



# MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099

Home Page: [www.mcwd.org](http://www.mcwd.org)

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## DIRECTORS

HOWARD GUSTAFSON  
*President*

PETER LE  
*Vice President*

THOMAS P. MOORE  
WILLIAM Y. LEE  
JAN SHRINER

## Agenda

### Special Board Meeting, Board of Directors Marina Coast Water District

**11 Reservation Road, Marina, California**

Thursday, June 4, 2015, **5:00 p.m.** PST

*(Please note the different location)*

*This meeting has been noticed according to the Brown Act rules. The Board of Directors meet regularly on the first and third Monday of each month. The meetings normally begin at 6:00 p.m. and are held at the City of Marina Council Chambers at 211 Hillcrest Avenue, Marina, California.*

***Our Mission:*** *We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

**1. Call to Order**

**2. Roll Call**

**3. Pledge of Allegiance**

**4. Action Item**

- A. Discussion and Possible Action to Consider Adoption of Resolution No. 2015-25 Authorizing the Issuance and Sale of Refunding Bonds in the Principal Amount of Not-to-Exceed \$37,000,000 to Refund Outstanding 2006 Certificates of Participation, and Approving Related Documents and Actions

*Action: The Board of Directors will consider authorizing the issuance and sale of Refunding Bonds in the principal amount of not-to-exceed \$37,000,000 to refund outstanding 2006 Certificates of Participation, and approving related documents and actions.*

**5. Director's Comments**

**6. Adjournment** *Set or Announce Next Meeting(s), date(s), time(s), and location(s):*

*Regular Meeting: Monday, June 15, 2015, 6:30 p.m.,  
Marina Council Chambers, 211 Hillcrest Avenue, Marina*

This agenda is subject to revision and may be amended prior to the scheduled meeting. A final agenda will be posted at the District office at 11 Reservation Road, Marina, 24 hours prior to the meeting. Information about items on this agenda or persons requesting disability related modifications and/or accommodations should contact the Board Clerk 48 hours prior to the meeting at: 831-883-5910.

Marina Coast Water District  
Agenda Transmittal

Agenda Item: 4-A

Meeting Date: June 4, 2015

Submitted By: Kelly Cadiente

Approved By: Bill Kocher

Agenda Title: Consider Adoption of Resolution No. 2015-25 Authorizing the Issuance and Sale of Refunding Bonds in the Principal Amount of Not-to-Exceed \$37,000,000 to Refund Outstanding 2006 Certificates Of Participation, and Approving Related Documents and Actions

Staff Recommendation: Adopt Resolution No. 2015-25 authorizing the issuance and sale of refunding bonds in the principal amount of not-to-exceed \$37,000,000 to refund outstanding 2006 Certificates of Participation, and approving related documents and actions to approve bond financing

Background: *Strategic Plan Mission Statement – We provide our customers with high quality water, wastewater collection and conservation services at a reasonable cost, through planning, management and the development of water resources in an environmentally sensitive manner.*

On August 23, 2006, the District issued its Certificates of Participation, Series 2006, in the principal amount of \$42,310,000, for the purpose of financing improvements to the District's water and wastewater systems and refinance prior obligations. On April 20, 2015, the Board adopted Resolution No. 2015-18 authorizing the refunding of the outstanding 2006 Certificates of Participation with BOSC, Inc. as the underwriter, Jones Hall as bond counsel, and directed staff to issue a RFO for a Financial Advisor for the refunding. On May 18, 2015, the Board adopted Resolution No. 2015-22 approving a contract with Fieldman Rolapp & Associates to provide financial advisory services to the District.

Discussion/Analysis: The District has undertaken an early refunding (refinancing) of its outstanding 2006 Certificates of Participation (COPs) in the amount of \$35,170,000 to potentially save approximately \$196,000 per year in bond interest. Because the bonds are not callable until June 1, 2016, the District is refunding the bonds by creating an escrow account that would pay the bonds when they are due and callable. The escrow account will be funded by State and Local Government Series (SLGS) or treasury securities.

Environmental Review Compliance: None required.

Financial Impact   X   Yes      \_\_\_\_\_ No    Funding Source/Recap: The refunding of the 2016 COPs would not have a financial impact in FY 2014/2015 but would generate future cost savings on an annual basis of approximately \$196,000. The savings would be allocated based on the outstanding 2006 COPs as follows: Marina Water (MW) – 8%; Marina Sewer (MS) – 5%; Ord Water (OW) – 51%; Ord Sewer (OS) – 22%; Recycled Water (RW) – 14%

Other Considerations: None.

Materials Provided for Information/Consideration: Resolution No. 2015-25; The District's Preliminary Official Statement; Indenture of Trust; Bond Purchase Contract; and Escrow Agreement.

Action Required:      X   Resolution          Motion              Review  
(Roll call vote is required.)

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Board Action

Motion By \_\_\_\_\_ Seconded By \_\_\_\_\_ No Action Taken \_\_\_\_\_

Ayes \_\_\_\_\_ Abstained \_\_\_\_\_

Noes \_\_\_\_\_ Absent \_\_\_\_\_

June 4, 2015

Resolution No. 2015-25  
Resolution of the Board of Directors  
Marina Coast Water District

Authorizing the Issuance and Sale of Refunding Bonds in the Principal Amount of  
Not-to-Exceed \$37,000,000 to Refund Outstanding 2006 Certificates Of  
Participation, and Approving Related Documents and Actions

RESOLVED by the Board of Directors (“Directors”) of the Marina Coast Water District (“District”), at a special meeting duly called and held on June 4, 2015 at 11 Reservation Road, Marina, California as follows:

WHEREAS, the Marina Coast Water District (the “District”) owns and operates facilities and property for the supply, treatment and distribution of water (the “Water System”) and the collection, treatment and disposal of wastewater within the service area of the District (the “Wastewater System”) and in order to finance the construction of various improvements to the Water Enterprise and the Wastewater Enterprise, the District has previously entered into an Installment Sale Agreement dated as of August 1, 2006, between the District and the Public Property Financing Corporation of California (the “Financing Corporation”), under which the District is obligated to pay semiannual installment payments (the “2006 Installment Payments”) which are secured by a pledge of and lien on the net revenues of the Enterprises (the “Net Revenues”); and,

WHEREAS, the 2006 Installment Payments are evidenced by Enterprise Revenue Certificates of Participation, Series 2006, which have been executed and delivered in the aggregate original principal amount of \$42,310,000 (the “2006 Certificates”) under a under a Trust Agreement dated as of August 1, 2006, among the District, the Financing Corporation and Union Bank, N.A., as trustee; and,

WHEREAS, the 2006 Installment Payments and the 2006 Certificates are subject to prepayment in whole or in part on any date on or after June 1, 2016, in order to provide funds for such purpose and thereby realize interest rate savings to the District, the Board of Directors of the District wishes to authorize the issuance and sale of 2015 Senior Lien Enterprise Revenue Refunding Bonds in the aggregate principal amount of not to exceed \$37,000,000 (the “Refunding 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 “Refunding Bond Law”); and,

WHEREAS, the Refunding Bonds will be secured by a pledge of and lien on the net revenues derived by the District from the operation of the Water System and the Wastewater System, on a basis which is senior to the outstanding \$8,495,000 aggregate principal amount of Marina Coast Water District 2010 Subordinate Enterprise Revenue Refunding Bonds (the “2010 Bonds”).

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Marina Coast Water District as follows:

**Section 1. Authorization of Refunding Bonds.** The Board of Directors hereby authorizes the issuance of the Refunding Bonds in the maximum principal amount of \$37,000,000, for the purpose of providing funds to refund the 2006 Installment Payments and the 2006 Certificates. The Refunding Bonds shall be revenue bonds which are payable from and secured by a pledge of and lien on the net revenues of the Water System and the Wastewater System, on a basis which is senior to the outstanding 2010 Bonds. The Refunding Bonds are authorized and shall be issued under and pursuant to the terms and provisions of the Refunding Bond Law.

**Section 2. Approval of Indenture of Trust.** The Board of Directors hereby approves the Indenture of Trust between the District and MUFG Union Bank, N.A., as trustee, relating to the issuance and sale of the Refunding Bonds, in substantially the form on file with the Clerk of the Board together with any changes therein or additions thereto deemed advisable by the General Manager or the Director of Finance (each, an "Authorized Officer"). An Authorized Officer is hereby authorized and directed for and in the name and on behalf of the District to execute the final form of the Indenture of Trust, and the Clerk of the Board is hereby authorized and directed to attest the final form of the Indenture of Trust. Execution of the Indenture of Trust by an Authorized Officer shall be conclusive evidence of the approval of any changes therein or additions thereto by such Authorized Officer.

**Section 3. Negotiated Sale of Refunding Bonds.** The Board of Directors hereby approves the sale of the Refunding Bonds by negotiation with Hutchinson, BOSC, Inc. as underwriter (the "Underwriter") under a Bond Purchase Agreement between the District and the Underwriter in the form on file with on file with the Clerk of the Board, together with any changes therein or additions thereto approved by an Authorized Officer, and the execution thereof by an Authorized Officer shall be conclusive evidence of such approval. The amount of Underwriter's discount for the Refunding Bonds shall be not more than 0.40% of the par amount thereof and the true interest cost of the Refunding Bonds shall not exceed 4.15% per annum.

**Section 4. Official Statement.** The Board of Directors hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the preliminary Official Statement describing the Refunding Bonds in the form on file with the Clerk of the Board. An Authorized Officer is hereby authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the Board of Directors' determination that the preliminary Official Statement has been deemed final within the meaning of such Rule. Distribution of the preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The Board of Directors hereby authorizes the distribution of the final Official Statement by the Underwriter. The final Official Statement shall be executed in the name and on behalf of the District by an Authorized Officer.

**Section 5. Official Actions.** The President, the Vice President, the General Manager, the Finance Director, the Clerk of the Board, and all other officers of the District, are authorized and directed in the name and on behalf of the District to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, including but not limited to a Continuing Disclosure Certificate in substantially the form appended to the Official Statement, which they or any of them deem necessary or appropriate in order to consummate any of the transactions contemplated by the agreements and

documents approved under this Resolution. 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 in the case such officer is absent or unavailable.

**Section 6. Effective Date.** This resolution shall take effect from and after the date of approval and adoption thereof.

PASSED AND ADOPTED on June 4, 2015, by the Board of Directors of the Marina Coast Water District by the following roll call vote:

Ayes: Directors \_\_\_\_\_

Noes: Directors \_\_\_\_\_

Absent: Directors \_\_\_\_\_

Abstained: Directors \_\_\_\_\_

\_\_\_\_\_  
Howard Gustafson, President

ATTEST:

\_\_\_\_\_  
Bill Kocher, Secretary

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Marina Coast Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2015-25 adopted June 4, 2015.

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Bill Kocher, Secretary