



**FINANCE & INFORMATION TECHNOLOGY  
BOARD OF DIRECTORS' MEETING  
MOULTON NIGUEL WATER DISTRICT  
27500 La Paz Road, Laguna Niguel  
May 20, 2015  
8:30 AM  
Approximate Meeting Time: 2 Hours**

1. CALL MEETING TO ORDER
2. APPROVE THE MINUTES OF THE APRIL 5, 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.*

### **PRESENTATION ITEMS**

4. Quarterly Investment Report - Chandler Asset Management
5. Customer Outreach Campaign

### **DISCUSSION ITEMS**

6. Rebate Applications for Turf Removal and Synthetic Turf Installation

### **INFORMATION ITEMS**

7. 2003 Certificates of Participation Refunding
8. 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 April 2015
9. Future Agenda Items (Any items added under this section are for discussion at future meetings only)
10. Late Items (Appropriate Findings to be Made)
- a. Need to take immediate action; and
  - b. Need for action came to District's attention after Agenda Posting. [Requires 2/3 vote (5 members) or unanimous vote if less than 2/3 are present]

### **ADJOURNMENT**

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

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



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

**April 15, 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 April 15, 2015. There were present and participating:

**DIRECTORS**

Duane Cave	Director
Scott Colton	Vice President
Richard Fiore	Director
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President/Chair (arrived at 8:35 a.m.)
Donald Froelich	Vice President

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
Drew Atwater	MNWD
Tim Bonita	MNWD
Gina Hillary	MNWD
Megan Schneider	MNWD
Marc Serna	MNWD
Carole Wayman-Piascik	MNWD
Kelly Winsor	MNWD
Debbie Harper	Lance, Soll & Lunghard

## #2.

### 1. CALL MEETING TO ORDER

*The meeting was called to order by Richard Fiore at 8:30 a.m.*

### 2. APPROVE THE MINUTES OF THE MARCH 20, 2015 FINANCE AND INFORMATION TECHNOLOGY BOARD OF DIRECTORS' MEETING

*MOTION DULY MADE BY DONALD FROELICH AND SECONDED BY SCOTT COLTON, MINUTES OF THE MARCH 20, 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, AND LARRY LIZOTTE ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.*

### 3. PUBLIC COMMENTS

*None.*

## DISCUSSION ITEMS

### 9. Monthly Financial Report

*The Board discussed this item first on the agenda. Ruth Zintzun presented the monthly financial report.*

*Brian Probolsky arrived at 8:35 a.m.*

### 4. Audit Engagement

*Joone Lopez gave a brief history of the District's auditor, LSL. Ruth Zintzun highlighted the major points of the audit letter for fiscal year ending June 30, 2015.*

### 5. Municipal Water District of Orange County (MWDOC) Draft Fiscal Year 2015-16 Budget

*Joone Lopez highlighted the major areas of change in the MWDOC budget for fiscal year 2015-16 including the communications and CHOICE programs. A meeting has been scheduled with MWDOC and staff to discuss some of the items in detail.*

### 6. Rebate Applications for Turf Removal and Synthetic Turf

*Richard Fiore recused himself on the discussion in regards to Aliso Villas II as he currently provides legal representation for the HOA.*

*Matt Collings presented the requests for rebate applications for turf removal and synthetic turf.*

**INFORMATION ITEMS**

**7. 2003 Certificates of Participation Refunding**

*Ruth Zintzun presented a brief analysis on the refunding of the 2003 Certificates of Participation. A special board meeting has been scheduled for May 1, 2015, to expedite the refunding process.*

**8. Outreach Update**

*Richard Fiore discussed items reviewed at the Ad-Hoc. Joone Lopez covered materials that will be distributed to customers and press releases for the public in response to the drought.*

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

*None.*

**11. Late Items (Appropriate Findings to be Made)**

*Staff has none.*

**ADJOURNMENT**

*The meeting was adjourned at 10:25 a.m.*

Respectfully submitted,

Paige Gulck  
Board Secretary

# Moulton Niguel Water District

Period Ending  
March 31, 2015



SECTION 1

**Account Profile**

SECTION 2

**Consolidated Information**

SECTION 3

**Portfolio Holdings**

SECTION 4

**Economic Update**



## SECTION 1

# Account Profile



## Investment Objectives

In order to provide for current expenses and long term growth, the District has divided its portfolio into two categories, the Liquid Fund and the Operating Reserve Fund. The investment goals of the Liquid Fund are to provide liquidity for operating expenses and current capital requirements, preserve principal, and earn a total rate of return commensurate with the first two goals.

The investment goals of the Operating Reserve Fund are to preserve real capital and provide growth over the long term by earning the rate of return which is available from longer term investments permitted under the California Government Code.

## Chandler Asset Management Performance Objectives

The performance objective for the Liquid Fund is to earn a return in excess of the return on 90-day Treasury bills.

The investment performance objective of the Operating Reserve Fund is to earn a total rate of return over a market cycle which exceeds the return on a market index of government securities with maturities of one to ten years (the Bank of America Merrill Lynch 1-10 Year Government Index).

## Strategy

In order to meet its goals, the Liquid Fund is invested in short term securities and LAIF. The average maturity of the Liquid Fund may not exceed 90 days, and the maximum maturity of individual securities in the fund shall be one year. In order to meet its goals, the Operating Reserve Fund and the Limited Maturity Fund are invested in a diversified portfolio of high quality fixed income securities with a maximum maturity of ten years. No more than 40% of the fund may be invested in securities with maturities in excess of five years in the Operating Reserve Fund.



## Moulton Niguel Water District Operating Reserve

March 31, 2015

### COMPLIANCE WITH INVESTMENT POLICY

*Assets managed by Chandler Asset Management are in full compliance with State law and with the District's investment policy.*

Category	Standard	Comment
Treasury/Agency issues	No Limit	Complies
Banker's Acceptances	≤40%; 180 days	Complies - 0.0%
Commercial Paper	A1/P1	Complies - 2.0%
Max. maturity < 270 days	25% maximum	Complies
Repurchase Agreements	≤10%; ≤1 year	Complies
Rev. Repo Agreements	≤10%; ≤90 days	Complies - 0.0%
Time CDs	110% collateral over \$100,000 or insured	Complies - 0.0%
Negotiable CDs	30% max; ≤2 yrs	Complies - 0.0%
Medium Term Notes	"A"-rated; 30% max	Complies - 23.4%
Mutual Funds	≤20%	Complies - 0.6%
LAIF	Not used by outside adviser; \$50 million maximum imposed by LAIF	Complies
Mortgage Pass Through, including CMOs and ABS	"AA"-rated; 20% Maximum	Complies - 11.2%
Money Market Funds	"AAA"-rated or SEC reg.; 20% Maximum	Complies
Inverse floaters, range notes	Prohibited	Complies
Interest only strips	Prohibited	Complies
Zero interest accruals	Prohibited	Complies
Per issuer max	5% (except gov'ts)	Complies
Modified duration	+/- 20% of 1-10 Year benchmark duration	Complies - 3.80
% invested less than 2 years	≥10%	Complies - 7.6%
% invested beyond 5 years	≤40%	Complies - 30.5%
Maximum maturity	10 years	Complies
Maximum maturity of corp.	5 years	Complies



## PORTFOLIO CHARACTERISTICS

### Liquid Fund

	3-month T-Bills Benchmark* G001	Liquid Fund	
	3/31/2015	3/31/2015	12/31/2014
Portfolio book value	--	\$19,024,590	\$22,018,701
Market value	--	\$19,039,256	\$22,024,976
Average book yield	--	0.27%	0.27%
Average maturity (yrs)	0.14	0.00	0.00
Modified duration	0.14	0.00	0.00
\$ change in value for 1% change in rates	--	\$0	\$0
% maturing within one year	100%	100%	100%
Average credit quality	AAA	Not Rated	Not Rated

### Operating Reserve Fund

	1-10 year Govt. Benchmark* G5A0	Operating Reserve Fund	
	3/31/2015	3/31/2015	12/31/2014
Portfolio book value	--	\$95,188,927	\$125,220,851
Market value	--	\$97,378,488	\$126,577,169
Average book yield	--	2.01%	2.11%
Average maturity (yrs)	3.94	4.22	4.05
Modified duration	3.66	3.80	3.66
\$ change in value for 1% change in rates	--	\$3,700,383	\$4,632,724
% maturing within two years	25.1%	7.6%	16.0%
Average credit quality	AAA	AA+	AA



## Limited Maturity Fund

	1-3 Year US Treasury/Agency Benchmark	Limited Maturity Fund	
	3/31/2015	3/31/2015	2/28/2015
Portfolio book value	--	\$30,656,946	\$30,728,473
Market value	--	\$30,890,112	\$30,815,019
Average book yield	--	1.55%	1.62%
Average maturity (yrs)	1.80	2.05	1.93
Modified duration	1.77	1.96	1.85
\$ change in value for 1% change in rates	--	\$605,446	\$570,078
% maturing within two years	55.6%	16.1%	32.1%
Average credit quality	AAA	AA	AA

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## Operating Reserve Fund

### 40- Trading Activity -12/31/2014 -3/31/2015

Settle Date	Description	MIG	Mat Date	Amount	Book Value	Market Value	Gain/Loss	Duration	Yield
<b>Purchase</b>									
02/23/2015	Bank of Tokyo Mitsubishi NY	Commercial Paper	06/29/2015	\$1,995,000.00	\$1,993,044.90	\$1,993,044.90	\$0.00	0.345	0.284
03/17/2015	Charles Schwab Corp	US Corporate	03/10/2018	\$1,200,000.00	\$1,200,072.00	\$1,200,072.00	\$0.00	2.903	1.498
03/04/2015	GE Equipment Transportation	Asset Backed Security	02/25/2019	\$760,000.00	\$759,887.90	\$759,887.90	\$0.00	1.608	1.292
03/09/2015	Paccar Financial Corp	US Corporate	03/09/2018	\$1,115,000.00	\$1,113,951.90	\$1,113,951.90	\$0.00	2.925	1.482
				\$5,070,000.00	\$5,066,956.70	\$5,066,956.70	\$0.00		
<b>Sale</b>									
03/04/2015	FNMA	Agency	05/21/2018	\$350,000.00	\$343,883.20	\$346,521.00	\$2,637.80	3.149	1.191
03/06/2015	FHLB	Agency	12/08/2017	\$1,150,000.00	\$1,167,848.00	\$1,213,457.00	\$45,609.00	2.632	1.087
03/19/2015	US Treasury	US Treasury	07/31/2019	\$900,000.00	\$880,316.10	\$878,059.49	(\$2,256.61)	4.260	1.453
				\$2,400,000.00	\$2,392,047.30	\$2,438,037.49	\$45,990.19		

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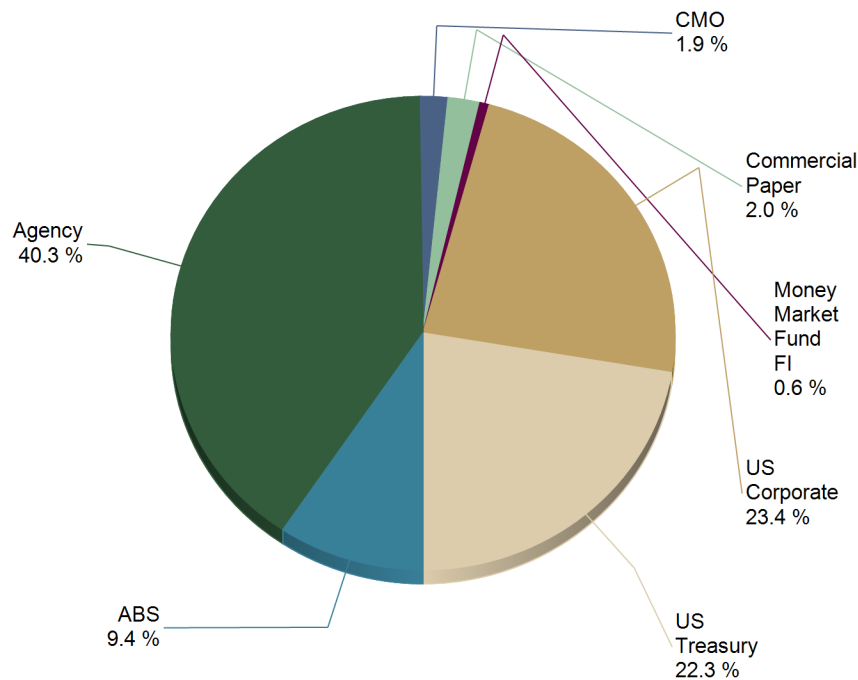
Excluding the in-kind of securities out of the Operating Reserve Account to create the new Limited Maturity liquidity portfolio, transaction activity during the quarter was light. Just over \$5 million in purchases were made during the quarter in Commercial Paper, ABS, and Corporate notes. Three securities were sold to help facilitate the additions to the portfolio. The cumulative sales transactions generated a net gain of \$45,990.



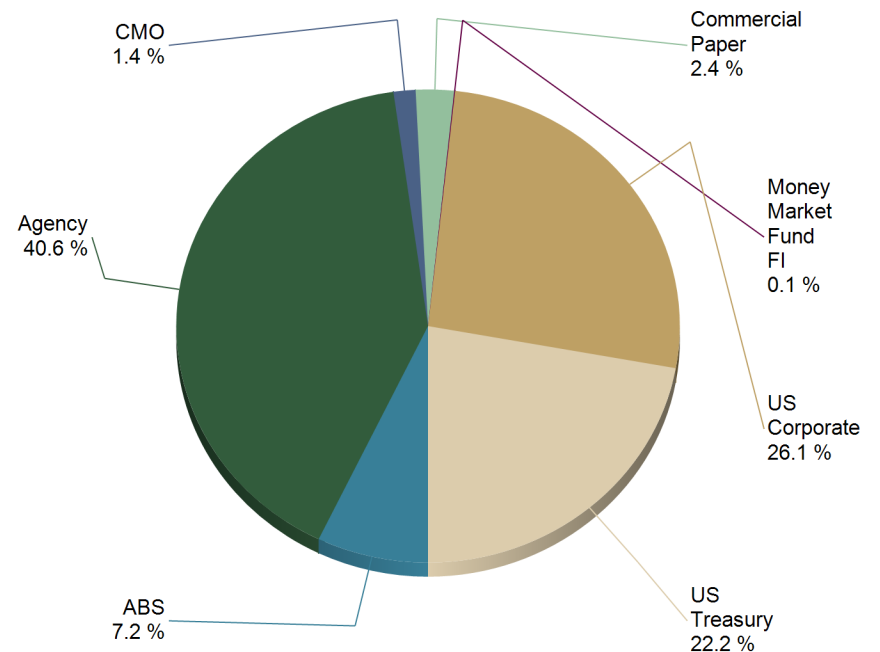
# Sector Distribution

## Moulton Niguel Water District Operating Reserve

March 31, 2015



December 31, 2014



The portfolio sector allocation experienced small changes primarily related to the creation of the new sub portfolio. The two largest changed were the 2.7% decrease in the Corporate allocation to 23.4% of the portfolio, offset by the 2.2% increase in the ABS allocation, to 9.4% of the portfolio.

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## Moulton Niguel Water District Operating Reserve Account #40

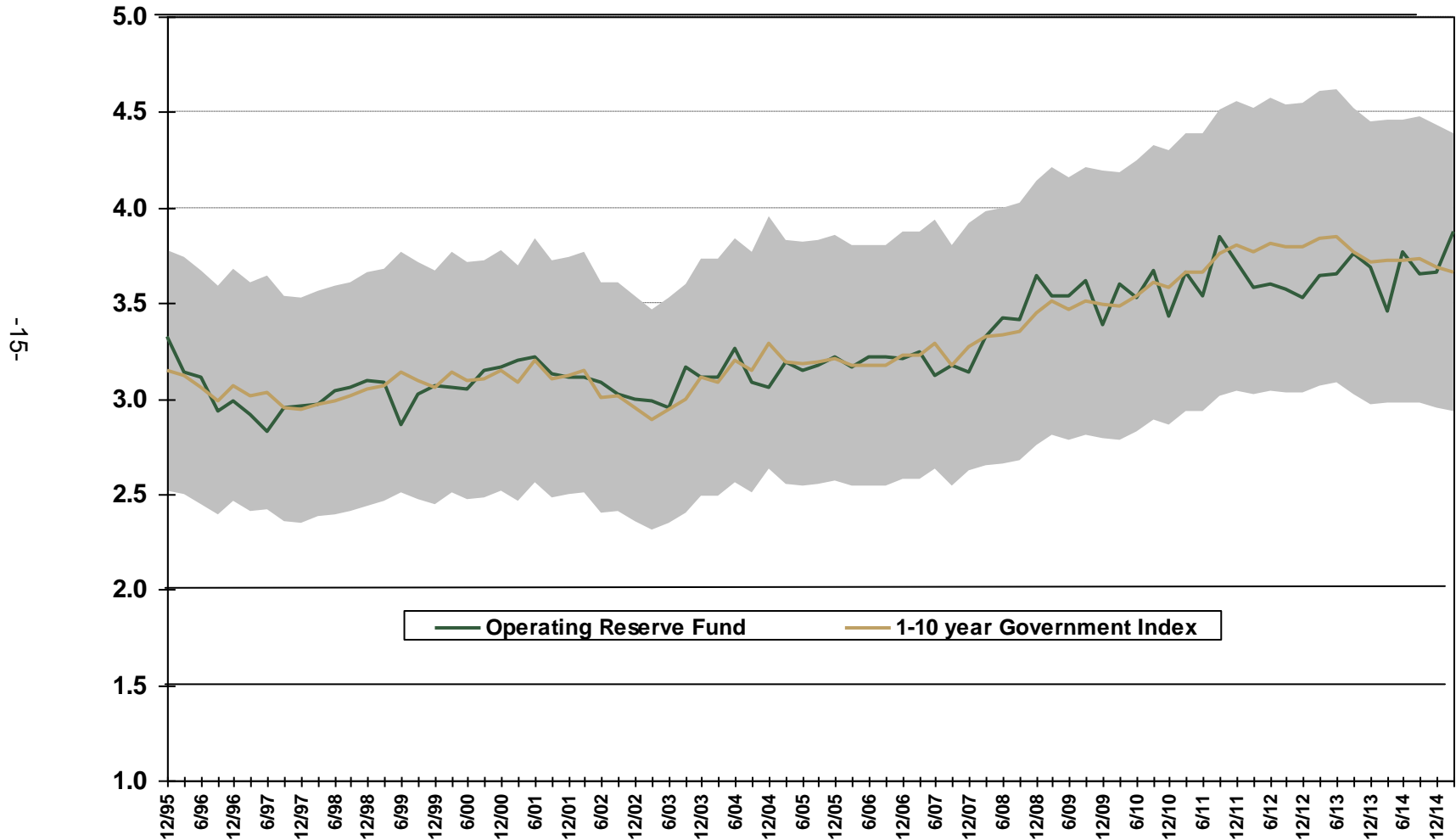
### Issuer Report

As of 3/31/2015

Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	22.33 %
Federal Home Loan Mortgage Corp	Agency	11.13 %
Federal National Mortgage Association	Agency	9.92 %
Tennessee Valley Authority	Agency	8.91 %
Federal Home Loan Bank	Agency	8.44 %
John Deere ABS	ABS	3.51 %
Honda ABS	ABS	2.49 %
Bank of Tokyo-Mit UFJ	Commercial Paper	2.05 %
Federal Farm Credit Bank	Agency	1.94 %
Federal Home Loan Mortgage Corp	CMO	1.85 %
General Electric Co	US Corporate	1.83 %
Deere & Company	US Corporate	1.72 %
Honda Motor Corporation	US Corporate	1.69 %
ChevronTexaco Corp	US Corporate	1.60 %
Toyota ABS	ABS	1.32 %
JP Morgan ABS	ABS	1.29 %
Apple Inc	US Corporate	1.28 %
Cisco Systems	US Corporate	1.26 %
Toyota Motor Corp	US Corporate	1.26 %
JP Morgan Chase & Co	US Corporate	1.26 %
Bank of New York	US Corporate	1.26 %
IBM Corp	US Corporate	1.25 %
Intel Corp	US Corporate	1.24 %
Charles Schwab Corp/The	US Corporate	1.24 %
Oracle Corp	US Corporate	1.19 %
Paccar Financial	US Corporate	1.15 %
Coca Cola Co.	US Corporate	1.12 %
US Bancorp	US Corporate	1.06 %
Google Inc	US Corporate	1.03 %
Wal-Mart Stores	US Corporate	0.87 %
General Electric ABS	ABS	0.78 %
Wells Fargo Adv Govt Money Market Fund	Money Market Fund FI	0.60 %
United Technology Corp	US Corporate	0.12 %
<b>Total</b>		<b>100.00 %</b>



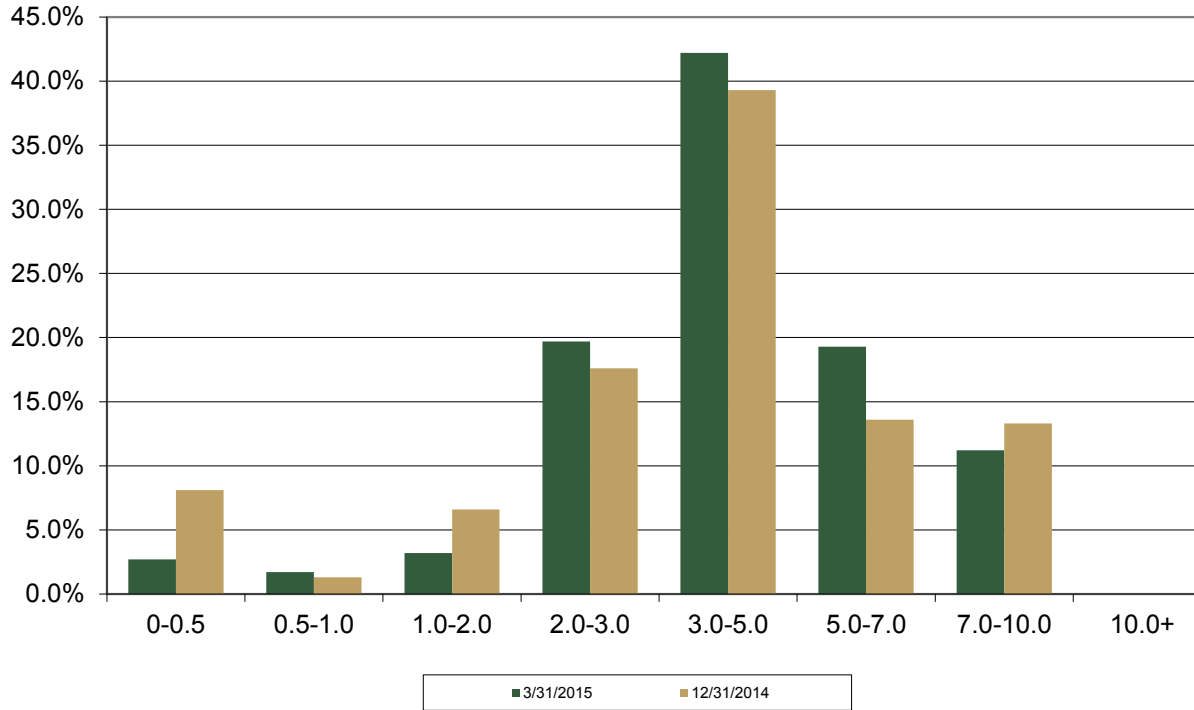
## Operating Reserve Fund Duration Compared to 1 - 10 Year Government Index Duration







### MATURITY DISTRIBUTION Operating Reserve Fund March 31, 2015 vs. December 31, 2014



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	0-0.5	0.5-1.0	1.0-2.0	2.0-3.0	3.0-5.0	5.0-7.0	7.0-10.0	10.0+
3/31/2015	2.7%	1.7%	3.2%	19.7%	42.2%	19.3%	11.2%	0.0%
12/31/2014	8.1%	1.3%	6.6%	17.6%	39.3%	13.6%	13.3%	0.0%

The Chandler team continues to hold the view the first rate hike by the Federal Reserve will take place in the second half of 2015 thus the team will continue to keep the duration of the portfolio close to the benchmark in the coming quarter. Interest rate volatility is poised to stay elevated however, the stronger dollar and global interest rate differentials are likely to continue to be supportive of US yields staying contained.



# Investment Performance

## Moulton Niguel Water District Operating Reserve

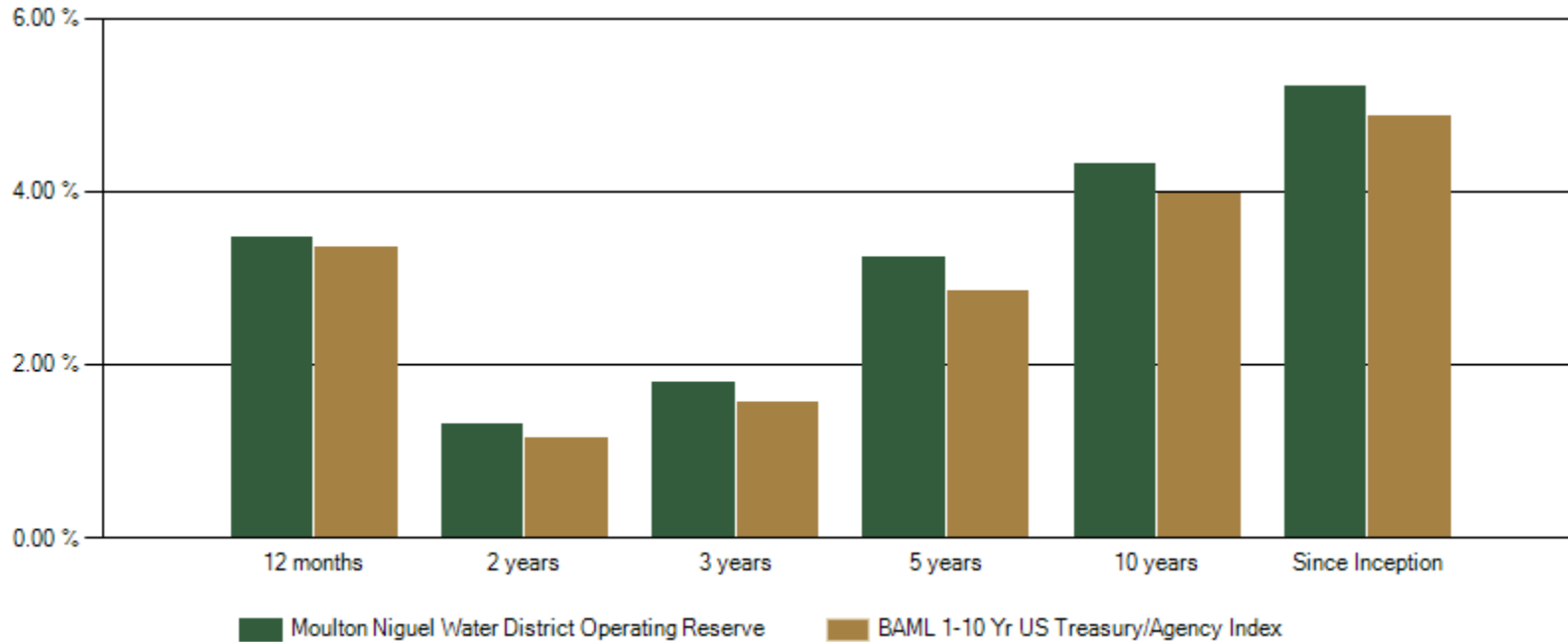
Period Ending

March 31, 2015

Total Rate of Return

Annualized Since Inception

September 30, 1995



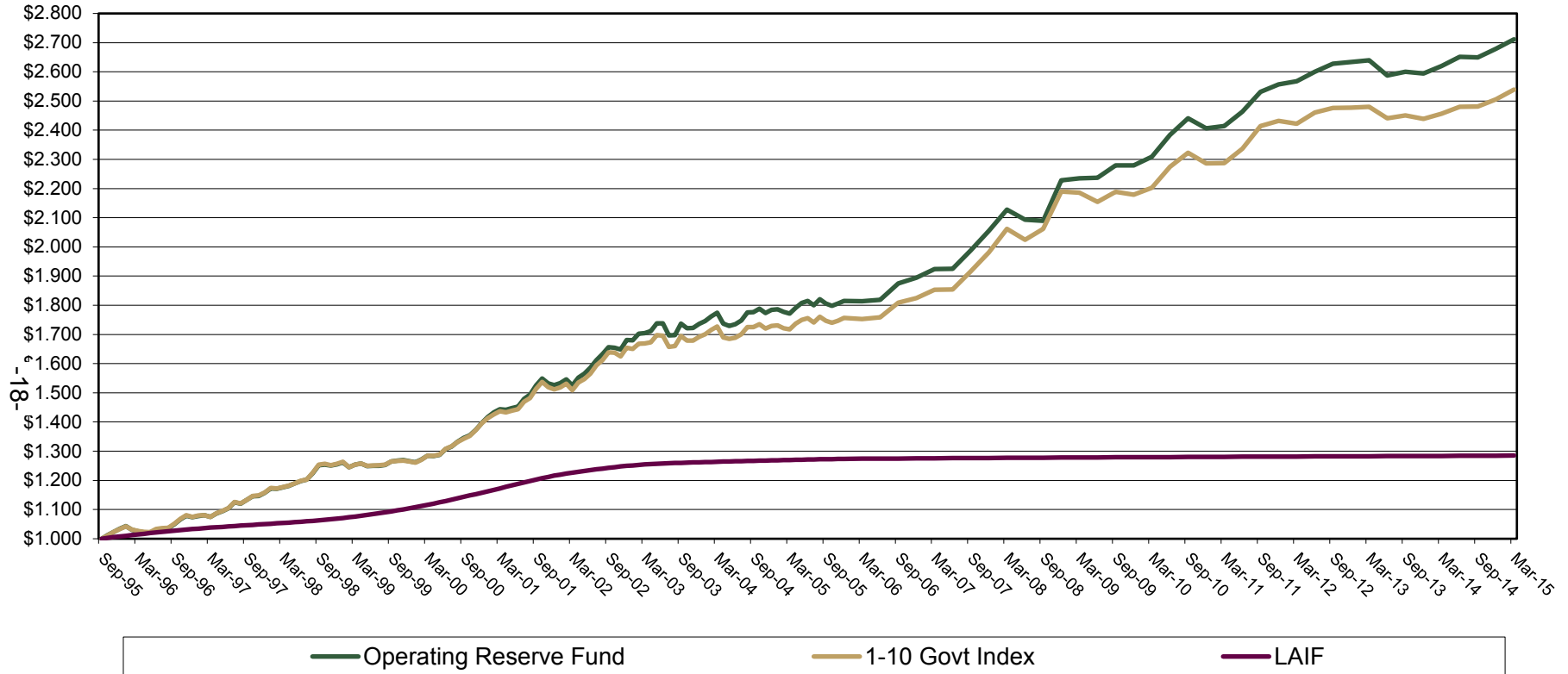
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	3 months	12 months	Annualized				
			2 years	3 years	5 years	10 years	Since Inception
Moulton Niguel Water District Operating Reserve	1.20 %	3.49 %	1.33 %	1.82 %	3.26 %	4.35 %	5.25 %
BAML 1-10 Yr US Treasury/Agency Index	1.32 %	3.38 %	1.17 %	1.59 %	2.88 %	3.99 %	4.89 %

Total rate of return: A measure of a portfolio's performance over time. It is the internal rate of return, which equates the beginning value of the portfolio with the ending value; it includes interest earnings, realized and unrealized gains and losses in the portfolio.



## Operating Reserve Fund Growth of \$1 Million



### Historical return on \$1 million invested in September 1995

Operating Reserve Fund

1-10 Govt Index

LAIF

	3/31/2015	Return
Operating Reserve Fund	\$2,710,909	5.25%
1-10 Govt Index	\$2,538,987	4.89%
LAIF	\$1,284,808	1.29%



## Portfolio Characteristics

### Moulton Niguel Water District Limited Maturity

	03/31/2015		01/31/2015
	Benchmark*	Portfolio	Portfolio
Average Maturity (yrs)	1.81	2.05	2.70
Modified Duration	1.77	1.96	2.47
Average Purchase Yield	n/a	1.55 %	2.23 %
Average Market Yield	0.54 %	0.74 %	1.00 %
Average Quality**	AAA	AA/Aa1	AA/Aa1
Total Market Value		30,890,112	30,969,400

\* BAML 1-3 Yr US Treasury/Agency Index

\*\* Benchmark is a blended rating of S&P, Moody's, and Fitch. Portfolio is S&P and Moody's respectively.

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## Limited Maturity Fund

### 42- Trading Activity -2/28/2015 -3/31/2015

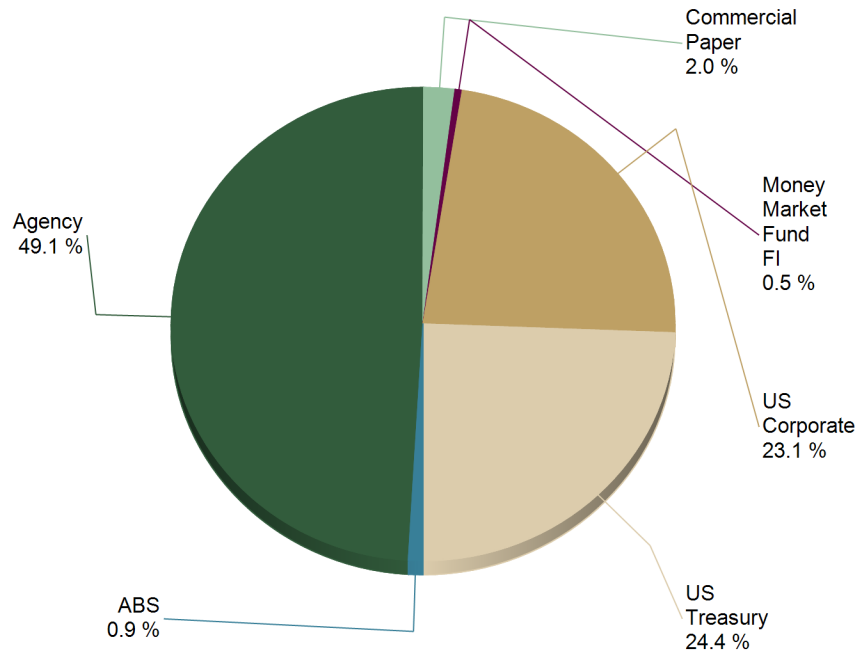
Settle Date	Description	MIG	Mat Date	Amount	Book Value	Market Value	Gain/Loss	Duration	Yield
<b>Purchase</b>									
03/05/2015	FHLMC	Agency	01/12/2018	\$625,000.00	\$618,656.25	\$618,656.25	\$0.00	2.809	1.112
03/05/2015	FHLMC	Agency	10/14/2016	\$625,000.00	\$627,881.25	\$627,881.25	\$0.00	1.591	0.587
03/06/2015	Air Products & Chemicals	US Corporate	10/15/2017	\$300,000.00	\$299,379.00	\$299,379.00	\$0.00	2.548	1.281
03/10/2015	FHLB	Agency	09/28/2016	\$610,000.00	\$609,341.20	\$609,341.20	\$0.00	1.538	0.570
03/10/2015	FHLB	Agency	11/23/2016	\$610,000.00	\$609,725.50	\$609,725.50	\$0.00	1.688	0.652
03/10/2015	FNMA	Agency	08/26/2016	\$615,000.00	\$615,897.90	\$615,897.90	\$0.00	1.453	0.525
03/10/2015	Charles Schwab Corp	US Corporate	03/10/2018	\$330,000.00	\$329,584.20	\$329,584.20	\$0.00	2.922	1.543
03/12/2015	FFCB	Agency	03/04/2016	\$615,000.00	\$614,667.90	\$614,667.90	\$0.00	0.975	0.335
03/17/2015	FHLB	Agency	01/08/2016	\$600,000.00	\$599,790.00	\$599,790.00	\$0.00	0.768	0.276
03/31/2015	FFCB	Agency	02/26/2016	\$600,000.00	\$599,694.00	\$599,694.00	\$0.00	0.901	0.307
03/31/2015	FHLMC	Agency	05/27/2016	\$625,000.00	\$624,818.75	\$624,818.75	\$0.00	1.150	0.425
03/03/2015	US Treasury	US Treasury	07/31/2016	\$600,000.00	\$600,564.51	\$600,564.51	\$0.00	1.408	0.433
03/04/2015	Toyota Auto Receivables Owner	Asset Backed Security	02/15/2019	\$285,000.00	\$284,956.91	\$284,956.91	\$0.00	1.327	1.134
03/05/2015	FNMA	Agency	07/05/2016	\$625,000.00	\$624,331.25	\$624,331.25	\$0.00	1.327	0.456
03/03/2015	Chevron Corp.	US Corporate	03/02/2018	\$400,000.00	\$400,000.00	\$400,000.00	\$0.00	2.927	1.365
03/03/2015	FHLB	Agency	12/28/2016	\$615,000.00	\$614,963.10	\$614,963.10	\$0.00	1.804	0.628
				\$8,680,000.00	\$8,674,251.72	\$8,674,251.72	\$0.00		
<b>Sale</b>									
03/05/2015	FHLB	Agency	07/29/2021	\$325,000.00	\$333,687.25	\$351,572.00	\$17,884.75	5.739	2.127
03/05/2015	US Treasury	US Treasury	11/30/2019	\$400,000.00	\$378,126.60	\$389,420.54	\$11,293.94	4.590	1.581
03/10/2015	FHLB	Agency	12/11/2020	\$100,000.00	\$113,608.00	\$117,807.00	\$4,199.00	5.003	1.961
03/10/2015	FNMA	Agency	02/19/2019	\$400,000.00	\$402,908.00	\$405,632.00	\$2,724.00	3.787	1.506
03/10/2015	FHLMC	Agency	05/30/2019	\$345,000.00	\$347,024.46	\$347,252.85	\$228.39	4.038	1.589
03/12/2015	Tennessee Valley Authority	Agency	04/01/2018	\$285,000.00	\$296,826.36	\$311,918.25	\$15,091.89	2.824	1.332
				\$1,855,000.00	\$1,872,180.67	\$1,923,602.64	\$51,421.97		



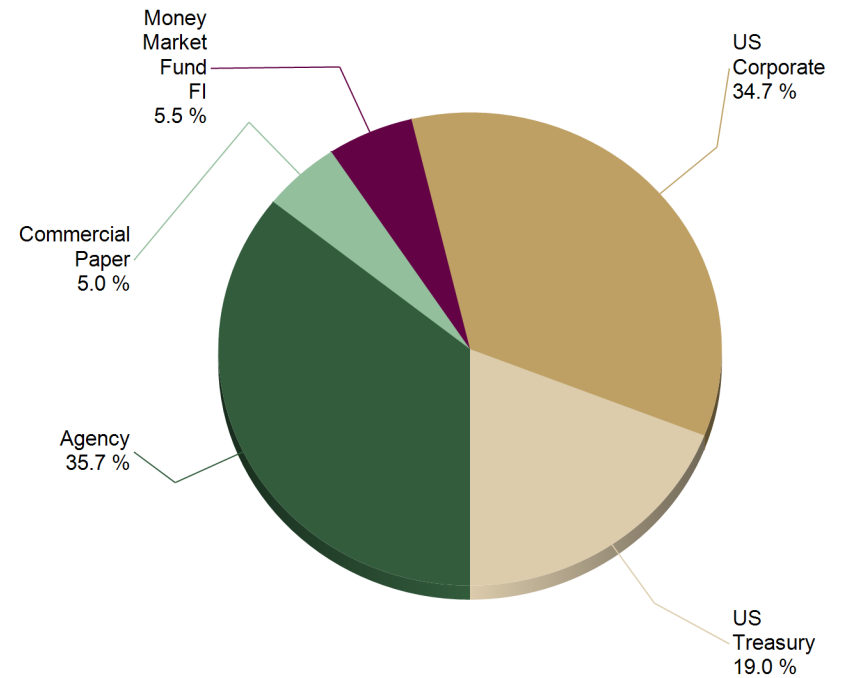
# Sector Distribution

## Moulton Niguel Water District Limited Maturity

March 31, 2015



January 31, 2015



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## Moulton Niguel Water District Limited Maturity Account #42

## Issuer Report

As of 3/31/2015

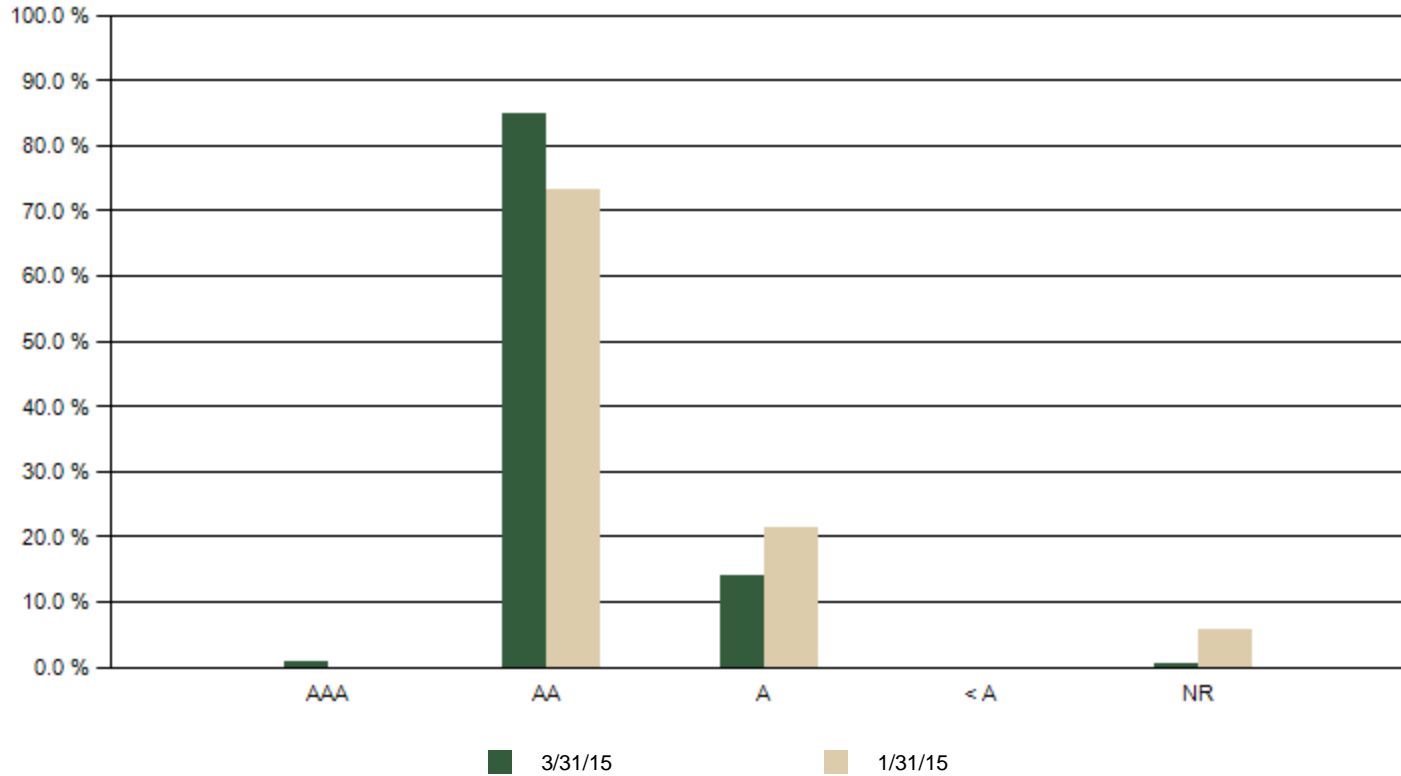
Issue Name	Investment Type	% Portfolio
Government of United States	US Treasury	24.40 %
Federal National Mortgage Association	Agency	14.76 %
Federal Home Loan Bank	Agency	13.04 %
Federal Farm Credit Bank	Agency	10.68 %
Federal Home Loan Mortgage Corp	Agency	6.90 %
Ebay	US Corporate	5.33 %
Tennessee Valley Authority	Agency	3.74 %
IBM Corp	US Corporate	2.47 %
Bank of Tokyo-Mit UFJ	Commercial Paper	1.99 %
Cisco Systems	US Corporate	1.99 %
Apple Inc	US Corporate	1.78 %
Toyota Motor Corp	US Corporate	1.70 %
Bank of New York	US Corporate	1.48 %
JP Morgan Chase & Co	US Corporate	1.32 %
Wells Fargo Corp	US Corporate	1.31 %
ChevronTexaco Corp	US Corporate	1.30 %
Intel Corp	US Corporate	1.21 %
Deere & Company	US Corporate	1.16 %
Charles Schwab Corp/The	US Corporate	1.07 %
Air Products & Chemicals	US Corporate	0.98 %
Toyota ABS	ABS	0.93 %
Wells Fargo Adv Govt Money Market Fund	Money Market Fund FI	0.46 %
<b>Total</b>		<b>100.00 %</b>



# Quality Distribution

## Moulton Niguel Water District Limited Maturity

March 31, 2015 vs. January 31, 2015



	AAA	AA	A	<A	NR
<b>3/31/15</b>	0.9 %	84.8 %	13.9 %	0.0 %	0.5 %
<b>1/31/15</b>	0.0 %	73.2 %	21.3 %	0.0 %	5.5 %

Source: S&P Ratings

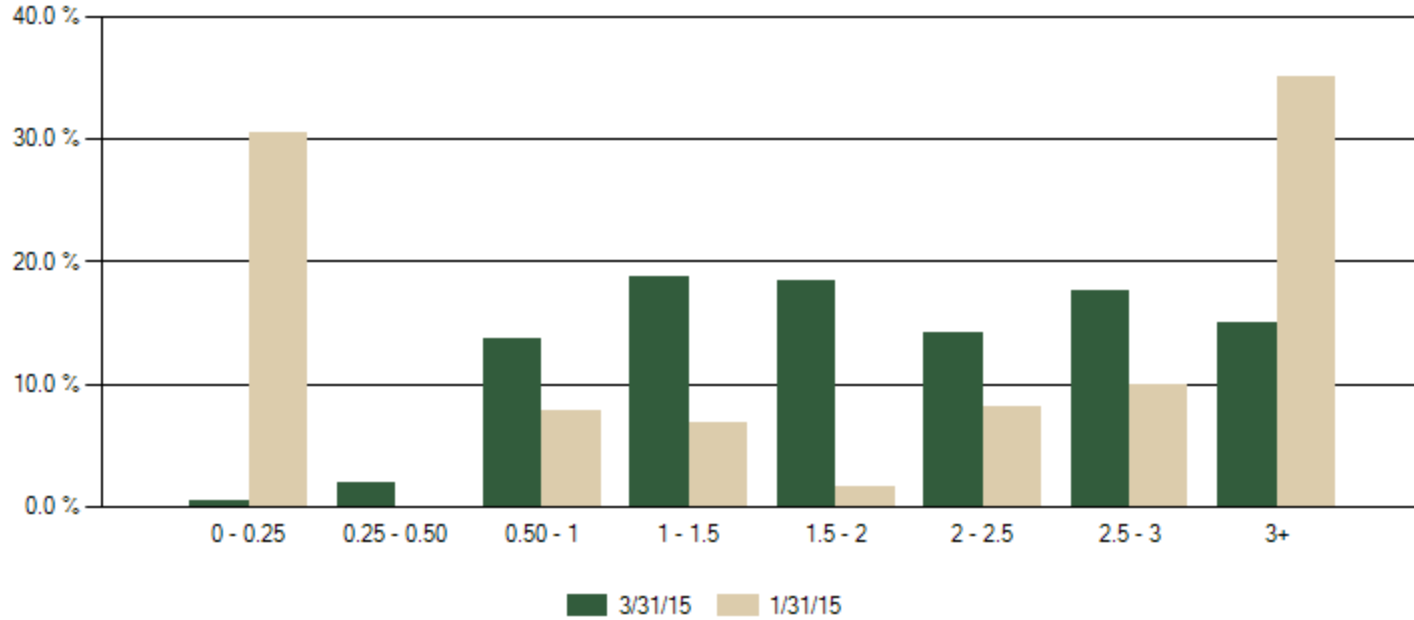




# Duration Distribution

## Moulton Niguel Water District Limited Maturity

March 31, 2015 vs. January 31, 2015



	0 - 0.25	0.25 - 0.50	0.50 - 1	1 - 1.5	1.5 - 2	2 - 2.5	2.5 - 3	3+
<b>3/31/15</b>	0.5 %	2.0 %	13.7 %	18.7 %	18.4 %	14.2 %	17.7 %	15.0 %
<b>1/31/15</b>	30.6 %	0.0 %	7.8 %	6.9 %	1.6 %	8.2 %	10.0 %	35.1 %

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## SECTION 2

# Consolidated Information



## Portfolio Characteristics

### Moulten Niguel Water District Consolidated

	03/31/2015	12/31/2014
	Portfolio	Portfolio
Average Maturity (yrs)	3.22	3.45
Modified Duration	2.92	3.11
Average Purchase Yield	1.68 %	1.84 %
Average Market Yield	1.05 %	1.30 %
Average Quality	AA/Aa1	AA/Aa1
Total Market Value	147,307,856	148,602,145

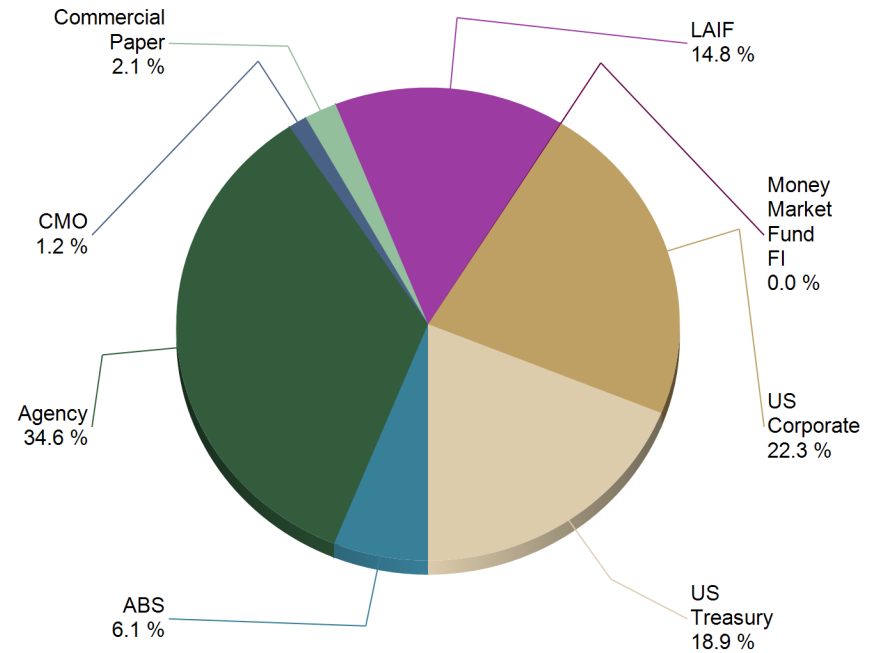
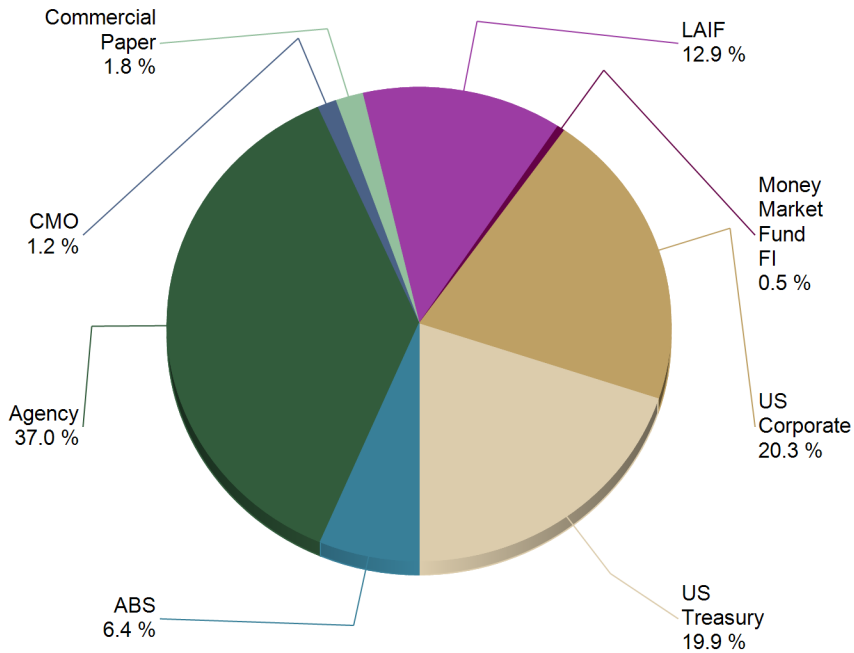


# Sector Distribution

## Moulten Niguel Water District Consolidated

March 31, 2015

December 31, 2014



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### SECTION 3

## Portfolio Holdings



Holdings Report

As of 3/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
89231NAC7	Toyota Auto Receivable 2012-B A3 0.46% Due 7/15/2016	307,954.54	09/18/2012 0.46 %	307,925.26 307,925.26	100.01 0.40 %	307,995.50 62.96	0.32 % 70.24	Aaa / AAA NR	1.29 0.25
47787RAC4	John Deere Owner Trust 2012-B A3 0.53% Due 7/15/2016	331,488.70	03/28/2014 0.47 %	331,695.88 331,695.88	100.00 0.55 %	331,476.77 78.08	0.34 % (219.11)	Aaa / NR AAA	1.29 0.21
43813CAC4	Honda Auto Receivables 2012-4 A3 0.52% Due 8/18/2016	393,743.76	10/11/2012 0.52 %	393,705.65 393,705.65	99.99 0.56 %	393,704.39 73.94	0.40 % (1.26)	Aaa / AAA NR	1.39 0.30
161571FL3	Chase CHAIT Pool #2012-A5 0.59% Due 8/15/2017	1,255,000.00	03/19/2013 0.59 %	1,255,000.00 1,255,000.00	100.05 0.45 %	1,255,618.72 329.09	1.29 % 618.72	NR / AAA AAA	2.38 0.44
477879AC4	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	455,708.68	08/27/2013 0.88 %	455,646.57 455,646.57	100.15 0.62 %	456,412.29 176.21	0.47 % 765.72	Aaa / NR AAA	2.38 0.66
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	975,000.00	03/11/2014 0.69 %	974,819.82 974,819.82	99.94 0.72 %	974,432.55 290.33	1.00 % (387.27)	Aaa / AAA NR	2.71 1.20
43814GAC4	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	1,020,000.00	05/13/2014 0.78 %	1,019,877.40 1,019,877.40	99.95 0.81 %	1,019,517.54 283.62	1.05 % (359.86)	Aaa / AAA NR	2.97 1.44
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	1,455,000.00	04/02/2014 0.93 %	1,454,766.91 1,454,766.91	100.13 0.82 %	1,456,865.31 594.93	1.50 % 2,098.40	Aaa / NR AAA	3.05 1.35
43814HAC2	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	1,015,000.00	08/12/2014 0.89 %	1,014,804.21 1,014,804.21	99.98 0.90 %	1,014,787.87 396.98	1.04 % (16.34)	Aaa / AAA AAA	3.21 1.58
43814J7AD6	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	1,170,000.00	Various 1.08 %	1,169,688.96 1,169,688.96	100.19 0.96 %	1,172,200.77 556.40	1.20 % 2,511.81	Aaa / NR AAA	3.63 1.79
36164EAC9	GE Equipment Transportation 2015-1 A3 1.28% Due 2/25/2019	760,000.00	02/24/2015 1.29 %	759,887.90 759,887.90	100.14 1.22 %	761,074.64 729.60	0.78 % 1,186.74	Aaa / AAA NR	3.91 2.13
<b>Total ABS</b>		<b>9,138,895.68</b>	<b>0.83 %</b>	<b>9,137,818.56</b>	<b>0.77 %</b>	<b>9,144,086.35</b> <b>3,572.14</b>	<b>9.39 %</b> <b>6,267.79</b>	<b>Aaa / AAA</b> <b>Aaa</b>	<b>2.85</b> <b>1.21</b>
<b>AGENCY</b>									
31398ADM1	FNMA Note 5.375% Due 6/12/2017	1,200,000.00	Various 3.58 %	1,341,020.65 1,341,020.65	110.06 0.75 %	1,320,696.00 19,529.17	1.38 % (20,324.65)	Aaa / AA+ AAA	2.20 2.16
880591EA6	Tennessee Valley Authority Note 5.5% Due 7/18/2017	1,735,000.00	Various 4.23 %	1,885,355.86 1,885,355.86	110.30 0.95 %	1,913,739.70 19,350.07	1.99 % 28,383.84	Aaa / AA+ AAA	2.30 2.26
3137EABA6	FHLMC Note 5.125% Due 11/17/2017	1,400,000.00	02/03/2011 3.13 %	1,569,204.00 1,569,204.00	111.11 0.84 %	1,555,569.40 26,706.94	1.62 % (13,634.60)	Aaa / AA+ AAA	2.64 2.54
880591CU4	Tennessee Valley Authority Note 6.25% Due 12/15/2017	1,590,000.00	Various 4.15 %	1,827,006.80 1,827,006.80	114.12 0.95 %	1,814,495.28 29,260.41	1.89 % (12,511.52)	Aaa / AA+ AAA	2.71 2.58
3135G0TG8	FNMA Note 0.875% Due 2/8/2018	1,660,000.00	Various 1.15 %	1,640,685.20 1,640,685.20	99.93 0.90 %	1,658,919.34 2,138.41	1.71 % 18,234.14	Aaa / AA+ AAA	2.86 2.90
31331YF21	FFCB Note 4.25% Due 4/16/2018	650,000.00	07/15/2010 2.98 %	706,634.50 706,634.50	109.39 1.10 %	711,011.60 12,661.46	0.74 % 4,377.10	Aaa / AA+ AAA	3.05 2.92
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	1,650,000.00	12/19/2013 1.56 %	1,602,184.65 1,602,184.65	99.76 0.95 %	1,646,079.60 5,213.54	1.70 % 43,894.95	Aaa / AA+ AAA	3.14 3.00



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
3137EABP3	FHLMC Note 4.875% Due 6/13/2018	1,950,000.00	Various 2.67 %	2,224,649.10 2,224,649.10	112.21 0.99 %	2,188,102.80 28,518.75	2.28 % (36,546.30)	Aaa / AA+ AAA	3.21 3.05
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	1,900,000.00	Various 1.75 %	1,911,442.50 1,911,442.50	102.31 1.26 %	1,943,836.80 4,156.26	2.00 % 32,394.30	Aaa / AA+ AAA	3.89 3.82
3137EADG1	FHLMC Note 1.75% Due 5/30/2019	2,000,000.00	04/27/2012 1.66 %	2,011,736.00 2,011,736.00	101.50 1.38 %	2,029,928.00 11,763.89	2.10 % 18,192.00	Aaa / AA+ AAA	4.17 4.07
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	2,000,000.00	Various 1.49 %	1,970,964.80 1,970,964.80	99.84 1.29 %	1,996,786.00 4,166.66	2.05 % 25,821.20	Aaa / AA+ AAA	4.34 4.28
3133X8AS1	FHLB Note 5.125% Due 8/15/2019	1,700,000.00	06/07/2011 3.02 %	1,958,281.00 1,958,281.00	115.82 1.38 %	1,968,866.90 11,132.64	2.03 % 10,585.90	Aaa / AA+ AAA	4.38 4.04
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	1,425,000.00	Various 1.60 %	1,396,312.75 1,396,312.75	99.17 1.44 %	1,413,128.33 8,856.77	1.46 % 16,815.58	Aaa / AA+ AAA	4.51 4.42
3135G0ZY2	FNMA Note 1.75% Due 11/26/2019	1,575,000.00	12/23/2014 1.83 %	1,568,841.75 1,568,841.75	101.47 1.42 %	1,598,185.58 9,570.31	1.65 % 29,343.83	Aaa / AA+ AAA	4.66 4.52
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	1,575,000.00	04/17/2014 2.18 %	1,503,983.25 1,503,983.25	99.28 1.52 %	1,563,729.30 9,023.44	1.62 % 59,746.05	Aaa / AA+ AAA	5.09 4.95
3133ECPD0	FFCB Note 1.42% Due 5/13/2020	1,165,000.00	05/22/2013 1.63 %	1,148,561.85 1,148,561.85	99.51 1.52 %	1,159,250.73 6,341.48	1.20 % 10,688.88	Aaa / AA+ AAA	5.12 4.98
3133JXDVS7	FHLB Note 5.25% Due 12/11/2020	2,500,000.00	07/07/2011 3.54 %	2,840,200.00 2,840,200.00	119.58 1.64 %	2,989,377.50 40,104.17	3.11 % 149,177.50	Aaa / AA+ AAA	5.70 5.04
880591EL2	Tennessee Valley Authority Note 3.875% Due 2/15/2021	2,120,000.00	04/06/2011 3.87 %	2,121,611.20 2,121,611.20	111.66 1.77 %	2,367,251.36 10,496.94	2.44 % 245,640.16	Aaa / AA+ AAA	5.88 5.36
3133752P1	FHLB Note 3.5% Due 7/29/2021	2,925,000.00	08/03/2011 3.19 %	3,003,185.25 3,003,185.25	109.26 1.94 %	3,195,796.50 17,631.25	3.30 % 192,611.25	Aaa / AA+ AAA	6.33 5.76
880591EN8	Tennessee Valley Authority Note 1.875% Due 8/15/2022	2,585,000.00	Various 2.03 %	2,550,760.80 2,550,760.80	97.35 2.27 %	2,516,507.84 6,193.23	2.59 % (34,252.96)	Aaa / AA+ AAA	7.38 6.90
3135G0ZR7	FNMA Note 2.625% Due 9/6/2024	1,400,000.00	10/29/2014 2.68 %	1,393,896.00 1,393,896.00	103.61 2.20 %	1,450,526.00 2,552.08	1.49 % 56,630.00	Aaa / AA+ AAA	9.44 8.31
<b>Total Agency</b>		<b>36,705,000.00</b>	<b>2.63 %</b>	<b>38,176,517.91</b> <b>38,176,517.91</b>	<b>1.41 %</b>	<b>39,001,784.56</b> <b>285,367.87</b>	<b>40.34 %</b> <b>825,266.65</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>4.61</b> <b>4.34</b>
<b>CMO</b>									
3137AH6Q6	FHLMC K704 A2 2.412% Due 8/25/2018	1,745,000.00	03/06/2014 1.68 %	1,798,576.95 1,798,576.95	103.42 1.28 %	1,804,652.83 701.49	1.85 % 6,075.88	NR / NR AAA	3.41 3.18
<b>Total CMO</b>		<b>1,745,000.00</b>	<b>1.68 %</b>	<b>1,798,576.95</b> <b>1,798,576.95</b>	<b>1.28 %</b>	<b>1,804,652.83</b> <b>701.49</b>	<b>1.85 %</b> <b>6,075.88</b>	<b>NR / NR</b> <b>Aaa</b>	<b>3.41</b> <b>3.18</b>



Holdings Report

As of 3/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>COMMERCIAL PAPER</b>									
06538CTV3	Bank of Tokyo Mitsubishi NY Discount CP 0.28% Due 6/29/2015	1,995,000.00	02/20/2015 0.28 %	1,993,044.90 1,993,619.02	99.93 0.28 %	1,993,619.02 0.00	2.05 % 0.00	P-1 / A-1 F-1	0.25 0.33
<b>Total Commercial Paper</b>		<b>1,995,000.00</b>	<b>0.28 %</b>	<b>1,993,044.90</b> <b>1,993,619.02</b>	<b>0.28 %</b>	<b>1,993,619.02</b> <b>0.00</b>	<b>2.05 %</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>F-1</b>	<b>0.25</b> <b>0.33</b>
<b>MONEY MARKET FUND FI</b>									
94975J466	Wells Fargo Advantage Government MMF	588,743.92	Various 0.01 %	588,743.92 588,743.92	1.00 0.01 %	588,743.92 0.00	0.60 % 0.00	Aaa / NR AAA	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>588,743.92</b>	<b>0.01 %</b>	<b>588,743.92</b>	<b>0.01 %</b>	<b>588,743.92</b> <b>0.00</b>	<b>0.60 %</b> <b>0.00</b>	<b>Aaa / NR</b> <b>Aaa</b>	<b>0.00</b> <b>0.00</b>
<b>US CORPORATE</b>									
459200GU9	IBM Corp Note 2% Due 1/5/2016	1,200,000.00	Various 2.75 %	1,159,239.00 1,159,239.00	101.23 0.38 %	1,214,778.00 5,733.33	1.25 % 55,539.00	Aa3 / AA- A+	0.77 0.85
24422ERZ4	John Deere Capital Corp Note 0.75% Due 1/22/2016	475,000.00	01/17/2013 0.79 %	474,496.50 474,496.50	100.29 0.39 %	476,378.93 682.81	0.49 % 1,882.43	A2 / A NR	0.81 0.90
191216AU4	Coca Cola Company Note 1.8% Due 9/1/2016	1,070,000.00	08/13/2013 0.98 %	1,096,225.70 1,096,225.70	101.71 0.59 %	1,088,298.07 1,605.00	1.12 % (7,927.63)	Aa3 / AA A+	1.42 1.48
36962G5W0	General Electric Capital Corp Note 2.3% Due 4/27/2017	1,720,000.00	03/07/2013 1.44 %	1,778,875.60 1,778,875.60	102.60 1.03 %	1,764,757.84 16,922.89	1.83 % (14,117.76)	A1 / AA+ NR	2.08 2.10
913017BU2	United Tech Corp Note 1.8% Due 6/1/2017	115,000.00	05/24/2012 1.82 %	114,901.10 114,901.10	101.84 0.94 %	117,116.92 690.00	0.12 % 2,215.82	A2 / A A	2.17 2.21
68389XAN5	Oracle Corp Note 1.2% Due 10/15/2017	1,150,000.00	08/28/2013 1.87 %	1,119,421.50 1,119,421.50	100.33 1.07 %	1,153,739.80 6,363.33	1.19 % 34,318.30	A1 / A+ A+	2.55 2.57
166764AA8	Chevron Corp. Callable Note Cont 11/5/17 1.104% Due 12/5/2017	535,000.00	Various 1.19 %	533,208.75 533,208.75	100.09 1.07 %	535,473.48 1,903.18	0.55 % 2,264.73	Aa1 / AA NR	2.68 2.63
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	1,200,000.00	Various 1.30 %	1,202,843.20 1,202,843.20	100.50 1.16 %	1,206,049.21 4,770.01	1.24 % 3,206.01	A1 / A+ A+	2.71 2.73
69371RM45	Paccar Financial Corp Note 1.45% Due 3/9/2018	1,115,000.00	03/03/2015 1.48 %	1,113,951.90 1,113,951.90	100.48 1.28 %	1,120,300.71 988.01	1.15 % 6,348.81	A1 / A+ NR	2.94 2.87
808513AK1	Charles Schwab Corp Callable Note Cont 2/10/2018 1.5% Due 3/10/2018	1,200,000.00	03/12/2015 1.50 %	1,200,072.00 1,200,072.00	100.49 1.32 %	1,205,874.00 1,050.00	1.24 % 5,802.00	A2 / A A	2.95 2.79
931142DF7	Wal-Mart Stores Note 1.125% Due 4/11/2018	840,000.00	04/04/2013 1.14 %	839,227.20 839,227.20	100.12 1.08 %	841,023.96 4,462.50	0.87 % 1,796.76	Aa2 / AA AA	3.03 3.04





CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US CORPORATE</b>									
037833AJ9	Apple Inc Note 1% Due 5/3/2018	1,250,000.00	Various 1.33 %	1,231,967.50 1,231,967.50	99.42 1.19 %	1,242,706.25 5,138.89	1.28 % 10,738.75	Aa1 / AA+ NR	3.09 3.11
166764AE0	Chevron Corp. Callable Note Cont 5/24/2018 1.718% Due 6/24/2018	1,000,000.00	03/28/2014 1.71 %	1,000,470.00 1,000,470.00	101.27 1.30 %	1,012,674.00 4,629.06	1.04 % 12,204.00	Aa1 / AA NR	3.24 3.13
02665WAC5	American Honda Finance Note 2.125% Due 10/10/2018	1,600,000.00	03/28/2014 1.99 %	1,609,232.00 1,609,232.00	101.86 1.58 %	1,629,748.80 16,150.00	1.69 % 20,516.80	A1 / A+ NR	3.53 3.44
91159HHE3	US Bancorp Callable Note Cont 10/15/2018 1.95% Due 11/15/2018	1,010,000.00	11/19/2013 1.86 %	1,014,082.85 1,014,082.85	101.56 1.49 %	1,025,759.04 7,440.34	1.06 % 11,676.19	A1 / A+ AA-	3.63 3.47
24422ESF7	John Deere Capital Corp Note 1.95% Due 12/13/2018	1,170,000.00	Various 2.00 %	1,167,143.90 1,167,143.90	101.80 1.45 %	1,191,040.11 6,844.50	1.23 % 23,896.21	A2 / A NR	3.71 3.63
89236TBB0	Toyota Motor Credit Corp Note 2.1% Due 1/17/2019	1,200,000.00	11/19/2014 2.00 %	1,204,548.00 1,204,548.00	101.73 1.63 %	1,220,776.80 5,180.00	1.26 % 16,228.80	Aa3 / AA- A	3.80 3.71
46625HJR2	JP Morgan Chase Note 2.35% Due 1/28/2019	1,200,000.00	04/02/2014 2.32 %	1,201,392.00 1,201,392.00	101.64 1.90 %	1,219,669.20 4,935.00	1.26 % 18,277.20	A3 / A A+	3.83 3.72
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	1,200,000.00	Various 2.02 %	1,205,740.50 1,205,740.50	102.05 1.58 %	1,224,571.20 2,125.00	1.26 % 18,830.70	A1 / AA- NR	3.92 3.79
3-2-16HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	1,200,000.00	11/19/2014 2.25 %	1,202,712.00 1,202,712.00	101.78 1.87 %	1,221,360.00 1,533.33	1.26 % 18,648.00	A1 / A+ AA-	4.45 4.17
<b>Total US Corporate</b>		<b>22,425,000.00</b>	<b>1.69 %</b>	<b>22,490,859.40</b> <b>22,490,859.40</b>	<b>1.23 %</b>	<b>22,705,926.50</b> <b>106,744.06</b>	<b>23.43 %</b> <b>215,067.10</b>	<b>A1 / AA- A+</b>	<b>2.89</b> <b>2.83</b>
<b>US TREASURY</b>									
912828SD3	US Treasury Note 1.25% Due 1/31/2019	2,335,000.00	05/29/2012 1.09 %	2,359,362.67 2,359,362.67	100.38 1.15 %	2,343,756.25 4,837.71	2.41 % (15,606.42)	Aaa / AA+ AAA	3.84 3.81
912828SX9	US Treasury Note 1.125% Due 5/31/2019	2,000,000.00	01/30/2013 1.23 %	1,987,429.88 1,987,429.88	99.63 1.22 %	1,992,500.00 7,541.21	2.05 % 5,070.12	Aaa / AA+ AAA	4.17 4.12
912828TH3	US Treasury Note 0.875% Due 7/31/2019	1,100,000.00	10/25/2012 1.21 %	1,075,941.90 1,075,941.90	98.40 1.26 %	1,082,382.40 1,595.30	1.11 % 6,440.50	Aaa / AA+ AAA	4.34 4.31
912828UB4	US Treasury Note 1% Due 11/30/2019	2,000,000.00	Various 1.91 %	1,893,289.25 1,893,289.25	98.48 1.34 %	1,969,688.00 6,703.30	2.03 % 76,398.75	Aaa / AA+ AAA	4.67 4.61
912828PX2	US Treasury Note 3.625% Due 2/15/2021	1,425,000.00	06/02/2011 2.95 %	1,505,662.92 1,505,662.92	111.63 1.55 %	1,590,656.25 6,421.36	1.64 % 84,993.33	Aaa / AA+ AAA	5.88 5.40
912828RC6	US Treasury Note 2.125% Due 8/15/2021	1,650,000.00	02/28/2014 2.23 %	1,637,953.86 1,637,953.86	102.93 1.64 %	1,698,340.05 4,358.60	1.75 % 60,386.19	Aaa / AA+ AAA	6.38 6.02
912828RR3	US Treasury Note 2% Due 11/15/2021	2,000,000.00	01/18/2012 1.90 %	2,017,664.26 2,017,664.26	102.24 1.64 %	2,044,844.00 15,138.12	2.12 % 27,179.74	Aaa / AA+ AAA	6.63 6.22
912828SF8	US Treasury Note 2% Due 2/15/2022	2,025,000.00	07/31/2014 2.33 %	1,978,970.99 1,978,970.99	102.06 1.68 %	2,066,765.63 5,034.53	2.13 % 87,794.64	Aaa / AA+ AAA	6.88 6.48



Holdings Report

As of 3/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
912828SV3	US Treasury Note 1.75% Due 5/15/2022	2,000,000.00	07/29/2013 2.41 %	1,895,945.50 1,895,945.50	100.27 1.71 %	2,005,468.00 13,245.86	2.07 % 109,522.50	Aaa / AA+ AAA	7.13 6.71
912828TJ9	US Treasury Note 1.625% Due 8/15/2022	2,000,000.00	Various 2.17 %	1,910,562.70 1,910,562.70	99.20 1.74 %	1,983,906.00 4,040.06	2.04 % 73,343.30	Aaa / AA+ AAA	7.38 6.99
912828TY6	US Treasury Note 1.625% Due 11/15/2022	1,600,000.00	05/27/2014 2.37 %	1,509,318.90 1,509,318.90	99.04 1.76 %	1,584,625.60 9,839.78	1.64 % 75,306.70	Aaa / AA+ AAA	7.63 7.17
912828VB3	US Treasury Note 1.75% Due 5/15/2023	1,300,000.00	06/26/2014 2.42 %	1,230,688.80 1,230,688.80	99.46 1.82 %	1,292,991.70 8,609.81	1.34 % 62,302.90	Aaa / AA+ AAA	8.13 7.57
<b>Total US Treasury</b>		<b>21,435,000.00</b>	<b>1.99 %</b>	<b>21,002,791.63</b> <b>21,002,791.63</b>	<b>1.53 %</b>	<b>21,655,923.88</b> <b>87,365.64</b>	<b>22.33 %</b> <b>653,132.25</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>6.04</b> <b>5.74</b>
<b>TOTAL PORTFOLIO</b>		<b>94,032,639.60</b>	<b>2.01 %</b>	<b>95,188,353.27</b> <b>95,188,927.39</b>	<b>1.30 %</b>	<b>96,894,737.06</b> <b>483,751.20</b>	<b>100.00 %</b> <b>1,705,809.67</b>	<b>Aa1 / AA+</b> <b>Aaa</b>	<b>4.22</b> <b>3.87</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>97,378,488.26</b>			



Holdings Report

As of 3/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>LAIF</b>									
90LAIF\$00	Local Agency Investment Fund State Pool	19,024,590.38	Various 0.27 %	19,024,590.38 19,024,590.38	1.00 0.27 %	19,024,590.38 14,665.43	100.00 % 0.00	NR / NR NR	0.00 0.00
<b>Total LAIF</b>		<b>19,024,590.38</b>	<b>0.27 %</b>	<b>19,024,590.38</b> <b>19,024,590.38</b>	<b>0.27 %</b>	<b>19,024,590.38</b> <b>14,665.43</b>	<b>100.00 %</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL PORTFOLIO</b>		<b>19,024,590.38</b>	<b>0.27 %</b>	<b>19,024,590.38</b> <b>19,024,590.38</b>	<b>0.27 %</b>	<b>19,024,590.38</b> <b>14,665.43</b>	<b>100.00 %</b> <b>0.00</b>	<b>NR / NR</b> <b>NR</b>	<b>0.00</b> <b>0.00</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>19,039,255.81</b>			



Holdings Report

As of 3/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>ABS</b>									
89236WAC2	Toyota Auto Receivables Owner 2015-A 1.12% Due 2/15/2019	285,000.00	02/24/2015 1.13 %	284,956.91 284,956.91	100.32 0.96 %	285,908.87 239.40	0.93 % 951.96	Aaa / AAA NR	3.88 1.94
<b>Total ABS</b>		<b>285,000.00</b>	<b>1.13 %</b>	<b>284,956.91</b> <b>284,956.91</b>	<b>0.96 %</b>	<b>285,908.87</b> <b>239.40</b>	<b>0.93 %</b> <b>951.96</b>	<b>Aaa / AAA</b> <b>NR</b>	<b>3.88</b> <b>1.94</b>
<b>AGENCY</b>									
3130A3NV2	FHLB Note 0.23% Due 1/8/2016	600,000.00	03/30/2015 0.28 %	599,790.00 599,790.00	99.96 0.28 %	599,749.80 318.17	1.94 % (40.20)	Aaa / AA+ AAA	0.78 0.77
3133EDMC3	FFCB Note 0.25% Due 2/26/2016	600,000.00	03/30/2015 0.31 %	599,694.00 599,694.00	99.96 0.29 %	599,773.80 145.83	1.94 % 79.80	Aaa / AA+ AAA	0.91 0.90
3133EESJ0	FFCB Note 0.28% Due 3/4/2016	615,000.00	03/11/2015 0.34 %	614,667.90 614,667.90	99.95 0.33 %	614,722.64 129.15	1.99 % 54.74	Aaa / AA+ AAA	0.93 0.92
3134G5RF4	FHLMC Note 0.4% Due 5/27/2016	625,000.00	03/30/2015 0.43 %	624,818.75 624,818.75	100.00 0.40 %	625,008.13 902.78	2.03 % 189.38	Aaa / AA+ AAA	1.16 1.15
3133834R9	FHLB Note 0.375% Due 6/24/2016	615,000.00	02/19/2015 0.41 %	614,699.88 614,699.88	99.94 0.42 %	614,661.14 621.41	1.99 % (38.74)	Aaa / AA+ AAA	1.24 1.23
3135G0XP3	FNMA Note 0.375% Due 7/5/2016	625,000.00	03/04/2015 0.46 %	624,331.25 624,331.25	99.94 0.42 %	624,620.63 559.90	2.02 % 289.38	Aaa / AA+ AAA	1.27 1.26
31331V2U9	FFCB Note 5.125% Due 8/25/2016	1,950,000.00	08/30/2011 1.14 %	2,324,887.50 2,324,887.50	106.44 0.50 %	2,075,558.55 9,993.75	6.75 % (249,328.95)	Aaa / AA+ AAA	1.41 1.36
3135G0YE7	FNMA Note 0.625% Due 8/26/2016	615,000.00	03/09/2015 0.52 %	615,897.90 615,897.90	100.27 0.43 %	616,632.83 373.70	2.00 % 734.93	Aaa / AA+ AAA	1.41 1.40
3130A2T97	FHLB Note 0.5% Due 9/28/2016	610,000.00	03/09/2015 0.57 %	609,341.20 609,341.20	100.00 0.50 %	610,022.57 25.42	1.97 % 681.37	Aaa / AA+ AAA	1.50 1.48
3137EADS5	FHLMC Note 0.875% Due 10/14/2016	625,000.00	03/04/2015 0.59 %	627,881.25 627,881.25	100.56 0.51 %	628,501.88 2,536.89	2.04 % 620.63	Aaa / AA+ AAA	1.54 1.52
3130A3J70	FHLB Note 0.625% Due 11/23/2016	610,000.00	03/09/2015 0.65 %	609,725.50 609,725.50	100.10 0.57 %	610,582.55 1,419.10	1.98 % 857.05	Aaa / AA+ AAA	1.65 1.63
3130A0C65	FHLB Note 0.625% Due 12/28/2016	615,000.00	03/02/2015 0.63 %	614,963.10 614,963.10	100.12 0.55 %	615,750.30 992.97	2.00 % 787.20	Aaa / AA+ AAA	1.75 1.73
3137EADU0	FHLMC Note 0.5% Due 1/27/2017	625,000.00	02/26/2015 0.64 %	623,343.75 623,343.75	99.83 0.60 %	623,924.38 651.04	2.02 % 580.63	Aaa / AA+ AAA	1.83 1.81
3135G0ZB2	FNMA Note 0.75% Due 4/20/2017	625,000.00	02/26/2015 0.73 %	625,206.25 625,206.25	100.22 0.64 %	626,346.88 2,096.35	2.03 % 1,140.63	Aaa / AA+ AAA	2.06 2.03
31359M7X5	FNMA Note 5% Due 5/11/2017	1,550,000.00	12/31/2009 3.68 %	1,680,508.45 1,680,508.45	109.00 0.70 %	1,689,500.00 30,138.89	5.57 % 8,991.55	Aaa / AA+ AAA	2.12 1.99
880591EA6	Tennessee Valley Authority Note 5.5% Due 7/18/2017	725,000.00	08/28/2008 4.55 %	774,853.90 774,853.90	110.30 0.95 %	799,689.50 8,085.76	2.61 % 24,835.60	Aaa / AA+ AAA	2.30 2.17
3135G0PQ0	FNMA Note 0.875% Due 10/26/2017	625,000.00	02/26/2015 0.94 %	623,993.75 623,993.75	100.12 0.83 %	625,773.75 2,354.60	2.03 % 1,780.00	Aaa / AA+ AAA	2.58 2.



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>AGENCY</b>									
880591CU4	Tennessee Valley Authority Note 6.25% Due 12/15/2017	300,000.00	06/25/2008 4.91 %	330,075.00 330,075.00	114.12 0.95 %	342,357.60 5,520.83	1.13 % 12,282.60	Aaa / AA+ AAA	2.71 2.49
3137EADN6	FHLMC Note 0.75% Due 1/12/2018	625,000.00	03/04/2015 1.11 %	618,656.25 618,656.25	99.82 0.81 %	623,893.75 1,028.65	2.02 % 5,237.50	Aaa / AA+ AAA	2.79 2.74
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	340,000.00	04/11/2013 0.92 %	339,272.40 339,272.40	99.76 0.95 %	339,192.16 1,074.31	1.10 % (80.24)	Aaa / AA+ AAA	3.14 3.08
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	250,000.00	01/04/2013 1.35 %	248,450.00 248,450.00	99.84 1.29 %	249,598.25 520.83	0.81 % 1,148.25	Aaa / AA+ AAA	4.34 4.20
3133X8AS1	FHLB Note 5.125% Due 8/15/2019	300,000.00	06/07/2011 3.02 %	345,579.00 345,579.00	115.82 1.38 %	347,447.10 1,964.58	1.13 % 1,868.10	Aaa / AA+ AAA	4.38 3.96
<b>Total Agency</b>		<b>14,670,000.00</b>	<b>1.37 %</b>	<b>15,290,636.98</b>	<b>0.61 %</b>	<b>15,103,308.19</b>	<b>49.12 %</b> <b>(187,328.79)</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>1.82</b> <b>1.76</b>
<b>COMMERCIAL PAPER</b>									
06538CTV3	Bank of Tokyo Mitsubishi NY Discount CP 0.28% Due 6/29/2015	615,000.00	02/20/2015 0.28 %	614,397.30 614,574.28	99.93 0.28 %	614,574.28 0.00	1.99 % 0.00	P-1 / A-1 F-1	0.25 0.25
<b>Total Commercial Paper</b>		<b>615,000.00</b>	<b>0.28 %</b>	<b>614,397.30</b>	<b>0.28 %</b>	<b>614,574.28</b>	<b>1.99 %</b> <b>0.00</b>	<b>P-1 / A-1</b> <b>F-1</b>	<b>0.25</b> <b>0.25</b>
<b>MONEY MARKET FUND FI</b>									
94975J466	Wells Fargo Advantage Government MMF	142,021.38	Various 0.01 %	142,021.38 142,021.38	1.00 0.01 %	142,021.38 0.00	0.46 % 0.00	Aaa / NR AAA	0.00 0.00
<b>Total Money Market Fund FI</b>		<b>142,021.38</b>	<b>0.01 %</b>	<b>142,021.38</b>	<b>0.01 %</b>	<b>142,021.38</b>	<b>0.46 %</b> <b>0.00</b>	<b>Aaa / NR</b> <b>Aaa</b>	<b>0.00</b> <b>0.00</b>
<b>US CORPORATE</b>									
278642AB9	Ebay Inc Note 1.625% Due 10/15/2015	1,625,000.00	10/22/2010 1.66 %	1,622,156.25 1,622,156.25	100.48 0.73 %	1,632,777.25 12,176.22	5.33 % 10,621.00	A2 / A A-	0.54 0.53
459200GU9	IBM Corp Note 2% Due 1/5/2016	750,000.00	02/14/2011 2.79 %	723,135.00 723,135.00	101.23 0.38 %	759,236.25 3,583.33	2.47 % 36,101.25	Aa3 / AA- A+	0.77 0.76
009158AS5	Air Products & Chemicals Note 1.2% Due 10/15/2017	300,000.00	03/03/2015 1.28 %	299,379.00 299,379.00	100.15 1.14 %	300,458.40 1,660.00	0.98 % 1,079.40	A2 / A NR	2.55 2.48
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	370,000.00	12/12/2012 1.28 %	371,195.10 371,195.10	100.50 1.16 %	371,865.17 1,470.75	1.21 % 670.07	A1 / A+ A+	2.71 2.64
94974BFG0	Wells Fargo Corp Note 1.5% Due 1/16/2018	400,000.00	02/23/2015 1.47 %	400,372.00 400,372.00	100.48 1.32 %	401,914.00 1,250.00	1.31 % 1,542.00	A2 / A+ AA-	2.80 2.72
166764AV2	Chevron Corp. Note 1.365% Due 3/2/2018	400,000.00	02/24/2015 1.37 %	400,000.00 400,000.00	100.49 1.19 %	401,948.80 424.67	1.30 % 1,948.80	Aa1 / AA NR	2.92 2.85



Holdings Report

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US CORPORATE</b>									
808513AK1	Charles Schwab Corp Callable Note Cont 2/10/2018 1.5% Due 3/10/2018	330,000.00	03/03/2015 1.54 %	329,584.20 329,584.20	100.49 1.32 %	331,615.35 288.75	1.07 % 2,031.15	A2 / A A	2.95 2.79
037833AJ9	Apple Inc Note 1% Due 5/3/2018	550,000.00	05/14/2013 1.21 %	544,560.50 544,560.50	99.42 1.19 %	546,790.75 2,261.11	1.78 % 2,230.25	Aa1 / AA+ NR	3.09 3.02
24422ESF7	John Deere Capital Corp Note 1.95% Due 12/13/2018	350,000.00	12/10/2013 1.99 %	349,254.50 349,254.50	101.80 1.45 %	356,294.05 2,047.50	1.16 % 7,039.55	A2 / A NR	3.71 3.54
89236TBB0	Toyota Motor Credit Corp Note 2.1% Due 1/17/2019	515,000.00	11/19/2014 2.00 %	516,951.85 516,951.85	101.73 1.63 %	523,916.71 2,223.08	1.70 % 6,964.86	Aa3 / AA- A	3.80 3.62
46625HJR2	JP Morgan Chase Note 2.35% Due 1/28/2019	400,000.00	04/02/2014 2.32 %	400,464.00 400,464.00	101.64 1.90 %	406,556.40 1,645.00	1.32 % 6,092.40	A3 / A A+	3.83 3.63
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	600,000.00	Various 2.10 %	600,619.20 600,619.20	102.05 1.58 %	612,285.60 1,062.50	1.99 % 11,666.40	A1 / AA- NR	3.92 3.75
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	450,000.00	11/19/2014 2.25 %	451,017.00 451,017.00	101.78 1.87 %	458,010.00 575.00	1.48 % 6,993.00	A1 / A+ AA-	4.45 4.14
<b>US Corporate</b>		<b>7,040,000.00</b>	<b>1.83 %</b>	<b>7,008,688.60</b> <b>7,008,688.60</b>	<b>1.17 %</b>	<b>7,103,668.73</b> <b>30,667.91</b>	<b>23.10 %</b> <b>94,980.13</b>	<b>A1 / A+</b> <b>A</b>	<b>2.46</b> <b>2.36</b>
<b>US TREASURY</b>									
912828VC1	US Treasury Note 0.25% Due 5/15/2016	600,000.00	02/19/2015 0.33 %	599,416.07 599,416.07	99.91 0.33 %	599,484.60 567.68	1.94 % 68.53	Aaa / AA+ AAA	1.13 1.12
912828WX4	US Treasury Note 0.5% Due 7/31/2016	600,000.00	03/02/2015 0.43 %	600,564.51 600,564.51	100.16 0.38 %	600,984.60 497.24	1.95 % 420.09	Aaa / AA+ AAA	1.34 1.33
912828F47	US Treasury Note 0.5% Due 9/30/2016	600,000.00	02/19/2015 0.49 %	600,048.89 600,048.89	100.10 0.43 %	600,609.60 8.20	1.94 % 560.71	Aaa / AA+ AAA	1.50 1.49
912828G46	US Treasury Note 0.5% Due 11/30/2016	600,000.00	02/19/2015 0.56 %	599,322.32 599,322.32	100.05 0.47 %	600,281.40 1,005.49	1.95 % 959.08	Aaa / AA+ AAA	1.67 1.66
912828H78	US Treasury Note 0.5% Due 1/31/2017	600,000.00	02/19/2015 0.62 %	598,619.20 598,619.20	100.01 0.50 %	600,046.80 497.24	1.94 % 1,427.60	Aaa / AA+ AAA	1.84 1.83
912828GH7	US Treasury Note 4.625% Due 2/15/2017	450,000.00	07/12/2007 5.14 %	432,667.97 432,667.97	107.64 0.53 %	484,382.70 2,587.19	1.58 % 51,714.73	Aaa / AA+ AAA	1.88 1.81
912828SS0	US Treasury Note 0.875% Due 4/30/2017	600,000.00	02/19/2015 0.74 %	601,806.70 601,806.70	100.57 0.60 %	603,421.80 2,204.42	1.96 % 1,615.10	Aaa / AA+ AAA	2.08 2.06
912828TM2	US Treasury Note 0.625% Due 8/31/2017	625,000.00	02/26/2015 0.86 %	621,413.23 621,413.23	99.82 0.70 %	623,876.88 339.67	2.02 % 2,463.65	Aaa / AA+ AAA	2.42 2.39
912828HH6	US Treasury Note 4.25% Due 11/15/2017	1,850,000.00	12/05/2007 3.94 %	1,896,755.86 1,896,755.86	109.03 0.77 %	2,017,077.20 29,755.87	6.63 % 120,321.34	Aaa / AA+ AAA	2.63 2.47
912828SX9	US Treasury Note 1.125% Due 5/31/2019	475,000.00	01/30/2013 1.23 %	472,014.60 472,014.60	99.63 1.22 %	473,218.75 1,791.04	1.54 % 1,204.15	Aaa / AA+ AAA	4.17 4.04



### Holdings Report

As of 3/31/15

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
<b>US TREASURY</b>									
912828TH3	US Treasury Note 0.875% Due 7/31/2019	300,000.00	10/25/2012 1.21 %	293,438.70 293,438.70	98.40 1.26 %	295,195.20 435.08	0.96 % 1,756.50	Aaa / AA+ AAA	4.34 4.23
<b>Total US Treasury</b>		<b>7,300,000.00</b>	<b>1.79 %</b>	<b>7,316,068.05</b> <b>7,316,068.05</b>	<b>0.64 %</b>	<b>7,498,579.53</b> <b>39,689.12</b>	<b>24.40 %</b> <b>182,511.48</b>	<b>Aaa / AA+</b> <b>Aaa</b>	<b>2.23</b> <b>2.16</b>
<b>TOTAL PORTFOLIO</b>		<b>30,052,021.38</b>	<b>1.55 %</b>	<b>30,656,769.22</b> <b>30,656,946.20</b>	<b>0.74 %</b>	<b>30,748,060.98</b> <b>142,051.34</b>	<b>100.00 %</b> <b>91,114.78</b>	<b>Aa1 / AA</b> <b>Aaa</b>	<b>2.05</b> <b>1.96</b>
<b>TOTAL MARKET VALUE PLUS ACCRUED</b>						<b>30,890,112.32</b>			



## SECTION 4

# Economic Update

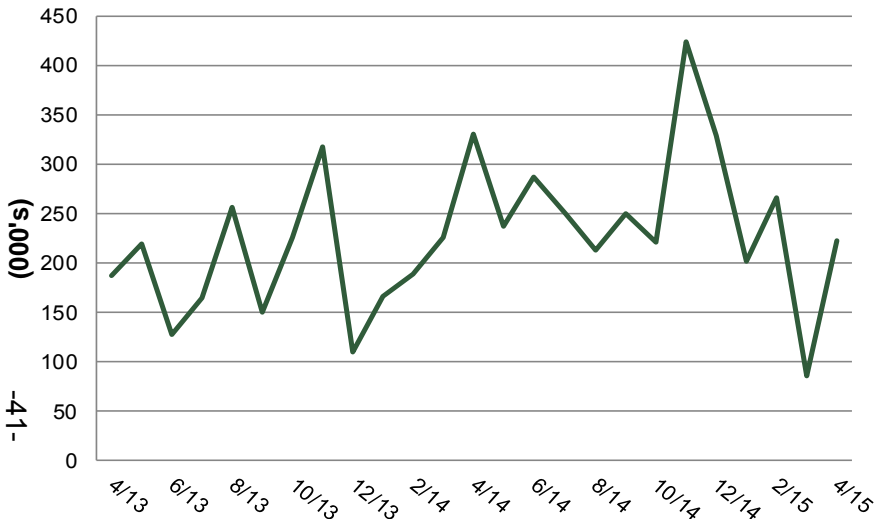


- Nonfarm payrolls rose by 223,000 in April, in line with expectations. March and February payrolls were revised down by a net 39,000, bringing the trailing three month moving average to a somewhat lackluster pace of just 191,300. The six month moving average in April was 254,500. The unemployment rate declined to 5.4% in April from 5.5% in March. The labor participation rate edged up slightly to 62.8% in April from 62.7% in March, but it remains near its historical low. Wages rose just 0.1% in April. Overall, the pace of job growth has recently waned and there is still excess slack in the labor market. Meanwhile, manufacturing trends remain sluggish, housing data has been uneven, and consumer spending trends have underwhelmed. On the whole, economic data has been soft, but we believe some of the factors that have held back growth in recent months (such as weather and West Coast port delays) may be temporary and that growth is likely to pick up modestly in the second half of this year.
  
- The Federal Open Market Committee (FOMC) left policy rates unchanged at its April 28-29 meeting, without any dissenting votes. The Committee noted that economic growth slowed during the winter months, but attributed part of the weakness to “transitory factors” (i.e. weather, West Coast port delays, etc.). The policy statement pointed to ongoing slack in the labor market, lower growth in household spending, a recent decline in business fixed investment spending, a slow housing sector recovery, and a decline in exports. Meanwhile, inflation measures remain low. The FOMC expects to see further improvement in the labor market and needs to be confident that inflation will move back toward its 2% target, before they raise rates. The Committee isn’t providing specific calendar guidance about the timing of the first rate hike, and continues to emphasize that monetary policy changes will be data-dependent. Though a June rate hike is still a possibility, we believe it is unlikely. Instead, we believe the first rate hike will be later in the second half of this year. In the meantime, ongoing uncertainty about the timing of the first fed funds rate hike will likely continue to fuel financial market volatility.
  
- The yield curve steepened in April. The ‘flight to quality’ fueled by concerns of a potential sovereign bond default in Greece has recently abated (to a degree), removing some of the downward pressure on long-term U.S. Treasury rates. Meanwhile, domestic economic data has softened, and the timing of the first fed funds rate hike remains unclear. The European Central Bank continues to execute its bond-buying program and other global central banks are pursuing highly accommodative monetary policies.

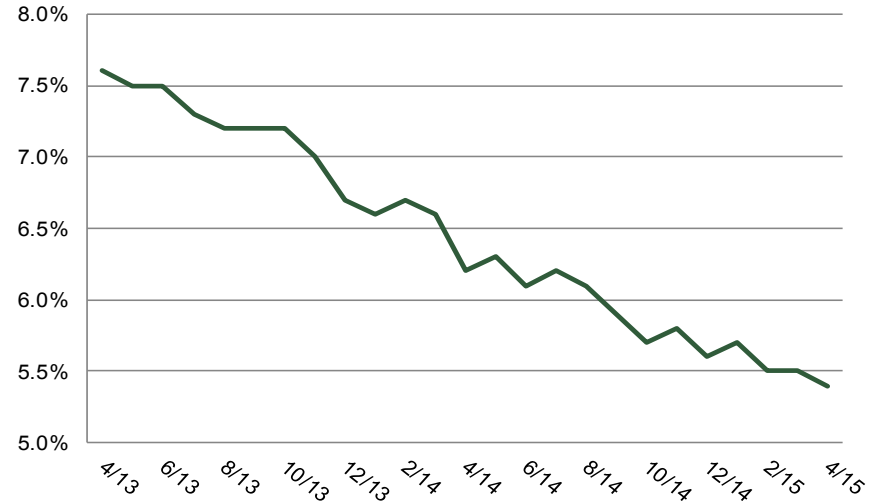


# Employment

### Nonfarm Payroll (000's)



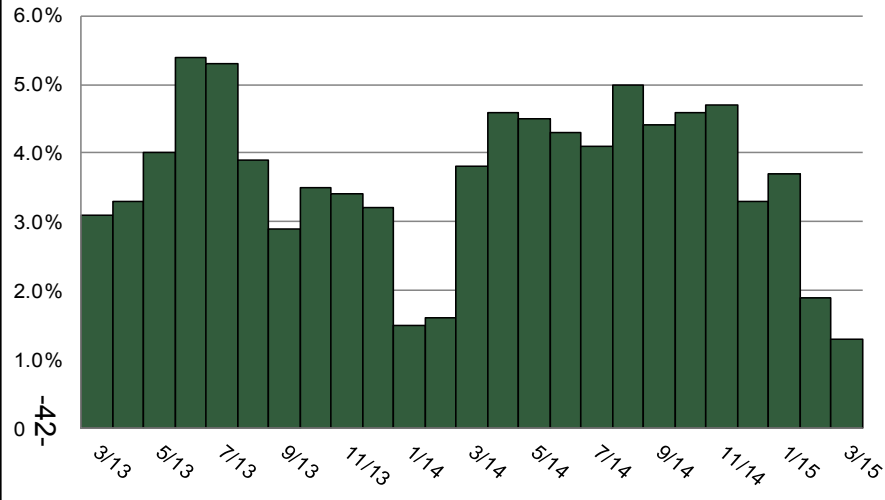
### Unemployment Rate



Source: U.S. Department of Labor

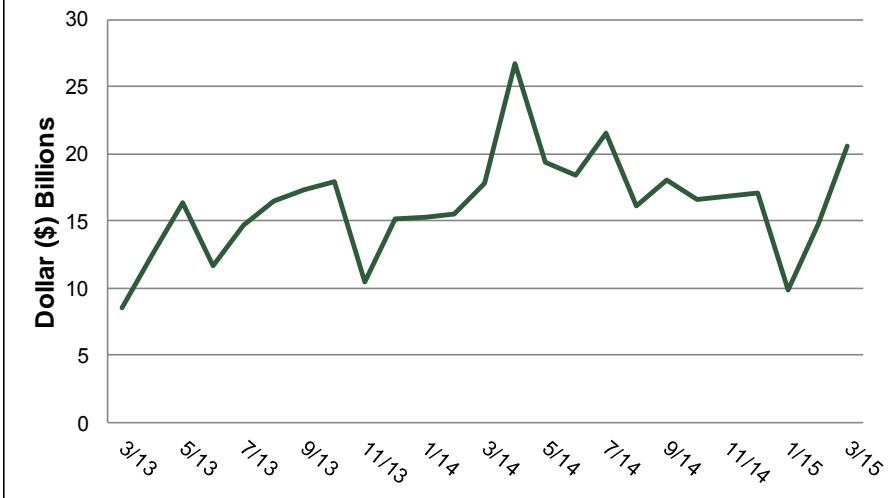
Nonfarm payrolls rose by 223,000 in April, in line with the consensus forecast. Private payrolls rose by 213,000 and government jobs increased by 10,000. March and February payrolls were revised down by a net 39,000, bringing the trailing three month moving average to a somewhat lackluster pace of just 191,300. The six month moving average in April was 254,500. The unemployment rate declined to 5.4% in April from 5.5% in March. A broader measure of unemployment, the U-6, which includes those whom are marginally attached to the labor force and employed part time for economic reasons, declined to 10.8% from 10.9%. The labor participation rate edged up slightly to 62.8% in April from 62.7% in March, but it remains near its historical low. Wages rose 0.1% in April (slightly below expectations), and were up 2.2% in a year-over-year basis.

### Retail Sales Y-O-Y % Change



Source: U.S. Department of Commerce

### Consumer Credit

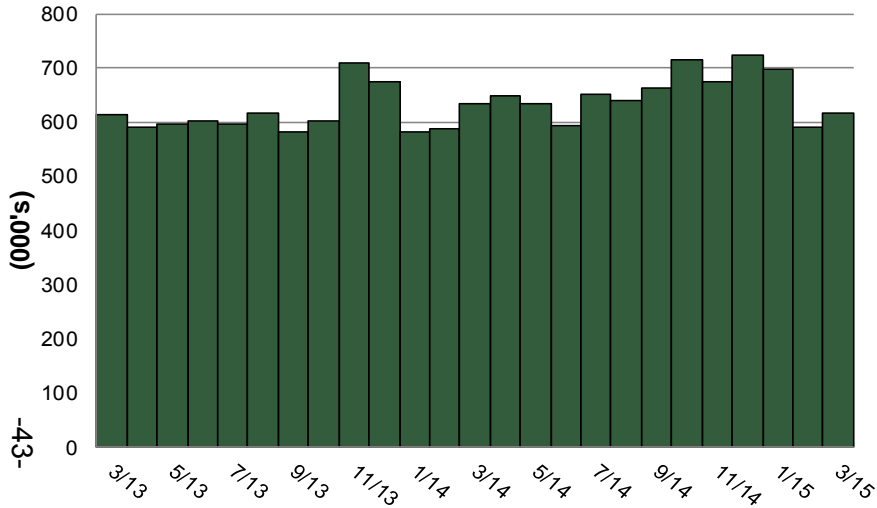


Source: Federal Reserve

In March, retail sales rose 1.3% on a year-over-year basis, following a 1.9% gain in February. On a month-over-month basis, retail sales rose just 0.9% in March (below the consensus forecast of 1.1%). Retail sales have been weaker than expected over the past few months. Unfavorable weather may be a contributing factor. Consumer credit rose by \$15.5 billion in February (above expectations of \$14.0 billion) versus a gain of \$10.8 billion in January. However, revolving credit (credit cards) declined by \$3.7 billion in February. Meanwhile, nonrevolving credit (student and auto loans) increased by \$19.2 billion in February.

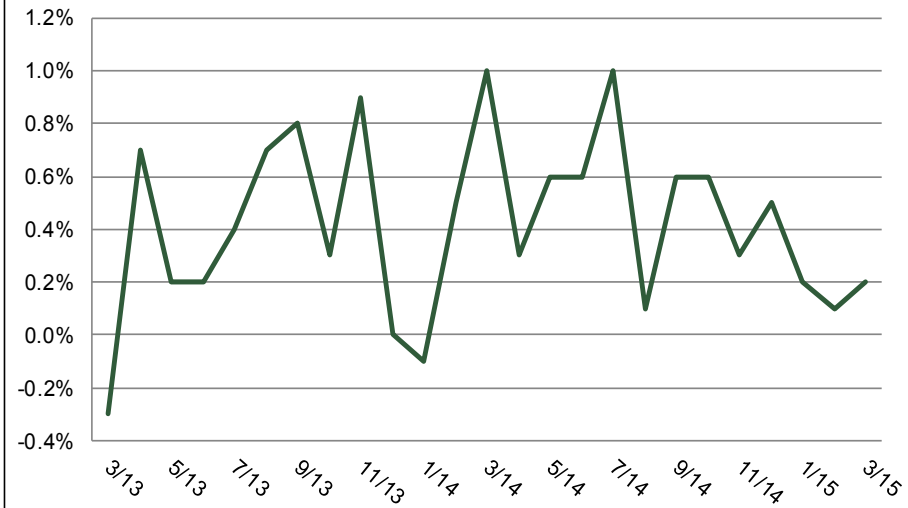


### Single-Family Housing Starts



Source: US Department of Commerce

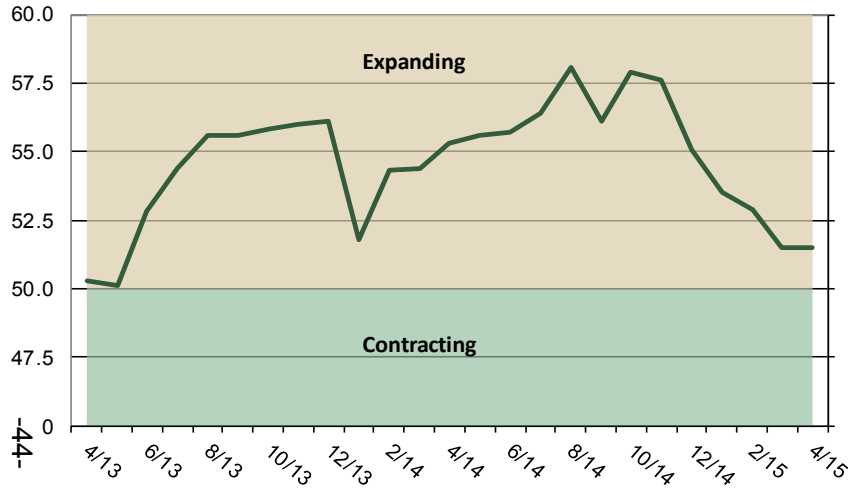
### Leading Economic Indicators



Source: The Conference Board

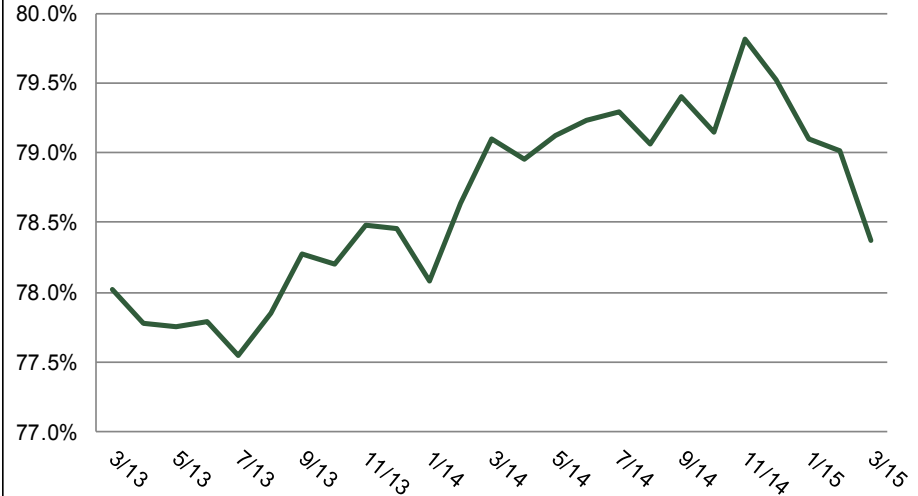
Overall, housing starts rose just 2.0% in March after falling 15.3% in February (the consensus forecast called for a more substantial rebound in March). Housing starts in the Northeast and Midwest experienced healthy gains in March (likely a weather-related rebound) but starts in the South and West declined. Permits were also weaker than expected in March, falling 5.7%. Single-family housing starts rose 4.4% in March, while multi-family using starts fell 7.1%. The index of Leading Economic Indicators (LEI) rose 0.2% in March following a downwardly revised gain of 0.1% in February. Growth of the LEI index has moderated in recent months, but the index remains indicative of slow economic growth.

### Institute of Supply Management Purchasing Manager Index



Source: Institute for Supply Management

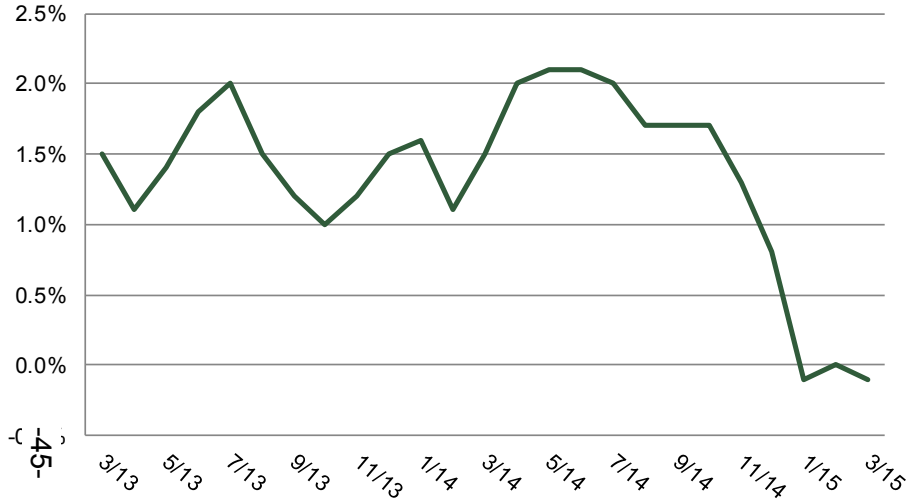
### Capacity Utilization



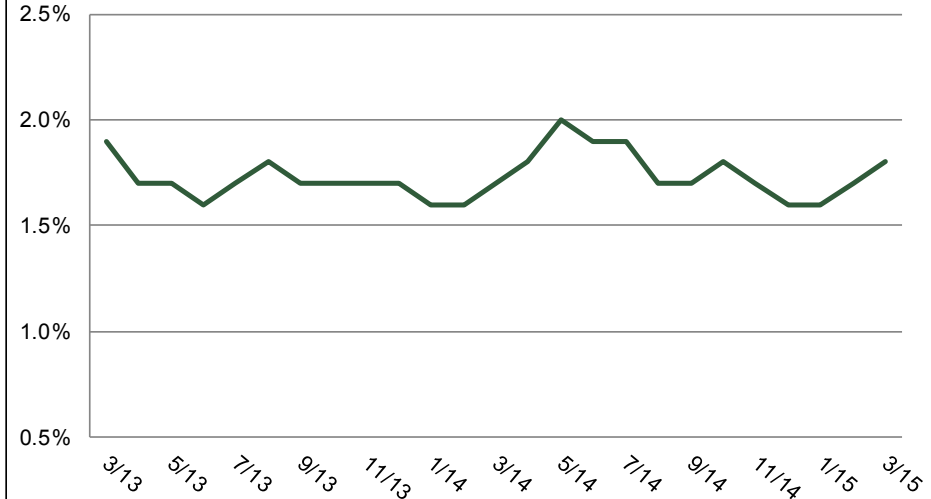
Source: Federal Reserve

During April, the ISM manufacturing index was unchanged at 51.5. The index has contracted but continues to signal ongoing expansion in the manufacturing sector. A reading above 50.0 is viewed as expansionary in the manufacturing sector, while a reading below 50.0 suggests contraction. Capacity utilization, which is production divided by capacity, declined to 78.4% in March from 79.0% in February. The capacity utilization rate is lower than the long-run average of 80.1% (1972-2014).

### CPI Y-O-Y % Change

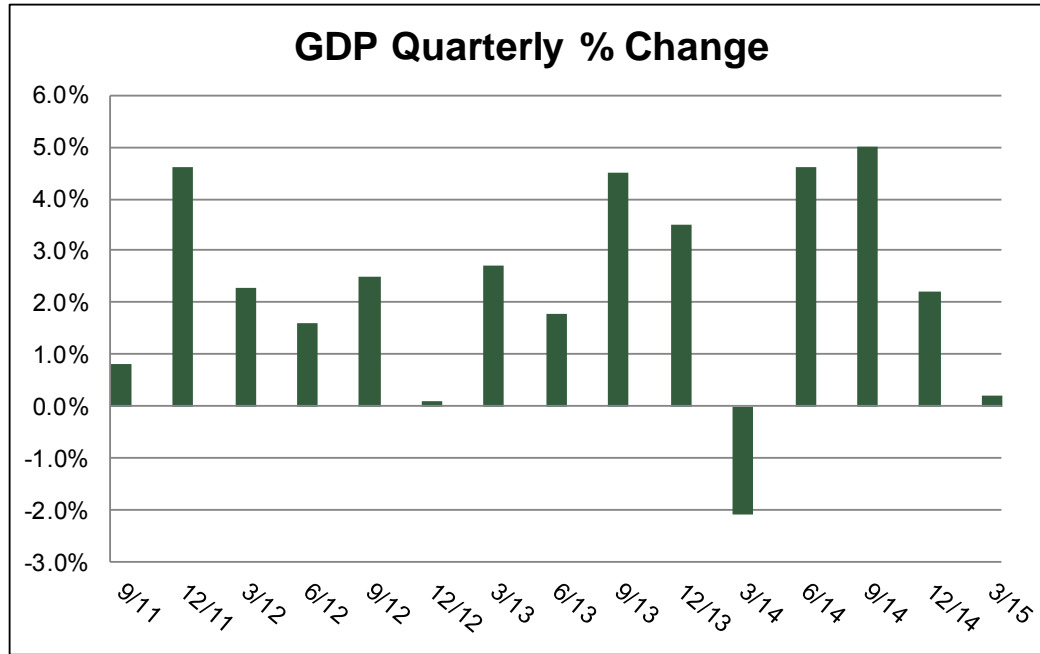


### Core CPI Y-O-Y % Change



Source: US Department of Labor

In March, overall Consumer Price Index (CPI) inflation was -0.1% on a year-over-year basis after being flat in February. Headline inflation has fallen sharply in recent months due to a precipitous decline in energy prices. The year-over-year Core CPI (CPI less food and energy) increased slightly to 1.8% in March from 1.7% in February.

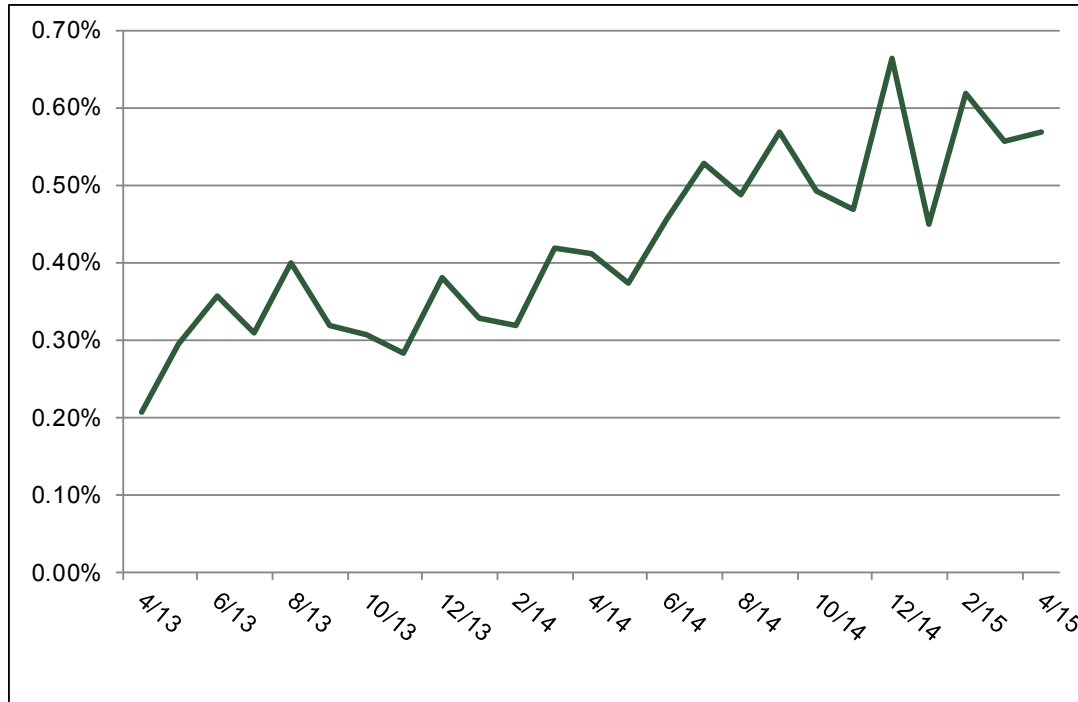


Source: U.S. Department of Commerce

Real annualized GDP growth for the first quarter of 2015 was 0.2%, according to the advance estimate, compared to 2.2% growth in the fourth quarter of 2014. The consensus forecast for the first quarter was 1.0%. Net exports were a meaningful drag on first quarter GDP, along with nonresidential fixed investment (both were negative).



## Yield on the Two-Year Note April 2013 through April 2015



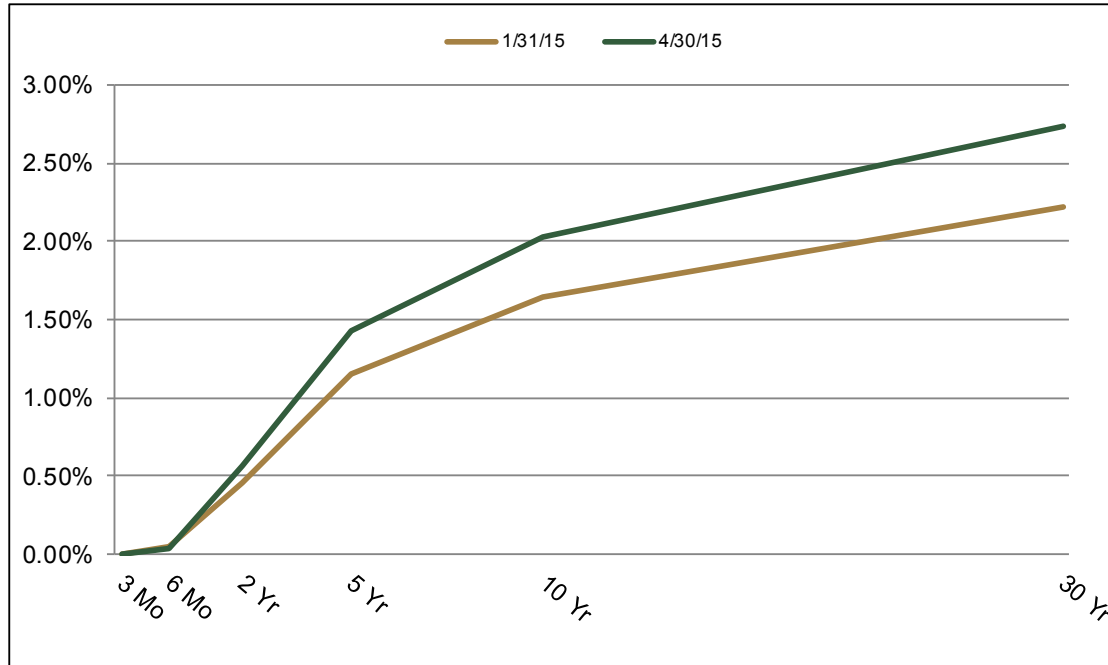
Source: Bloomberg

The yield on the two-year Treasury note rose slightly in April. The longer end of the yield curve steepened during the month while shorter rates declined. The 'flight to quality' fueled by concerns of a potential sovereign bond default in Greece has recently abated (to a degree), removing some of the downward pressure on longer U.S. Treasury rates. Meanwhile, domestic economic data has softened, and the timing of the first fed funds rate hike remains unclear. The European Central Bank continues to execute its bond-buying program and other global central banks are pursuing highly accommodative monetary policies.





## January 31, 2015 and April 30, 2015



Source: Bloomberg

During the past three months, the yield curve steepened. The 'flight to quality' fueled by concerns of a potential sovereign bond default in Greece has recently abated (to a degree), removing some of the downward pressure on longer U.S. Treasury rates. Meanwhile, domestic economic data has softened, and the timing of the first fed funds rate hike remains unclear.



# Moulton Niguel Water District

## STAFF REPORT

**TO:** Board of Directors                      **MEETING DATE:** May 20, 2015

**FROM:** Matt Collings, Assistant General Manager

**SUBJECT:** Rebate Applications for Turf Removal and Synthetic Turf Installation

**DIVISION:** District-wide

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### SUMMARY:

Issue: The District has received several requests for rebate applications that exceed the maximum allowable acreage for turf removal and/or synthetic turf installation as defined in the approved Board policy.

Recommendation: It is recommended 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.

Fiscal Impact: Sufficient funds are available within the Water Use Efficiency Fund to fund the identified rebate applications. Additional information is provided within the staff report.

### BACKGROUND:

More than half of the water used at the District is for outdoor landscapes. Water efficient landscapes can decrease water use up to 70 percent through a combination of proper plant selection and irrigation technology. However, the cost of installing climate-applicable plants is sometimes an obstacle to turning traditional grass landscapes into more water-efficient environments. The District's turf replacement program is designed to help residents, businesses, and public agencies make that conversion.

The current program provides limitations on the amount of turf removal and/or synthetic turf installation that qualifies for the rebate.

- Residential Customers: A maximum of 1,000 square feet per customer for turf removal and synthetic turf installation.

**#6.**

## Rebate Applications for Turf Removal and Synthetic Turf

May 20, 2015

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- Commercial customers: Turf removal is limited to 3,000 square feet per customer and synthetic turf installation is limited to 3,000 square feet.

All rebates from the District are funded through the Water Efficiency Fund using the incremental revenue generated from the higher consumption tiers (Tiers 4 and 5) in the water budget-based rate structure.

**DISCUSSION:**

In recent months, the District has expanded its outreach efforts to promote water use efficiency in response to the drought emergency. Customers have responded with requests for nearly 2.4 million square feet of turf removal and nearly 615,000 square feet of synthetic turf installation. The District has received forty-three additional requests from customers to remove nearly 110,000 square feet of turf and install more than 41,000 square feet of synthetic turf. Table 1 identifies the customers and the rebate requests for each of the programs.

Table 1 – Rebate Requests

Customer	Division	Proposed Turf Removal (Sq. Feet)	Proposed Synthetic Turf Installation (Sq. Feet)	Proposed Rebate Value (\$)
Resident – Acct #7-70260	4	2,200	NA	\$3,300
Resident – Acct #8-04036	3	1,300	1,300	\$3,900
Resident – Acct #35031	1	1,850	1,850	\$5,550
Resident – Acct #1-16408-3	5	2,300	NA	\$3,450
Resident – Acct #17411	5	2,900	NA	\$4,350
Resident – Acct #1-46089	5	1,850	1,850	\$5,550
Resident – Acct #1-49603	5	3,682	NA	\$5,523
Resident – Acct #7-02164	4	6,781	6,781	\$20,343
Resident – Acct #2-02628	3	1,495	NA	\$2,242
Resident – Acct #1-62665	2	1,800	NA	\$2,700
Resident – Acct #3-06340	1	1,400	1,400	\$4,200
Resident – Acct #7-30017	4	1,250	1,250	\$3,750
Resident – Acct #1-57648	4	1,456	1,456	\$4,368
Resident – Acct #3-03092	2	1,500	NA	\$2,250
Resident – Acct #7-03255	4	1,400	1,400	\$4,200
Resident – Acct #1-63519	2	2,500	2,500	\$7,500
Resident – Acct #3-04906	1	1,106	1,106	\$3,318
Resident – Acct #6-82751	7	3,154	2,706	\$8,790
Resident – Acct #1-02693	5	1,500	1,500	\$4,500
Resident – Acct #1-48032-8	5	2,031	NA	\$3,046
Resident – Acct #1-48252	5	1,195	1,195	\$3,585
Resident – Acct #1-35221	4	1,900	1,900	\$5,700
Resident – Acct #8-10192	3	1,616	NA	\$2,424
Resident – Acct #1-49910	5	1,750	1,750	\$5,250

## Rebate Applications for Turf Removal and Synthetic Turf

May 20, 2015

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Resident – Acct #42059	6	1,202	1,202	\$3,606
Resident – Acct #1-64653	2	1,903	NA	\$2,854
Resident – Acct #1-19158	5	2,000	NA	\$3,000
Resident – Acct #3-02723	2	1,700	NA	\$2,550
Resident – Acct #8-06044	3	2,000	2,000	\$6,000
Resident – Acct #2-02896	3	1,600	NA	\$2,400
Resident – Acct #1-02754	5	2,000	2,000	\$6,000
Resident – Acct #1-46044	5	1,840	1,840	\$5,520
Resident – Acct #1-67097	2	1,600	1,600	\$4,800
Resident – Acct #35387	1	1,700	1,700	\$5,100
Resident – Acct #1-38650	4	1,118	1,118	\$3,354
Resident – Acct #1-42935-4	5	2,500	NA	\$2,250
Resident – Acct #3-06090	1	1,926	NA	\$2,889
Casa Loma HOA – Acct #93-01422-0	1	14,902	NA	\$22,353
Rancho Niguel II Sub-Association – Acct #91-30022-2	2	5,100	NA	\$3,825
Rancho Niguel II Sub-Association – Acct #91-30025-2	2	3,200	NA	\$2,400
Baja Finistera Condominium Association – Acct #93-01495-5	1	8,400	NA	\$12,600
Laguna Sur Villas Homeowners Association – Acct #91-13130-0; 91-13090-0; 91-13105-0	5	5,000	NA	\$7,500
Mission Viejo Country Club	3	Pending	NA	Pending
<b>Total</b>		<b>109,607</b>	<b>41,404</b>	<b>\$218,790</b>

The values provided above are based on estimates from each of the project proponents and may vary as each project becomes more defined. The proposed rebate value does not include the \$2.00 per square foot from Metropolitan Water District and is only based on the supplemental incentive provided by the District. The proposed rebate incentives for the identified projects would be funded from the Water Efficiency Fund.

The two applications received from the Rancho Niguel II Sub-Association are for recycled water use sites. The rebate refund identified in the table above is for \$0.75 per square foot based on the revised rebate amount. The Mission Viejo Country Club application is also for a recycled water use site. However, their application was submitted prior to the Board revised the rebate amount for recycled water use sites. Based on discussions with Mission Viejo Country Club staff, the proposed amount of turf to be removed and estimated cost will be available for presentation at the Finance Committee Meeting on May 20<sup>th</sup>.

## #6.

### Rebate Applications for Turf Removal and Synthetic Turf

May 20, 2015

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The Staff is recommending the Board remove the maximum allowable acreage to allow the General Manager or her designee to consider each application based on the overall project objectives, various funding sources, and current available budget for rebate funding. Removal of the maximum acreage by the Board of Directors does not constitute an approval of the rebate application, but allows each application to be considered for the full amount of turf removal or synthetic turf installation.

The number of turf removal applications has increased dramatically as the District has increased drought awareness and communication of available rebate programs with our customers. As a result, District staff is recommending increasing the maximum allowable acreage for turf removal for residential customers from 1,000 square feet to 3,000 square feet for residential customers. The increase will allow for more efficient and timely processing of turf removal applications allowing customers to begin their projects during these critical summer months.

**MOULTON NIGUEL WATER DISTRICT**  
**Summary of Financial Results**

Results of operations for the nine months ended March 31, 2015, as compared to the nine months ended March 31, 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 nine months compared to the budget. This report shows how actual expenses compared to the adopted budget through the first nine 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 \$37.6 million, or 71% of the annual \$53.0 million budget. Operating expenses were \$47.0 million, or 70% of the annual \$67.7 million budget.

Non-operating revenues are approximately at 83% 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 March 31, 2015, compared to the balances at fiscal year ended June 30, 2014. Overall, assets were about \$6.0 million lower than at June 30, 2014, primarily due to a decrease in restricted current cash and investments as a result of the expenditure of project funds as well as a decrease in water and sanitation accounts receivables. Liabilities have decreased by approximately \$13.4 million since June 30, 2014, due to debt service payments. As a result, the District's net position increased by approximately \$7.0 million for the month ending March 31, 2015, compared to fiscal year ending June 30, 2014.

**Revenues**

Total revenues for the nine months ended March 31, 2015 were \$64.8 million, approximately \$3.0 million more than from March 31, 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 March 31, 2015, were \$37.6 million, a decrease of \$2.3 million compared to March 31, 2014, primarily due to reduced water and sewer sales as a result of the prolonged drought.

**Expenses**

Total expenses for the nine months ended March 31, 2015, were \$62.8 million, an increase of \$2.4 million or 4.0% as compared to \$60.4 million on March 31, 2014. Total operating expenses were \$44.1 million, an increase of \$2.0 million from last year. Other operating expenses for the nine months ended March 31, 2015, were \$14.3 million, an increase of \$1.2 million compared to \$13.1 million on March 31, 2014. Other non-operating expenses for the nine months ended March 31,

## **#8.a.**

### **MOULTON NIGUEL WATER DISTRICT Summary of Financial Results**

2015, totaled \$4.5 million, a decrease of approximately \$0.7 million or 14.2% compared to \$5.2 million on March 31, 2014.

#### **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 \$14.5 million at March 31, 2015, a decrease of \$7.9 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 \$5.1 million since June 30, 2014, due to property tax receipts. Restricted fund balances are \$6.7 million, a decrease of \$2.5 million compared to June 30, 2014. This decrease is due to debt service payments.

**Moulton Niguel Water District  
Summary - Budget Comparison Report  
Nine Months Ended March 31, 2015**

Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
<b><u>GENERAL FUND &amp; WATER EFFICIENCY FUND:</u></b>				
Operating Revenues	\$ 53,033,500	\$ 37,558,732	\$ 15,474,768	71%
Operating Expenses	67,653,553	47,020,451	20,633,102	70%
Operating Income (Loss)	(14,620,053)	(9,461,719)	(5,158,335)	65%
Non-Operating Revenues (Expenses)	32,449,771	27,092,217	5,357,554	83%
<b>Total Change in Funds</b>	<b>\$ 17,829,718</b>	<b>\$ 17,630,498</b>	<b>\$ 199,220</b>	<b>99%</b>
<b><u>GENERAL FUND:</u></b>				
Operating Revenues	\$ 49,683,500	\$ 34,155,277	\$ 15,528,223	69%
Operating Expenses	63,991,103	43,767,842	20,223,261	68%
Operating Income (Loss)	(14,307,603)	(9,612,565)	(4,695,038)	67%
Non-Operating Revenues (Expenses)	32,329,771	26,932,263	5,397,508	83%
<b>Change in General Fund</b>	<b>\$ 18,022,168</b>	<b>\$ 17,319,697</b>	<b>702,470</b>	<b>96%</b>
<b><u>WATER EFFICIENCY FUND:</u></b>				
Operating Revenues	\$ 3,350,000	\$ 3,403,455	(53,455)	102%
Operating Expenses	3,662,450	3,252,608	409,841	89%
Operating Income (Loss)	(312,450)	150,847	(463,297)	-48%
Non-Operating Revenues (Expenses)	120,000	159,954	(39,954)	133%
<b>Change in Water Efficiency Fund</b>	<b>\$ (192,450)</b>	<b>\$ 310,801</b>	<b>(503,251)</b>	<b>-161%</b>



**Moulton Niguel Water District**  
**General Fund - Budget Comparison Report**  
**Nine Months Ended March 31, 2015**

Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
<b>GENERAL FUND</b>				
<b><u>Operating Revenues</u></b>				
Water Sales	\$ 27,325,000	\$ 18,474,079	\$ 8,850,921	68%
Recycled Water Sales	4,725,000	3,530,508	1,194,492	75%
Sewer Sales	17,150,000	11,909,154	5,240,846	69%
Other Operating Income	483,500	241,537	241,963	50%
<b>Total Operating Revenue</b>	<b>49,683,500</b>	<b>34,155,277</b>	<b>15,528,223</b>	<b>69%</b>
<b><u>Operating Expenses</u></b>				
Salaries	9,550,317	7,010,361	2,539,956	73%
PERs Employer Contributions	990,416	752,315	238,100	76%
PERs Employee Contributions	196,566	140,799	55,767	72%
PERs Other (Side fund, 401A)	214,956	149,366	65,589	69%
Educational Courses	51,720	17,632	34,088	34%
Travel & Meetings	251,034	129,816	121,218	52%
Employee Relations	14,800	7,790	7,010	53%
General Services	402,776	252,322	150,454	63%
Annual Audit	40,000	40,665	(665)	102%
Member Agencies O&M	1,231,370	905,374	325,996	74%
Dues & Memberships	93,968	78,670	15,298	84%
Election Expenses	150,000	10,173	139,827	7%
Consulting Services	1,602,900	897,089	705,811	56%
Equipment Rental	65,000	43,336	21,664	67%
District Fuel	340,000	174,636	165,364	51%
Insurance - District	576,151	388,040	188,111	67%
Insurance - Personnel	468,100	289,824	178,276	62%
Insurance - Benefits	2,360,333	1,663,233	697,100	70%
Legal Services - Personnel	50,000	1,114	48,886	2%
Legal Services - General <sup>1</sup>	170,000	117,681	52,319	69%
District Office Supplies	499,900	334,679	165,221	67%
District Operating Supplies	315,850	219,064	96,786	69%
Repairs & Maintenance - Equipment	867,287	421,605	445,682	49%
Repairs & Maintenance - Facilities	3,550,995	2,028,067	1,522,928	57%
Safety Program & Compliance Requirements	285,250	106,032	179,218	37%
SOCWA	8,450,820	6,118,011	2,332,809	72%
Special Outside Assessments	230,300	24,296	206,004	11%
Utilities	2,126,000	1,511,881	614,119	71%
Water Purchases	27,976,295	19,568,986	8,407,310	70%
Meter / Vault Purchases	868,000	364,987	503,013	42%
<b>Total Operating Expenses</b>	<b>63,991,103</b>	<b>43,767,842</b>	<b>20,223,261</b>	<b>68%</b>
<b>Operating Income (Loss)</b>	<b>(14,307,603)</b>	<b>(9,612,565)</b>	<b>\$ (4,695,038)</b>	<b>67%</b>
<b><u>Non-Operating Revenues (Expenses)</u></b>				
Property Tax Revenue	21,848,500	14,991,265	\$ 6,857,235	69%
Investment Income	2,973,207	2,839,692	133,516	96%
Cellular Lease Income	1,740,000	1,284,647	455,353	74%
Misc. Non-Operating Income	5,768,064	7,816,660	(2,048,596)	136%
<b>Total Non-Operating Revenue (Expenses)</b>	<b>32,329,771</b>	<b>26,932,263</b>	<b>5,397,508</b>	<b>83%</b>
<b>Change in General Fund</b>	<b>\$ 18,022,168</b>	<b>\$ 17,319,697</b>	<b>\$ 702,470</b>	<b>96%</b>

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

**#8.b.**

Moulton Niguel Water District  
General Fund - Budget Comparison Report  
Nine Months Ended March 31, 2015

Legal Services - General

Firm	Operating	Capital	Total
Bowie, Arneson, Wiles & Giannone	\$ 64,155	\$ 14,837	\$ 78,993
Best Best & Krieger LLP	46,976	-	46,976
Downey Brand, Attorneys	6,549	126,578	133,127
Total	\$ 117,681	\$ 141,415	\$ 259,096

**Moulton Niguel Water District  
Water Efficiency Fund - Budget Comparison Report  
Nine Months Ended March 31, 2015**

Description	Approved Budget	Fiscal Year to Date Actuals	Budget Balance	% of Actuals to Budget
<b>WATER EFFICIENCY FUND</b>				
<b><u>Operating Revenue</u></b>				
Water Efficiency	\$ 3,350,000	\$ 3,403,455	\$ (53,455)	102%
<b>Total Operating Revenue</b>	<b>3,350,000</b>	<b>3,403,455</b>	<b>(53,455)</b>	<b>102%</b>
<b><u>Operating Expenses</u></b>				
Salaries	326,918	235,333	91,585	72%
PERs Employer Contributions	30,463	22,942	7,522	75%
PERs Employee Contributions	11,403	7,534	3,869	66%
Educational Courses	500	155	345	31%
Travel & Meetings	2,700	1,647	1,053	61%
Dues & Memberships	500	-	500	0%
Insurance - Personnel	4,131	5,167	(1,036)	125%
Insurance - Benefits	75,900	51,469	24,431	68%
District Office Supplies	77,810	33,344	44,466	43%
Water Efficiency <sup>1</sup>	3,132,124	2,895,016	237,108	92%
<b>Total Operating Expenses</b>	<b>3,662,450</b>	<b>3,252,608</b>	<b>409,841</b>	<b>89%</b>
<b>Operating Income (Loss)</b>	<b>(312,450)</b>	<b>150,847</b>	<b>(463,297)</b>	<b>-48%</b>
<b><u>Non-Operating Revenue</u></b>				
Investment Income	120,000	159,954	(39,954)	133%
<b>Total Non-Operating Revenue</b>	<b>120,000</b>	<b>159,954</b>	<b>\$ (39,954)</b>	<b>133%</b>
<b>Change in Water Efficiency Fund</b>	<b>\$ (192,450)</b>	<b>\$ 310,801</b>	<b>\$ (503,251)</b>	<b>-161%</b>

1. Committed - includes Board approved projects.

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

	<b>(Unaudited)</b>		<b>(Audited)</b>
	<b>March 31, 2015</b>		<b>June 30, 2014</b>
<b>CURRENT ASSETS:</b>			
Cash and investments	\$ 29,269,388	\$	33,152,442
Restricted cash and investments with fiscal agent	14,495,587		22,445,383
Accounts receivables:			
Water and sanitation charges	2,725,212		5,555,769
Taxes and acreage assessments	-		355,126
Other accounts receivable	135,604		232,218
Interest receivable	643,282		704,810
Current portion of AMP receivable	1,302		23,663
Inventory	1,705,441		1,511,749
Prepaid expenses	469,340		302,644
	<hr/>		<hr/>
<b>TOTAL CURRENT ASSETS</b>	<b>49,445,157</b>		<b>64,283,804</b>
	<hr/>		<hr/>
<b>NONCURRENT ASSETS:</b>			
Investments	118,406,326		111,989,559
Retrofit loans receivable	605,520		629,243
AMP Receivable	-		43,830
Net pension asset (CalPERS sidefund payoff)	3,205,042		2,945,897
Capital assets, net of accumulated depreciation	339,898,630		350,982,233
Capital assets not being depreciated:			
Land	1,091,910		1,091,910
Construction in progress	28,132,127		14,785,817
	<hr/>		<hr/>
<b>TOTAL NONCURRENT ASSETS</b>	<b>491,339,556</b>		<b>482,468,489</b>
	<hr/>		<hr/>
<b>TOTAL ASSETS</b>	<b>540,784,712</b>		<b>546,752,293</b>
	<hr/>		<hr/>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Deferred Charges on Refunding	795,832		1,136,314
	<hr/>		<hr/>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>795,832</b>		<b>1,136,314</b>
	<hr/>		<hr/>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 541,580,544</b>	<b>\$</b>	<b>547,888,607</b>
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**MOULTON NIGUEL WATER DISTRICT**  
**STATEMENT OF NET POSITION**

	<b>(Unaudited)</b>		<b>(Audited)</b>
	<b>March 31, 2015</b>		<b>June 30, 2014</b>
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 4,659,552	\$	6,932,494
Interest payable	691,277		2,133,231
Compensated absences	552,682		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	1,780,000		1,715,000
<b>TOTAL CURRENT LIABILITIES</b>	<b>17,278,440</b>		<b>18,714,299</b>
 <b>LONG-TERM LIABILITIES</b>			
Compensated absences	184,227		132,479
Long-term debt:			
Bonds payable	10,165,000		15,850,000
Loans payable	8,888,689		12,948,778
Certificates of participation	78,300,000		80,080,000
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>97,537,916</b>		<b>109,011,257</b>
 Bond Discount/Premium	1,437,765		1,884,190
<b>TOTAL LIABILITIES</b>	<b>116,254,121</b>		<b>129,609,745</b>
 <b>NET POSITION:</b>			
Net investment in capital assets	277,650,708		269,994,246
Restricted for capital projects and GOB Refunding	1,510,549		931,603
Unrestricted	146,165,166		147,353,013
<b>TOTAL NET POSITION</b>	<b>425,326,423</b>		<b>418,278,862</b>
 <b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 541,580,544</b>	\$	<b>547,888,607</b>

*Note: Totals may not sum due to rounding.*

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

	(Unaudited)	
	Nine Months Ended March 31,	
	2015	2014
<b>Operating Revenues:</b>		
Water Sales	\$ 18,474,079	\$ 20,067,845
Recycled Water Sales	3,530,508	3,475,787
Sewer Sales	11,909,154	12,866,753
WBBRS Efficiency Funds	3,403,455	2,968,946
Other Operating Income	241,537	429,679
<b>Total Operating Revenues</b>	37,558,732	39,809,010
<b>Non-Operating Revenues:</b>		
Investment Income <sup>1</sup>	2,999,645	1,457,047
Property Tax Revenue	14,991,265	13,962,876
GOB Assessment	2,995,156	3,884,818
Other Non-Operating Revenues	6,244,185	2,672,262
<b>Total Non-Operating Revenues</b>	27,230,252	21,977,003
<b>TOTAL REVENUES</b>	64,788,984	61,786,013
<b>Operating Expenses:</b>		
Water Purchases	19,568,986	19,634,643
Meter Purchases	364,987	500,104
Operating Supply and Maintenance	2,992,740	3,260,327
Salaries and Benefits	8,288,175	7,270,280
Election Expenses	10,173	-
Professional Services	1,056,549	551,514
Member Agencies O&M	905,374	661,496
Insurance	2,397,735	2,383,294
SOCWA	6,118,011	5,660,024
Utilities	1,511,881	1,458,581
General, Administrative, and Other	880,350	737,083
<b>Total Operating Expenses</b>	44,094,959	42,117,347
<b>Other Operating Expenses:</b>		
Depreciation and Misc. Operating Revenue	12,603,357	12,413,969
Water Efficiency	1,725,064	728,448
<b>Total Other Operating Expenses</b>	\$ 14,328,421	\$ 13,142,417

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

	(Unaudited)	
	Nine Months Ended March 31,	
	2015	2014
<b>Non Operating Expenses:</b>		
Interest Expense	\$ 4,533,299	\$ 4,954,476
Amortization and Misc. Non-Operating Expense	(76,032)	243,342
<b>Total Non Operating Expenses</b>	<b>4,457,267</b>	<b>5,197,818</b>
<b>TOTAL EXPENSES</b>	<b>62,880,648</b>	<b>60,457,582</b>
<b>Capital Contributions:</b>		
Connection Fees	549,379	450,906
Donated Facilities	-	-
Contributed Revenue <sup>2</sup>	4,589,847	-
<b>Total Capital Contributions</b>	<b>5,139,226</b>	<b>450,906</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 7,047,562</b>	<b>\$ 1,779,337</b>
<b>Net Position, Beginning</b>	<b>\$ 418,278,862</b>	<b>\$ 411,940,088</b>
<b>Change in Net Position</b>	<b>7,047,562</b>	<b>1,779,337</b>
<b>Net Position, Ending</b>	<b>\$ 425,326,424</b>	<b>\$ 413,719,425</b>

*Note: Totals may not sum due to rounding.*

1. Investment income is comprised of realized income of \$2,150,963.73 and unrealized income of \$848,681.75

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 MARCH 31, 2015**

	(Audited) Balance 6/30/2014	Net Change	(Unaudited) Balance 3/31/2015
<b><u>Restricted Cash and Investments:</u></b>			
DWR Trust Reserves	\$ 615,715	\$ 153,936	\$ 769,651
2003 COPS Trust Reserve	2,514,893	(10,435)	2,504,458
2009 COPS Trust Reserve	6,032,816	(9,757)	6,023,059
2009 COPS Project Fund	12,385,581	(8,083,297)	4,302,285
2010 COPS Trust Reserves	896,263	(129)	896,134
2014 Refunding Bonds	115	(115)	-
<b>Total Restricted Trust Accounts</b>	<b><u>\$ 22,445,385</u></b>	<b><u>\$ (7,949,797)</u></b>	<b><u>\$ 14,495,587</u></b>

*Note: Totals may not sum due to rounding.*



**MOULTON NIGUEL WATER DISTRICT**  
**UNRESTRICTED AND RESTRICTED FUND BALANCES**  
**AS OF MARCH 31, 2015**

	(Audited)		(Unaudited)	
	Balance		Balance	Reserve Policy
	6/30/2014	Net Change	3/31/2015	Target
<b><u>Unrestricted Fund Balances:</u></b>				
Designated for Self Insurance Reserves	\$ 1,293,508	\$ (1,038,147)	\$ 255,361	\$ 250,000
Designated for Water Efficiency (WBBRS) <sup>1</sup>	6,691,089	1,480,753	8,171,842	n/a
Designated for Replacement and Refurbishment	27,397,177	(10,695,258)	16,701,918	17,061,912
Designated for Water Supply Reliability	4,886,211	(2,818,857)	2,067,353	n/a
Designated for Planning and Construction	29,730,932	(218,326)	29,512,606	n/a
Designated for Rate Stabilization	9,815,536	1,215,928	11,031,464	11,055,461
Designated for Emergency Reserve	-	6,884,925	6,884,925	6,884,925
Unrestricted, undesignated <sup>2</sup>	56,084,280	10,276,860	66,361,140	20,262,901
<b>Total Unrestricted Fund Balance</b>	<b>135,898,733</b>	<b>5,087,877</b>	<b>140,986,610</b>	<b>55,515,199</b> <sup>3</sup>
<b><u>Restricted Fund Balances:</u></b>				
Restricted 2014 GOB Consolidated Refunding	8,311,666	(3,133,111)	5,178,555	
Restricted for Capital Facilities (Projects)	931,602	578,946	1,510,549	
<b>Total Restricted Fund Balance</b>	<b>9,243,269</b>	<b>(2,554,165)</b>	<b>6,689,104</b>	
<b>Total Unrestricted and Restricted Fund Balance</b>	<b>\$ 145,142,002</b>	<b>\$ 2,533,713</b>	<b>\$ 147,675,715</b>	

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 \$7,002,235.
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 APRIL 2015**

**Summary of Disbursements in April 2015:**

General Fund Disbursements		<b>3,426,497</b>
<b><u>Restricted Fund Disbursements:</u></b>		
WBBRS Efficiency Fund	110,287	
Replacement & Refurbishment Fund	624,922	
Water Supply Reliability Fund	5,768	
Planning & Construction Fund	55,540	<b>796,517</b>
<b>Total Disbursements for all Funds</b>	<b>\$</b>	<b>4,223,014</b>

**Detail of Major Expenditures in April 2015:**

<b>1. Municipal Water District of Orange County (MWDOC)</b>		
February Water Purchases 1,682 AF	1,553,327	
February Capacity Charge	40,196	
February Readiness to Serve	154,286	
February SCP Operation Surcharge	8,912	
January Reclaimed Rebate 187.4 AF	(28,860)	
January Capacity Charge-Adjustment	(40,926)	
January Capacity Charge-Revised	40,196	
January HET & HECW Rebates	23,389	
Commercial & Residential Drip Rebate Program	8,907	<b>1,759,427</b>
<b>2. Denovo, LLC</b>		
Utility Billing Phase 3 payment	290,286	
March Managed & Ad-Hoc Support Services	19,073	<b>309,359</b>
<b>3. South Coast Water District/JRWSS</b>		
FY 2014/15 Q4 O&M	112,567	
Brandt Reservoir Floating Cover costs	50,081	<b>162,647</b>
<b>4. J. Colon Coatings, Inc.</b>		
C# 2013.001 East Aliso Creek Recoat, progress payment #6		<b>151,121</b>