



Moulton Niguel Water District

2009 Certificates of Participation Refunding

October 17, 2018

PFM Financial Advisors LLC

601 S. Figueroa St.
Suite 4500
Los Angeles, California 90017

www.pfm.com



2009 Certificates of Participation (Build America Bonds)

- ◆ The 2009 Certificates of Participation (“2009 COPs”) were issued to fund:
 - IRWD Interconnection
 - Baker Water Treatment Plant
 - Upper Chiquita Emergency Storage Reservoir

- ◆ The 2009 COPs were issued as *taxable* Build America Bonds
 - Expectation of receiving a federal subsidy equal to 35% of the interest cost
 - The subsidy has been curtailed between 6.2% and 8.7% since 2013

- ◆ \$60 million of principal outstanding with final maturity of September 1, 2039

- ◆ The 2009 COPs are eligible to be refunded today
 - Advance refundings are no longer permitted following 2017 tax reform
 - Propose refunding the 2009 COPs using the Extraordinary Optional Redemption



Proposed Refunding of the 2009 COPs

- ◆ Opportunity to refund for savings
 - Low current interest rates
 - Strength of MNWD credit = Fitch “AAA”
- ◆ Propose negotiated method of sale
 - ✓ Enhanced outreach
 - ✓ Timing of sale flexibility

Estimated Sources and Uses of Funds*

Sources

Bond Proceeds	
Par Amount	52,255,000
Premium	7,615,436
2009 COPs Reserve Fund	6,000,000
Accrued 2009 COPs Interest	1,131,014
Total Sources of Funds	67,001,450

Uses

Refunding Escrow Deposit	61,867,311
Debt Service Reserve Fund	4,746,250
Issuance Costs	387,889
Total Uses of Funds	67,001,450

Summary of Refunding Results*

Par Amount Refunded	60,000,000
Par Amount of Refunding Bonds	52,255,000
Average Life	14.1 years
Arbitrage Yield	3.15%
Gross Savings	\$9,831,816
Net Present Value (PV) Savings	\$5,553,111
PV Savings % of Refunded Bonds	9.26%

*Preliminary, subject to change. Assumes rates as of 10/11/18.



Projected Debt Service Savings*

Fiscal Year	Existing 2009 COPs Net Debt Service	Series 2019 Principal	Series 2019 Interest	Series 2019 Debt Service	Annual Savings vs. 2009 COP BABs	NPV Savings vs. 2009 COP BABs
6/30/2019	1,376,641		224,987	224,987	20,641	17,544
6/30/2020	2,753,282		2,612,750	2,612,750	140,532	136,911
6/30/2021	2,753,282		2,612,750	2,612,750	140,532	132,697
6/30/2022	2,753,282		2,612,750	2,612,750	140,532	128,613
6/30/2023	2,753,282		2,612,750	2,612,750	140,532	124,654
6/30/2024	2,753,282		2,612,750	2,612,750	140,532	120,817
6/30/2025	5,345,143	2,185,000	2,558,125	4,743,125	602,018	504,619
6/30/2026	5,339,907	2,300,000	2,446,000	4,746,000	593,907	482,482
6/30/2027	5,341,777	2,415,000	2,328,125	4,743,125	598,652	471,383
6/30/2028	5,337,445	2,540,000	2,204,250	4,744,250	593,195	452,759
6/30/2029	5,332,769	2,670,000	2,074,000	4,744,000	588,769	435,598
6/30/2030	5,326,822	2,805,000	1,937,125	4,742,125	584,697	419,315
6/30/2031	5,327,078	2,950,000	1,793,250	4,743,250	583,828	405,874
6/30/2032	5,318,099	3,100,000	1,642,000	4,742,000	576,099	388,233
6/30/2033	5,316,513	3,260,000	1,483,000	4,743,000	573,513	374,656
6/30/2034	5,306,968	3,430,000	1,315,750	4,745,750	561,218	355,391
6/30/2035	5,304,113	3,605,000	1,139,875	4,744,875	559,238	343,294
6/30/2036	5,297,480	3,790,000	955,000	4,745,000	552,480	328,757
6/30/2037	5,291,717	3,985,000	760,625	4,745,625	546,092	315,002
6/30/2038	5,281,473	4,190,000	556,250	4,746,250	535,223	299,274
6/30/2039	5,276,281	4,400,000	341,500	4,741,500	534,781	289,867
6/30/2040	5,270,555	4,630,000	115,750	4,745,750	524,805	275,743
Total	100,157,191	52,255,000	36,939,362	89,194,362	9,831,816	6,803,482

PV of savings from cash flow	\$6,803,482
Less: Net DSRF Release (difference between old and new DSRF)	-\$1,255,321
Net PV Savings	\$5,553,111

*Preliminary, subject to change. Assumes rates as of 10/11/18.



Issuance Timeline*

October						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

November						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

December						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

January						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Activity	Date
Finance Committee Meeting	October 17
Rating Discussion	December 12
Finance Committee Approval of Refunding	December 19
Board Approval of Refunding	December 20
Bond Sale	January 8
Bond Closing	January 28

*Preliminary, subject to change



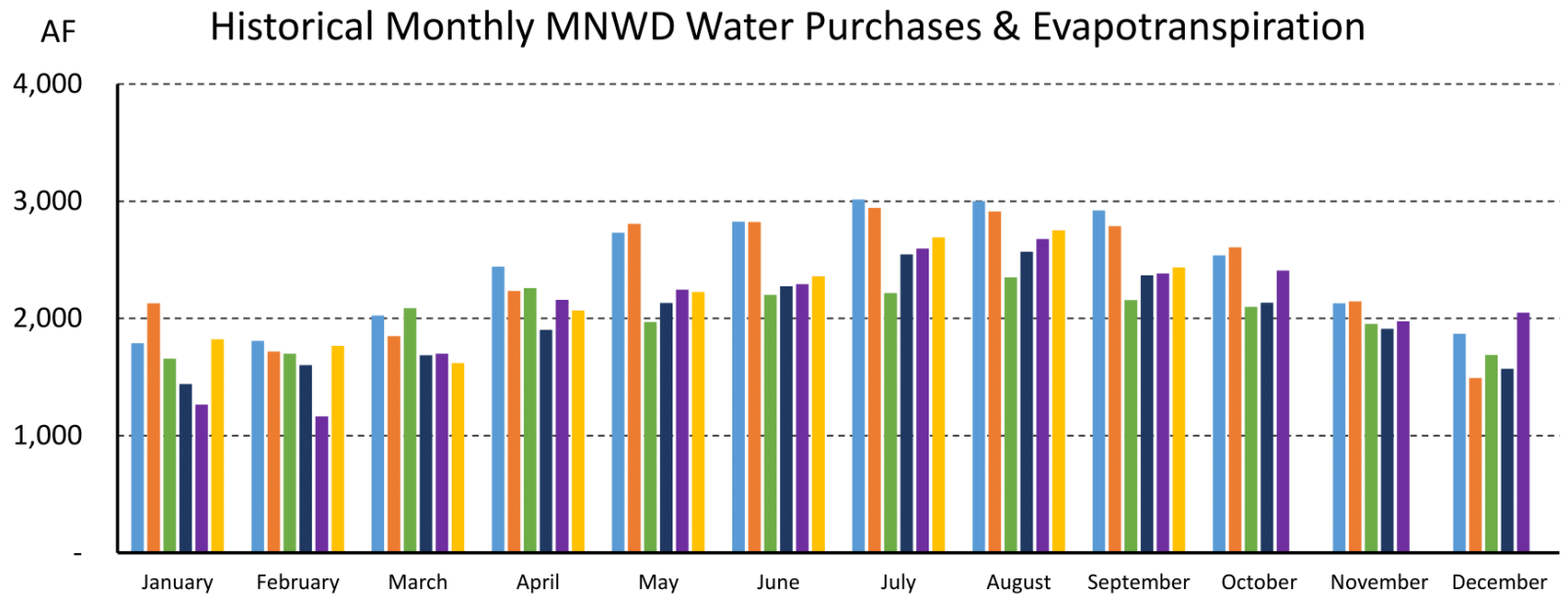
pfm



moulton niguel water district

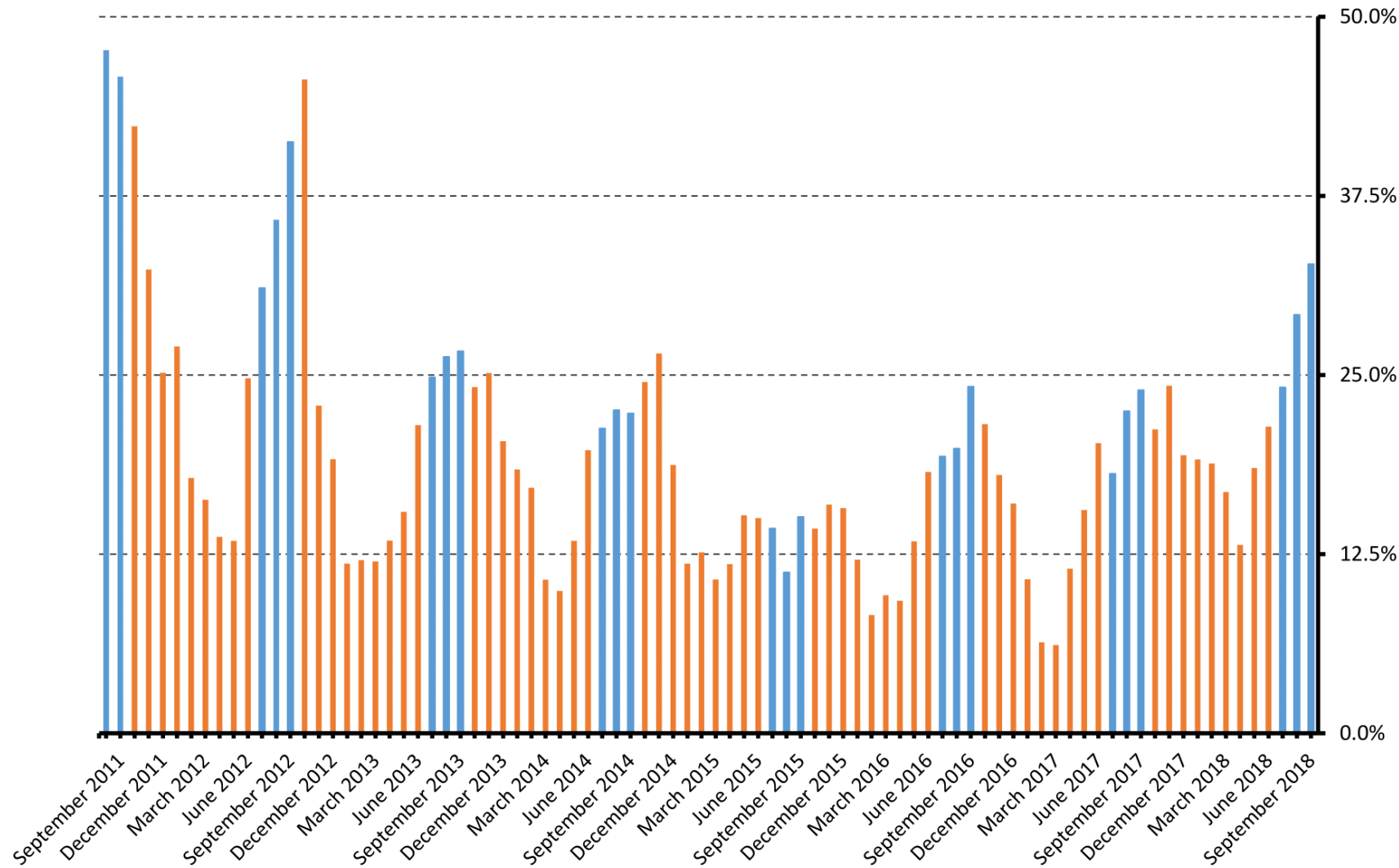
Water Use & Efficiency Update

Finance and Information Technology Board Meeting
October 17, 2018

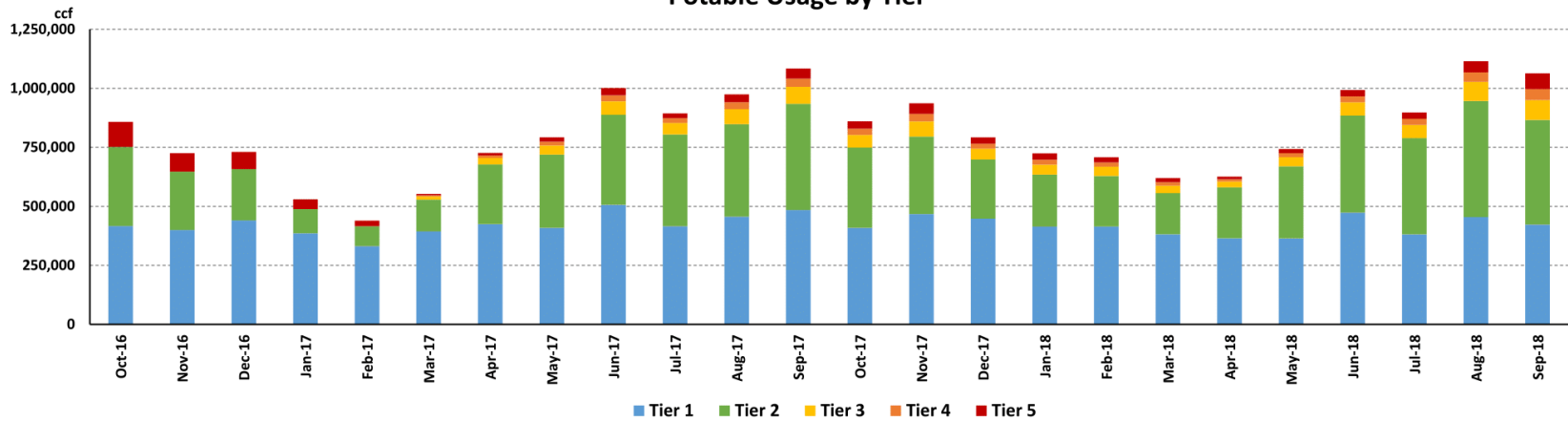


	Year	ET (Inches)											
	2013	3.15	2.93	4.09	4.95	5.30	5.07	5.11	5.63	5.12	3.82	2.65	2.55
	2014	3.06	2.56	3.72	5.14	6.22	5.75	5.60	5.41	4.86	3.68	2.68	1.99
	2015	2.45	3.06	4.61	5.26	4.29	5.19	5.65	5.72	4.90	4.00	3.17	2.24
	2016	1.96	3.69	3.40	4.42	3.66	4.44	5.41	4.71	4.03	3.13	2.91	1.84
	2017	2.02	1.79	3.98	4.55	3.97	4.81	5.44	5.06	4.23	3.82	2.49	3.14
	2018	2.34	2.47	3.29	4.31	4.18	4.86	5.40	4.74	3.56	-	-	-

Single Family Residential Accounts Above Tier 2

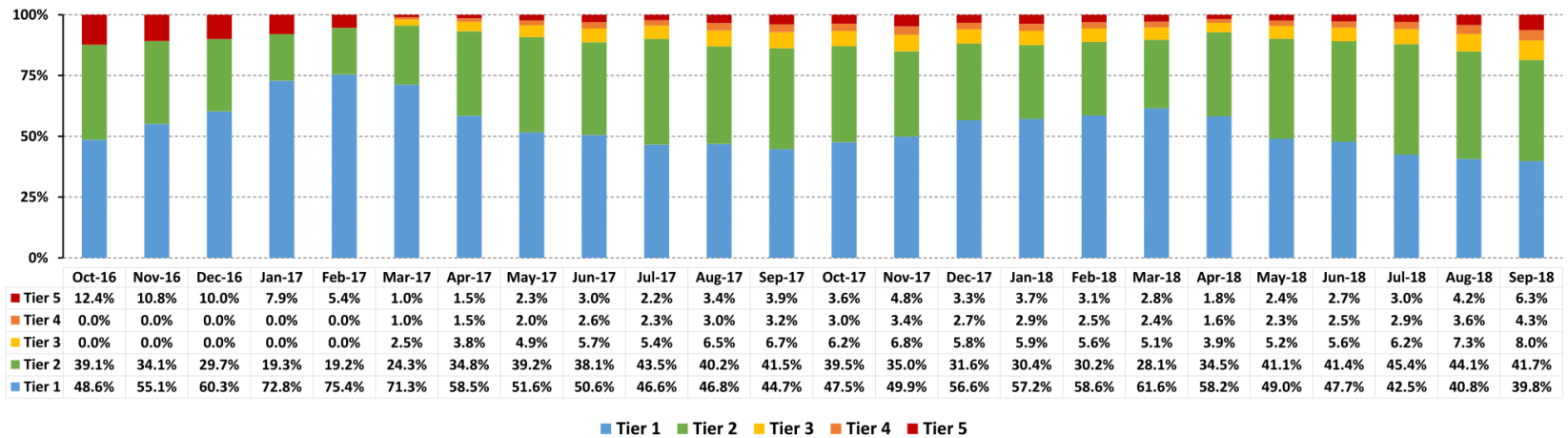


Potable Usage by Tier

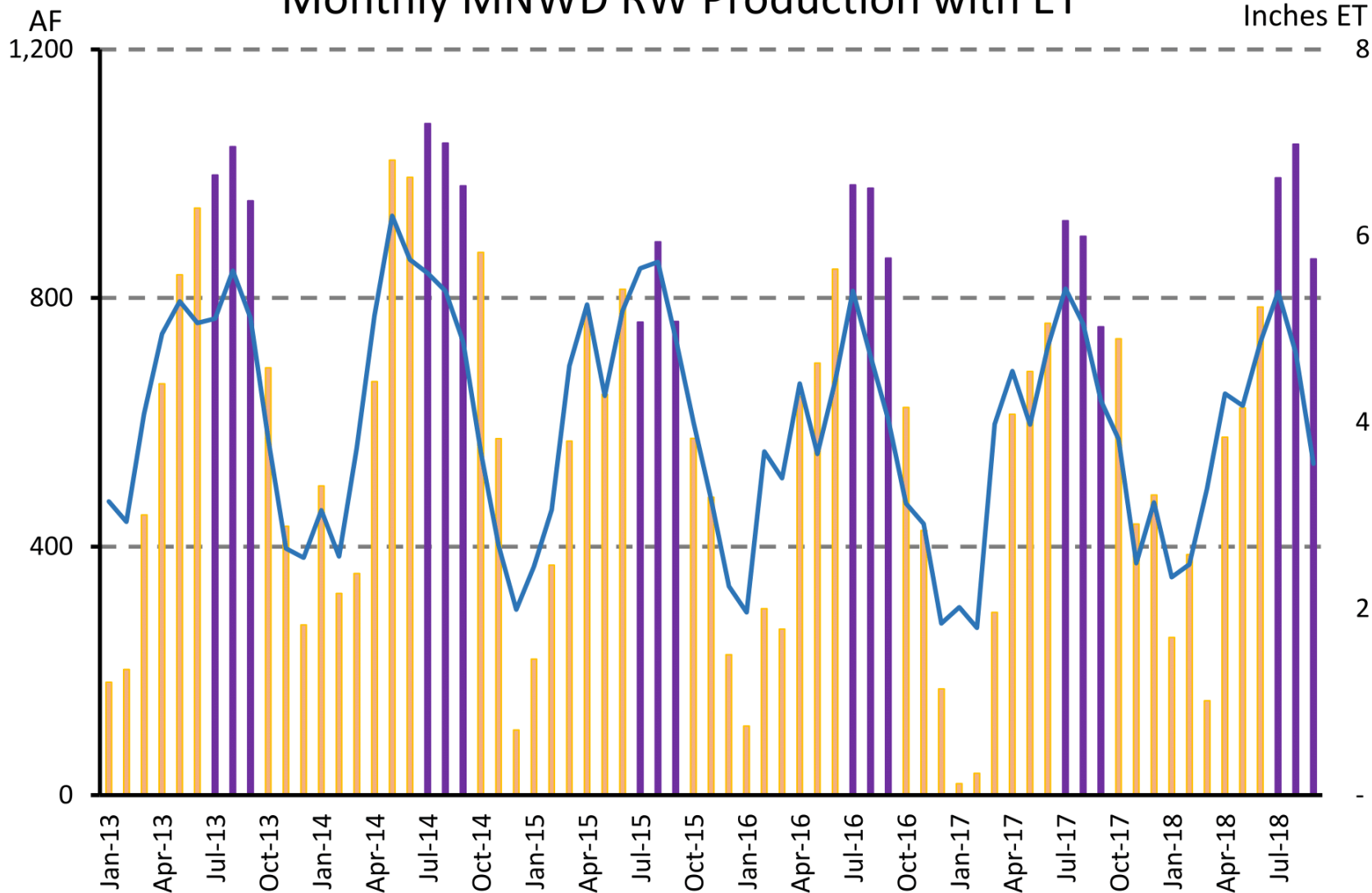


AF in Tier 3, 4, 5	243	180	167	96	54	56	112	167	260	204	289	343	255	323	215	207	182	147	104	168	248	249	387	453
--------------------	-----	-----	-----	----	----	----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Percent Potable Usage by Tier

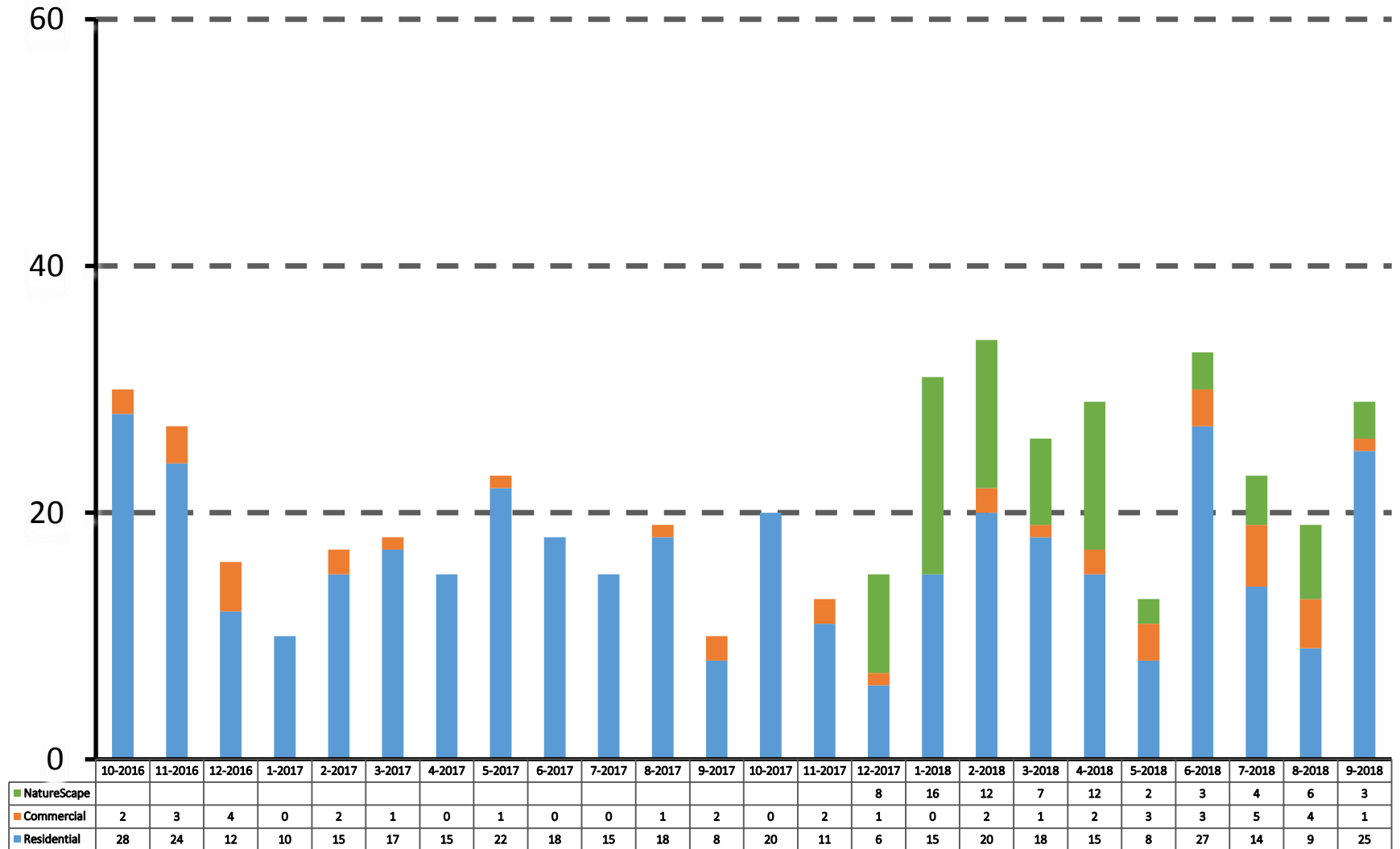


Monthly MNWD RW Production with ET



Total Turf Removal Applications by Month

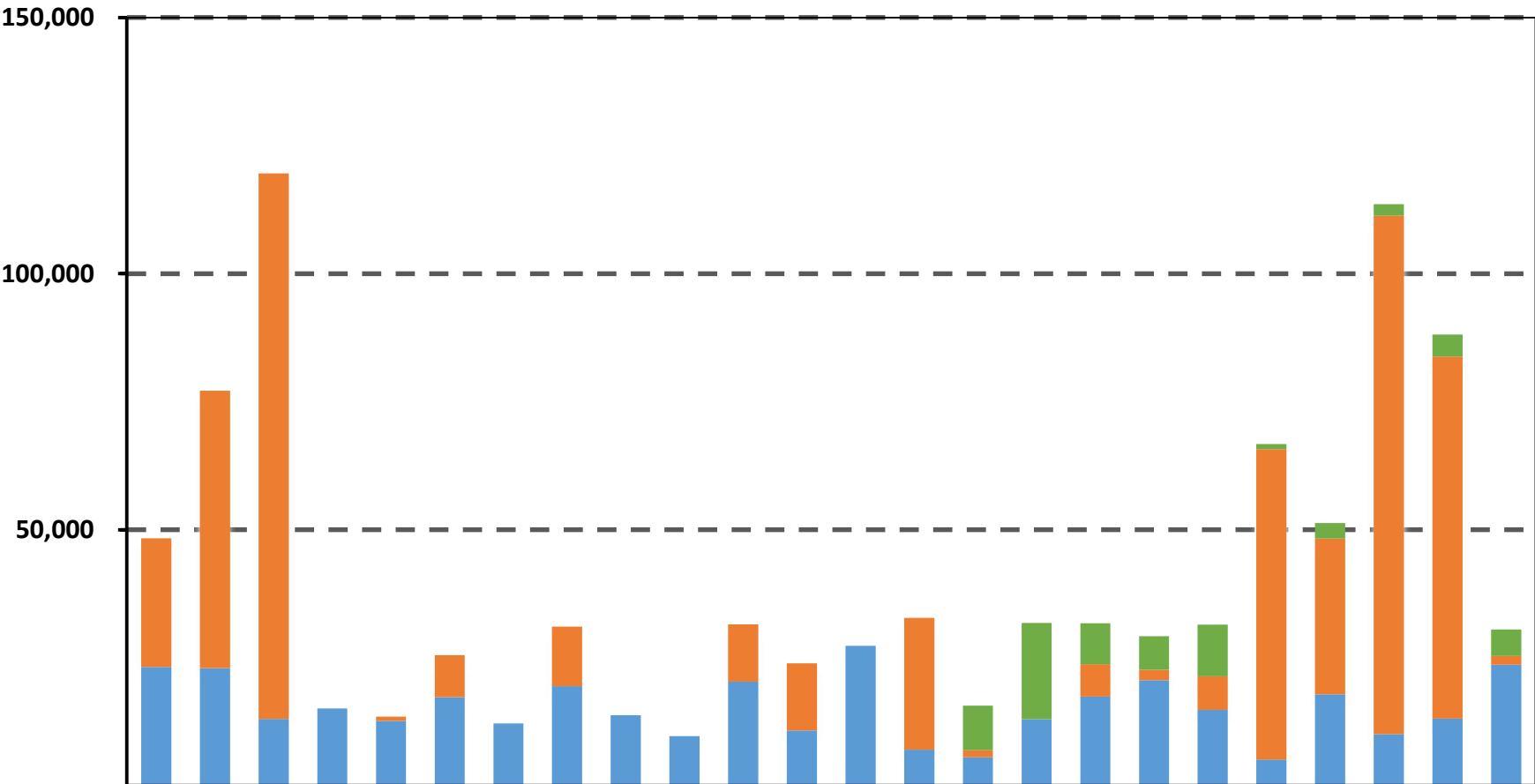
Applications



■ Residential ■ Commercial ■ NatureScape

Total Turf Removal Application Size by Month

Square Feet

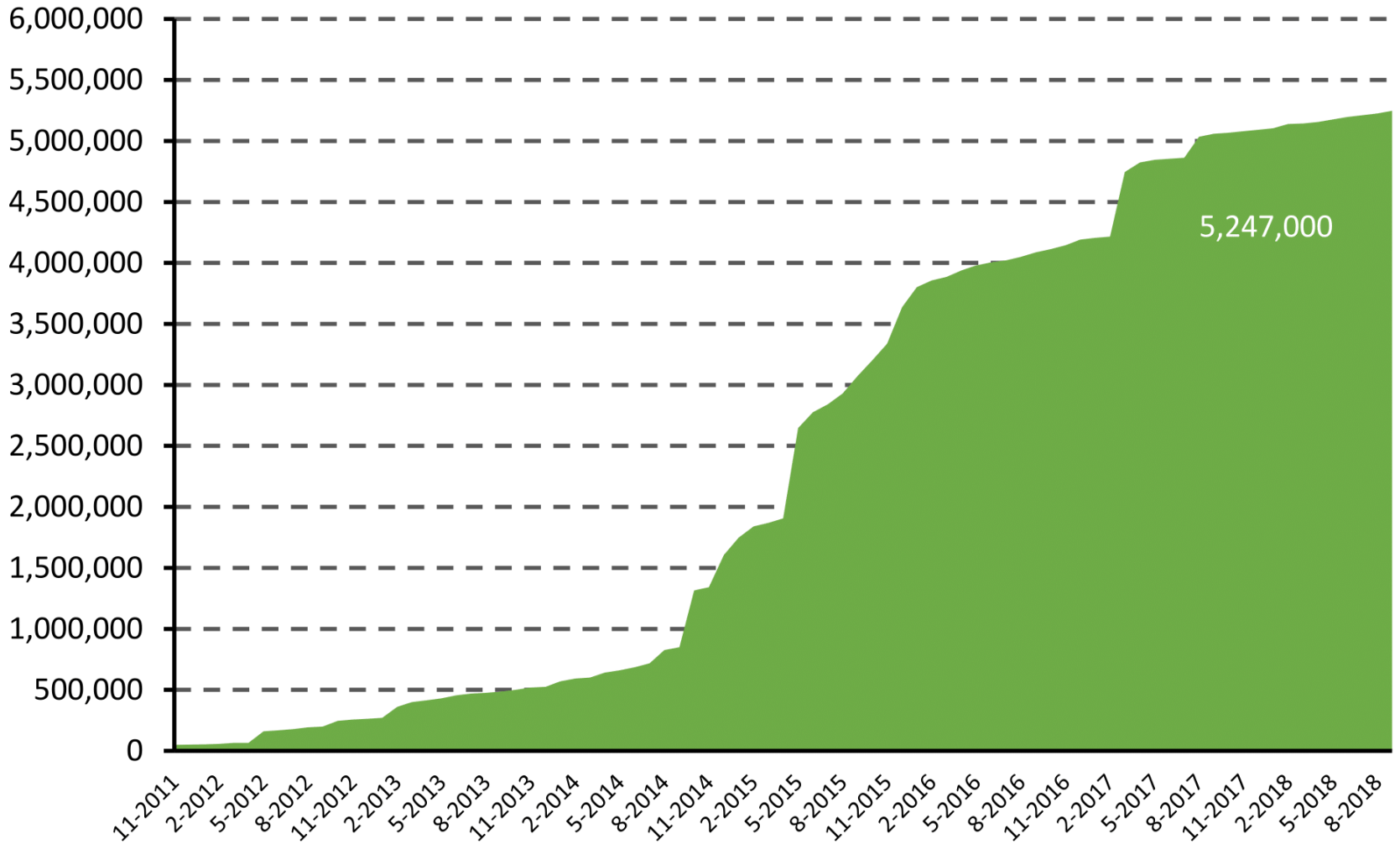


	10-2016	11-2016	12-2016	1-2017	2-2017	3-2017	4-2017	5-2017	6-2017	7-2017	8-2017	9-2017	10-2017	11-2017	12-2017	1-2018	2-2018	3-2018	4-2018	5-2018	6-2018	7-2018	8-2018	9-2018
NatureScape															8,703	18,782	7,983	6,520	10,083	1,020	3,025	2,275	4,294	5,200
Commercial	25,127	54,155	106,459	0	845	8,200	0	11,590	0	0	11,173	13,120	0	25,702	1,379	-	6,351	2,074	6,557	60,618	30,423	101,179	70,656	1,675
Residential	23,193	23,023	13,087	15,149	12,700	17,343	12,223	19,485	13,796	9,733	20,348	10,838	27,346	7,086	5,573	13,016	17,411	20,606	14,826	5,125	17,882	10,102	13,158	23,685

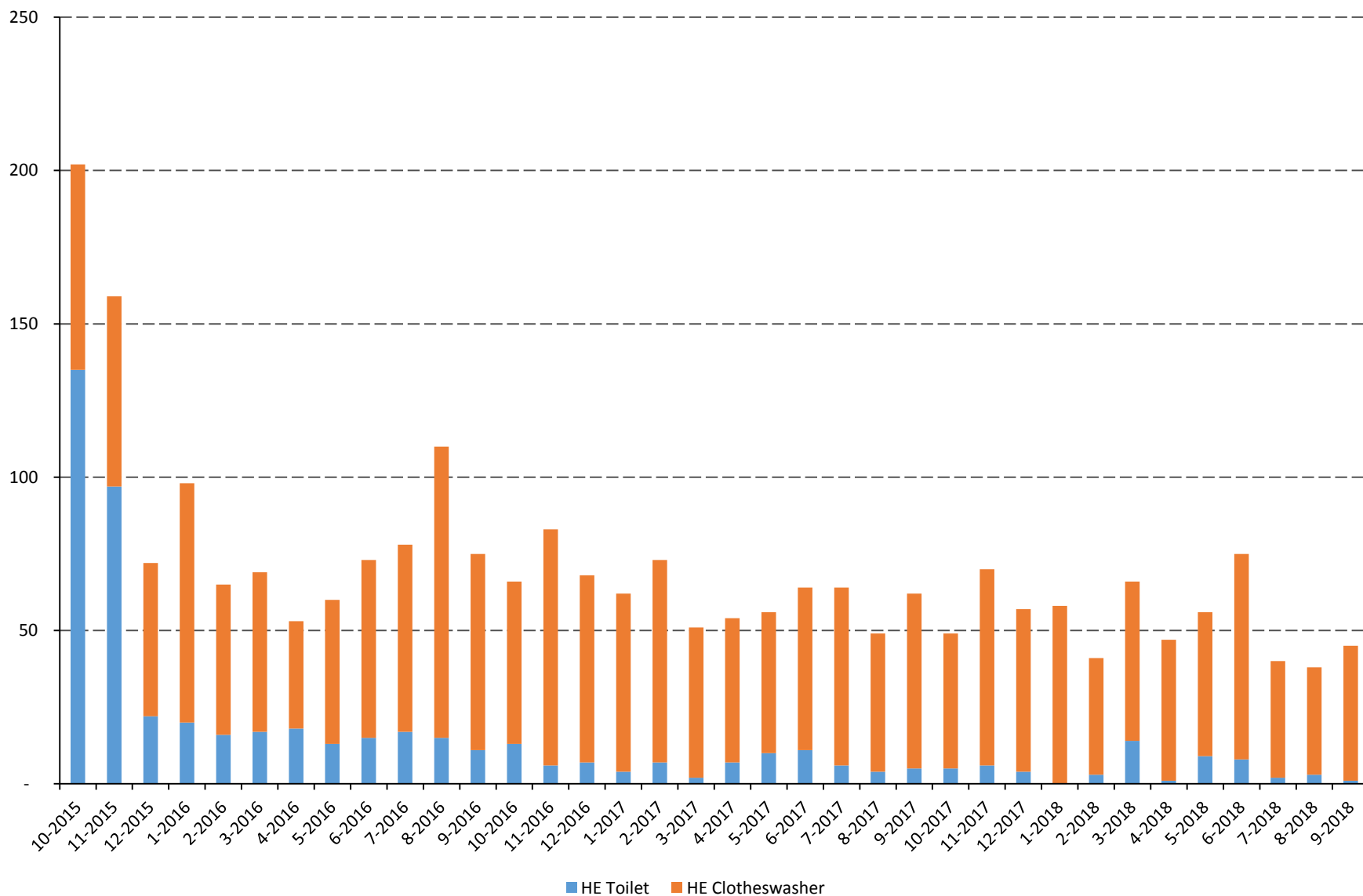
Residential Commercial NatureScape

Square Feet

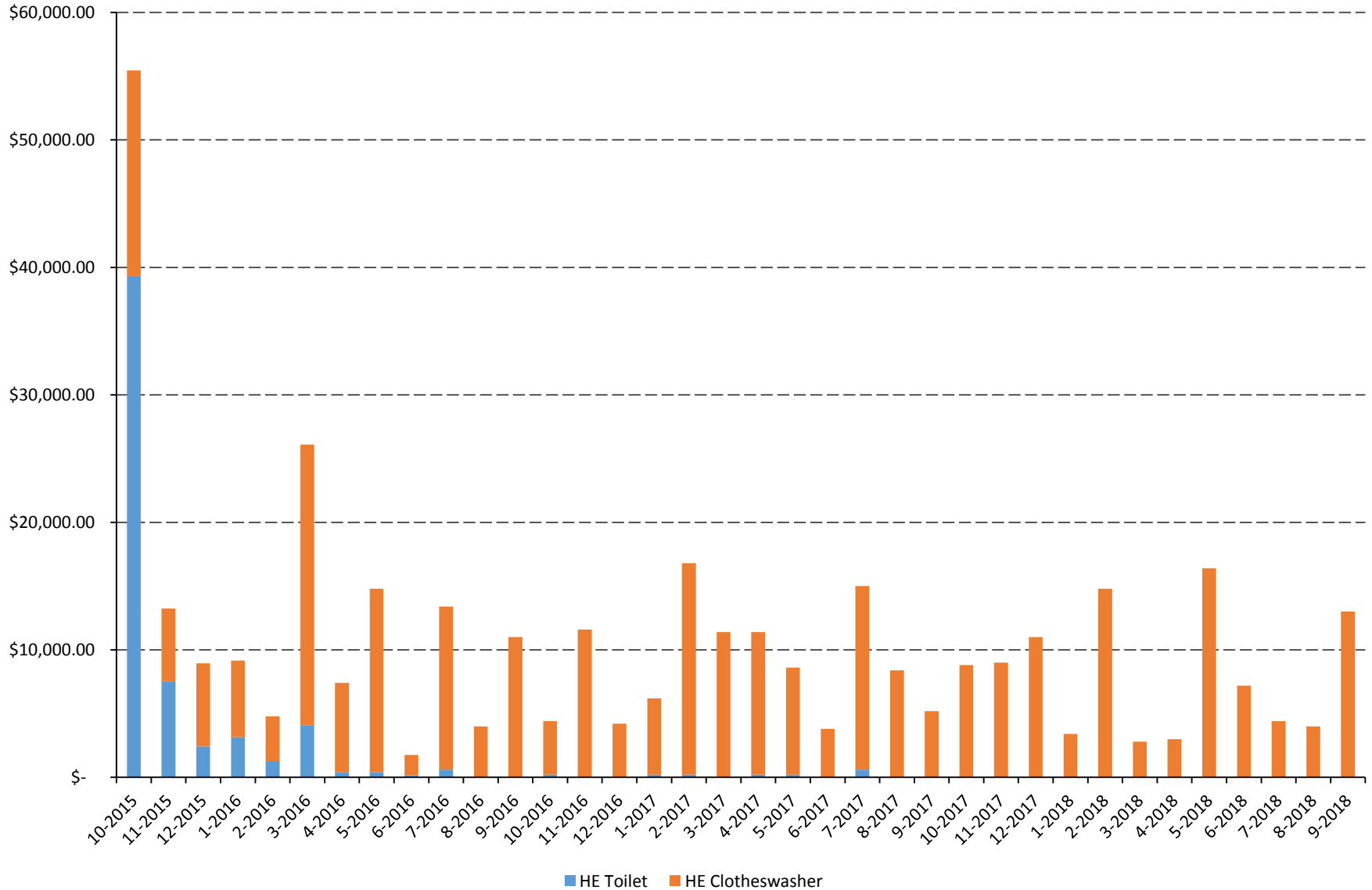
Total Turf Removed



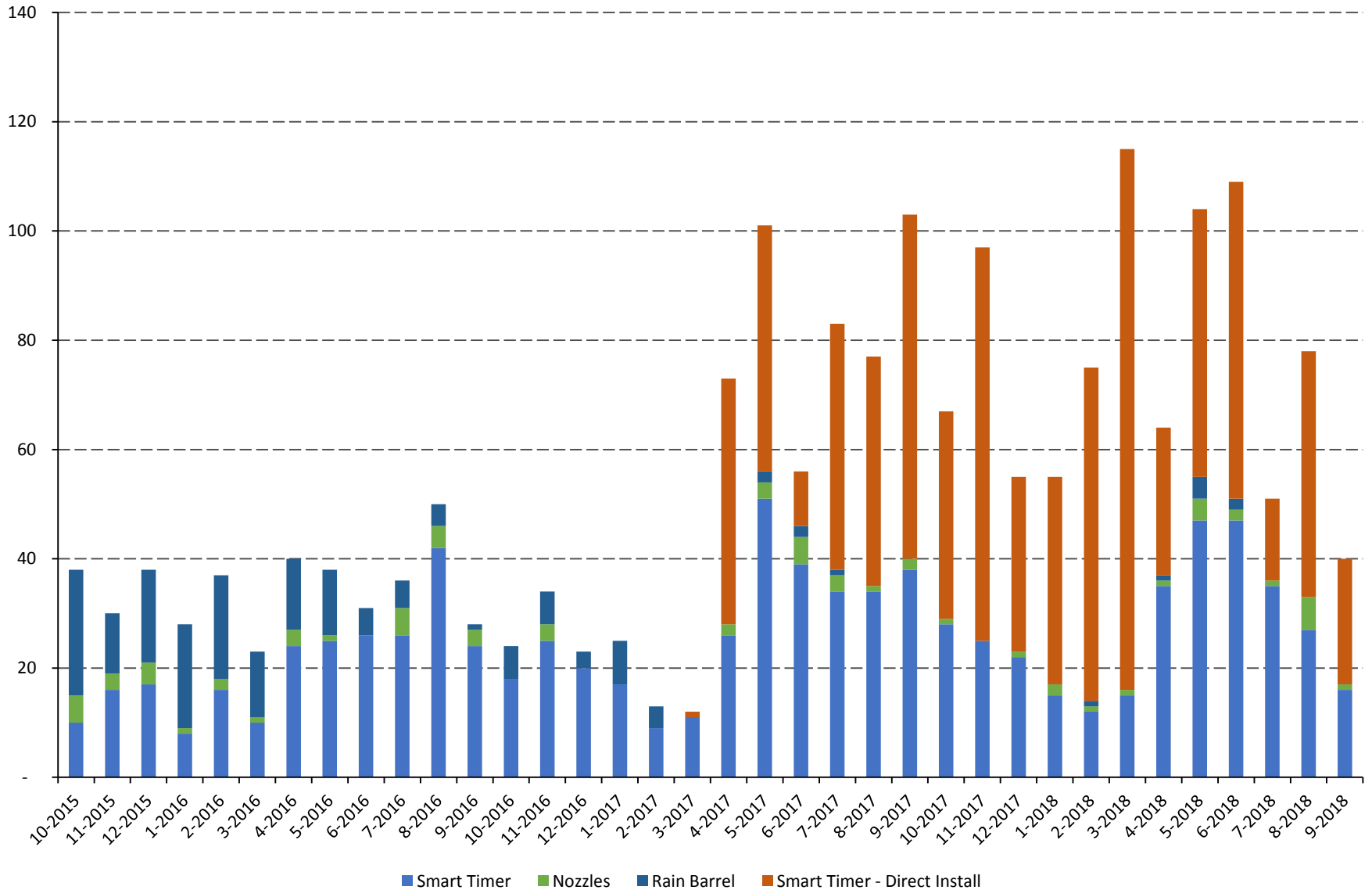
Residential Indoor Devices



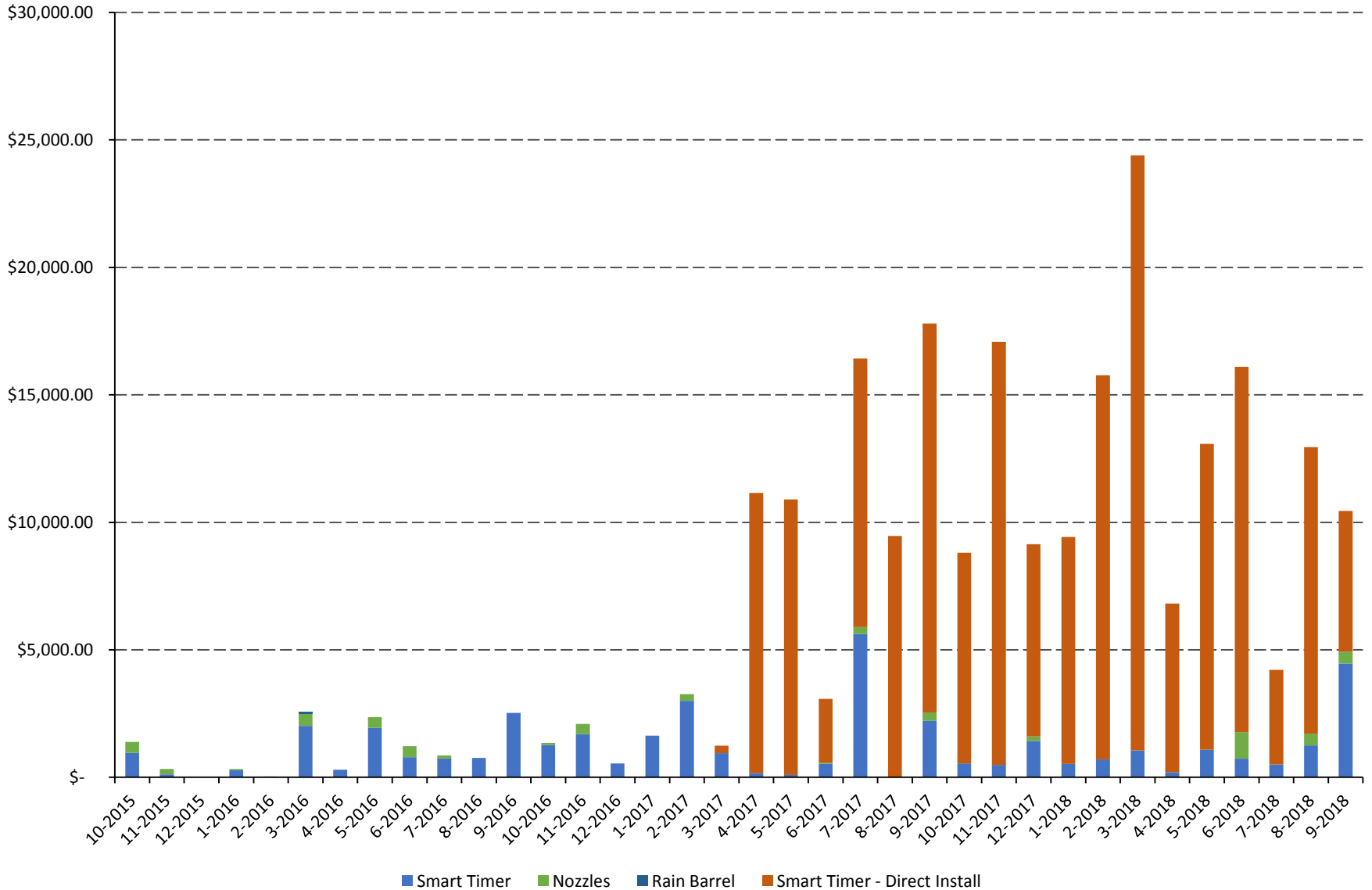
Residential Indoor Dollars



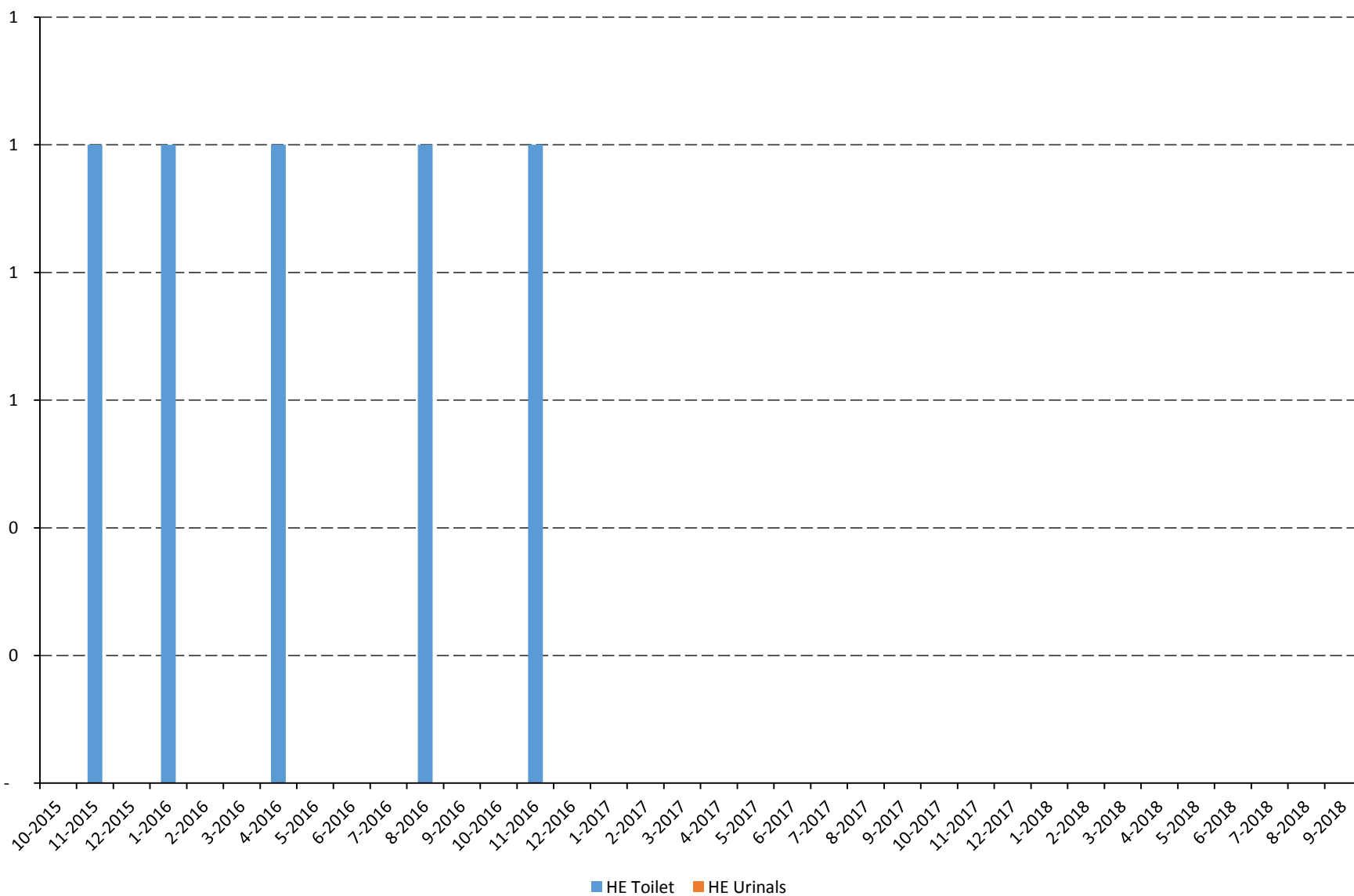
Residential Outdoor Devices



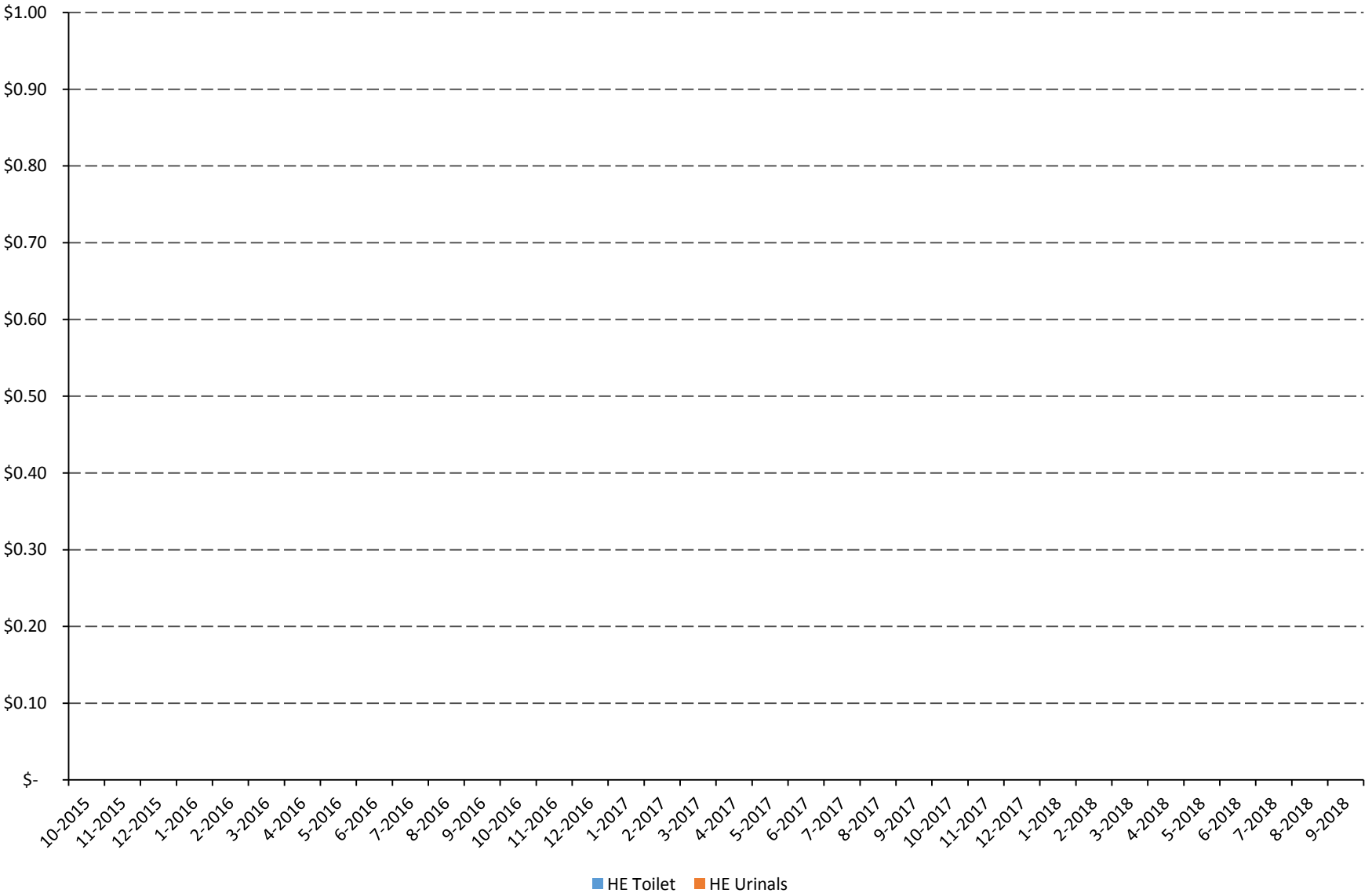
Residential Outdoor Dollars



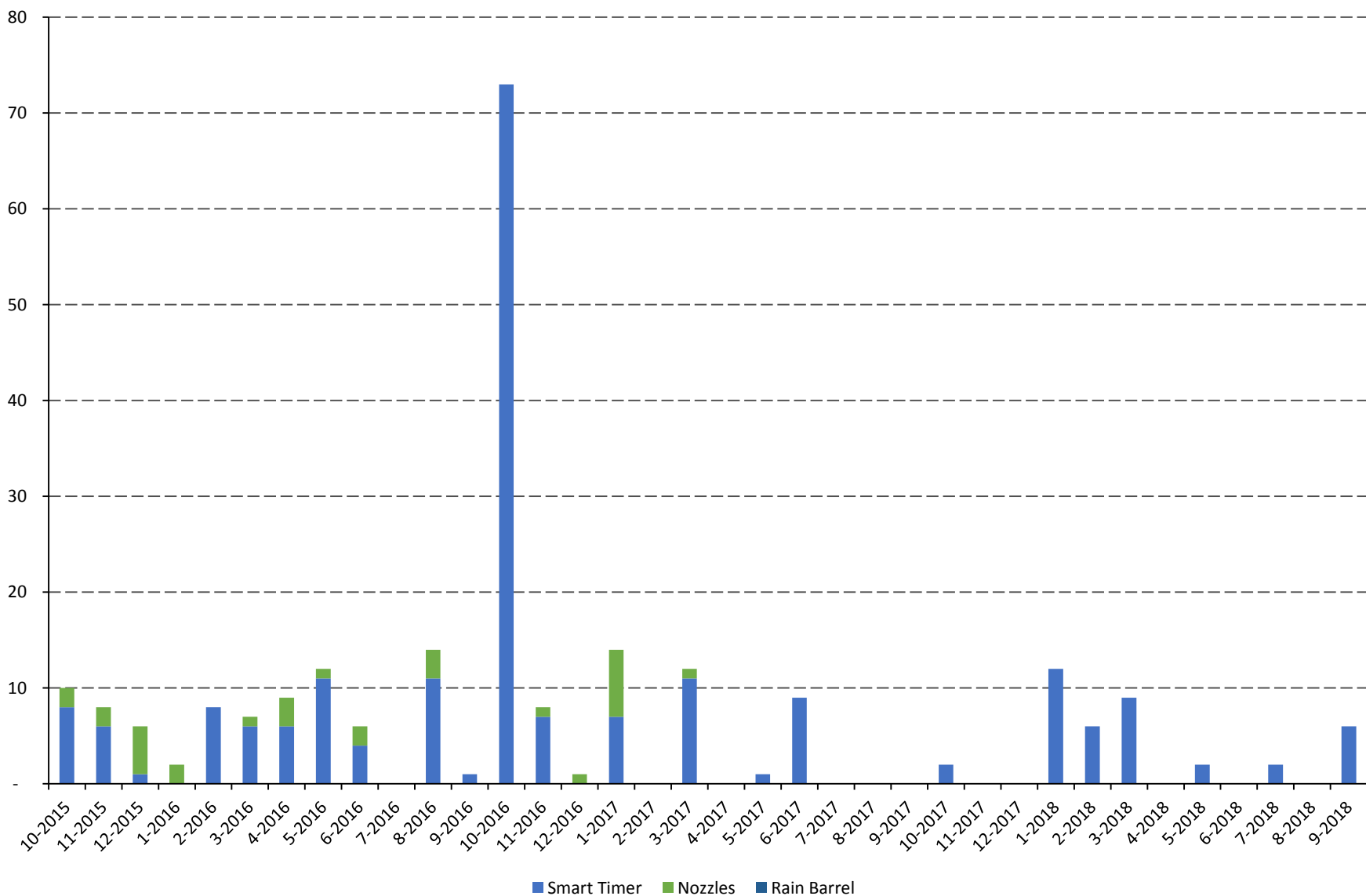
Commercial Indoor Devices



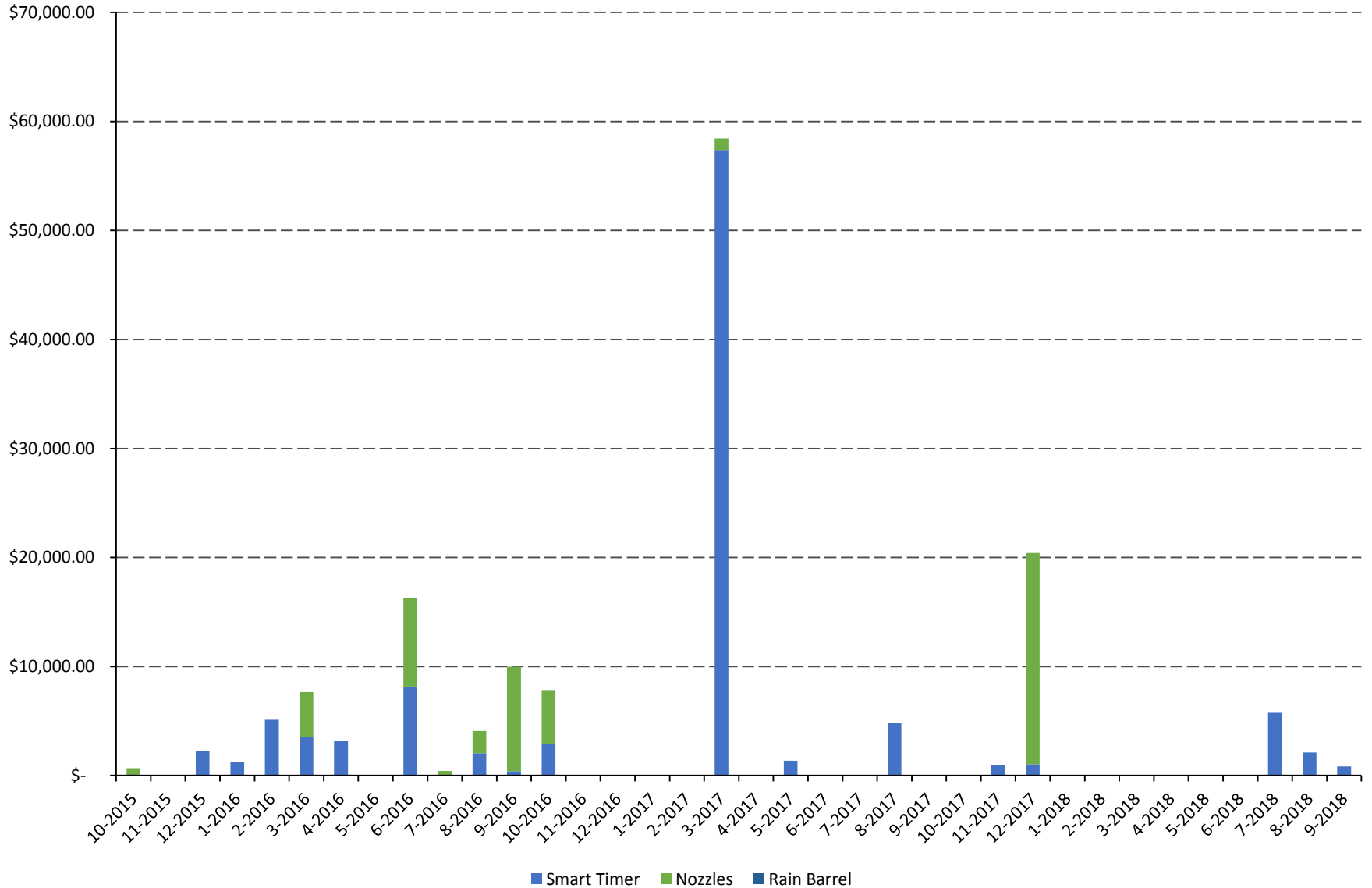
Commercial Indoor Dollars



Commercial Outdoor Devices

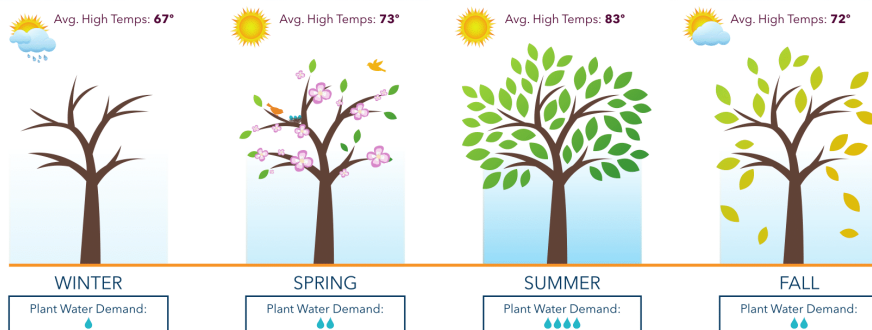


Commercial Outdoor Dollars



Fall Campaign

FALL IS HERE! Have you dialed down your outdoor water use?



Plants need less water in the fall.

With shorter days and cooler nights, outdoor plants require less water in the fall. This seasonal change means less water is lost to the atmosphere through evapotranspiration (ET), making outdoor water budgets smaller. To keep your water use within budget and reduce your bill, decrease your outdoor watering today.



TOTAL WATERING CONTROL AT YOUR FINGERTIPS.

Manage watering on your smartphone, and start saving money and water with a Rachio Smart Sprinkler Controller.

Upgrade to the latest smart watering technology - apply online today:
www.rachio.com/mnwd



YOU WENT SLIGHTLY OVER YOUR AUGUST AND SEPTEMBER WATER BUDGETS.

SAVE MONEY AND WATER.

UPGRADE TO THE LATEST SMART IRRIGATION TECHNOLOGY!



We are making it easy to save water and money by giving away **FREE** Smart Sprinkler Timers. Visit Rachio.com/MNWD for more information.



FALL IS HERE!

Have you dialed down your outdoor water use?

Plants need less water in the fall.

With shorter days and cooler nights, outdoor plants require less water in the fall. This seasonal change means less water is lost to the atmosphere through evapotranspiration (ET), making outdoor water budgets smaller. To keep your water use within budget and reduce your bill, check out this useful information online:



Water-Saving Tools

Want to optimize your irrigation schedule? Use our Outdoor Water Budget Calculator, interactive Evapotranspiration (ET) Map, and sign up for helpful notifications.

www.mnwd.com/watersavingtools



Water-Saving Tips

Read our helpful tips to learn how to use water more efficiently in your home and yard.

www.mnwd.com/watersavingtips



Smart Irrigation Controllers

Conveniently manage outdoor watering on your smartphone with a FREE Rachio smart timer. Check our website below to determine program eligibility.

go.rachio.com/mnwd

Remember, you can control how much water you use (and money you spend).

Adjust your irrigation timer and start saving today!

Contact us to learn more about water efficiency at (949) 448-4025 or email conservation@mnwd.com.

27500 La Paz Rd | Laguna Niguel, CA 92677 | 949-831-2500 | mnwd.com

Professional Trainings & Workshops

- Project WET (Water Education for Teachers)
- Watershed Wise Landscape Practitioner
- Professional Landscaper Bilingual Training
- Irrigation & Landscape Workshops



H2O for HOAs

- 12 partnering cities & agencies
- Landscape Conversion Project & Financial Planning
- Develop HOA Coordination Services



An educational and networking event aimed at HOA Board Members, Property Managers, and Professional Landscapers focusing on:

- Stormwater Best Management Practices
- Water Efficiency Tools, Resources & Rebates
- Plant Selection & Landscape Design
- Landscape Project and Financial Planning for HOAs

FREE EVENT!

Space is Limited—Register Today!

Thursday, October 25, 2018

8 a.m.–12 p.m.

Norman P. Murray Community Center

Sycamore Rooms A & B

24932 Veterans Way, Mission Viejo

Continental breakfast included and opportunity drawings!

Sign up today at <http://bit.ly/H2OforHOAsOC>



El Jundo Water District
moulton niguel water district
Santa Margarita Water District
SOUTH COAST WATER DISTRICT
Partnering With The Community



An educational and networking event aimed at
HOA Board Members, Property Managers, and
Professional Landscapers focusing on:

- Stormwater Best Management Practices
- Water Efficiency Tools, Resources & Rebates
- Plant Selection & Landscape Design
- Landscape Project and Financial Planning for HOAs

FREE EVENT!

Space is Limited—Register Today!

Thursday, October 25, 2018

8 a.m.–12 p.m.

Norman P. Murray Community Center

Sycamore Rooms A & B

24932 Veterans Way, Mission Viejo

***Continental breakfast included and
opportunity drawings!***

Sign up today at <http://bit.ly/H2OforHOAsOC>

