



**VALLEY COUNTY WATER DISTRICT
MINUTES FOR THE MEETING OF THE FINANCE & CAPITAL IMPROVEMENTS COMMITTEE HELD
FRIDAY, MARCH 23, 2018**

Committee Members Present: President Paul Hernandez, Chairperson
Vice President Lenet Pacheco, Co-Chairperson

Staff Present: General Manager, Jose Martinez
Finance & Customer Service Manager, Jandy Macias

Public Present: Mariana Lake, Director
David Muse, Director

A. CALL TO ORDER

The meeting of the Finance & Capital Improvements Committee held on Friday, March 23, 2018, was called to order at 9:06am by President Hernandez.

B. PUBLIC COMMENT

- No comment

C. DISCUSSION/INFORMATION ITEMS

1. Review the Proposals for Investment Banking and Underwriting Services

- General Manager announced that the selection of an underwriter is a required component for the issuance of the bond; stated that the initial anticipated bond amount of \$18-million is estimated to increase to \$25-million
- President Hernandez asked if the increase was a result of consolidating the Administrative offices to the Operations Headquarters
- General Manager
 - Responded that it was a contributing factor, but reported that the District asked for more accurate estimated costs for the construction of the 2 reservoirs, the main pipeline projects, and the meter replacement project
 - Announced that the District issued a request for proposal for investment banking and underwriting services on Wednesday, February 28, 2018 to 10 highly respected firms and received 4 responses; reported that the responses were evaluated based on 6-category rubric to fairly determine which firm would best represent the District
 - Announced that Citigroup Global Markets (Citigroup) scored the highest based on the rubric and submitted the lowest a proposal with the lowest fees
- President Hernandez asked about the fee structure
- General Manager reported that Citigroup proposed to charge \$2.769 per \$1,000 of the bond, which would result in a gross total of \$69,244.70, considering a AA-rating;
- President Hernandez recommended that the District not include projects or fees under \$100,000, in order to avoid paying interests fees on lower ticketed items
- General Manager stated that he agreed and has been evaluating the projects on the bond capital improvement list for this reason

- President Hernandez asked if the project timeline could be condensed to the major projects so the Board and the financial team would identify that the District is on schedule
- General Manager stated that there is still a lot of components that need to be completed for the issuance of the bond; reported that Fieldman Rolapp has develop a detailed schedule outlining the remaining process; stated that the District has reached out to Raftelis to assist in the completion of the Preliminary Official Statement
- The committee agreed to move forward with staff recommendation of Citigroup Global Markets for Investment Banking and Underwriter Services

2. *New and Old Business*

- General Manager announced that the auditor recently issued a draft of the FY 2016/2017 audit; stated that the Finance & Customer Services Manager was making revisions to the draft before it could be brought to the Finance & Capital Improvements Committee for review

D. ADJOURNMENT

- The meeting of the Finance & Capital Improvements Committee held Friday, March 23, 2018 was adjourned at 9:43 am by President Hernandez.

SIGNED:

ATTEST:



President of the Board of Directors
(OFFICIAL VCWD SEAL)



Secretary of the Board of Directors