



**MINUTES OF THE
JOINT MEETING OF THE
CHINO BASIN REGIONAL FINANCING AUTHORITY (CBRFA)
COMMISSIONERS
AND THE
INLAND EMPIRE UTILITIES AGENCY (IEUA)
BOARD OF DIRECTORS**

**WEDNESDAY, NOVEMBER 16, 2016
10:00 A.M.**

IEUA DIRECTORS PRESENT:

Terry Catlin, President
Michael Camacho, Vice President
Steven J. Elie, Secretary/Treasurer
Jasmin A. Hall
Paul Hofer

CBRFA COMMISSIONERS PRESENT:

Terry Catlin, President
Michael Camacho
Steven J. Elie, Secretary
Jasmin A. Hall, Vice President
Paul Hofer

STAFF PRESENT:

P. Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering/AGM
Martha Davis, Executive Manager of Policy Development/AGM
Randy Lee, Executive Manager of Operations/AGM
Christina Valencia, Chief Financial Officer/AGM
Blanca Arambula, Deputy Manager of Human Resources
Kathryn Besser, Manager of External Affairs
Chad Bonnet, Electrical & Instrumentation Technician I
Jerry Burke, Deputy Manager of Engineering
Sharmeen Bhojani, Manager of Human Resources
Andy Campbell, Groundwater Recharge Coordinator/Hydrogeologist, Groundwater Recharge
Javier Chagoyen-Lazaro, Manager of Finance and Accounting
Tina Cheng, Budget Officer
Roberto Delgado, Deputy Manager of Maintenance
Javier Gallegos, Electrical & Instrumentation Technician I
Jason Gu, Grants Officer
Joel Ignacio, Senior Engineer
Sylvie Lee, Manager of Planning and Environmental Resources
Jason Marseilles, Senior Engineer
Lisa Morgan-Perales, Senior Water Resources Analyst
Jeff Noelte, Manager of Technical Services

Jason Pivovaroff, Senior Engineer
Jesse Pompa, Senior Engineer
John Scherck, Acting Deputy Manager of Engineering
Peter Soelter, Senior Internal Auditor LT
Shaun Stone, Manager of Engineering
Ken Tam, Senior Associate Engineer - PE
Al VanBreukelen, Deputy Manager of Maintenance
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT:

Doug Brown, Stradling, Attorneys at Law
Jan Catlin
Dan Chadwick, City of Fontana
Jean Cihigoyenetché, JC Law Firm
Vivian Castro, CBWCD
Tony Mata, City of Fontana
Tyler Old, PFM

A joint meeting of the Chino Basin Regional Financing Authority Commissioners and Inland Empire Utilities Agency* Board of Directors was held at the office of the Agency, 6075 Kimball Avenue, Bldg. A, Chino, California on the above date.

President Catlin called the meeting to order at 10:03 a.m., and he led the pledge of allegiance to the flag. A quorum was present.

President Catlin stated that members of the public may address the Board. There was no one desiring to do so.

President Catlin asked if there were any changes/additions/deletions to the agenda. He stated that Presentation Item 1. Disclosure Responsibilities under the Federal Securities Laws; and Action Item 2B. Adoption of Resolutions Authorizing the Issuance of 2017A Refunding Revenue Bonds and Approving the Execution and Delivery of Certain Documents in Connection Therewith and Certain Other Matters, are pulled from the Agenda, and will be postponed to another Chino Basin Regional Authority (CBRFA) and IEUA Board meeting. He asked Chief Financial Officer/AGM Christina Valencia to provide a brief update as to why and the time sensitivity of this issue.

Chief Financial Officer/AGM Christina Valencia stated that the Agency received a request late yesterday afternoon from the member agencies, in particular, the Regional Technical Committee, to defer this item until the Agency has an opportunity to formally brief the Regional Policy Committee (Committee). She reported that Agency staff has advised the Committee members of the Agency's plan to defease the bonds over a five-year period beginning in 2017. She said that since then, the Agency decided to accelerate the process in order to leverage the low rates. She reported that Agency staff has advised the Committee members as well, but has not formally presented this item to the Regional Policy Committee. She stated that the Committee members respectfully asked that the Agency defer this item until they have a chance to meet and provide some recommendation. Ms. Valencia said that the Agency's Bond Counsel and Financial Advisor are here today, and she has discussed this with them and General Manager Joe Grindstaff. She stated it was determined that there is no risk at this point, for the Agency to call a meeting of both Committees prior to the December 21, CBRFA and IEUA Board meeting. She stated, therefore, both the Action Item and the mandatory training presentation, which is associated with this item will be pulled until December, and will be brought back to the CBRFA and the IEUA Board at the December 21, Board meeting.

Director Elie noted that he is okay with deferring this item; however, he does not want this to drag on, given the uncertainty of the market, especially after the presidented inauguration.

1. **MANDATORY PRESENTATION – DISCLOSURE RESPONSIBILITIES UNDER THE FEDERAL SECURITIES LAWS – Mr. Doug Brown, Stradling, Attorneys at Law**

This item was pulled from the Agenda, and deferred to the December 21, CBRFA and IEUA Board meeting.

2. **ACTION ITEMS**

MINUTES

Upon motion by Commissioner/Director Elie, seconded by Commissioner/Director Camacho, with Commissioner/Director Hofer abstaining from voting, the motion carried (4-0):

M2016-11-1

MOVED, to approve the minutes from September 21, 2016, Chino Basin Regional Financing Authority meeting.

ADOPTION OF RESOLUTIONS AUTHORIZING THE ISSUANCE OF 2017A REFUNDING REVENUE BONDS AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND CERTAIN OTHER MATTERS

No action was taken. This item was pulled from the Agenda, and deferred to the December 21, CBRFA and IEUA Board meeting.

SELECTION OF UNDERWRITER

Chief Financial Officer/AGM Christina Valencia stated that in preparation for the upcoming refunding of the 2008A Revenue Bonds, expect to occur in January 2017, a Request for Proposal (RFP) was issued for underwriting services. She reported that of the six firms responding to the RFP, based upon evaluation by both PFM and the Agency's financial advisor, Citi, J.P. Morgan and Morgan Stanley, were elevated as the top three proposers. Ms. Valencia stated that after reviewing further criteria, staff, with the support of PFM, recommended Citi as the sole underwriter for the proposed refunding. She stated that Citi's in depth knowledge of the Agency and the Inland Empire region will help the Agency to more effectively highlight the Agency's fundamental strengths and the fiscal policies the IEUA Board has implemented. She stated that one of the things that the Agency would like to accomplish during this process is to seek an upgrade for a credit rating from Moodys. She said that they have not actually rated that Agency since 2010, and Citi could guide the Agency going forward with the rating. Ms. Valencia stated that staff's recommendation is to select Citi as the sole underwriter for the proposed refunding of the 2008A Revenue Bonds.


General Manager Joseph Grindstaff stated the point of doing this partial pay down of \$50 million and refinancing of \$75 million combined; the exact amounts still to be determined, is estimated to save the Agency approximately \$20 million over the life of the bonds.

Upon motion by Commissioner/Director Elie, seconded by Commissioner/Director Hofer, and unanimously carried:

M2016-11-3

MOVED, to approve the selection of Citigroup Global Markets, Inc. (Citi) as sole managing underwriter for the advance refunding of the Chino Basin Regional Financing Authority, Series 2008A Revenue Bonds (Inland Empire Utilities Agency).

With no further business, President Catlin adjourned the meeting at 10:13 a.m.



Steven J. Elie, Secretary/Treasurer

APPROVED: DECEMBER 21, 2016 (IEUA)