**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

August 25, 1993

To: Board of Directors (Finance and Insurance Committee--Action)

From: General Manager

Subject: Appropriation No. 668--Marketing Expenses for Sale of Water Revenue Refunding Bonds, Issue of 1993, Series C, and Waterworks Refunding General Obligation Bonds, Issue of 1993, Series C

Report

Staff is preparing to refund additional outstanding revenue and general obligation bonds of the District. Working with bond counsel and the District's financial advisor, financial documents are being revised and updated to prepare for the refundings.

An appropriation is required to charge marketing expenses incurred in connection with the proposed sales. Marketing expense estimates for the sales are derived from past experience, and the best estimates of staff and the financial advisor.

It is estimated that an appropriation in the amount of \$642,000 will be required to cover the projected marketing expenses for the proposed sales. The following table shows the estimated expenses:

Bond Counsel/Co-Bond Counsel	\$150,000
Moody's Investors Service	45,000
Standard and Poor's Corporation	45,000
Typesetting, Printing, Mailing	100,000
Financial Advisor	25,000
Market Development/Miscellaneous	20,000
Verification Agent	15,000
Auditing Services	12,000
Paying Agent	30,000
Surety Bond	<u>200,000</u>
Total Appropriation	\$642,000

Action in connection with the proposed appropriation for bond marketing expenses is not subject to the provisions of the California Environmental Quality Act because it can be seen with certainty that there is no possibility that this action can have a significant effect on the environment.

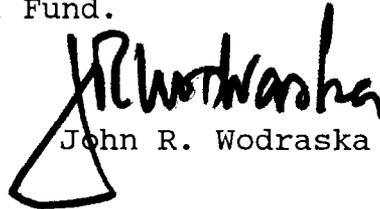
Board Committee Assignment

This letter was referred for action to the Finance and Insurance Committee because of its jurisdiction to study, advise, and make recommendations regarding the appropriation and potential disposition of funds, pursuant to Administrative Code Section 2441 (c) and (d).

Recommendation

FINANCE AND INSURANCE COMMITTEE FOR ACTION.

It is recommended that the Board of Directors authorize Appropriation No. 668 in the amount of \$642,000 for marketing expenses arising from the sale of Water Revenue Refunding Bonds, Issue of 1993, Series C, and Waterworks Refunding General Obligation Bonds, Issue of 1993, Series C, to be paid from the General Fund.


John R. Wodraska

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