat fee retainer in the amount of **One Thousand Five Hundred Dollars (\$1,500)**, plus direct travel expenses up to a not-to-exceed amount of **Two Thousand dollars (\$2,000)** during the term of this Amendment. Total payments under this Amendment shall not exceed **Twenty Thousand Dollars (\$20,000)**. Consultant will provide MNWD, on a monthly basis, copies of invoices sufficiently detailed to include summary of work performed, and related activities and costs for approval by MNWD. All payments made to Consultant by MNWD will be made in accordance with the payment terms set forth in the Agreement.

4. The Parties agree that the total Agreement amount, including this Amendment, shall not exceed **Five Hundred Fourteen Thousand Three Hundred Dollars (\$514,300.00)**.

5. All requisite insurance policies to be maintained by the Consultant pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment.

#8.

6. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and previous amendments and this Amendment, the terms of this Amendment shall control.

7. The individuals executing this Amendment and the instruments referenced in it on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Amendment.

PUBLIC FINANCIAL MANAGEMENT,
INC.

MOULTON NIGUEL WATER
DISTRICT, a California Water District

By:

By: Joone Lopez

(Sign here)

General Manager

Name

Title

MOULTON NIGUEL WATER DISTRICT
SCOPE OF WORK
FINANCIAL ADVISORY SERVICES
July 1, 2015

The Scope of Work for financial advisory services to be provided to Moulton Niguel Water District is described below. Brian Thomas of Public Financial Management (PFM) will perform and direct these services during the Agreement term. Services will include, but not be limited to the following:

Financial Planning

- Review and comment on the multi-year financial plan and 10-year cash flow forecast as requested – with particular attention to financing needs and structure

Debt Management

- Evaluate and recommend financing alternatives
- Work with staff to develop capital financing plans, including recommendations and suggestions of alternative financing mechanisms, reviewing long range finance plans, and modeling different debt structures to be included in long range finance plans
- Provide feedback and recommendations regarding specific financing needs (e.g., operations facility)
- Review and provide regular updates on refunding or other debt structure opportunities
- Review underwriting proposals and other financing ideas, providing analysis and feedback to staff and board as required
- Coordinate and manage the financing process, including procurement of financing services from other professionals (e.g., trustee, bond counsel, underwriters, printer, verification agent, escrow agent, etc.)
- Provide analysis and recommendations on debt structure, debt capacity, and debt alternatives (e.g., variable rate debt vs. fixed rate debt)
- Work with staff and provide analysis and recommendations regarding the method of sale (e.g., private placement, negotiated vs. competitive)
- Work with staff on rating presentations, updates and surveillance calls to provide timely information, and structure message
- Manage competitive transactions, including working with counsel on Offering Statement and Notice of Sale, analyzing bids, marketing to investors, and managing schedule
- Coordinate negotiated transactions, including providing pricing comparables, assistance negotiating appropriate price, reviewing and analyzing documents, updating numbers, and providing closing memorandums documenting the transaction
- Work with trustee, bond counsel and other parties to ensure timely payment of debt

#8.

Other Services

- Assist in the drafting and/or review of existing policies as needed, including, but not limited to, investment, reserves, debt capacity and debt service coverage
- Attend monthly Finance Committee and Board of Director meetings as needed
- Other services needed as agreed by the MNWD General Manager and/or Assistant General Manager.

In connection with the services and work described, or to be performed, under the Agreement, PFM agrees to maintain the confidentiality of all of MNWD's confidential information.

Timeline

Work performed under this amended Agreement will be for the period July 1, 2015, through June 30, 2016.

Fee Proposal

PFM will perform the above scope of work under the following fee schedule.

PFM monthly retainer \$1,500. This retainer may be adjusted as mutually agreed by MNWD and PFM.

Transaction fees. In addition to the monthly retainer, financial advisory services associated with specific fixed rate refunding and new money transactions would be completed for \$35,000, or as otherwise agreed by MNWD. Fees for work on other forms of debt (e.g., commercial paper, variable rate, bank facilities, etc.) would be agreed to at the time the transaction was initiated.

Time and Materials.

To the extent that MNWD desires PFM to perform other tasks not appropriately addressed in this scope of work, PFM would work with MNWD to define the task and appropriate budget to complete such work.

PFM's hourly rates would serve as the basis of the budget, and would be as shown in the following table:

Managing Director:	\$325/hour
Director:	\$290/hour
Senior Managing Consultant:	\$275/hour
Senior Analyst:	\$250/hour
Analyst:	\$225/hour

Travel expenses (if any) will be billed at actual cost. Annual expenses will be capped at \$2,000.

Any additional services outside of the scope stated herein ("Additional Services"), must be authorized by the District in writing prior to the performance thereof. Consultant shall not be entitled to compensation for Additional Services performed without the prior written approval of the District. Additional Services will be paid on a time and materials basis according to the following hourly rate schedule (plus expenses).

**AMENDMENT NO. 3 TO THE AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
PUBLIC FINANCIAL MANAGEMENT, INC.
FOR FINANCIAL ANALYSIS AND ADVISORY SUPPORT
CONTRACT NO. OM13-14.012**

This Amendment No. 3 ("Amendment No. 3") is entered into and effective as of August 1, 2014, amending the Agreement for Professional Services, dated June 1, 2013 (the "Agreement") by and between the Moulton Niguel Water District, a California Water District ("MNWD" or "District"), and Public Financial Management, Inc. (PFM) ("Consultant") (collectively, the "Parties"). Where applicable, the term "Agreement" as used in this Amendment includes the Agreement together with this Amendment and any prior amendments. All capitalized terms not defined herein shall have the meanings set forth in the Agreement.

RECITALS

A. WHEREAS, the Parties desire to amend the Agreement's Scope of Services to adjust the level of services to be performed by Consultant under the Agreement; and

B. WHEREAS, the Parties have negotiated and agreed to a revised Scope of Services and related fee schedule.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, MNWD and Consultant agree as follows:

1. Amendment to Exhibit A, Scope of Services. The Scope of Services set forth in the Agreement, as amended, shall be deleted in its entirety and replaced by the Exhibit A, Scope of Services, which is attached hereto and incorporated herein by this reference.

2. MNWD will pay Consultant a monthly flat fee retainer in the amount of **Two Thousand Five Hundred Dollars (\$2,500)** in addition to payments for the performance of consulting services on a time and materials basis at the rates and costs indicated in Exhibit A. Total payments under this Amendment No. 3 shall not exceed **Two Hundred Four Thousand Six Hundred Dollars (\$204,600)**. Consultant will provide MNWD, on a monthly basis, copies of invoices sufficiently detailed to include summary of work performed, and related activities and costs for approval by MNWD. All payments made to Consultant by MNWD will be made in accordance with the payment terms set forth in the Agreement.

3. The Parties agree that the total Agreement amount, including this Amendment, shall not exceed **Four Hundred Ninety-Four Thousand Three Hundred Dollars (\$494,300.00)**.

4. All requisite insurance policies to be maintained by the Consultant pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment No. 3.

5. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and previous amendments and this Amendment No. 3, the terms of this Amendment No. 3 shall control.

6. The individuals executing this Amendment No. 3 and the instruments referenced in it on behalf of Consultant each represent and warrant that they have the legal power, right and

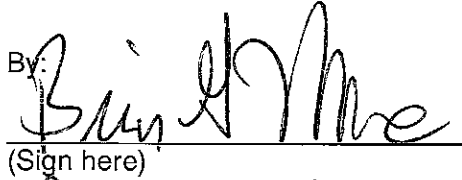
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actual authority to bind Consultant to the terms and conditions of this Amendment No. 3.

PUBLIC FINANCIAL MANAGEMENT,
INC.

MOULTON NIGUEL WATER
DISTRICT, a California Water District

By:

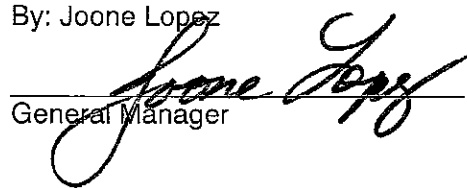


(Sign here)

Brian G Thomas
Name

Managing Director
Title

By: Joone Lopez



General Manager

EXHIBIT 1

**MOULTON NIGUEL WATER DISTRICT
SCOPE OF SERVICES
FINANCIAL ADVISORY AND FINANCIAL MANAGEMENT SERVICES**

The following amends the Scope of Services for professional services related to performing work and tasks of the Director of Finance position through June 30, 2014. Brian Thomas of Public Financial Management (PFM) will perform and direct these services during the Agreement term. Michael Bell of Michael Bell Management Consulting (MBMC) will provide services as a sub-contractor to PFM. MBMC will be on site at MNWD headquarters an average of 2 days per week for the duration of the contract term, beginning the week of August 3, 2014. Services will include, but not be limited to the following:

Operational

Provide support and advice to Finance Department staff and resources help ensure that all important responsibilities and obligations of the Department are fulfilled.

Operational services include:

- Provide input to MNWD management with regard to Finance Department performance, and provide staff with regular feedback regarding work product
- Review, comment and participate in the preparation of Finance staff reports as needed
- Attend and participate as needed in weekly MNWD staff meetings
- Assist MNWD management with organizational structure, class and compensation decisions as needed
- Assist in the drafting of new policies and in the review of existing policies as needed, including, but not limited to, investment, reserves and debt coverage
- Provide information and support communications with MNWD customers and stakeholders
- Attend monthly Finance Committee and Board of Director meetings as needed
- Assist MNWD management with other reports and presentations as needed

Financial Planning

Develop and implement major financial plans, forecasts and analyses including, but not limited to:

- Assist with planning/financing of Operations/Headquarters facilities
- Review and comment on the multi-year financial plan and 10-year cash flow forecast
- Work with staff and help manage Water, Recycled Water, and Sewer rate reviews including:
 - Revenue requirement
 - Cost of service analysis
 - Rate design
 - Development of final documents and presentation to the Board of Directors

Financial Reporting

Review and provide comments on ongoing financial reports, analysis, and disclosure in accordance with District timing requirements including:

- Work with staff and consultants to help ensure completion of the annual audit

#8.

- Assist with completion of the CAFR
- Review and comment on monthly and quarterly financial reports
- Provide advice and review annual budgets
- Communicate financial results

Debt/Investment Management (Financial Advisory Services)

- Review investment portfolio on a regular basis
- Evaluate and recommend financing alternatives
- Work with trustee, bond counsel and other parties to ensure timely payment of debt

Budget

- Assist executive management review budget proposals for 2015/16
- Participate in workshops, board and committee meetings as needed

In connection with the services and work described, or to be performed, under the Agreement, PFM agrees to maintain the confidentiality of all of MNWD's confidential information, and to ensure that subcontractor MBMC does the same.

Other Services as Needed

PFM shall provide other services needed as agreed by the MNWD General Manager and/or Assistant General Manager.

Timeline

Work performed under this amended Agreement will be for the period August 1, 2014, through June 30, 2015, unless the services are terminated earlier by MNWD

Fee Proposal

PFM and MBMC as subcontractor, will perform the above Scope of Services under the following fee schedule.

PFM monthly retainer (excluding travel expenses): \$2,500. This retainer may be adjusted as mutually agreed by MNWD and PFM.

Time and Materials.

PFM will bill MBMC professional fees on a time and materials basis. Michael Bell's hourly rate will be \$225/hour. PFM adds no mark-up to MBMC costs.

Travel expenses will be billed at actual cost. Monthly travel expenses are estimated to be \$3,600 per month. PFM and MBMC will follow District protocols regarding travel expenses (e.g., coach flights, room expenses, etc.) Reimbursement for lodging will be capped at \$200/night, including all fees (e.g., transient occupancy taxes, etc.) Receipts for all out-of-pocket travel expenses will be provided for all expense reimbursement requests.

Any additional services outside of the scope stated herein ("Additional Services"), must be authorized by the District in writing prior to the performance thereof. Consultant shall not be entitled to compensation for Additional

Services performed without the prior written approval of the District. Additional Services will be paid on a time and materials basis according to the following hourly rate schedule (plus expenses):

Subcontractor MBMC/Michael Bell: \$225/hour

Brian Thomas: \$325/hour

Eric Espino: \$275/hour

Russ Branson: \$275/hour

In addition to the above, financial advisory services associated with a debt issuance would be paid from debt proceeds, and would be performed on a flat fee basis equal to \$35,000 or as otherwise agreed by MNWD.

**AMENDMENT NO. 2 TO THE AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
PUBLIC FINANCIAL MANAGEMENT, INC.
FOR FINANCIAL ANALYSIS AND ADVISORY SUPPORT
CONTRACT NO. OM13-14.012**

This Amendment No. 2 ("Amendment No. 2") is entered into and effective as of June 1, 2014, amending the Agreement for Professional Services, dated June 1, 2013 (the "Agreement") by and between the Moulton Niguel Water District, a California Water District ("MNWD" or "District"), and Public Financial Management, Inc. (PFM) ("Consultant") (collectively, the "Parties") for financial analysis and advisory support services. Where applicable, the term "Agreement" as used in this Amendment No. 2 includes the Agreement together with this Amendment No. 2 and any prior amendments. All capitalized terms not defined herein shall have the meanings set forth in the Agreement.

RECITALS

A. On December 1, 2013, the Parties entered into Amendment No. 1 to the Agreement ("Amendment No.1"), supplementing the Scope of Services to include Consultant's performance of interim financial analysis and advisory support services through June 1, 2014 at a monthly flat-fee rate of Twenty-Six Thousand Five Hundred Dollars (\$26,500.00) for a total not-to-exceed Agreement amount of Two Hundred Eighty-Nine Thousand Seven Hundred Dollars (\$289,700.00); and

B. The Parties desire to extend the Agreement, as amended, for an additional twelve (12) month term from the expiration date of the Agreement at the same Scope of Services and monthly flat fee rate as agreed between the parties in Amendment No.1.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, MNWD and Consultant agree as follows:

1. The term of the Agreement is hereby extended through June 1, 2015.
2. MNWD will pay Consultant for its performance of services pursuant to the Agreement, as amended, on a monthly flat fee basis in the amount of Twenty-Six Thousand Five Hundred Dollars (\$26,500) per month plus travel expenses at actual cost, as further described in Exhibit "A" to Amendment No.1. Total payments under this Amendment No. 2 shall not exceed **Three Hundred Sixty-One Thousand Two Hundred Dollars (\$361,200.00)** for an Agreement total of **Six Hundred Fifty Thousand Nine Hundred Dollars (\$650,900.00)**. Consultant will provide MNWD, on a monthly basis, copies of invoices sufficiently detailed to include summary of work performed, and related activities and costs for approval by MNWD. All payments made to Consultant by MNWD will be made in accordance with the payment terms set forth in the Agreement.
3. All requisite insurance policies to be maintained by the Consultant pursuant to the Agreement, as may have been amended from time to time, will include coverage for this Amendment No. 2.
4. The District may provide notice to Consultant of the District's desire to amend the scope of services at any time during the Agreement period. District shall provide notice of its desire to change the scope of services at least 5 days prior to the effective date of such change. District and Consultant will then negotiate

#8.

appropriate fees for the revised scope of work.

5. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and this Amendment No. 2, the terms of this Amendment No. 2 shall control.

6. The individuals executing this Amendment No. 2 and the instruments referenced in it on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Amendment No. 2.

PUBLIC FINANCIAL MANAGEMENT,
INC.

MOULTON NIGUEL WATER
DISTRICT, a California Water District

By:



(Sign here)

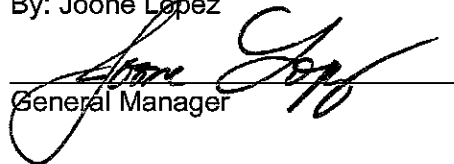
Brian Thomas

Name

Managing Director

Title

By: Joone Lopez



General Manager

**AMENDMENT NO. 1 TO THE AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
PUBLIC FINANCIAL MANAGEMENT, INC.
FOR FINANCIAL ANALYSIS AND ADVISORY SUPPORT
FY2013-14; OM13-14.012**

This Amendment No. 1 ("Amendment No.1") is entered into and effective as of the 1st day of DECEMBER, 2013, amending the Agreement for Professional Services, dated June 1, 2013 (the "Agreement") by and between the Moulton Niguel Water District, a California Water District ("MNWD" or "District"), and Public Financial Management, Inc. (PFM) ("Consultant") (collectively, the "Parties") for financial analysis and advisory support services. Where applicable, the term "Agreement" as used in this Amendment No. 1 includes the Agreement together with Amendment No. 1.

RECITALS

A. On June 1, 2013, the Parties entered into the Agreement for financial analysis and advisory support services to be performed during Fiscal Year (FY) 2013-14 through June 1, 2014 for a not-to-exceed amount of \$44,000.00; and

B. The Parties desire to supplement the Agreement's scope of work to include Consultant's performance of professional services to provide interim support in the absence of the Director of Finance; and

C. The Parties have negotiated and agreed to a supplemental scope of work and related fee schedule, which is attached to and incorporated in by this reference as Exhibit "A" Scope of Services and Fee.

NOW, THEREFORE, in consideration of these recitals and the mutual covenants contained herein, MNWD and Consultant agree as follows:

1. Additional Section 2A:MNWD will pay Consultant for all work associated with those services described in Exhibit "A" on a monthly basis for a flat fee of twenty-six thousand five hundred dollars (\$26,500), in accordance with the payment terms set forth therein, not-to-exceed **two hundred forty-five thousand seven hundred dollars (\$245,700.00)** for an Agreement total of two hundred eighty-nine thousand seven hundred dollars (\$289,700.00). MNWD will pay Consultant for all travel expenses related to such services, as further described in Exhibit "A" at actual cost in accordance with the payment terms herein. Consultant will provide MNWD, on a monthly basis, copies of invoices sufficiently detailed to include summary of work performed, and related activities and costs for approval by MNWD.

2. Consultant will complete all work for this Amendment No. 1 by June 1, 2014.

3. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and previous amendments and this Amendment No. 1, the terms of this Amendment No. 1 shall control.

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4. All requisite insurance policies and bonding to be maintained by the Consultant pursuant to the Agreement under Section 13 will include coverage for the work and services provided under this Amendment No. 1. Consultant's subcontractor MBMC (and any other subcontractors of the Consultant that are approved by the District in writing) is required to maintain insurance policies and fidelity bonding in accordance with all terms, conditions and requirements under Section 13 throughout the term of this Agreement. Consultant shall provide evidence of subcontractor insurance coverage and bonding, including but not limited to additional insured endorsements, as required under Section 13 prior to a subcontractor commencing work or services under the Agreement.

5. Consultant's indemnification obligations pursuant to Sections 9 and 9A shall survive the expiration or termination of this Agreement and/or the performance or completion of services provided under this Agreement.

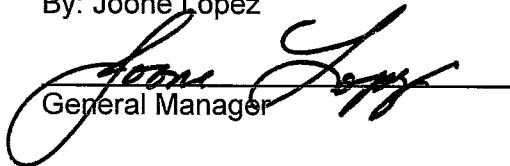
6. All other provisions of the Agreement, as may have been amended from time to time, will remain in full force and effect. In the event of any conflict or inconsistency between the Agreement and this Amendment No. 1, the terms of this Amendment No. 1 shall control.

7. The individuals executing this Amendment No. 1 and the instruments referenced in it on behalf of Consultant each represent and warrant that they have the legal power, right and actual authority to bind Consultant to the terms and conditions of this Amendment No. 1.

PUBLIC FINANCIAL MANAGEMENT,
INC.

MOULTON NIGUEL WATER
DISTRICT, a California Water District

By: 

By: Joone Lopez


(Sign here)
Brian Thomas

General Manager

Name
Managing Director
Title

EXHIBIT A

SCOPE OF WORK AND FEE

MOULTON NIGUEL WATER DISTRICT
SCOPE OF WORK
INTERIM DIRECTOR OF FINANCE SERVICES
October 24, 2013

The following is the Scope of Work for professional services related to performing work and tasks of the Director of Finance position through June 30, 2014. Brian Thomas of Public Financial Management (PFM) will perform and direct these services during the Agreement term, or until MNWD fills the Director of Finance position. Michael Bell of Michael Bell Management Consulting (MBMC) will assist PFM as a sub-contractor to PFM as needed to ensure continuity of services and work product. PFM commits to having resources on site at MNWD headquarters 3 days per week for the duration of the contract term, beginning the week of November 11, 2013. Services will include, but not be limited to the following:

Operational

Provide direction and support to Finance Department staff and resources on a daily basis to ensure that all important responsibilities and obligations of the Department are fulfilled.

Operational services include:

- Supervise and direct staff work as needed
- PFM will not conduct performance appraisals, but will provide input to MNWD management with regard to Finance Department performance, and provide staff with regular feedback regarding performance and work product
- Coordinate, chair and manage weekly Finance Department staff meetings
- Direct the preparation of Finance staff reports as needed
- Attend and participate as needed in weekly MNWD staff meetings
- Assist MNWD management with organizational structure, class and compensation decisions regarding the Finance Department
- Review and revise existing policies as needed including investment, reserves and debt coverage
- Provide information and support communications with MNWD customers and stakeholders
- Provide information for and attend monthly Finance Committee and Board of Director meetings
- Assist MNWD management with other reports and presentations as needed

Financial Planning

Develop and implement major financial plans, forecasts and analyses including, but not limited to:

- Assist with planning/financing/funding the Baker Water Treatment Plant (BWTP)
- Assist with planning/financing of Operations/Headquarters facilities
- Develop multi-year (10 year) financial plan

- Develop 10-year cash flow forecast
- Manage Water, Recycled Water, and Sewer rate reviews including:
 - Revenue requirement
 - Cost of service analysis
 - Rate design

Financial Reporting

Prepare and/or supervise ongoing financial reports, analysis, and disclosure in accordance with District timing requirements including:

- Manage and assist with completion of the annual audit
- Manage and assist with completion of the CAFR
- Submit CAFR to GFOA for consideration for award for excellence in financial reporting
- Manage and prepare monthly and quarterly financial reports
- Manage and prepare budgets
- Communicate financial results

Debt/Investment Management

- Coordinate and manage the issuance of refunding and new money debt, including providing the complete range of financial advisory services related to the issuance of debt
- Review investment portfolio on a regular basis
- Evaluate and recommend financing alternatives
- Work with trustee, bond counsel and other parties to ensure timely payment of debt

Budget

- Assist executive management review budget proposals
- Coordinate the preparation and presentation of the 2014/15 budget
- Work with operating divisions to develop a comprehensive and efficient 2014/15 budget
- Participate in workshops, board and committee meetings to review and consider budget

In connection with the services and work described, or to be performed, under the Agreement, PFM agrees to maintain the confidentiality of all of MNWD's confidential information, and to ensure that subcontractor MBMC does the same.

Other Services as Needed

PFM shall provide other services needed as agreed by the MNWD General Manager and Assistant General Manager, including assisting in the recruitment to fill the Director of Finance position.

Timeline

Work performed under this Agreement will be for the period November 1, 2013, through June 1, 2014, unless the services are terminated earlier.

#8.

Fee Proposal

PFM will perform the above scope of work under the following fee schedule.

PFM monthly cost (excluding travel expenses): \$26,500

Travel expenses will be billed at actual cost. Monthly travel expenses are estimated to be \$3,600 per month. PFM will follow District protocols regarding travel expenses (e.g., coach flights, room expenses, etc.) Reimbursement for lodging will be capped at \$200/night, including all fees (e.g., transient occupancy taxes, etc.) Receipts for all out-of-pocket travel expenses will be provided for all expense reimbursement requests.

Any additional services outside of the scope stated herein ("Additional Services"), must be authorized by the District in writing prior to the performance thereof. Consultant shall not be entitled to compensation for Additional Services performed without the prior written approval of the District. Additional Services will be paid on a time and materials according to the following hourly rate schedule (plus expenses):

Subcontractor MBMC/Michael Bell: \$225/hour
Brian Thomas: \$325/hour
Eric Espino: \$275/hour
Russ Branson: \$275/hour

In addition to the above, financial advisory services associated with a debt issuance would be paid from debt proceeds, and would be performed on a flat fee basis equal to \$35,000.

CONTRACT NO. 2013-1
APPROVED: _____

AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made and entered into by and between MOULTON NIGUEL WATER DISTRICT, a California Water District (District), and Public Financial Management, Inc. (Consultant).

RECITALS

WHEREAS, Consultant represents that it is specially trained, experienced, and competent to perform the services as outlined in the attached scope of services; and

WHEREAS, Consultant is competent and able to render the professional services described herein.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, the parties agree as follows;

AGREEMENT:

1. Scope of Service. Subject to the terms and conditions set forth herein, Consultant shall provide the professional services to District as described in the *Scope of Services*, which is **Attachment 1** to this agreement and incorporated herein by this reference. Consultant shall provide the services in the manner specified by the General Manager, Joone Lopez ("District representative").
2. Compensation. District agrees to pay Consultant and Consultant agrees to accept payment at a flat monthly fee, payable in two equal monthly installments as specified in **Attachment 1**, for all services required by this agreement, provided that the total compensation to Consultant shall not exceed the sum of forty-four thousand dollars (\$44,000), which is inclusive of all expenses.
3. Effective Date and Term. This agreement shall become effective on June 1, 2013. Consultant shall endeavor to perform all the services described herein by June 1, 2014. The services will be provided on a monthly basis but not necessarily on a consecutive basis. The schedule of services will be determined by the District. Consultant shall not be entitled to and shall not commence any work hereunder unless and until issuance of a written notice to proceed to Consultant.
 - 3.1 Termination. This agreement may be terminated in whole or in part in writing by either party provided that no such termination may be effected unless the other party is given not less than ten (10) calendar day's written notice (deliver by certified mail, return receipt requested) of intent to terminate. Additionally, District may suspend performance by Consultant of any or all services listed in the scope of services by providing written notice to Consultant at least five (5) working days prior to the date on which District wishes to suspend. Upon receipt of such notice, Consultant shall immediately suspend any work or services hereunder, unless otherwise instructed by District in such notice. Consultant shall not perform further services under this agreement after the effective date of suspension until receipt of written notice from District to resume performance.

4. Billings. Consultant shall submit monthly bills to the District in accordance with Attachment 1, describing services performed during the prior 30 day period and any further information required by the District representative, not to exceed the maximum monthly and overall compensation in Section 2 hereof.

5. Status Reports. Consultant shall provide written reports of all significant developments arising during performance of services unless excused by the District representative.

6. Primary Provider of Services. The services described by this agreement shall be performed by Brian Thomas, with assistance from his staff, none of whom shall be replaced without the written consent of the District representative.

7. Assignment and Subcontracting. It is recognized by the parties that a substantial inducement to District for entering this agreement was, and is, the professional reputation and competence of Consultant. Therefore, this agreement may not be assigned by Consultant without the prior written consent of District.

8. Consultant's Responsibility. It is understood that Consultant possesses the skills, experience and knowledge necessary to perform the services agreed to be performed under this agreement, and that District relies upon the Consultant's representation about its skills, experience and knowledge to perform Consultant's services in a competent manner. Acceptance by District of the services performed under the agreement does not operate as a release of said Consultant from responsibility for the services performed. It is further understood and agreed that Consultant is apprised of the scope of the services to be performed under this agreement and Consultant agrees that said services can and shall be performed in a fully competent manner.

9. Indemnification. Consultant shall indemnify, defend, and hold District, its officials, officers and employees harmless from and against any and all actions, claims, damages, expenses and liability arising out of the negligent acts, errors or omissions, or intentional wrongdoing, of Consultant in the performance of its services under this agreement. It is understood that the duty to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code.

10. Deliverables. The reports and documents prepared by the Consultant pursuant to the agreement as set forth in Attachment 1 shall be delivered to and become the property of the District. All materials of a preliminary nature, such as notes, and other data, prepared or obtained in the performance of this agreement, shall be made available for District review, upon request, at no additional charge. Consultant agrees it shall retain all its files related to this agreement and the services provided hereunder, including all materials of a preliminary nature as described, for a period of no less than four (4) years from the dated date of this agreement.

11. Conflict of Interests. Consultant warrants and covenants that the Consultant presently has no interest in, nor shall any interest be hereinafter acquired in, any matter that will render the services required under the provisions of this agreement a violation of any applicable state, local, or federal law. In the event that any conflict of interest should nevertheless hereinafter arise, the Consultant shall promptly notify the District's Attorney of the existence of such conflict of interest so that the District may determine whether to terminate this agreement.

The Consultant further warrants its compliance with the Political Reform Act (Gov. Code 8100 et Seq.) respecting this agreement. In addition, the Consultant possesses no authority with respect to any District decision beyond the rendition of information, advice, recommendation or counsel.

12. Copyright. Upon the District's request, the Consultant shall execute appropriate documents to assign to the District the copyright to work created pursuant to this agreement. The issuance of patent or copyright to the Consultant or any other person shall not affect the District's rights to the materials and records prepared or obtained in the performance of this agreement. The District reserves a license to use such materials and records without restrictions or limitation consistent with the intent of the original design, and the District shall not be required to pay any additional fee or royalty for such materials or records. The license reserved by the District shall continue for a period of fifty years from the date of execution of this agreement unless extended by operation of law or otherwise.

13. Insurance. Prior to beginning any of the services or work required by this agreement, Consultant, at its sole cost and expense, shall carry, maintain for the duration of the agreement, and provide proof thereof that is acceptable to the District, the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the District.

- (a) Workers' Compensation. Satisfactory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Consultant shall be provided with limits not less than one million dollars (\$1,000,000.00). In the alternative, Consultant may rely on a self-insurance program to meet these requirements so long as the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the Consultant, if a program of self-insurance is provided, shall waive all rights of subrogation against the District for loss arising from work performed under this agreement.
- (b) Commercial General and Automobile Liability. Consultant, at Consultant's own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this agreement in an amount not less than one million dollars per occurrence (\$1,000,000.00), combined single limit coverage for risks associated with the work contemplated by this agreement. If a Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this agreement or the general aggregate limit shall be at least twice the required occurrence limit. All this insurance shall cover on an occurrence or an accident basis, and not on a claims made basis. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this agreement including the use of hired and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto). No endorsement shall be attached limiting the coverage.

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy, except as otherwise noted under any numbered requirement:

#8.

- (1) District, its officers, employees, agents, and volunteers are to be covered as insureds as respects each of the following: Liability arising out of activities performed by or on behalf of Consultant, including the insured's general supervision of Consultant; products and completed operations of Consultant; premises owned, occupied or used by Consultant; or Consultant's non-owned automobiles, including automobiles leased, hired, or borrowed by Consultant. The coverage shall contain no special limitations on the scope of protection afforded District, its officers, employees, agents, or volunteers.
 - (2) The policy must contain a cross liability or severability of interest clause.
 - (3) An endorsement must state that coverage is primary insurance and that no other insurance affected by the District will be called upon to contribute to a loss under the coverage.
 - (4) Any failure of Consultant to comply with reporting provisions of the policy shall not affect coverage provided to District and its officers, employees, agents, and volunteers.
 - (5) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.
 - (6) Written notice of cancellation or non-renewal must be received by District at least thirty (30) days prior to such change.
- (c) Professional Liability; Fidelity Bond Coverage. Consultant, at Consultant's own cost and expense, shall maintain for the period covered by this agreement (i) fidelity bond coverage in an amount not less than one million dollars (\$1,000,000.00) for Consultant's representative's performing work pursuant to this agreement; and (ii) professional liability insurance for licensed professionals performing work pursuant to this agreement in an amount not less than one million dollars (\$1,000,000.00) covering the licensed professionals' errors and omissions, as follows:
- (1) Any deductible or self-insured retention shall not exceed \$10,000 per claim, or shall be approved by District if in excess of such amount.
 - (2) Written notice that cancellation, material changes, or nonrenewal must be received by the District at least thirty days prior to such change shall be included in the coverage or added as an endorsement to the policy.
 - (3) The following provisions shall apply if the professional liability coverages are written on a claims made form:
 - (a) The retroactive date of the policy must be shown and must be before the date of the agreement, or Consultant will provide evidence of full unknown prior acts coverage
 - (b) Insurance must be maintained and evidence of insurance must be provided for at least two years after completion of the agreement of the work.

- (c) If coverage is canceled or not renewed and it is not replaced with another claims made policy form with a retroactive date that precedes the date of this agreement, Consultant must provide extended reporting coverage for a minimum of two (2) years after completion of the work. The District shall have the right to exercise, at the Consultant's cost, any extended reporting provisions of the policy should the Consultant cancel or not renew the coverage.
- (d) A copy of the claim reporting requirements must be submitted to the District prior to the commencement of any work under this agreement.
- (d) Deductibles and Self-Insured Retentions. Consultant shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this agreement. During the period covered by this agreement upon express written authorization of District representative, Consultant may increase such deductibles or self-insured retentions with respect to District, its officers, employees, agents, and volunteers. The District representative may condition approval of an increase in deductible or self-insured retention levels upon a requirement that Consultant procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.
- (e) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the agreement is reduced, limited, or materially affected in any other manner, Consultant shall provide written notice to District at Consultant's earliest possible opportunity and in no case later than five days after Consultant is notified of the change in coverage.
- (f) District's Remedies. In addition to any other remedies District may have if Consultant fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, District may, at its sole option:
 - (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the agreement;
 - (ii) Order Consultant to stop work under this agreement or withhold any payment which becomes due to Consultant hereunder, or both stop work and withhold any payment, until Consultant demonstrates compliance with the requirements hereof;
 - (iii) Terminate this agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies District may have and is not the exclusive remedy for Consultant's failure to maintain insurance or secure appropriate endorsements.

14. Time is of the Essence. The Consultant agrees to diligently carry out the services to be provided under this agreement to completion and in accordance with any schedules specified herein. In the performance of this agreement, time is of the essence.

15. Independent Contractor Status. It is expressly understood and agreed by both parties that Consultant, while engaged in carrying out and complying with any of the terms and conditions of this agreement, is an independent contractor and not an employee of the District.

Consultant expressly warrants that it will not represent, at any time or in any manner, that Consultant is an employee of the District.

16. Notices. All notices under this agreement shall be in writing and shall be delivered by personal service or by certified or registered mail, postage prepaid, return receipt requested, of the parties. Any written notice to any of the parties required or permitted hereunder shall be deemed to have been duly given on the date of service if served personally or if served by facsimile transmission (with confirmation of receipt), or seventy-two (72) hours after the mailing. Rejection or other refusal to accept or the inability to deliver because of changed address of which no notice was given as provided hereunder shall be deemed to be receipt of the notice, demand or request sent. Notices of the parties shall be sent to the following addresses:

To Consultant: Brian Thomas, Managing Director
Public Financial Management, Inc.
601 S. Figueroa Street
Suite 4500
Los Angeles, CA 90017

To District: Moulton Niguel Water District
Attn: Joone Lopez, General Manager
27500 La Paz Road
Laguna Niguel, CA 92677
(949) 448-4071
(949) 831-7285 FAX

Each party shall provide the other party with written notice of any change of address or telephone number that occurs as soon as practicable.

17. No Third Party Rights. The parties intend not to create rights in, or to grant remedies to, any third party as a beneficiary of this agreement or of any duty, covenant, obligation, or undertaking established herein.

18. Whole Agreement. This agreement constitutes the entire understanding and agreement of the parties. This agreement integrates all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the subject matter thereof.

19. Amendments. This agreement may be modified or amended only by a written document executed by both Consultant and General Manager. Such document shall expressly state that it is intended by the parties to amend the terms and conditions of this agreement.

20. Interpretation. The provisions contained herein shall not be construed in favor of or against either party but shall be construed as if all parties prepared this agreement. The masculine and neuter genders, the singular number and the present tense shall be deemed to include the feminine gender, the plural number and past and future tense, respectively, where the context so requires.

21. Controlling Law. This agreement and all matters relating to it shall be governed by the laws of the State of California.

22. Counterparts. This agreement may be executed in multiple identical counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument but the parties agree that the agreement on file in the office of the Board Secretary is the version of the agreement that shall take precedent should any differences exist among counterparts of the document.

[signature page follows]

IN WITNESS WHEREOF, Consultant and the District have executed this agreement In Laguna Niguel, California, on June 1, 2013.

DISTRICT:

By: *Joanne Lopez*
General Manager

Date: 6/12/13

Attest:

By: *Billie C. Gray*
Board Secretary

Date: 6/13/13

Approved as to Form:
Bowie, Ameson, Wiles & Giannone,
General Counsel

By: *Patricia B. Giannone*
Patricia B. Giannone

Date: 6/17/2013

CONSULTANT: Public Financial Management,
Inc.

Brian Thomas
(Print name)

Brian Thomas
(Signature)

213-462-4025
Telephone Number Fax Number

Social Security/Tax ID Number

Date: _____

[signature page to Professional Services Agreement- Public Financial Management, Inc.]

Attachment 1

Scope of Services

Moulton Niguel Water District
Financial Analysis and Advisory Support
Scope of Services
April 15, 2013

Proposed Scope of Services. Public Financial Management, Inc. ("Consultant") will work with the General Manager, the executive team and finance and planning staff to develop holistic and long-term (five-year) financial plans. This effort includes reviewing and participating in efforts to revise water, recycled water and sewer rates, develop capital expenditure and funding plans, water resource planning, and administrative and budgeting issues. In addition, Consultant will provide advice and counsel regarding special projects, including procurement processes, buy vs. lease decisions, financing (e.g., debt refunding and restructuring), and other specific transactions as requested. Finally, Consultant will assist in the preparation and presentation of reports and analysis to the MNWD board of directors, stakeholder groups, and other interested parties as directed by the General Manager.

Consultant Tasks. Specific tasks include the following:

1. **Rate and revenue requirement analysis and support.** Review and rates proposal and analysis and provide input on analytical approach and objectives. Work with staff to develop appropriate presentation and communication material. Assist in the development of implementation schedule, including alternative approaches to Proposition 218 requirements. Participate, as required, in workshops, public presentations, and board meetings to support the needed rate changes.
2. **Financing and financial advice.** Review and coordinate with MNWD's finance team (including underwriters, bond counsel, staff) to evaluate and analyze financing opportunities. Such opportunities include refunding outstanding debt, issuing new debt, and restructuring debt, all in the context of MNWD's long-term financial and operating objectives.
3. **Financial policies.** Consultant will review MNWD's financial policies (e.g., debt policy, investment policy, rate policy, etc.) and work with staff to update and revise such policies as appropriate. In addition, Consultant will work with staff to identify redundant policies or policies that need to be added.
4. **Financial and Capital Planning.** Consultant will work with staff to develop a long-term (e.g., at least five-year) financial plan. This plan would include funding strategies needed to meet MNWD's ongoing capital needs, operating costs, and water supply costs. This planning effort would necessarily be consistent with ongoing Water Supply Planning efforts and Capital Improvement Planning efforts. The Financial Plan

would integrate each of these elements into an affordable and achievable long-term plan.

5. **Budgets and other operating tasks.** As requested, Consultant will work with staff to develop ongoing operating and capital budgets, including developing presentations, budget documents, and evaluation of rate and revenue impacts.
6. **Special projects.** Consultant will work with staff to develop appropriate decision-making analytics for the consolidation of workforce in to a single work site. This will include working with staff to identify different financing strategies, cost methodologies, and evaluating alternatives. In addition, Consultant will assist staff as requested to evaluate needed professional services to ensure a successful project. Consultant will be available to assist on other special projects as needed.
7. Other projects as assigned. Consultant will be available to work with staff on other projects as determined by the General Manager, and to assist the General Manager evaluate staffing needs in the finance area, and other organizational issues as required.

Schedule and Timeframe. Consultant will be available to begin work on May 13, 2013. Consultant will provide services one day a week at the MNWD office until such time as General Manager determines such service is not required or is not meeting objectives, or as otherwise terminated. It is expected that Consultant services under this scope of services would terminate one year from initial work. However, Consultant and MNWD can extend and modify this scope of services and timeframe at any time with mutual consent.

Personnel. The following PFM employees will conduct work on this project.

Brian Thomas, Managing Director will be the principal assigned to this project. Mr. Thomas will be assisted in analytical work by:

Will Frymann, Senior Managing Consultant
Thomas Toepfer, Senior Managing Consultant

#8.

Fee terms.

Consultant will receive a monthly fee of \$10,000 for all services rendered, payable in two equal instalments on the 15th and 30th day of each month. This fee includes all compensation for out of pocket expenses, including travel, and no additional compensation will be provided other than the flat monthly fee.



Moulton Niguel Water District

STAFF REPORT

TO: Board of Directors **MEETING DATE:** June 17, 2015

FROM: Ruth Zintzun, Finance Manager

SUBJECT: Professional Services Agreement – Michael Bell Management Consulting, Inc.

DIVISION: District-Wide

SUMMARY:

Issue: Staff recommends the engagement of financial management expertise for fiscal year 2015-16.

Recommendation: It is recommended that the Board of Directors approve a Professional Services Agreement with Michael Bell Management Consulting for an amount not-to-exceed \$180,000 for continued technical and management support of District financial activities; and authorize the General Manager to execute the Agreement.

Fiscal Impact: Sufficient funds are included in the proposed Fiscal Year 2015-16 operating budget for consideration by the Board of Directors.

BACKGROUND:

From December 2013 to June 30, 2015, Michael Bell Management Consulting (MBMC) has provided technical and management support for the financial reporting and planning activities of the District as a subcontractor to Public Financial Management (PFM). While subcontracted by PFM, Mr. Bell’s responsibilities included providing support to the District’s executive management in the day-to-day execution of the District’s financial.

Staff is proposing to contract directly with MBMC for these services during fiscal year 2015-16. Services provided to the District will include, but not be limited to financial operations, planning, reporting, debt/investment management, budget, rates, and other services as needed.

#9.

Professional Services Agreement – Michael Bell Management Consulting, Inc.

June 17, 2015

Page 2 of 2

DISCUSSION:

District staff are responsible and capable for executing daily operations of the District's finances, for which Mr. Bell provides input and review. MBMC possesses a wealth of industry experience and knowledge that they use to help provide oversight and input into the District's financial activities. Mr. Bell is used as a resource to review financial information including monthly financial statements, budget preparation and accounting procedures.

Attached is a Professional Services Agreement with MBMC to provide the described scope of services in fiscal 2015-16. Funds have been budgeted in consulting services to fund this work and are consistent with when MBMC was subcontracting through PFM.

Attachment: Professional Services Agreement for Financial Management Services Support between Moulton Niguel Water District and Michael Bell Management Consulting, Inc. Contract No.

**AGREEMENT FOR PROFESSIONAL SERVICES
BETWEEN MOULTON NIGUEL WATER DISTRICT AND
MICHAEL BELL MANAGEMENT CONSULTING, INC.
RE: FINANCIAL MANAGEMENT SERVICES
CONTRACT NO. OM15-16.007**

THIS AGREEMENT (the "Agreement") is dated as of July 1, 2015 (the "Effective Date"), by and between MICHAEL BELL MANAGEMENT CONSULTING, INC., hereinafter referred to as "CONSULTANT" and MOULTON NIGUEL WATER DISTRICT hereinafter referred to as "MNWD," and provides for the furnishing of CONSULTING services to MNWD by CONSULTANT. MNWD and CONSULTANT may sometimes be referred to in this Agreement individually as "party" and together as "parties."

RECITALS

CONSULTANT proposes to provide financial management services to MNWD (the "Services"). The scope of work to be performed by CONSULTANT under this Agreement is described in **Exhibit A** hereto, which is incorporated herein (the "Scope of Services").

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

AGREEMENT

SECTION I - CONSULTING SERVICES

Section 1.1 CONSULTANT shall provide the Services to MNWD as further defined in **Exhibit A**. This Agreement, including all attached Exhibits form the Agreement between the parties.

SECTION II – SCOPE OF SERVICES AND PERFORMANCE

Section 2.1 CONSULTANT shall perform the Services in accordance with **Exhibit A**, the terms of this Agreement, and as directed by MNWD. MNWD reserves the right to develop additional Services and related requirements as it deems appropriate to meet the needs and objectives of MNWD and this Agreement.

Section 2.2 CONSULTANT acknowledges and agrees that MNWD does not guarantee any minimum or maximum amount of Services and MNWD may use other Consultants for the Services in its sole discretion.

Section 2.3 CONSULTANT shall provide all labor, materials, tools, equipment, supplies, utilities and transportation required to perform the Services, subject to compliance with the Agreement requirements, and complete all Services in a thorough, professional manner in accordance with generally accepted industry practices and principles, and to the satisfaction of MNWD. CONSULTANT shall have the sole and absolute discretion in determining the methods, details and means of performing the Services, and MNWD shall not have any right to direct the methods, details and means of the Services, provided that CONSULTANT must receive prior written approval from MNWD before using any subconsultants for the provision of Services under this Agreement. In performing the Services under this Agreement, CONSULTANT shall observe and abide by the terms and conditions of all applicable laws, regulations, ordinances, or other rules of the United States, of the State of California, or any political subdivisions thereof, or of any other duly constituted public authority or

#9.

agency including but not limited to MNWD.

Section 2.4 MNWD may request or CONSULTANT may recommend, that CONSULTANT perform work in addition to or different from that delineated in the original Scope of Services, or delete services from the Scope of Services. Upon MNWD's request for additional or changed Services, CONSULTANT shall provide a cost estimate and written description of the additional or changed work. Prior to any such addition, changes, or deletion to the Scope of Services, MNWD and CONSULTANT shall negotiate an adjustment of the compensation and completion date and shall execute a written addendum. Upon execution of each addendum, (i) the Scope of Services shall thereafter be as described in the Agreement, respectively, as modified by the addendum and any previously executed addendum; and (ii) the time for completing the Services shall be as set forth in the addendum. Following execution of any amendment, all terms and provisions of the Agreement, except as expressly modified by such amendment, shall remain in full force and effect. MNWD will not be required to pay for any additional or changed work rendered in advance of the execution of an amendment covering the additional or changed work.

Section 2.5 CONSULTANT agrees to coordinate the work to ensure its timely completion and shall promptly notify MNWD of any anticipated delays or causes or casualties beyond CONSULTANT'S control which may affect the work schedule. CONSULTANT shall not begin work on any Services pursuant to this Agreement until receipt of MNWD'S written direction to proceed. Upon receipt of such notice, CONSULTANT shall immediately commence the work described in **Exhibit A**. The Services shall be completed in an expeditious manner and in any event no later than the completion date listed on the Scope of Services. Time is of the essence in this Agreement.

Section 2.6 CONSULTANT's manager in charge of the Services is Michael Bell.

Section 2.7 Without prior written approval of MNWD, CONSULTANT will not make any changes in CONSULTANT'S manager in charge, in consultants, in outside labor arrangements, or associations or joint ventures which are required to accomplish any part of the Scope of Services. CONSULTANT is responsible to MNWD for the acts and omissions of its subcontractors as it is for persons directly employed by CONSULTANT. Nothing contained in this Agreement creates any contractual relationship between any subcontractor and MNWD. CONSULTANT shall not allow any subcontractor to commence work or services under any subcontract until all insurance required of CONSULTANT has been obtained for the subcontractor.

Section 2.8 MNWD shall make available to CONSULTANT at no cost all data in MNWD's possession, past reports, prior studies, and other information reasonably required by CONSULTANT and relating to the work to be performed under this Agreement.

Section 2.9 All documents and information generated by CONSULTANT and any of CONSULTANT'S subcontractors pursuant to this Agreement shall remain confidential and shall not be copied, distributed, or otherwise provided or referenced by CONSULTANT or CONSULTANT'S subcontractors to any third parties other than with MNWD's written consent, or as compelled by order of court. All documents developed for the Services shall, upon payment in full for the Services or as otherwise provided in SECTION IV herein, be furnished to and become the property of MNWD.

Section 2.10 CONSULTANT understands that all documents, records, reports, data or other materials (collectively "Materials") provided by MNWD to CONSULTANT pursuant to this Agreement are to be considered confidential for all purposes.

SECTION III – TERM

Section 3.1 This Agreement shall commence as of the Effective Date and continue in effect through **June 30, 2016** unless otherwise terminated by either party pursuant to Section VII herein.

SECTION IV – FEES AND PAYMENT TERMS

Section 4.1 MNWD will pay CONSULTANT for its performance of the Services on a time and materials basis, plus direct and other expenses, at the rate and costs as further described in **Exhibit A**. Total payments under this Agreement shall not exceed **One Hundred Eighty Thousand Dollars (\$180,000.00)**.

Section 4.2 Payments will be made based on submittal of invoices by CONSULTANT. Invoices will include the date or period of Services, a complete description of the Services performed, the total amount due and, when requested by MNWD, any support documentation sufficient to validate the charges for each invoice item. Only one bill per month shall be submitted by CONSULTANT, showing amounts due for CONSULTANT during the monthly billing period. Incomplete invoices will be returned unpaid to CONSULTANT.

SECTION V - INSURANCE AND INDEMNIFICATION

Section 5.1 General/Automobile Liability Insurance. CONSULTANT and each of its sub-consultants/subcontractors shall maintain throughout the term of this Agreement a general liability policy of insurance for bodily injury and/or death, personal injury and property damage claims which may arise from or in connection with the performance of the work under this Agreement by CONSULTANT and its sub-consultants/subcontractors, and each of their agents, representatives, or employees. Such public liability and property damage insurance (which shall cover claims, injury, death, loss or damage or accidents from the use or operation of any automobiles, trucks and/or other mobile or stationary equipment, whether owned, non-owned or hired) shall be comprehensive in form and shall be on a “per occurrence” basis in a minimum amount of One Million Dollars (\$1,000,000) per occurrence and an annual aggregate limit in a minimum amount at least twice the per occurrence limit specified in this Section.

All insurance provided under this Section 5.2 shall name MNWD and its’ directors, officers, employees and representatives as additional insureds under each such policy (“additional insureds”) and an additional insured endorsement shall be provided in form acceptable to MNWD.

Section 5.3 Worker’s Compensation. By its signature hereunder, CONSULTANT certifies that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the provisions of that code, and that CONSULTANT will comply with such provisions before commencing the performance of work under this Agreement. If applicable, CONSULTANT and subcontractors shall maintain throughout the term of this Agreement workers’ compensation insurance with limits no less than the statutory limits, and Employer’s Liability insurance with limits no less than One Million Dollars (\$1,000,000) per accident and per disease for their employees and shall file with the MNWD the certificate required by Labor Code Section 3700. The workers compensation/Employer’s Liability insurance shall be endorsed with a waiver of subrogation in favor of MNWD and its’ directors, officers, employees and representatives.

Section 5.4 Requirements of All Policies. All policies of insurance required under this SECTION V shall be from insurance providers who are either admitted or licensed to do business in California, or

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are Surplus Lines Carriers authorized to do business in California, and who have financial size and ratings of no less than A-, Class VII, and in either case are otherwise acceptable to MNWD. All such policies shall include a provision and executed endorsement for thirty (30) days prior written notice by certified mail, return receipt requested, to MNWD of any cancellation or material alteration of such insurance. CONSULTANT shall provide original certificates and endorsements for all such insurance on forms approved by MNWD in conformity with all requirements of this Agreement prior to commencement of any work or professional services. The policies required hereunder shall be endorsed to include contractual liability.

In the case of additional insured provisions, any insurance afforded the additional insureds by this Agreement is primary insurance as to the additional insureds. Any insurance or self-insurance maintained by the additional insureds shall be excess of the CONSULTANT'S (and its subcontractor's) insurance, and shall not contribute to such insurance.

Any deductibles or self-insured retentions must be declared in writing and approved by MNWD. At the option of MNWD, either: the insurance provider(s) shall reduce or eliminate such deductibles or self-insured retentions as respects the MNWD and its' directors, officers, employees and representatives; or the CONSULTANT shall provide a financial guarantee satisfactory to MNWD guaranteeing payment of losses and related investigations, claim administration and defense expenses. Maintenance of insurance coverage as specified in this Agreement is a material term of this Agreement, and any failure to maintain or renew coverage, or to provide evidence thereof, as required by the terms is a material breach of this Agreement.

Section 5.5 Indemnity.

CONSULTANT agrees to indemnify, defend and hold harmless MNWD and its officers, directors, officials, and employees from and against all claims, damages, losses and expenses including attorneys' fees arising out of the performance of the work described herein caused by any negligence, recklessness, or willful misconduct of the Consultant, its subconsultants or anyone for whose acts any of them may be liable. This section will survive the expiration or early termination of this Agreement. Consultant is not responsible for errors or omissions in the data provided by District to the Consultant.

This indemnity obligation shall apply to all liability regardless of whether any insurance is applicable, and the policy limits of any insurance shall not act as a limitation upon the indemnification, and amounts related thereto, to be provided by CONSULTANT hereunder.

SECTION VI - SUBCONTRACTING

Section 6.1 No obligations under this Agreement shall be subcontracted without prior written approval by MNWD, which approval shall not be unreasonably withheld or delayed.

Section 6.2 In the event that subcontracting is approved by MNWD, CONSULTANT shall ensure that:

- 1) Each subcontractor complies in all respects with the provisions of this Agreement.
- 2) Its subcontractor maintains the same level of insurance coverage as required of CONSULTANT in Section V of this Agreement.

Section 6.3 CONSULTANT is as responsible to MNWD for the acts and omissions of its subcontractor as it is for persons directly employed by CONSULTANT. Nothing contained in this

Agreement creates any contractual relationship between any subcontractor and MNWD. Supplier shall remain the primary debtor and be responsible for the due and timely performance by any subcontractor.

SECTION VII - TERMINATION

Section 7.1 This Agreement may be terminated in whole or in part in writing by either party provided that no such termination may be effected unless the other party is given not less than ten (10) calendar days' written notice (deliver by certified mail, return receipt requested) of intent to terminate.

Section 7.2 MNWD and CONSULTANT agree that in the event MNWD terminates the Agreement for any cause other than the intentional or negligent error or omission of CONSULTANT, CONSULTANT shall be entitled to payment of compensation incurred prior to the effective date of the termination, as determined under Section IV of this Agreement.

SECTION VIII - GENERAL

Section 8.1 CONSULTANT represents that it is aware of no facts or circumstances which would impair its ability to provide fair and unbiased advice to MNWD in the course of performing the Services hereunder, or which would impact its objectivity in performing such Services hereunder.

Section 8.2 This Agreement represents the entire understanding of MNWD and CONSULTANT as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be amended, modified or altered except in writing, signed by the parties. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared it. In the event of any inconsistency between this Agreement and any other agreement or document between the parties, either written or verbal, including any CONSULTANT proposal document, this Agreement shall control unless such other agreement provides explicitly to the contrary.

Section 8.3 Any notice required or permitted to be given hereunder if not otherwise specified herein may be given or delivered by depositing the same in the United States Post Office, registered or certified, postage prepaid, or by personal service a hand delivery, and addressed to:

To MNWD - Attn: Matt Collings, Assistant General Manager
Moulton Niguel Water District
27500 La Paz Road
Laguna Niguel, CA 92677

To CONSULTANT - Attn: Michael Bell
Michael Bell Management Consulting, Inc.
P.O. Box 272
Plymouth, CA 95669-9747

Section 8.4 California law shall govern the interpretation of this Agreement. In the event of any legal action to enforce or interpret this Agreement, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the parties hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure 394.

Section 8.5 In the event an action is commenced by either party to enforce its rights or obligations arising from this Agreement, the prevailing party in such action, in addition to any other relief and

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recovery awarded by the court, shall be entitled to recover all costs and expenses, including court costs, plus a reasonable amount for attorney's fees.

Section 8.6 If any section of this Agreement or provision of this Agreement as applied to either party or to any circumstance shall be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the same shall in no way affect (to the maximum extent permissible by law) any other provision of this Agreement, the application of any such provision under circumstances different from those adjudicated by the court, or the validity or enforceability of this Agreement as a whole.

Section 8.7 It is expressly understood and agreed that CONSULTANT is retained as an independent contractor for the sole purpose of rendering the professional and/or special services, and is not an employee or agent of MNWD. CONSULTANT warrants that it will not represent, at any time or in any manner, that CONSULTANT is an employee or agent of MNWD. CONSULTANT shall have no authority to, and shall not, incur any debt, obligation or liability on behalf of MNWD. CONSULTANT shall be solely responsible for the payment of all federal, state and local income tax, social security tax, Workers' Compensation insurance, state disability insurance, and any other taxes or insurance. CONSULTANT, as an independent contractor, is responsible for paying under federal, state or local law. CONSULTANT is thus not eligible to receive workers' compensation, medical, indemnity or retirement benefits, including but not limited to enrollment in CalPERS.

The person signing this Agreement on behalf of each party hereto represents he/she has authority to sign on behalf of, respectively, MNWD or CONSULTANT.

Section 8.8 This is a non-exclusive Agreement for the Services contemplated herein.

Section 8.9 This Agreement and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of this Agreement or any interest herein shall be made by CONSULTANT without prior written consent of MNWD.

Section 8.10 This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

Moulton Niguel Water District

By: _____
Joone Lopez
General Manager

CONSULTANT – Michael Bell Management Consulting, Inc.

By: _____

Title: _____

**MOULTON NIGUEL WATER DISTRICT
SCOPE OF WORK
FINANCIAL MANAGEMENT SERVICES
July 1, 2015**

The following provides the Scope of Work for professional services related to performing work and tasks of the Director of Finance position through June 30, 2016. Michael Bell of Michael Bell Management Consulting, Inc. (MBMC) will be on site at MNWD headquarters an average of 2 days per week for the duration of the contract term, beginning July 1, 2015. Services will include, but not be limited to the following:

Operational

Provide support and advice to Finance Department staff and resources help ensure that all important responsibilities and obligations of the Department are fulfilled.

Operational services include:

- Provide input to MNWD management with regard to Finance Department performance, and provide staff with regular feedback regarding work product
- Review, comment and participate in the preparation of Finance staff reports as needed
- Attend and participate as needed in weekly MNWD staff meetings
- Assist MNWD management with organizational structure, class and compensation decisions as needed
- Assist in the drafting of new policies and in the review of existing policies as needed, including, but not limited to, investment, reserves and debt coverage
- Provide information and support communications with MNWD customers and stakeholders
- Attend monthly Finance Committee and Board of Director meetings as needed
- Assist MNWD management with other reports and presentations as needed

Financial Planning

Develop and implement major financial plans, forecasts and analyses including, but not limited to:

- Assist with planning/financing/funding the Baker Water Treatment Plant (BWTP)
 - Assist with planning/financing of Operations/Headquarters facilities
 - Review and comment on the multi-year financial plan and 10-year cash flow forecast
- Work with staff and help manage Water, Recycled Water, and Sewer rates

Financial Reporting

Review and provide comments on ongoing financial reports, analysis, and disclosure in accordance with District timing requirements including:

- Work with staff to help ensure completion of the annual audit
- Assist with completion of the CAFR
- Review and comment on monthly and quarterly financial reports
- Provide advice and review annual budgets
- Communicate financial results

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- Assist with rating agency updates and presentations

Debt/Investment Management

- Assist staff in the issuance of refunding and new money debt
- Review investment portfolio on a regular basis
- Evaluate and recommend financing alternatives
- Work with financial advisor, trustee, bond counsel and other parties

Budget

- Assist executive management review budget proposals for 2016/17
- Participate in workshops, board and committee meetings as needed

Confidentiality

In connection with the services and work described, or to be performed, under the Agreement, MBMC agrees to maintain the confidentiality of all of MNWD's confidential information.

Other Services as Needed

MBMC shall provide other services needed as agreed by the MNWD General Manager and Assistant General Manager.

Timeline

Work performed under this amended Agreement will be for the period July 1, 2015, through June 30, 2016, unless the services are terminated earlier by MNWD.

Fee Proposal

MBMC will perform the above scope of work under the following fee schedule.

Time and Materials

MBMC will bill professional fees on a time and materials basis. Michael Bell's hourly rate will be \$225/hour.

Travel expenses will be billed at actual cost. Monthly travel expenses are estimated to be \$3,600 per month. MBMC will follow District protocols regarding travel expenses (e.g., coach flights, room expenses, etc.) Reimbursement for lodging will be capped at \$200/night, including all fees (e.g., transient occupancy taxes, etc.) Receipts for all out-of-pocket travel expenses will be provided for all expense reimbursement requests.

Any additional services outside of the scope stated herein ("Additional Services"), must be authorized by the District in writing prior to the performance thereof. Consultant shall not be entitled to compensation for Additional Services performed without the prior written approval of the District. Additional Services will be paid on a time and materials basis as provided for in this Agreement.

MOULTON NIGUEL WATER DISTRICT
Summary of Financial Results

Results of operations for the ten months ended April 30, 2015, as compared to the ten months ended April 30, 2014, are summarized below.

Summary Budget Comparison Report

The Summary Budget Comparison Report is a high level statement of the operating activities of the District over the past ten months compared to the budget. This report shows how actual expenses compared to the adopted budget through the first ten months of the fiscal year. The report includes total revenues and expenses, as well as line item revenues and expenses for the General Fund and the Water Efficiency Fund. As shown in the summary report, operating revenues were approximately \$41.6 million, or 78% of the annual \$53.0 million budget. Operating expenses were \$51.7 million, or 76% of the annual \$67.7 million budget.

Non-operating revenues are approximately at 114% of budget for the Fiscal Year due to the receipt of property tax revenue and a refund from the District's water supplier associated with historic water use adjustments.

Statement of Net Position

The Statement of Net Position shows the District's assets and liabilities as of April 30, 2015, compared to the balances at fiscal year ended June 30, 2014. Overall, assets were about \$2.6 million more than at June 30, 2014, primarily due to an increase in current cash and investments as a result of property tax receipts. Liabilities have decreased by approximately \$12.2 million since June 30, 2014, due to debt service payments. As a result, the District's net position increased by approximately \$14.5 million for the month ending April 30, 2015, compared to fiscal year ending June 30, 2014.

Revenues

Total revenues for the ten months ended April 30, 2015 were \$78.7 million, approximately \$2.4 million more than from April 30, 2014, due to an increase in other non-operating revenues as a result of a refund from the District's water supplier associated with historic water use adjustments as well as increased investment earnings and property tax revenues. Total operating revenues for the month ended April 30, 2015, were \$41.6 million, a decrease of \$1.9 million compared to April 30, 2014, primarily due to reduced water sales as a result of the prolonged drought.

Expenses

Total expenses for the ten months ended April 30, 2015, were \$69.4 million, approximately the same amount as on April 30, 2014. Total operating expenses were \$48.7 million, a decrease of \$0.2 million from last year. Other operating expenses for the ten months ended April 30, 2015, were \$15.7 million, an increase of \$1 million compared to \$14.7 million on April 30, 2014. Other non-operating expenses for the ten months ended April 30, 2015, totaled \$4.9 million, a decrease of approximately \$0.9 million or 15.4% compared to \$5.8 million on April 30, 2014.

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MOULTON NIGUEL WATER DISTRICT Summary of Financial Results

Restricted Cash and Investments with Fiscal Agent

Restricted cash includes funds held by the trustee. The use of these funds is restricted by law or bond covenants. Funds in these accounts were about \$14.3 million at April 30, 2015, a decrease of \$8.1 million from June 30, 2014, due to funding of capital projects.

Unrestricted and Restricted Fund Balances

The unrestricted and restricted fund balances reflect the funds in each of the District's unrestricted and restricted funds that are not held by the Fiscal Agent. The unrestricted fund balances are further broken down by designated and undesignated funds. As shown in the report, the District has five funds that are designated by District policy for specific purposes, including Self Insurance, Replacement and Refurbishment, Rate Stabilization, Emergency and General Operating. Total unrestricted funds increased by approximately \$12.2 million since June 30, 2014, due to property tax receipts. Restricted fund balances are \$8.5 million, a decrease of \$0.8 million compared to June 30, 2014. This decrease is due to debt service payments.

**Moulton Niguel Water District
Summary - Budget Comparison Report
Ten Months Ended April 30, 2015**

Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
<u>GENERAL FUND & WATER EFFICIENCY FUND:</u>				
Operating Revenues	\$ 53,033,500	\$ 41,569,348	\$ 11,464,152	78%
Operating Expenses	67,653,553	51,683,016	15,970,537	76%
Operating Income (Loss)	(14,620,053)	(10,113,668)	(4,506,385)	69%
Non-Operating Revenues (Expenses)	32,449,771	37,024,335	(4,574,564)	114%
Total Change in Funds	\$ 17,829,718	\$ 26,910,667	\$ (9,080,949)	151%
<u>GENERAL FUND:</u>				
Operating Revenues	\$ 49,683,500	\$ 38,003,410	\$ 11,680,090	76%
Operating Expenses	63,991,103	48,367,198	15,623,905	76%
Operating Income (Loss)	(14,307,603)	(10,363,788)	(3,943,815)	72%
Non-Operating Revenues (Expenses)	32,329,771	36,873,867	(4,544,096)	114%
Change in General Fund	\$ 18,022,168	\$ 26,510,079	(8,487,911)	147%
<u>WATER EFFICIENCY FUND:</u>				
Operating Revenues	\$ 3,350,000	\$ 3,565,938	(215,938)	106%
Operating Expenses	3,662,450	3,315,818	346,632	91%
Operating Income (Loss)	(312,450)	250,120	(562,570)	-80%
Non-Operating Revenues (Expenses)	120,000	150,468	(30,468)	125%
Change in Water Efficiency Fund	\$ (192,450)	\$ 400,589	(593,038)	-208%

#14.b.

Moulton Niguel Water District
General Fund - Budget Comparison Report
Ten Months Ended April 30, 2015

Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
GENERAL FUND				
Operating Revenues				
Water Sales	\$ 27,325,000	\$ 20,461,457	\$ 6,863,543	75%
Recycled Water Sales	4,725,000	3,993,015	731,985	85%
Sewer Sales	17,150,000	13,242,555	3,907,445	77%
Other Operating Income	483,500	306,383	177,117	63%
Total Operating Revenue	49,683,500	38,003,410	11,680,090	76%
Operating Expenses				
Salaries	9,550,317	7,796,109	1,754,209	82%
PERs Employer Contributions	990,416	837,317	153,098	85%
PERs Employee Contributions	196,566	156,817	39,749	80%
PERs Other (Side fund, 401A)	214,956	166,997	47,959	78%
Educational Courses	51,720	17,791	33,929	34%
Travel & Meetings	251,034	149,501	101,533	60%
Employee Relations	14,800	8,946	5,854	60%
General Services	402,776	316,561	86,215	79%
Annual Audit	40,000	40,665	(665)	102%
Member Agencies O&M	1,231,370	1,121,237	110,133	91%
Dues & Memberships	93,968	83,442	10,526	89%
Election Expenses	150,000	10,173	139,827	7%
Consulting Services	1,602,900	970,830	632,070	61%
Equipment Rental	65,000	54,310	10,690	84%
District Fuel	340,000	190,793	149,207	56%
Insurance - District	576,151	427,020	149,131	74%
Insurance - Personnel	468,100	320,884	147,216	69%
Insurance - Benefits	2,360,333	1,851,726	508,607	78%
Legal Services - Personnel	50,000	3,747	46,254	7%
Legal Services - General ¹	170,000	144,690	25,310	85%
District Office Supplies	499,900	387,269	112,631	77%
District Operating Supplies	315,850	245,467	70,383	78%
Repairs & Maintenance - Equipment	867,287	467,062	400,225	54%
Repairs & Maintenance - Facilities	3,550,995	2,270,183	1,280,812	64%
Safety Program & Compliance Requirements	285,250	116,957	168,293	41%
SOCWA	8,450,820	6,118,011	2,332,809	72%
Special Outside Assessments	230,300	200,296	30,004	87%
Utilities	2,126,000	1,671,289	454,711	79%
Water Purchases	27,976,295	21,748,364	6,227,931	78%
Meter / Vault Purchases	868,000	472,744	395,256	54%
Total Operating Expenses	63,991,103	48,367,198	15,623,905	76%
Operating Income (Loss)	(14,307,603)	(10,363,788)	\$ (3,943,815)	72%
Non-Operating Revenues (Expenses)				
Property Tax Revenue	21,848,500	23,034,220	\$ (1,185,720)	105%
Investment Income	2,973,207	2,806,675	166,532	94%
Cellular Lease Income	1,740,000	1,429,647	310,353	82%
Misc. Non-Operating Income	5,768,064	9,603,325	(3,835,261)	166%
Total Non-Operating Revenue (Expenses)	32,329,771	36,873,867	(4,544,096)	114%
Change in General Fund	\$ 18,022,168	\$ 26,510,079	\$ (8,487,911)	147%

1. Detail of Legal Services - General can be found on the next page.

Moulton Niguel Water District
General Fund - Budget Comparison Report
Ten Months Ended April 30, 2015

Legal Services - General

Firm	Operating	Capital	Total
Bowie, Arneson, Wiles & Giannone	\$ 84,259	\$ 13,997	\$ 98,255
Best Best & Krieger LLP	53,882	-	53,882
Downey Brand, Attorneys	6,549	129,876	136,425
Total	\$ 144,690	\$ 143,873	\$ 288,563

#14.b.

**Moulton Niguel Water District
Water Efficiency Fund - Budget Comparison Report
Ten Months Ended April 30, 2015**

Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
WATER EFFICIENCY FUND				
<u>Operating Revenue</u>				
Water Efficiency	\$ 3,350,000	\$ 3,565,938	\$ (215,938)	106%
Total Operating Revenue	3,350,000	3,565,938	(215,938)	106%
<u>Operating Expenses</u>				
Salaries	326,918	275,340	51,579	84%
PERs Employer Contributions	30,463	25,993	4,470	85%
PERs Employee Contributions	11,403	8,562	2,841	75%
Educational Courses	500	155	345	31%
Travel & Meetings	2,700	2,432	268	90%
Dues & Memberships	500	-	500	0%
Insurance - Personnel	4,131	6,449	(2,318)	156%
Insurance - Benefits	75,900	58,098	17,802	77%
District Office Supplies	77,810	33,445	44,365	43%
Water Efficiency ¹	3,132,124	2,905,344	226,780	93%
Total Operating Expenses	3,662,450	3,315,818	346,632	91%
Operating Income (Loss)	(312,450)	250,120	(562,570)	-80%
<u>Non-Operating Revenue</u>				
Investment Income	120,000	150,468	(30,468)	125%
Total Non-Operating Revenue	120,000	150,468	\$ (30,468)	125%
Change in Water Efficiency Fund	\$ (192,450)	\$ 400,589	\$ (593,038)	-208%

1. Committed - includes Board approved projects.

MOULTON NIGUEL WATER DISTRICT
STATEMENT OF NET POSITION

	<u>(Unaudited)</u> <u>April 30, 2015</u>	<u>(Audited)</u> <u>June 30, 2014</u>
CURRENT ASSETS:		
Cash and investments	\$ 39,917,123	\$ 33,152,442
Restricted cash and investments with fiscal agent	14,341,857	22,445,383
Accounts receivables:		
Water and sanitation charges	3,206,849	5,555,769
Taxes and acreage assessments	-	355,126
Other accounts receivable	252,127	232,218
Interest receivable	742,114	704,810
Current portion of AMP receivable	1,302	23,663
Inventory	1,680,774	1,511,749
Prepaid expenses	379,067	302,644
TOTAL CURRENT ASSETS	<u>60,521,213</u>	<u>64,283,804</u>
NONCURRENT ASSETS:		
Investments	116,669,032	111,989,559
Retrofit loans receivable	602,524	629,243
AMP Receivable	-	43,830
Net pension asset (CalPERS sidefund payoff)	3,133,341	2,945,897
Capital assets, net of accumulated depreciation	338,504,289	350,982,233
Capital assets not being depreciated:		
Land	1,091,910	1,091,910
Construction in progress	28,833,661	14,785,817
TOTAL NONCURRENT ASSETS	<u>488,834,756</u>	<u>482,468,489</u>
TOTAL ASSETS	<u>549,355,969</u>	<u>546,752,293</u>
DEFERRED OUTFLOW OF RESOURCES:		
Deferred Charges on Refunding	758,000	1,136,314
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>758,000</u>	<u>1,136,314</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 550,113,970</u>	<u>\$ 547,888,607</u>

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**MOULTON NIGUEL WATER DISTRICT
STATEMENT OF NET POSITION**

	<u>(Unaudited)</u> <u>April 30, 2015</u>	<u>(Audited)</u> <u>June 30, 2014</u>
CURRENT LIABILITIES:		
Accounts payable	\$ 5,478,628	\$ 6,932,494
Interest payable	1,033,816	2,133,231
Compensated absences	564,532	397,440
Current portion of long-term debt:		
Bonds payable	5,685,000	5,465,000
Loans Payable	3,909,929	2,071,133
Certificates of participation	<u>1,780,000</u>	<u>1,715,000</u>
TOTAL CURRENT LIABILITIES	<u>18,451,905</u>	<u>18,714,299</u>
LONG-TERM LIABILITIES		
Compensated absences	188,177	132,479
Long-term debt:		
Bonds payable	10,165,000	15,850,000
Loans payable	8,888,689	12,948,778
Certificates of participation	<u>78,300,000</u>	<u>80,080,000</u>
TOTAL LONG-TERM LIABILITIES	<u>97,541,866</u>	<u>109,011,257</u>
Bond Discount/Premium	1,388,162	1,884,190
TOTAL LIABILITIES	<u>117,381,934</u>	<u>129,609,745</u>
NET POSITION:		
Net investment in capital assets	276,145,880	269,994,246
Restricted for capital projects and GOB Refunding	1,508,862	931,603
Unrestricted	<u>155,077,293</u>	<u>147,353,013</u>
TOTAL NET POSITION	<u>432,732,036</u>	<u>418,278,862</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 550,113,970</u>	<u>\$ 547,888,607</u>

Note: Totals may not sum due to rounding.

MOULTON NIGUEL WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	(Unaudited)	
	Ten Months Ended April 30,	
	2015	2014
Operating Revenues:		
Water Sales	\$ 20,461,457	\$ 21,905,219
Recycled Water Sales	3,993,015	3,848,305
Sewer Sales	13,242,555	14,154,954
WBBRS Efficiency Funds	3,565,938	3,067,494
Other Operating Income	306,383	518,745
Total Operating Revenues	41,569,348	43,494,717
Non-Operating Revenues:		
Investment Income ¹	2,957,143	2,088,828
Property Tax Revenue	23,034,220	21,574,704
GOB Assessment	4,769,566	6,341,575
Other Non-Operating Revenues	6,393,660	2,823,870
Total Non-Operating Revenues	37,154,589	32,828,977
TOTAL REVENUES	78,723,937	76,323,694
Operating Expenses:		
Water Purchases	21,748,364	21,900,112
Meter Purchases	472,744	574,235
Operating Supply and Maintenance	3,344,772	3,641,037
Salaries and Benefits	9,232,579	8,108,970
Election Expenses	10,173	-
Professional Services	1,159,931	639,660
Member Agencies O&M	1,121,237	789,612
Insurance	2,664,177	2,645,693
SOCWA	6,118,011	7,835,573
Utilities	1,671,289	1,719,771
General, Administrative, and Other	1,199,839	1,046,116
Total Operating Expenses	48,743,117	48,900,779
Other Operating Expenses:		
Depreciation and Misc. Operating Revenue	13,989,919	13,794,685
Water Efficiency	1,735,392	869,816
Total Other Operating Expenses	\$ 15,725,310	\$ 14,664,501

#14.c.

MOULTON NIGUEL WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	(Unaudited)	
	Ten Months Ended April 30,	
	2015	2014
Non Operating Expenses:		
Interest Expense	\$ 5,029,765	\$ 5,396,206
Amortization and Misc. Non-Operating Expense	(87,803)	445,574
Total Non Operating Expenses	4,941,962	5,841,779
TOTAL EXPENSES	69,410,389	69,407,059
Capital Contributions:		
Connection Fees	549,779	456,266
Donated Facilities	-	-
Contributed Revenue ²	4,589,847	-
Total Capital Contributions	5,139,626	456,266
CHANGE IN NET POSITION	\$ 14,453,174	\$ 7,372,901
Net Position, Beginning	\$ 418,278,862	\$ 411,940,088
Change in Net Position	14,453,174	7,372,901
Net Position, Ending	\$ 432,732,036	\$ 419,312,989

Note: Totals may not sum due to rounding.

1. Investment income is comprised of realized income of \$2,364,103.56 and unrealized income of \$593,039.74

2. Contributed Revenue consists of grant revenues received for previously completed capital projects.

**MOULTON NIGUEL WATER DISTRICT
RESTRICTED CASH AND INVESTMENTS WITH FISCAL AGENT
AS OF APRIL 30, 2015**

	(Audited) Balance 6/30/2014	Net Change	(Unaudited) Balance 4/30/2015
<u>Restricted Cash and Investments:</u>			
DWR Trust Reserves	\$ 615,715	\$ 14	\$ 615,729
2003 COPS Trust Reserve	2,514,893	(10,435)	2,504,458
2009 COPS Trust Reserve	6,032,816	(9,653)	6,023,163
2009 COPS Project Fund	12,385,581	(8,083,223)	4,302,358
2010 COPS Trust Reserves	896,263	(114)	896,150
2014 Refunding Bonds	115	(115)	-
Total Restricted Trust Accounts	<u>\$ 22,445,385</u>	<u>\$ (8,103,527)</u>	<u>\$ 14,341,857</u>

Note: Totals may not sum due to rounding.

MOULTON NIGUEL WATER DISTRICT
UNRESTRICTED AND RESTRICTED FUND BALANCES
AS OF APRIL 30, 2015

	(Audited)		(Unaudited)	
	Balance		Balance	Reserve Policy Target
	6/30/2014	Net Change	4/30/2015	
<u>Unrestricted Fund Balances:</u>				
Designated for Self Insurance Reserves	\$ 1,293,508	\$ (1,038,501)	\$ 255,007	\$ 250,000
Designated for Water Efficiency (WBBRS) ¹	6,691,089	1,570,541	8,261,630	n/a
Designated for Replacement and Refurbishment	27,397,177	(11,298,851)	16,098,326	17,061,912
Designated for Water Supply Reliability	4,886,211	(2,840,399)	2,045,811	n/a
Designated for Planning and Construction	29,730,932	(314,015)	29,416,917	n/a
Designated for Rate Stabilization	9,815,536	1,200,637	11,016,173	11,055,461
Designated for Emergency Reserve	-	6,884,925	6,884,925	6,884,925
Unrestricted, undesignated ²	56,084,280	18,035,519	74,119,799	20,262,901
Total Unrestricted Fund Balance	135,898,733	12,199,856	148,098,589	55,515,199 ³
<u>Restricted Fund Balances:</u>				
Restricted 2014 GOB Consolidated Refunding	8,311,666	(1,332,962)	6,978,704	
Restricted for Capital Facilities (Projects)	931,602	577,260	1,508,862	
Total Restricted Fund Balance	9,243,269	(755,702)	8,487,566	
Total Unrestricted and Restricted Fund Balance	\$ 145,142,002	\$ 11,444,154	\$ 156,586,156	

Note: Totals may not sum due to rounding.

1. In addition to realized expenditures, there is \$1,169,607 in project commitments, reducing the available fund balance to \$7,092,023.
2. Unrestricted, undesignated funds include the General Operating Reserve as well as the regular District cash flows.
3. All funds in excess of reserve policy targets will be used to fund capital projects and operations.

**MOULTON NIGUEL WATER DISTRICT
SUMMARY OF DISBURSEMENTS
FOR THE MONTH OF MAY 2015**

Summary of Disbursements in May 2015:

General Fund Disbursements		6,991,129
 <u>Restricted Fund Disbursements:</u>		
WBBRS Efficiency Fund	550,352	
Replacement & Refurbishment Fund	614,912	
Water Supply Reliability Fund	868,199	
Planning & Construction Fund	9,291	2,042,755
Total Disbursements for all Funds	\$ 9,033,884	

Detail of Major Expenditures in May 2015:

1.	Municipal Water District of Orange County (MWDOC)		
	March Water Purchases 2,074.50 AF	1,915,801	
	March Capacity Charge	40,196	
	March Readiness to Serve	154,286	
	March SCP Operation Surcharge	8,614	
	February Reclaimed Rebate 330.5 AF	(50,897)	
	February WaterSmart Residential Rebates	55,343	
	January and February Smart Timer Program	446,844	2,570,187
2.	SOCWA		
	FY 2014/2015 Quarterly O&M Deposits	2,239,198	
3.	T.E. Roberts Inc.		
	C# 2014.007 La Siena Mainline Replacement, progress payment #1	371,450	
4.	Aqua-Metric Sales, Co.		
	Meter inventory	144,230	
5.	XYLEM Dewatering Solutions, Inc.		
	Bypass Pump (capital outlay)	143,547	
6.	J. Colon Coatings, Inc.		
	C# 2013.001 East Aliso Creek Recoat, progress payment #7	123,500	
7.	Sanders Paving, Inc.		
	On-Call Asphalt Services	111,221	
8.	City of Laguna Hills		
	City's Annual Resurfacing program	108,370	

