



TO: BOARD OF DIRECTORS
FROM: NORMA J. CAMACHO

CEO BULLETIN

Week of August 26 – September 1, 2016

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I-16-0032

Board Policy EL-7: Communication and Support to the Board

The BAOs inform and support the Board in its work.

Further, a BAO shall:

Inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established.

Report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

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Update on Climate Divestment Investment Restriction

This informs the board that, as of June 24, 2016, the water district's investment portfolio is in full compliance with Investment Policy, section 7.13.2, Climate Divestment Investment Restriction, and has zero investments in fossil fuel companies.

On August 27, 2013, the board adopted the Climate Divestment Investment Restriction. At that time, the water district had previously invested in a \$3 million medium term bond from Chevron Corporation with a maturity date of June 24, 2016.

In order to ensure that the water district does not incur a market loss from selling the bond prior to maturity, the board approved the strategy of holding the Chevron bond to maturity. This strategy is consistent with Investment Policy, Section 7.14, Investment Sales Prior to Maturity, which requires that "sales of outstanding investment positions prior to maturity are permitted so long as a yield enhancement on the total transaction is achieved."

The Chevron bond matured on June 24, 2016, and the water district received full principal repayment of \$3 million plus annual coupon rate of 0.889% for this investment.

For further information, please contact Najon Chu at (408) 630-2208.

BOARD MEMBER REQUESTS

Kremen

Staff to provide Director Kremen with a copy of the Plans and Specifications for the construction of the Winfield Capital Improvement Project. If available, an electronic copy would suffice

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A web link to the electronic copies of the Plans and Specifications for construction of the Winfield Capital Improvement Project was provided to the Clerk of the Board on August 25, 2016, for transmittal to Director Kremen.

For further information, please contact Katherine Oven at (408) 630-3126.
