



22900 Canyon Avenue, P.O. Box 70, River Pines, CA, 95675  
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**REGULAR AGENDA**  
**Wednesday, August 18, 2021 - 6:00 P.M.**

**River Pines Town Hall**  
**22900 Canyon Avenue**  
**River Pines, CA 95675**

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1. **CALL TO ORDER**
  2. **ROLL CALL**
  3. **PLEDGE OF ALLEGIANCE**
  4. **AGENDA:** Approval of agenda for this date; all off-agenda items must be approved by the Board (pursuant to §54954.2 of the Government Code.)
  5. **PUBLIC COMMENT FOR MATTERS NOT ON THE AGENDA:** Discussion items only, no action to be taken. Any person may address the Board now upon any subject within the jurisdiction of the Board; however, any matter that requires action may be referred to staff and/or Committee for a report and recommendation for possible action at a subsequent Board meeting. Please note - there is a **three (3) minute limit per topic.**
  6. **MINUTES: Discussion / Approval.**
    - a. July 21, 2021 Regular Meeting.
  7. **CONSENT ITEMS:**
    - a. Monthly Financial Statements – Period Ending July 31, 2021.
    - b. Expenditure Report – Submitted Check Approval through July 31, 2021.
  8. **MONTHLY OPERATIONS REPORT: Discussion.** Any matter requiring Action will be placed on and upcoming agenda for consideration.
    - a. Monthly Operations Report.
    - b. Monthly General Manager Report.
  9. **BOARD MATTERS: Discussion / Action / Direction to Staff.**
    - a. Debt Management Policy, Discussion / Action.
    - b. Ordinance - Conservation and Agricultural Water Usage Guidelines, Discussion/Action.
  10. **BOARD OF DIRECTORS COMMENTS/REPORTS: Discussion Only.**
    - a. Capital Improvements and general repairs necessary at the District, Continued Item.
  11. **COMMITTEE COMMENTS/REPORTS: Continued Item.**

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REGULAR MINUTES

Wednesday, July 21, 2021
ACTION MINUTES

1. CALL TO ORDER: The meeting was called to order by Chairman Christensen at 6:07 p.m.

2. ROLL CALL: Via Phone

Director Karla Christensen
Director John Chapman
Director Anita Ebbinghausen

Candi Bingham, General Manager
Gisele Wurzbarger, Board Clerk – Via Phone

3. PLEDGE OF ALLEGIANCE: Vice-Chairman Raymond led the Pledge of Allegiance.

4. AGENDA:

Motion by Board Member Henry seconded by Vice-Chairman Raymond and carried by a 5 to 0 vote to approve the Regular Agenda dated July 21, 2021 as presented. Motion passed by the following vote:

- AYES: Chapman, Christensen, Ebbinghausen, Henry, Raymond
NOES: None
ABSTAIN: None
ABSENT: None

5. PUBLIC COMMENT FOR MATTERS NOT ON THE AGENDA:

Due to poor audio not all of the individuals' input was recorded.

Cathy Landgraf was present to speak about fire issues in the District and being proactive for the grant. Second Individual - poor audio and was not able to identify individual or their comments.

6. MINUTES: Discussion / Approval.

A. June 16, 2021 Regular Meeting.

Motion by Chairman Christensen, seconded by Board Member Ebbinghausen, and carried by a 5 to 0 vote to approve the Minutes dated June 16, 2021 as amended. Motion passed by the following vote:

- AYES: Chapman, Christensen, Ebbinghausen, Henry, Raymond
NOES: None
ABSTAIN: None
ABSENT: None

**7. CONSENT ITEMS:**

a. Monthly Financial Statements - Period Ending June 30, 2021.

Chairman Christensen opened the public discussion. Hearing no further comments from the public, Chairman Christensen closed the public discussion.

**Motion by Board Member Henry, seconded by Chairman Christensen, and carried by a 5 to 0 vote to approve the Monthly Financial Statements - Period Ending June 30, 2021. Motion passed by the following vote:**

**AYES: Chapman, Christensen, Ebbinghausen, Henry, Raymond**  
**NOES: None**  
**ABSTAIN: None**  
**ABSENT: None**

b. Expenditure Report - Submitted Check Approval through June 30, 2021.

Chairman Christensen opened the public discussion. Hearing no further comments from the public, Chairman Christensen closed the public discussion.

**Motion by Chairman Christensen, seconded by Vice-Chairman Raymond, and carried by a 5 to 0 vote to approve the Expenditure Report - Period Ending June 30, 2021. Motion passed by the following vote:**

**AYES: Chapman, Christensen, Ebbinghausen, Henry, Raymond**  
**NOES: None**  
**ABSTAIN: None**  
**ABSENT: None**

**8. MONTHLY OPERATIONS REPORT: Discussion.** Any matter requiring action will be placed on an upcoming agenda for consideration.

A. Monthly Operations Report.

The report included updates from AWA staff, construction, wastewater and water – see report for complete details for Regulatory Compliance Specialist, Wastewater, Water, Distribution and Electrical.

**June 1 thru June 30, 2021 Water Production/Sold Information:**

Well 2 - 452,300 gallons      Total Produced – 1,396,884 gallons  
Well 3R – 693,900 gallons      Total Sold    873,950 gallons  
Well 6R – 156,156 gallons      Unaccounted Loss - 37%  
Staff Hours: Water 47.00 hours

**June 1 thru June 30, 2021 Wastewater Production:**

Influent flow: 1,159,00 gallons      Effluent Discharged: 167,300 gallons  
Staff Hours: Wastewater 47.00 hours

Chairman Christensen opened the public discussion. Hearing no comments from the public, Chairman Christensen closed the public discussion.

B. Monthly General Manager Report.

The Monthly General Manager Report included updates from the General Manager – see report for complete details.

General Manager Bingham provided more information regarding item 7 - Well 6R production and discussion with District Attorney on draught issues as it relates to this well production. This item will be discussed under 9b. Discuss Conservation and Agricultural Water Usage Guidelines.

Chairman Christensen opened the public discussion. Hearing no comments from the public. Chairman Christensen closed the public discussion.

**9. BOARD MATTERS: Discussion/Action.**

**a. Approve 2020 Annual Audit. Discussion/Action.**

General Manager Bingham reported the 2020 Annual Audit was posted on the District Website.

Chairman Christensen opened the public discussion. Hearing no comments from the public. Chairman Christensen closed the public discussion.

**Motion by Board Member Henry, seconded by Board Member Ebbinghausen, and carried by a 5 to 0 vote to approve the 2020 Annual Audit. Motion passed by the following vote:**

<b>AYES:</b>	<b>Chapman, Christensen, Ebbinghausen, Henry, Raymond</b>
<b>NOES:</b>	<b>None</b>
<b>ABSTAIN:</b>	<b>None</b>
<b>ABSENT:</b>	<b>None</b>

**b. Discuss Conservation and Agricultural Water Usage Guidelines. Discussion/Action.**

General Manager Bingham reported she reached out to the District's Attorney regarding the Conservation and Agricultural Water Usage Guidelines and he recommended that the District adopt an Ordinance for drought and the existing water shortage emergency to reduce water use fairly and equitably. This ordinance will also implement State requirements to address drought conditions and measures to address the water shortage emergency that exists within the area presently served by the River Pines Utility District. A copy of the District's - California Drought and River Pines information was provided for the Ordinance deliberation. She reported the District would have to post a Public Notice in the newspaper 7 days before the meeting.

Chairman Christensen opened the public discussion. Nancy Endy spoke about customers already adhering to conservation measures. Hearing no further comments from the public. Chairman Christensen closed the public discussion.

After considerable discussion the Board directed General Manager Bingham to contact the District's Attorney to draft the Conservation and Agricultural Water Usage Guidelines Ordinance and to publish a Public Notice in the newspaper for the August 18, 2021 meeting for discussion and action.

**c. River Access Dam Committee. Continued Discussion.**

No written report was submitted on this item. Chairman Christensen stated on June 27<sup>th</sup> they took down the boards for the River Access Dam. General Manager Bingham requested the information for reporting to the State.

Chairman Christensen opened the public discussion. Hearing no comments from the public. Chairman Christensen closed the public discussion.

No action taken.

**10. BOARD OF DIRECTORS COMMENTS/REPORTS: Discussion Only.**

**a. Capital Improvements and general repairs necessary at the District. Continued Item.**

**River Pines Public Utility District**  
**Profit & Loss by Class**  
 July 2021

7a

	Sewer	Water	TOTAL
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
<b>Base Fee Income</b>			
Maintenance Fees	340.00	340.00	680.00
Sewer	15,526.05	0.00	15,526.05
Voluntary Lock-Off	122.50	122.50	245.00
Water	0.00	12,244.04	12,244.04
<b>Total Base Fee Income</b>	<b>15,968.55</b>	<b>12,706.54</b>	<b>28,595.09</b>
Town Hall Rental	20.00	20.00	40.00
<b>Variable Income</b>			
Water - Usage	0.00	5,502.81	5,502.81
<b>Total Variable Income</b>	<b>0.00</b>	<b>5,502.81</b>	<b>5,502.81</b>
<b>Total Income</b>	<b>16,008.55</b>	<b>18,229.35</b>	<b>34,237.90</b>
<b>Gross Profit</b>	<b>16,008.55</b>	<b>18,229.35</b>	<b>34,237.90</b>
<b>Expense</b>			
<b>Bank Charges</b>			
Paymentus Fees	59.00	73.75	132.75
60400 - Bank Service Charges	4.50	4.50	9.00
<b>Total Bank Charges</b>	<b>63.50</b>	<b>78.25</b>	<b>141.75</b>
<b>Board Members</b>			
Stipends	187.50	187.50	375.00
<b>Total Board Members</b>	<b>187.50</b>	<b>187.50</b>	<b>375.00</b>
<b>Contracted Expenses</b>			
Board Clerk	150.00	150.00	300.00
Manager	2,416.68	2,416.68	4,833.34
<b>Total Contracted Expenses</b>	<b>2,566.68</b>	<b>2,566.68</b>	<b>5,133.34</b>
<b>Sewer Expenses</b>			
<b>Amador Water Agency</b>			
After Hour On-Call	241.00	0.00	241.00
Mandated State Reporting	963.67	0.00	963.67
Routine Service	3,389.76	0.00	3,389.76
<b>Total Amador Water Agency</b>	<b>4,594.43</b>	<b>0.00</b>	<b>4,594.43</b>
Electricity - Sewer	4,250.00	0.00	4,250.00
SCADA Service	700.00	0.00	700.00
Sewer - Parts/Supplies	1,566.98	0.00	1,566.98
Telephone - Sewer	200.51	0.00	200.51
Testing - Sewer	134.00	0.00	134.00
<b>Total Sewer Expenses</b>	<b>11,445.92</b>	<b>0.00</b>	<b>11,445.92</b>
<b>Water/Distribution Expenses</b>			
<b>Amador Water Agency</b>			
After Hour On-Call	0.00	462.00	462.00
Customer Service	0.00	67.60	67.60
Electrical Repairs	0.00	306.47	306.47
Mandatory State Reporting	0.00	192.74	192.74
Meter Reading	0.00	769.66	769.66
Routine Service	0.00	3,866.49	3,866.49
<b>Total Amador Water Agency</b>	<b>0.00</b>	<b>5,706.96</b>	<b>5,706.96</b>
Electricity - Water	0.00	1,525.95	1,525.95
Parts/Supplies	0.00	69.73	69.73
SCADA Service	0.00	300.00	300.00
Telephone - Water	0.00	196.07	196.07
Water Testing	0.00	1,429.00	1,429.00

1b

# River Pines Public Utility District Account QuickReport-Board Meetings

As of July 31, 2021

Type	Date	Num	Name	Memo	Amount
<b>Bank Accounts</b>					
El Dorado Checking					
Bill Pmt -Check	07/01/2021	13627	Candi Bingham	July 1st pmt for Contracted Ser...	2,416.67
Deposit	07/01/2021			Deposit	779.11
Deposit	07/02/2021			Deposit	713.57
Check	07/05/2021	debit	Google Services	Email Accounts	-36.00
Deposit	07/05/2021			Deposit	154.87
Deposit	07/06/2021			Deposit	30.00
Deposit	07/06/2021			Deposit	445.50
Deposit	07/06/2021			Deposit	293.46
Deposit	07/07/2021			Deposit	6,178.25
Deposit	07/07/2021			Deposit	151.52
Check	07/08/2021	debit	Adobe PDF	Software	-14.99
Deposit	07/08/2021			Deposit	538.46
Deposit	07/09/2021			Deposit	354.92
Deposit	07/12/2021			Deposit	701.35
Deposit	07/13/2021			Deposit	152.17
Deposit	07/13/2021			Deposit	631.19
Deposit	07/13/2021			Deposit	152.27
Deposit	07/14/2021			Deposit	505.30
Check	07/15/2021	debit	A I & T - Sewer	209 245-3984 701 9	200.51
Check	07/15/2021	debit	A I & T - Water	209 245-4011 722 0	196.07
Deposit	07/15/2021			Deposit	149.42
Deposit	07/16/2021			Deposit	1,726.25
Deposit	07/16/2021			Deposit	1,187.68
Deposit	07/16/2021			Deposit	306.57
Deposit	07/16/2021			Deposit	558.70
Check	07/19/2021	debit	Accs Waste Servic...	1175	-108.84
Check	07/20/2021	debit	Streamline		-60.00
Bill Pmt -Check	07/20/2021	13785	Aeration Industries L.	Motor - Sewer Pond	-1,389.97
Bill Pmt -Check	07/20/2021	13786	Amador Water Age.	30018	-10,548.13
Bill Pmt -Check	07/20/2021	13787	Anita Ebbinghausen	Stipend - July 2021	-75.00
Bill Pmt -Check	07/20/2021	13788	Brent Stewart, P.F.	Monitoring - June 2021	-1,000.00
Bill Pmt -Check	07/20/2021	13789	California Bank & T...	1030264749	-890.00
Bill Pmt -Check	07/20/2021	13790	California Laborator...	Testing - June 2021	-1,563.00
Bill Pmt -Check	07/20/2021	13791	Colantuono, Highs	Auditor Letter	-240.00
Bill Pmt -Check	07/20/2021	13792	Gisele L. Wurzbarger	Board Clerk - July 2021	-300.00
Bill Pmt -Check	07/20/2021	13793	John Chapman	Stipend - July 2021	-75.00
Bill Pmt -Check	07/20/2021	13794	Karla Christensen	Stipend - July 2021	75.00
Bill Pmt -Check	07/20/2021	13795	Mission IT Solutions	Annual Security Renewal - Comp ..	-600.00
Bill Pmt -Check	07/20/2021	13796	Patrick Henry	Stipend July 2021	-75.00
Bill Pmt -Check	07/20/2021	13797	Rocky Raymond	Stipend - July 2021	-75.00
Bill Pmt -Check	07/20/2021	13798	Colantuono, Highs		-140.00
Bill Pmt -Check	07/20/2021	13799	Gisele L. Wurzbarger	August 2021 - Board Clerk	-300.00
Deposit	07/20/2021			Deposit	462.96
Deposit	07/20/2021			Deposit	427.55
Deposit	07/20/2021			Deposit	169.44
Bill Pmt -Check	07/21/2021	13800	Robert W Johnson	District June 30, 2020 Year End	-3,950.00
Bill Pmt -Check	07/21/2021	13801	USA North 811		-150.00

**River Pines Public Utility District**  
**Account Quick Report-Board Meetings**  
 As of July 31, 2021

Type	Date	Num	Name	Memo	Amount
Deposit	07/21/2021			Deposit	4,721.51
Deposit	07/21/2021			Deposit	476.67
Deposit	07/22/2021			Deposit	3,327.56
Deposit	07/23/2021			Deposit	1,093.60
Deposit	07/26/2021			Deposit	346.06
Check	07/27/2021	debit	PG&E - Street Lights	/368064062-7	97.82
Check	07/27/2021	debit	PG&F - Office/Tow...	6898952032-2	-40.17
Check	07/27/2021	debit	PG&E - Water	3357284549-4	-503.65
Check	07/27/2021	debit	PG&E - Water 2	2458584137-2	-1,022.29
Check	07/27/2021	debit	PG&E - Sewer	8721806002-5	-4,250.00
Check	07/27/2021	debit	RingCentral	Office Phone	-58.23
Deposit	07/27/2021			Deposit	430.00
Deposit	07/27/2021			Deposit	158.75
Deposit	07/27/2021			Deposit	465.18
Deposit	07/28/2021			Deposit	300.00
Deposit	07/30/2021			Deposit	304.33
Check	07/31/2021	debit	Eldorado Savings B ...		-9.00
Total El Dorado Checking					2,740.83
Total Bank Accounts					2,740.83
<b>TOTAL</b>					<b>2,740.83</b>

8a

## River Pines Department Report

July 1 – July 31, 2021

### Water Production/Sold

Well 2 338,200 gallons

Total Produced: 1,279,164 gallons

Well 3R: 611,700 gallons

Total Sold: 955,755 gallons

Well 6R: 329,264 gallons

Unaccounted Loss: 25%

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### **Regulatory Compliance Specialist-**

- Submitted June monthly water report.
- Submitted June monthly wastewater report and no spill report for CIWQS

### **Wastewater-**

- Influent flow 1,145,300 gallons. Effluent Discharged 223,500 gallons.
- Had to replace the failed grinder pump on River Trail.
- Replaced a broken force main on River Trail.
- Replaced mixer motor in Pond 1 at the wastewater plant. The mounting bracket broke and the motor fell into the bottom of the pond, we were able to retrieve it and remove it from the pond.

### **Water Treatment –**

- Provided update to Candi that 6R is being utilized more this year than previous years due to apparent higher demand. Well levels are dropping a little but are still sustaining. I recommended that the district either needs to move forward with additional production or conservation if the new distribution system and grant funding will not be coming.

Staff Hours: 24.5 Water      46.5 WW

Prepared by: Linda Nafus, Administrative Assistant II

Reviewed by: Rick Ferriera, Operations and Maintenance Manager



**AGENDA ITEM – 8B**

**GENERAL MANAGER’S REPORT**

**For the Month of July/August 2021**

1. – submitted more requested forms. Had District’s attorney write up a “state” required “Debt Management Policy.” On Agenda for Board approval. Also received notice of funding from DWR for system from state. Looking it over as another possible funding avenue.
2. – late notices and 48-hour notices will begin this month, as the date for water shut-off is permitted September 30<sup>th</sup>.
3. – one to two days a week as approved by the Board in July.
4. Bank Deposits
5. Monthly Billing & Monthly Late Notices
6. Monthly 48 Hour Notices
7. Agenda & Packets



9a

**DEBT MANAGEMENT POLICY**

**INTRODUCTION:**

On August 18, 2021 the Board of Directors of the River Pines Public Utility District ("District") reviewed and considered this Debt Management Policy ("Policy"), and this Policy was approved by action of the Board of Directors on \_\_\_\_\_, 2021. This Policy provides guidelines for debt issuance, management and post-issuance related policies and procedures for the District. This Policy may be amended by the Board of Directors as it deems appropriate from time-to-time in the prudent management of the debt and financing needs of the District.

While adherence to this Policy is required in all circumstances, on rare occasions there may be circumstances when strict adherence to a provision of this Policy is not possible or in the best interest of the District. If District staff determines that a waiver of one or more provisions of this Policy should be considered by the Board of Directors, it will prepare an analysis for the Board of Directors describing the rationale for the waiver and the impact of the waiver on the proposed debt issuance and on taxpayers, if applicable. Upon a majority vote of the Board of Directors, one or more provisions of this Policy may be waived for a debt financing. The failure of a debt financing to comply with one or more provisions of this Policy shall in no way affect the validity of any debt issued by the District in accordance with applicable laws.

**PURPOSE:**

This Policy is intended to comply with Government Code Section 8855(i), and shall govern all debt issued by the District. The District hereby recognizes that a fiscally prudent debt policy is required to:

- a) Maintain the District's sound financial position.
- b) Ensure the District has the flexibility to respond to changes in future service priorities, revenues, and operating expenses.
- c) Protect the District's credit-worthiness.
- d) Ensure that all debt is structured to protect current and future taxpayers, ratepayers and constituents of the District.
- e) Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.

This Policy establishes parameters and provides guidance governing the issuance, management, continuing evaluation of, refunding, and reporting on all debt obligations of the District. This Debt Policy shall guide the issuance and management of all debt funded through the capital markets, including the selection and management of related financial and advisory services and products. When used in this Debt Policy, "debt" refers to all indebtedness and financing obligations of the District.

DEBT MANAGEMENT POLICY

POLICY:

1. Purposes for Which Debt May Be Issued

- I. Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District. Long-term debt financings are appropriate:
  - a) When a project to be financed is necessary to provide District services.
  - b) When the project to be financed will benefit constituents over several years.
  - c) When total debt does not constitute an unreasonable burden to the District and its taxpayers or ratepayers.
  - d) When the debt is used to refinance outstanding debt to reduce the total cost of the debt or to realize other benefits of a debt restructuring, such as increased flexibility in the use of cash and reserves.
- II. Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses. The District may use long-term debt financings subject to the following conditions:
  - a) The project to be financed must be approved by the Board of Directors.
  - b) The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
  - c) The District estimates that sufficient revenues will be available to service the debt through its maturity.
  - d) The District determines that the issuance of the debt will comply with the applicable state and federal law.
- iii. Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows to maintain a steady and even cash flow balance as in anticipation of periodic receipts of property taxes and other revenues. Short-term debt may also be used to finance short-lived capital projects: for example, the District may undertake lease-purchase financing for equipment consistently with debt limit requirements of article XVI of the California Constitution, article XVI, § 18.

**DEBT MANAGEMENT POLICY**

- IV. **Financings on Behalf of Other Entities.** The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with this policy.

**2. Types of Debt**

- I. The following types of debt are allowable under this Debt Policy:
  - a) General obligation bonds (GO Bonds)
  - b) Bond or grant anticipation notes (BANs)
  - c) Lease revenue bonds, certificates of participation (COPs) and lease-purchase transactions
  - d) Other revenue bonds and COPs
  - e) Tax and other revenue anticipation notes (TRANS)
  - f) Land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
  - g) Tax increment financing to the extent permitted under State law
  - h) Refunding Obligations
  - i) State Revolving Loan Funds
  - j) Lines of Credit
- II. The District Board may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy. Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

**3. Relationship of Debt to Capital Improvement Program and Budget**

**DEBT MANAGEMENT POLICY**

- I. The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's capital budget and capital improvement plan.
- II. The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues ("pay as you go"). The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.
- III. The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

**4. Policy Goals Related to Planning Goals and Objectives**

- I. The District is committed to long-term financial planning, maintaining appropriate reserves and employing prudent practices in governance, management and budget administration. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operations budgets.
- II. It is a policy goal of the District to protect taxpayers, ratepayers and constituents by using conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical total borrowing costs.
- III. The District will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.
- IV. When refinancing debt, it shall be the policy goal of the District to realize, whenever possible, and subject to any overriding non-financial policy considerations, (i) minimum net present value debt service savings approximately 3.0% of the refunded principal amount, and (ii) present value debt service savings equal to or greater than any escrow fund negative arbitrage. The cost of refinancing will always be less than the savings.
- V. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to temporarily reduce annual budgetary expenditures. Capital investments intended to reduce District operating costs indefinitely, as by improving the efficiency of its operations, are appropriate for long-term debt.
- VI. The District shall seek to time debt issues to avoid need for unplanned general fund expenditures for capital improvements or equipment.

**DEBT MANAGEMENT POLICY**

**5. Internal Control Procedures**

- I. When issuing debt, in addition to complying with the terms of this Debt Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the District will periodically review the requirements of and will remain in compliance with the following:
  - a) Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12 (17 CFR § 240.15c2-12 "Municipal securities disclosure").
  - b) Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance.
  - c) The District's investment policies as they relate to the use and investment of bond proceeds.
- II. Proceeds of debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the [position title] of the District (or his or her written designee), or (b) by the District, to be held and accounted for in a separate fund or account to ensure debt proceeds are expended only for the purposes for which the debt was issued, the expenditure of which will be carefully documented by the District in records compliance with current accounting standards and subject to the District's annual audit.