



**Adopt Fourth Supplemental Subordinate Resolution to the Master Subordinate Resolution Authorizing the Issuance of Up to \$80 million of Subordinate Water Revenue Bonds, 2018 Series; and Approve Expenditures to Fund the Costs of Issuance of the Bonds**

**Finance & Insurance Committee**

**Item 8-3**

**May 7, 2018**

# 4th Supplemental Subordinate Resolution

- Authorize up to \$80 million Subordinate Water Revenue Bonds, 2018 Series
- Proceeds will finance a portion of FY 2018/19 capital expenditures
- Ad Hoc Committee or its designee will approve terms and conditions of bond sale
  - Competitive sale
  - Overview of upcoming financings in June 2018
- Uses up to \$80 million of the \$356.7 million authorized under Ordinance No. 150

# 4th Supplemental Subordinate Resolution

- Issuance of \$80 million consistent with current adopted biennial budget (fiscal years 2018/19 and 2019/20), capital investment plan, and Ten-Year Financial Forecast
- Reflects planned use of debt financing for 40% of capital expenditures for fiscal year 2018/19
- 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 Fourth Supplemental Subordinate Resolution to the Master Subordinate Resolution authorizing the issuance of up to \$80 million of Subordinate Water Revenue Bonds, 2018 Series and providing the terms and conditions for the sale and issuance of said Subordinate Water Revenue Bonds; and**
- b. Approve up to \$150,000 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 Fourth Supplemental Subordinate Resolution to the Master Subordinate Resolution**

# Staff Recommendation

- Option #1



