

## **FINANCE COMMITTEE NOTES**

### **February 10, 2021**

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#### **Attendees:**

|                        |  |
|------------------------|--|
| Committee members:     | Randall Reed (Chair) and Mark Gibboney   |
| Staff members:         | John Bosler, Carrie Guarino, Chad Brantley, Eduardo Espinoza, Rob Hills, Agnes Boros, Frank Chu, Robert Kalarsarinis, Eric Grubb, Tuan Truong, Jennifer Fillinger, and Andrea Dutton |
| Members of the Public: | Robert Porr and Lora Carpenter, Fieldman Rolapp Assoc.<br>Brian Forbath, Stradling Yocca Carlson & Rauth<br>Jeffrey Bower and Jack Tsang, Bank of America Securities                 |

**Call to Order:** 10:00 a.m.

**Public Comment:** None

**Additions/Deletions to Agenda:** None

#### **Introductory Remarks by Chair Reed**

Chair Reed announced for the record that this meeting was conducted by teleconference pursuant to the Brown Act waivers provided for under the Governor's Executive Orders in response to the COVID-19 State of Emergency. Further, the agenda stated that there was no public location for attending this meeting in person. The agenda stated that the public may listen and provide comment telephonically by calling the number listed on the agenda. Chair Reed took a roll call of Committee members and staff present on the call as listed above.

#### **1. Committee Officers**

- Discussion ensued regarding committee officer positions. Chair Reed nominated Director Gibboney to serve in the role of Chair for the committee. Director Gibboney agreed. The slate of officers going forward will be:

Chair: Mark Gibboney

Member: Randall Reed

#### **2. Debt Refunding Opportunity (Verbal)**

- Staff introduced the financial advisors, attorneys and bank underwriters who have been assembled in order to consider the issuance of bonds to re-finance a portion of the District's long-term debt.
- Lora Carpenter and Jack Tsang provided the committee with a presentation showing the details of the proposed bond re-financing plan. The proposal involves refinancing the outstanding balance of

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the 2011 COP's and the 2012 Revenue Bonds. Refinancing this debt is projected to save approximately \$11 million of interest cost over remaining term of about 21 years.

#### **3. Capital Improvement Projects “B” List Update**

- Staff updated the committee on the current economic conditions of the District based on water sales and operational cost savings during the first six months of the fiscal year.
- Based on healthy economic results, staff recommends that the District move forward with the Capital Improvement Projects that were included on the list that would be deferred only if economic conditions worsened.
- There is no budgetary impact to completing these projects because the projects were included in the balanced two-year Budget.

#### **4. Administrative Policy No. 1.4, Investments**

- Staff and PFM Investment Advisors have performed the annual review of the Investment Policy.
- Recommended changes to the policy include the addition of Asset Backed Securities as an allowable investment type as well as other minor changes consistent with California Government Code.
- The amended policy will be brought to the full Board of Directors for review and adoption on February 23, 2021.

#### **5. Rate Study Timeline Update (Verbal)**

- Staff proposed a draft timeline of key events in the water rate study process.
- The committee concurred with the draft timeline and target dates.

Meeting Adjourned at 11:20 a.m.