



Adopt Third Supplemental Subordinate Resolution to the Master Subordinate Resolution Authorizing the Issuance of Up to \$80 million of Subordinate Water Revenue Bonds, 2017 Series C; and Approve Expenditures to Fund the Costs of Issuance of the Bonds

Finance & Insurance Committee

Item 8-2

June 12, 2017

3rd Supplemental Subordinate Resolution

- **Authorize up to \$80 million Subordinate Water Revenue Bonds, 2017 Series C**
- **Proceeds will finance a portion of FY 2017/18 capital expenditures**
- **Ad Hoc Committee will approve terms and conditions of bond sale**
- **Remaining balance under Ordinance No. 149 of \$36.7 million and \$43.3 million under Ordinance No. 150**

3rd Supplemental Subordinate Resolution

- Issuance of \$80 million consistent with current adopted biennial budget (fiscal years 2016/17 and 2017/18), capital investment plan, and Ten-Year Financial Forecast
- Reflects planned use of debt financing for 40% of capital expenditures for fiscal year 2017/18
- Provides financial flexibility to finance capital expenditures and maintain modest rate increases
- Consistent with sound financial policy

Board Options

● Option #1

- **Adopt CEQA Determination , and**
 - a. **Adopt the Third Supplemental Subordinate Resolution to the Master Subordinate Resolution authorizing the issuance of up to \$80 million of Subordinate Water Revenue Bonds, 2017 Series C and providing the terms and conditions for the sale and issuance of said Subordinate Water Revenue Bonds; and**
 - b. **Approve up to \$225,000 for the payment of the costs of issuance of the Subordinate Water Revenue Bonds to be paid from bond proceeds or Metropolitan funds.**

Board Options

- **Option #2**

- **Do not adopt the Third Supplemental Subordinate Resolution to the Master Subordinate Resolution**

Staff Recommendation

- **Option #1**

