



Adopt Twenty-Third Supplemental Resolution to the Master Revenue Bond Resolution Authorizing the Issuance of Up to \$270 million of Water Revenue Bonds, 2020 Series; and Approve Expenditures to Fund the Costs of Issuance of the Bonds of Approximately \$2 million

Finance & Insurance Committee

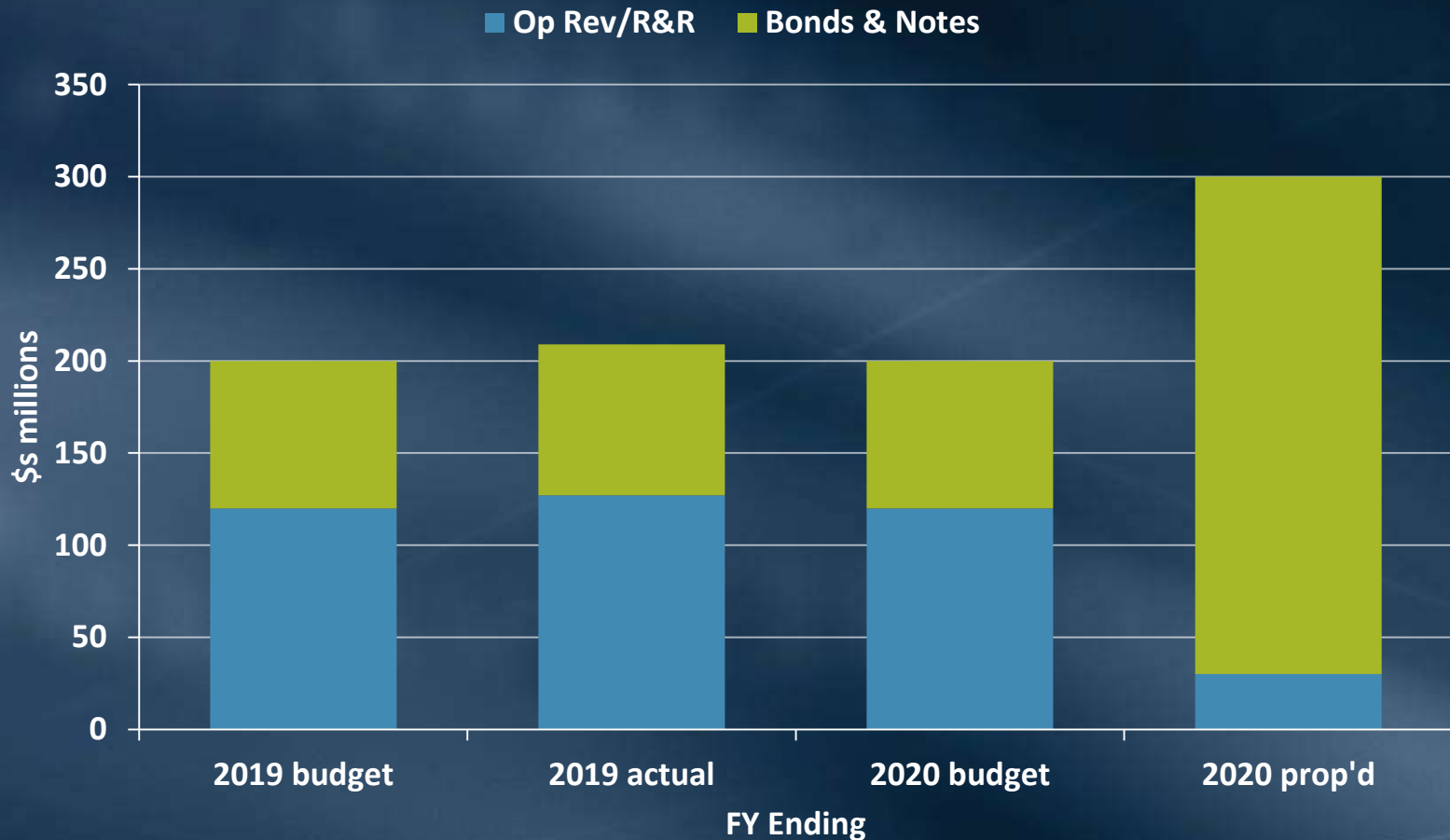
Item 8-1

December 9, 2019

Twenty-Third Supplemental Resolution

- Authorize up to \$270 million Water Revenue Bonds, 2020 Series
- Proceeds will finance a portion of FY 2019/20 capital expenditures
- Ad Hoc Committee or its designee will approve terms and conditions of bond sale
 - Negotiated sale
 - Covered in the Biennial Budget Review in September 2019
- Uses up to \$270 million of the remaining \$292.4 million authorized under Ordinance No. 150

Financing Capital Expenditures, FYs 2018/19 and 2019/20



As shown in the September 2019 Mid-cycle Biennial Budget Review

Projected Expenditures, FY 2019/20 with Adjustment to Capital Financing

\$ in millions

	FY 2019/20 Budget	Adjustments	FY 2019/20 Projected
Debt Service	330.9	(41.8)	289.1
PAYGo	120.0	(90.0)	30.0
State Water Contract	589.5	6.2	595.7
Delta Conveyance	13.0	-	13.0
O&M	496.4	-	496.4
Colorado River Power	53.0	(18.2)	34.8
Supply Programs	54.4	5.7	60.1
Cyclic Cost-Offset program	-	13.5	13.5
AVEK	-	26.2	26.2
Demand Management	85.8	-	85.8
Total	1,743.0	(98.4)	1,644.6

Twenty-Third Supplemental Resolution

- Issuance of up to \$270 million consistent with Biennial Budget Review
- Provides proceeds to fund projected capital expenditures for fiscal year 2019/20
 - Proceeds to repay a \$100 million draw on the Short-Term Revolving Credit Facility used to fund capital expenditures
 - Reimburse use of operating revenues to July 1, 2019
- Provides financial flexibility to finance a portion of capital expenditures, maintain financial reserves, and mitigate future rate increases
- Consistent with sound financial policy

Board Options

- Option #1

- Adopt Twenty-Third Supplemental Resolution to the Master Revenue Bond Resolution authorizing the issuance of up to \$270 million of Water Revenue Bonds, 2020 Series and providing the terms and conditions for the sale and issuance of said Water Revenue Bonds; and approve expenditures to fund the costs of issuance of the Bonds of approximately \$2 million to be paid from bond proceeds or Metropolitan funds.

Board Options

- Option #2
 - Do not adopt the Twenty-Third Supplemental Resolution to the Master Revenue Bond Resolution

Staff Recommendation

- Option #1

