



moulton niguel water district

BOARD OF DIRECTORS' MEETING MOULTON NIGUEL WATER DISTRICT

27500 La Paz Road, Laguna Niguel

December 20, 2018

6:00 PM

Approximate Meeting Time: 1 Hour

1. CALL MEETING TO ORDER:

2. PLEDGE OF ALLEGIANCE:

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.

CONSENT CALENDAR ITEMS:(Items on the Consent Calendar have been discussed at the regularly scheduled Engineering/Operations and Finance/IT Board meetings)

Consent items: Unless the General Manager or the Board requests that an item be removed from the Consent Calendar, all items will be acted upon as a whole and by one vote. Requests for discussion of any specific item should be made to the Presiding Officer in conjunction with the discussion of the consent motion.

4. MINUTES OF THE NOVEMBER 13, 2018 SPECIAL BOARD OF DIRECTORS' MEETING

5. MINUTES OF THE NOVEMBER 15, 2018 REGULAR BOARD OF DIRECTORS' MEETING

6. CONSTRUCTION MANAGEMENT AND INSPECTION SUPPORT FOR 2017-18 RESERVOIR MANAGEMENT SYSTEMS REPLACEMENT

It is recommended that the Board of Directors approve the Professional Services Agreement with Butier Engineering, Inc. (Butier) in the amount of \$358,990; authorize the General Manager or Assistant General Manager to execute the agreement; and to approve amendments up to 10% of the contract value.

7. PROFESSIONAL SERVICES AGREEMENT FOR 2018-19 RESERVOIR MANAGEMENT SYSTEMS REPLACEMENT

It is recommended that the Board of Directors approve the Professional Services Agreement for engineering services with Tetra Tech, Inc. in the amount of \$476,428; authorize the General Manager or Assistant General Manager to execute the agreement; and to approve amendments up to 10% of the contract value.

8. AMENDMENT NO. 1 FOR PLANT 3A ENGINEERING SUPPORT SERVICES

It is recommended that the Board of Directors approve Amendment No. 1 to the Agreement for Plant 3A Engineering Support Services with GHD, Inc. in the amount of \$75,000 for a total not-to-exceed agreement amount of \$225,000; and authorize the General Manager or Assistant General Manager to execute the amendment.

9. PROFESSIONAL SERVICES AGREEMENT FOR ASSET REGISTER POPULATION

It is recommended that the Board of Directors approve the Professional Services Agreement with AKM Consulting Engineers in the amount of \$209,012; authorize the General Manager or Assistant General Manager to execute the agreement; and to approve amendments up to 10% of the contract value.

10. PURCHASE OF 2019 CATERPILLAR 908M LOADER

It is recommended that the Board of Directors approve the purchase of a Caterpillar 908M Loader for \$95,897.52.

11. PURCHASE OF SERVICE TRUCK WITH CRANE – PLANT 3A

It is recommended that the Board of Directors approve the purchase of a 2019 Ford F-350 with Service Body and Crane for \$76,616.91.

ENGINEERING & OPERATIONS MATTERS:

12. 2017-18 RESERVOIR MANAGEMENT SYSTEMS REPLACEMENT CONSTRUCTION CONTRACT AWARD

It is recommended that the Board of Directors award the construction services contract to Gateway Pacific Contractors, Inc. in the amount of \$4,139,329; authorize the General Manager or Assistant General Manager to execute the contract; and to approve change orders up to 10% of the contract value.

FINANCE & INFORMATION TECHNOLOGY MATTERS:

13. AUDIT REPORTS FOR THE FISCAL YEAR ENDED JUNE 30, 2017

It is recommended that the Board receive and file the following reports:

- Comprehensive Annual Financial Report (“CAFR”), including auditors’ opinion on the fair presentation of the financial statements

- Auditors' report on internal control
- Audit communication letter
- Article XIII-B Appropriations Limit Calculation report

14. 2009 CERTIFICATES OF PARTICIPATION (BUILD AMERICA BONDS) REFUNDING (RESOLUTION 18-__)

It is recommended that the Board of Directors approve the resolution entitled, "Authorizing the Issuance and Sale of Water Revenue Refunding Bonds in the Maximum Amount of \$60,000,000 to Refinance an Outstanding Installment Payment Obligation, and Approving Related Agreements and Actions."

GENERAL MANAGER MATTERS:(Brief general updates on District matters and/or brief general updates from staff - Informational purposes only.)

PRESIDENT'S REPORT:

BOARD REPORTS:

FUTURE AGENDA ITEMS (Any items added under this section are for discussion at future meetings only.):

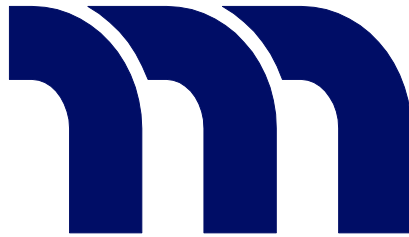
LATE ITEMS: (Appropriate Findings to be Made)

- 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.



moulton niguel water district

DRAFT
MINUTES OF THE SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT

November 13, 2018

A Special Meeting of the 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 November 13, 2018. There were present and participating:

DIRECTORS

Duane Cave	Vice President
Richard Fiore	Director
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Gina Hillary	Director of Human Resources
Jose Solorio	Government Affairs Officer
Tim Bonita	Recording Secretary

1. CALL MEETING TO ORDER

The meeting was called to order by Donald Froelich 8:30 a.m.

2. PUBLIC COMMENTS

None.

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CLOSED SESSION

3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957
Title: General Manager

4. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6
Agency designated representative: Board President Donald Froelich
Unrepresented employee: General Manager

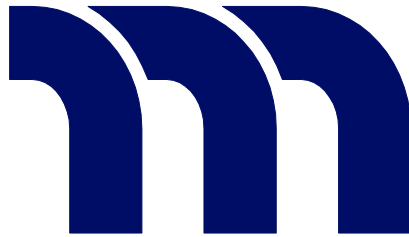
The Board entered closed session at 8:31 a.m. and exited at 10:24 a.m. Donald Froelich stated that there was no reportable action.

ADJOURNMENT

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

Respectfully submitted,

Tim Bonita
Recording Secretary



moulton niguel water district

**DRAFT
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT**

November 15, 2018

A Regular Meeting of the Board of Directors of the Moulton Niguel Water District was held at the District offices, 27500 La Paz Road, Laguna Niguel, California, at 6:00 PM on November 15, 2018. There were present and participating:

DIRECTORS

Duane Cave	Vice President
Richard Fiore	Director
Donald Froelich	President
Gary Kurtz	Director
Larry Lizotte	Director
Brian Probolsky	Vice President

Also present and participating were:

STAFF MEMBERS, LEGAL COUNSEL, AND MEMBERS OF THE PUBLIC

Joone Lopez	General Manager
Gina Hillary	Director of Human Resources
Todd Novacek	Director of Operations
Jeff Ferre	Best, Best, & Krieger (General Counsel)
Paige Gulck	Board Secretary
Tim Bonita	Recording Secretary
Trevor Agrelius	MNWD
Matthew Brown	MNWD
Johnathan Cruz	MNWD
Todd Dmytryshyn	MNWD
Medha Patel	MNWD
Lindsey Stuvick	MNWD
Bill Moorhead	MNWD Director Elect
Kelly Jennings	MNWD Director Elect

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Nancy Lizotte
Sherry Wanninger

Member of the Public
Member of the Public

1. **CALL MEETING TO ORDER:**

The meeting was called to order by Donald Froelich at 6:00 p.m.

2. **PLEDGE OF ALLEGIANCE:**

Larry Lizotte led the Pledge of Allegiance.

3. **PUBLIC COMMENTS:**

Richard Fiore welcomed and congratulated Director elects Kelly Jennings and William "Bill" Moorhead.

CONSENT CALENDAR ITEMS:(Items on the Consent Calendar have been discussed at the regularly scheduled Engineering/Operations and Finance/IT Board meetings)

4. **MINUTES OF THE OCTOBER 1, 2018 SPECIAL BOARD OF DIRECTORS' MEETING**

5. **MINUTES OF THE OCTOBER 9, 2018 SPECIAL BOARD OF DIRECTORS' MEETING**

6. **MINUTES OF THE OCTOBER 18, 2018 REGULAR BOARD OF DIRECTORS' MEETING**

7. **CONSTRUCTION CONTRACT AWARD FOR TRAFFIC SIGNAL INSTALLATION AT MOULTON PARKWAY AND GORDON ROAD**

It is recommended that the Board of Directors award the construction services contract to MSL Electric, Inc. in the amount of \$205,548; authorize the General Manager or Assistant General Manager to execute the contract; and to approve change orders up to 10% of the contract value.

8. **AMENDMENT NO. 5 TO THE CONSULTING SERVICES AGREEMENT – WARE MALCOMB**

It is recommended that the Board of Directors approve Amendment No. 5 to the Amended and Restated Consulting Services Agreement with Ware Malcomb for an amount not-to-exceed \$129,400 for a total contract amount of \$1,171,236; authorize the General Manager or Assistant General Manager to execute the amendment; and to approve amendments up to 10% of the total contract value.

9. INSERTION VALVE PURCHASES FOR FISCAL YEAR 2018-19

It is recommended that the Board of Directors authorize the purchase of new Hydra-Stop Insertion valves and related equipment in the amount of \$279,620 for Fiscal Year 2018-19.

MOTION DULY MADE BY GARY KURTZ AND SECONDED BY RICHARD FIORE, CONSENT ITEMS 4 THROUGH 9 WERE APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

GENERAL MANAGER MATTERS:(Brief general updates on District matters and/or brief general updates from staff - Informational purposes only.)

10. ADOPTION OF RESOLUTION HONORING MR. TIMOTHY H. QUINN (RESOLUTION 18-21)

It is recommended that the Board of Directors approve the resolution entitled, "Honoring Mr. Timothy H. Quinn".

Joone Lopez provided information on the item.

MOTION DULY MADE BY DUANE CAVE AND SECONDED BY GARY KURTZ, ITEM 10 WAS APPROVED AS PRESENTED. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, LARRY LIZOTTE, AND BRIAN PROBOLSKY ALL VOTING 'AYE'.

Joone Lopez provided the General Manager Report. Joone stated that Lindsey Stuvick, the District's Water Efficiency Manager, was recently selected to serve on the California Water Efficiency Partnership Board. Joone Lopez also thanked Larry Lizotte on his 48 years of service to the District.

PRESIDENT'S REPORT:

Donald Froelich stated that he attended the ACWA DAC Drinking Water Initiative Task Force meeting on October 20, 2018.

BOARD REPORTS:

Richard Fiore stated that he attended the Aliso Viejo Ranch Groundbreaking Ceremony on November 15, 2018.

Duane Cave stated that he attended the H2O for HOA and Southern California Water Coalition Annual meetings held on October 25, 2018. Duane also attended the Water

Forum and Laguna Hills City Council meetings held on November 13, 2018.

CLOSED SESSION:

11. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9

Receipt of claim - Claimant: Kelly Brown

The Board met in closed session for Item 11 at 6:20 p.m. and exited closed session at 6:27 p.m. Brian Probolsky left at 6:22 p.m. Jeff Ferre provided the following report.

A MOTION WAS MADE BY DIRECTOR CAVE, SECONDED BY DIRECTOR LIZOTTE, TO REJECT THE CLAIM AND TO PROVIDE THE APPROPRIATE NOTICE TO THE CLAIMANT. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING 'AYE'. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.

The Board did not discuss Items 12 or 13.

12. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957
Title: General Manager

13. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Government Code Section 54957.6
Agency designated representative: Board President Donald Froelich
Unrepresented employee: General Manager

RETURN TO OPEN SESSION:

14. EMPLOYMENT CONTRACT FOR SERVICES AS GENERAL MANAGER AND AMENDMENT #7

It is recommended that the Board of Directors consider, and possibly take action to approve, payment of a bonus amount to the General Manager under the Employment Contract For Services As General Manager and Amendment #7 to said Contract, based on a determination by the Board of Directors as to the General Manager's accomplishments.

Legal counsel reported that under Government Code Section 54953(c)(3), there is a requirement that a summary be given of the recommendation before any final action on

potential compensation of the General Manager. It was then reported as follows:

- 1. The Employment Contract, as amended, calls for a performance evaluation to be conducted no later than December 31st and then the Board may consider an appropriate bonus amount.*
- 2. A draft Amendment #8 was then distributed to the Board and copies were made available for the public. The purpose of Amendment #8 would be to memorialize the potential action the Board may wish to take as a result of evaluations which were conducted on November 13 and 14, 2018, as required under the Employment Contract and previous amendments.*
- 3. The draft Amendment #8 was summarized as follows: The Board has determined following a review of the General Manager’s performance, in light of the contractual requirement of bonus consideration, to give the General Manager a one-time bonus of \$31,500.00 to be paid on or about November 29, 2018, minus appropriate withholdings and deductions and such amount shall not be calculated or included for any CalPERS or deferred compensation purposes.*

A MOTION WAS MADE DIRECTOR CAVE AND SECONDED BY DIRECTOR LIZOTTE, TO APPROVE AMENDMENT NO. 8 TO THE EMPLOYMENT CONTRACT FOR SERVICES AS GENERAL MANAGER OF MOULTON NIGUEL WATER DISTRICT. THE VOTE WAS UNANIMOUS WITH DIRECTORS DUANE CAVE, RICHARD FIORE, DONALD FROELICH, GARY KURTZ, AND LARRY LIZOTTE ALL VOTING ‘AYE’. DIRECTOR BRIAN PROBOLSKY WAS ABSENT.

FUTURE AGENDA ITEMS (Any items added under this section are for discussion at future meetings only.):

None.

LATE ITEMS: (Appropriate Findings to be Made)

None.

ADJOURNMENT:

The meeting was adjourned at 6:30 p.m.

Respectfully submitted,

Tim Bonita
Recording Secretary

RESOLUTION NO. 18-__

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MOULTON NIGUEL WATER DISTRICT
AUTHORIZING THE ISSUANCE AND SALE OF WATER REVENUE REFUNDING
BONDS IN THE MAXIMUM AMOUNT OF \$60,000,000 TO REFINANCE AN
OUTSTANDING INSTALLMENT PAYMENT OBLIGATION, AND APPROVING
RELATED AGREEMENTS AND ACTIONS**

WHEREAS, the Moulton Niguel Water District (the “District“) previously entered into an Installment Sale Agreement dated as of December 1, 2009 (the “2009 Installment Sale Agreement”), with the Moulton Niguel Water District Public Facilities Corporation (the “Corporation”) in connection with the execution and delivery of \$60,000,000 initial aggregate principal amount of the 2009 Certificates of Participation (Federally Taxable - Build America Bonds - Direct Payment) (the “2009 Certificates”); and

WHEREAS, the proceeds of the 2009 Certificates were used to finance the acquisition of capacity rights related to the District’s water and recycled water systems through contributions to the costs of constructing regional facilities owned by other public agencies; and

WHEREAS, certain payments (the “2009 Installment Payments”) made by the District to the Corporation under the 2009 Installment Sale Agreement were assigned to U.S. Bank National Association, as trustee (the “2009 Trustee”), for the 2009 Certificates for the purpose of paying the principal and interest with respect to the 2009 Certificates; and

WHEREAS, the 2009 Certificates were executed and delivered as direct pay Build America Bonds pursuant to Section 54AA of the Internal Revenue Code of 1986, as amended (the “Tax Code”); and

WHEREAS, in March 2013, automatic spending cuts within the federal government took effect as a result of the “sequester,” and for the period of October 1, 2018, through and including September 30, 2019, the cuts include a 6.2% reduction in amounts payable by the federal government to issuers of Build America Bonds under Section 6431 of the Tax Code, as determined by the Office of Management and Budget (the “Tax Credit Reduction”); and

WHEREAS, under Section 6.02 of the 2009 Installment Sale Agreement and Section 403 of Trust Indenture, dated as of December 1, 2009 (the “2009 Trust Indenture”), among the 2009 Trustee, the Corporation and the District, the 2009 Installment Payments and 2009 Certificates, respectively, are subject to prepayment prior to their stated maturity dates, at the option of the District, in whole or in part, upon the occurrence of an Extraordinary Event, which is defined in the 2009 Trust Indenture and 2009 Installment Sale Agreement as follows, in relevant part:

An “Extraordinary Event” will have occurred if the District determines that a material adverse change has occurred to Section 54AA or 6431 of the Tax

#14.

Code... or there is any guidance published by the Internal Revenue Service or the United States Treasury with respect to such sections or any other determination by the Internal Revenue Service or the United States Treasury... pursuant to which the District's 35% cash subsidy payment from the United States Treasury is reduced or eliminated; and

WHEREAS, the District has determined that the Tax Credit Reduction constitutes an Extraordinary Event and now desires to prepay the 2009 Installment Payments, thereby causing the prepayment of the 2009 Certificates, pursuant to Section 6.02 of the 2009 Installment Sale Agreement and Section 403 of the 2009 Trust Indenture; and

WHEREAS, to that end, in order to realize debt service savings, the District proposes to issue its Moulton Niguel Water District 2019 Revenue Refunding Bonds (the "Bonds") under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), and the Bonds will be secured by a pledge of, first, the Tax Revenues, and, second, the Net Revenues (as those terms are defined in the Indenture of Trust described below); and

WHEREAS, the pledge of Tax Revenues and Net Revenues to the Bonds shall be on a parity basis with the District's pledge of Tax Revenues and Net Revenues as security for:

(i) the District's 2015 Revenue Refunding Bonds issued in the original aggregate principal amount of \$12,265,000; and

(ii) the District's obligation to make certain installment payments under California Infrastructure Development Bank (CIEDB) Enterprise Fund Installment Sale Agreements 01-020 and 01-026; and

WHEREAS, the pledge of Tax Revenues and Net Revenues to the Bonds shall be on a parity basis with the District's pledge of Tax Revenues and certain Net Revenues as security for the State Revolving Fund Loan designated "Phase IV Recycled Water SRF Loan No. C-06-4150-120"; and

WHEREAS, pursuant to Government Code Section 5852.1, which became effective on January 1, 2018, by the enactment of Senate Bill 450, certain information relating to the Bonds is set forth in Appendix A attached to this Resolution, and such information is hereby disclosed and made public; and

WHEREAS, the Board of Directors of the District has duly considered such transactions and wishes at this time to approve said transactions as being in the public interests of the District;

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

SECTION 1. Issuance of Bonds; Approval of Indenture. The Board of Directors hereby authorizes the issuance of the Bonds under the Bond Law, in the principal amount of not

to exceed \$60,000,000, for the purpose of providing funds to refinance the 2009 Installment Payments and thereby provide funds to refund the outstanding 2009 Certificates.

The Bonds shall be issued under an Indenture of Trust (the “Indenture of Trust”) between the District and U.S. Bank National Association as trustee, which is hereby approved in substantially the form on file with the Board Secretary together with any changes therein or additions thereto deemed advisable by the General Manager or the Assistant General Manager (each, an “Authorized Officer”), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of such changes and additions. The Board of Directors hereby authorizes and directs an Authorized Officer to execute, and the Board Secretary to attest, said form of the Indenture of Trust for and in the name of the District. The Board of Directors hereby authorizes the delivery and performance of the Indenture of Trust.

SECTION 2. Refinancing of 2009 Installment Payments; Refunding Instructions.

The Board of Directors hereby authorizes and approves the refinancing of the 2009 Installment Payments from the proceeds of the Bonds. Such refinancing shall be accomplished under the Irrevocable Refunding Instructions (“Refunding Instructions”) to be given by the District to the 2009 Trustee, in substantially the form on file with the Board Secretary together with any changes therein or additions thereto deemed advisable by an Authorized Officer, and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of such changes and additions. The Board of Directors hereby authorizes and directs an Authorized Officer to execute the final form of the Refunding Instructions for and in the name of the District. The Board of Directors hereby authorizes the delivery and performance of the Refunding Instructions.

SECTION 3. Sale of the Bonds. An Authorized Officer is hereby authorized to negotiate a bond purchase contract (the “Purchase Contract”) with Morgan Stanley & Co. LLC, as underwriter (the “Underwriter”), in substantially the form on file with the Board Secretary, and to determine the following matters with respect to the Bonds: (a) the aggregate principal amount of the Bonds to be issued and sold under the Indenture, but not to exceed the principal amount set forth in Section 1 of this Resolution; (b) the interest rate to be borne by the Bonds, provided that the true interest cost of the Bonds shall not exceed 4.50%; (c) the respective maturity dates and principal amounts of the Bonds of each maturity; (d) the sinking fund installments, if any, with respect to any term Bonds; (e) the Underwriter's discount at which the Bonds are to be sold to the Underwriter, but not to exceed 0.35% of the par amount of the Bonds; and (f) the net present value savings achieved by the prepayment of the 2009 Certificates, expressed as a percentage of the principal amount of the 2009 Certificates that are prepaid, provided that such net present value savings are at least 5.00%.

The Purchase Contract, in substantially the form on file with the Board Secretary and made a part hereof as though set forth in full herein, is hereby approved by the Board of Directors. An Authorized Officer is hereby authorized and directed, for and in the name of the District, to execute and deliver the Purchase Contract in such form, together with such changes, insertions and omissions that are approved by the Authorized Officer executing such agreement and Bond Counsel and that are in accordance with the provisions of this Resolution, such execution to be conclusive evidence of this Board of Directors’ approval; and the Board

#14.

Secretary is hereby authorized and directed to attest such Purchase Contract, if necessary. The Board of Directors hereby approves the negotiated sale of the Bonds to the Underwriter pursuant to such Purchase Contract.

SECTION 4. Official Statement; Continuing Disclosure Certificate. The Board of Directors hereby approves the preliminary Official Statement in substantially the form on file with the Board Secretary. Distribution of the preliminary Official Statement by the Underwriter is hereby approved, and prior to the distribution of the preliminary Official Statement, an Authorized Officer is authorized and directed, on behalf of the District, to deem the preliminary Official Statement “final” pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”). The execution of the final Official Statement, which shall include such changes and additions thereto deemed advisable by the Authorized Officer executing the same and such information permitted to be excluded from the preliminary Official Statement pursuant to the Rule, is hereby approved for delivery to the purchasers of the Bonds, and an Authorized Officer is authorized and directed to execute and deliver the final Official Statement for and on behalf of the District, to deliver to the Underwriter a certificate with respect to the information set forth therein and to deliver to the Underwriter the Continuing Disclosure Certificate substantially in the form appended to the final Official Statement.

SECTION 5. Debt Service Reserve Fund Policy. An Authorized Officer is authorized to accept, on behalf of the District, a debt service reserve fund policy (if needed), provided that the purchase of such policy or policies results in net savings to the District. The proceeds of the Bonds may be used to pay the premium for such a policy.

SECTION 6. Engagement of Professional Services. In connection with the issuance and sale of the Bonds, the Board of Directors hereby authorizes the engagement of the services of the firm of Jones Hall, A Professional Law Corporation, to act as bond counsel and disclosure counsel to the District. An Authorized Officer is hereby authorized and directed to execute an agreement with such firm, in the form on file with the Board Secretary.

SECTION 7. Official Actions. The President, the General Manager, the Assistant General Manager, the Board Secretary and any and all other officers of the District are hereby authorized and directed, for and in the name and on behalf of the District, to do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the transactions described herein, including but not limited to a continuing disclosure certificate. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

SECTION 8. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

ADOPTED, SIGNED and APPROVED this 20th day of December 2018.

MOULTON NIGUEL WATER DISTRICT

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

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

APPENDIX A**Government Code Section 5852.1 Disclosure**

The following information consists of estimates that have been provided by the District's municipal advisor and have been represented by such party to have been provided in good faith:

1. True Interest Cost. Assuming a par amount of \$55,000,000 of Bonds is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.50%.
2. Finance Charge. A good faith estimate of the finance charge of the Bonds, which means the sum of all fees and charges paid to third parties, is \$295,000.
3. Amount of Proceeds to Be Received. A good faith estimate of the amount of proceeds expected to be received for sale of the Bonds less the finance charge of the Bonds described in paragraph 2 above and any reserves or capitalized interest paid or funded with proceeds of the Bonds, is \$54,865,000. This amount will be applied to defease the 2009 Certificates.
4. Total Payment Amount. Assuming a par amount of \$55,000,000 is sold and based on market interest rates prevailing at the time of preparation of this information, a good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the Bonds plus the finance charge of the Bonds described in paragraph 2 above not paid with the proceeds of the Bonds, calculated to the final maturity of the Bonds, is \$86,000,000.

The foregoing estimates constitute good faith estimates only. The principal amount of the Bonds, the true interest cost of the Bonds, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to: (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates; (b) the actual principal amount of Bonds sold being different from the estimated amount used for purposes of such estimates; (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates; (d) the actual market interest rates at the time of sale of the Bonds being different than those estimated for purposes of such estimates; (e) other market conditions; or (f) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the District based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.