



**WEST BASIN MUNICIPAL WATER DISTRICT**  
17140 S. Avalon Blvd., Suite 210  
Carson, CA 90746

**AGENDA NO. 22**

**FEBRUARY 10, 2010 – Finance**  
Smith(Chair), Dear  
**FEBRUARY 22, 2010 – Board Meeting**  
Prepared by: Mary-Ann Rexroad  
Submitted by: Margaret Moggia  
Approved by: Rich Nagel

## ACTION CALENDAR

### DEBT MANAGEMENT POLICY

#### SUMMARY:

As West Basin Municipal Water District (West Basin) endeavors to meet its Water Reliability 2020 goals, the development of a Long-Range Financial Plan (LRFP) is essential. The LRFP provides a financial outlook to an organization to address how it intends to meet future challenges and opportunities. One important component of a LRFP is the development of financial policies. Rating agencies look favorably on those entities that have adopted applicable financial policies.

Staff has been developing a Debt Management Policy to guide West Basin in the issuance, management, evaluation and reporting of its debt obligations. As West Basin moves forward with the capital projects identified in the Capital Improvement Master Plan (CIMP), the need to issue debt to fund investments into its infrastructure increases. Adopting a Debt Management Policy will not only assist West Basin in setting guidelines for the issuance and management of its outstanding debt, it will also help protect and enhance its credit ratings.

The proposed Debt Management Policy, attached as Exhibit "A", also outlines the roles and responsibilities, the types of allowable debt financing, debt structure considerations, as well as the different methods West Basin may utilize to sell its debt. The proposed Debt Management Policy has been reviewed by district counsel, bond counsel and its financial advisor.

#### STRATEGIC BUSINESS PLAN IMPLEMENTATION:

Goal 4: Sound Financial and Resources Management – West Basin is committed to efficient business operations, financial planning, and asset management.

#### FISCAL IMPACTS:

Adoption of a Debt Management Policy will guide West Basin to protect and enhance its credit ratings.

#### ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance Committee on February 10, 2010 and agendaized to the February 22, 2010 Board meeting for consideration without a Committee recommendation.

RECOMMENDED MOTION:

That the Board approves the West Basin Municipal Water District Debt Management Policy.

LIST OF EXHIBITS:

Exhibit "A" – West Basin Municipal Water District Debt Management Policy.

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