



March 16, 2017

Board of Directors
Ventura Regional Sanitation District
Ventura, California

2.1.09 DEBT MANAGEMENT POLICY

RECOMMENDATION

It is recommended that the Board adopt the Debt Management Policy

FISCAL IMPACT

None

Summary

In September 2016, Senate Bill (SB) 1029 was signed by the Governor and requires issuers of state or local government debt to adopt a formal debt policy. Effective January 1, 2017, the District must certify on the Report of Proposed Debt Issuance (new debt) that the District adopted a formal debt policy concerning the use of debt and that the proposed debt issuance is consistent with the District's Debt Management Policy.

BACKGROUND/ANALYSIS

Financial policies are guidelines for operation and strategic decision making related to financial matters. They serve as an ongoing context to management decisions by providing consistency and quality control. The proposed Debt Management Policy (Debt Policy) establishes guidelines for the issuance and management of current and future debt.

In response to the recommendations of the California State Treasurer's Task Force on Bond Accountability, SB-1029 was approved by the Governor on September 12, 2016. SB-1029 amended Government Code Section 8855(i) by requiring any issuer of public debt to certify on the Report of Proposed Debt Issuance that they have formally adopted a debt policy. The debt policy must include the following:

1. The purposes for which the debt proceeds may be used.
2. The types of debt that may be issued.

3. The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.
4. Policy goals related to the issuer's planning goals and objectives.
5. The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

The proposed Debt Management Policy addresses all the items required by SB-1029. The staff and Board can revisit this policy and make changes as necessary.

The P&F Committee received this report at its March 7 meeting and supports staff's recommendation of adopting the Debt Management Policy.

If you have any questions or need additional information, please contact me at (805) 658-4646 or via email at VickieDragan@VRSD.com.



VICKIE DRAGAN – DIRECTOR OF FINANCE

APPROVED FOR MARCH 16, 2017 AGENDA


Chris Theisen – General Manager

Attachments: 2.1.09 Debt Management Policy