



Santa Clara Valley Water District Public Facilities Financing Corporation Meeting

Boardroom
5700 Almaden Expressway
San Jose, CA 95118

***Alternate Location REMOVED**

AMENDED AGENDA

**Wednesday, November 1, 2023
3:30 PM**

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

SANTA CLARA VALLEY WATER
DISTRICT
PUBLIC FACILITIES FINANCING
CORPORATION

Members:

Steve M. Mullen, President
Dean Chu, Vice President
Spencer Horowitz
Carolyn M. Bauer

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available to the public through the legislative body agenda web page at the same time that the public records are distributed or made available to the legislative body. Santa Clara Valley Water District will make reasonable efforts to accommodate persons with disabilities wishing to participate in the legislative body's meeting. Please advise the Clerk of the Board Office of any special needs by calling (408) 265-2600.

Note: The finalized Board Agenda, exception items and supplemental items will be posted prior to the meeting in accordance with the Brown Act.

Santa Clara Valley Water District Public Facilities Financing Corporation

AGENDA

Wednesday, November 1, 2023

3:30 PM

Boardroom

*****IMPORTANT NOTICES AND PARTICIPATION INSTRUCTIONS*****

Santa Clara Valley Water District (Valley Water) Board of Directors/Board Committee meetings are held as a “hybrid” meetings, conducted in-person as well as by telecommunication, and is compliant with the provisions of the Ralph M. Brown Act.

To maximize public safety while still maintaining transparency and public access, members of the public have an option to participate by teleconference/video conference or attend in-person. To observe and participate in the meeting by teleconference/video conference, please see the meeting link located at the top of the agenda. If attending in-person, you are required to comply with Ordinance 22-03 - AN ORDINANCE OF THE SANTA CLARA VALLEY WATER DISTRICT SPECIFYING RULES OF DECORUM FOR PARTICIPATION IN BOARD AND COMMITTEE MEETINGS located at <https://s3.us-west-2.amazonaws.com/valleywater.org.if-us-west-2/f2-live/s3fs-public/Ord.pdf>

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee during public comment or on any item listed on the agenda, may do so by filling out a Speaker Card and submitting it to the Clerk or using the “Raise Hand” tool located in the Zoom meeting application to identify yourself in order to speak, at the time the item is called. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board.

- Members of the Public may test their connection to Zoom Meetings at: <https://zoom.us/test>
- Members of the Public are encouraged to review our overview on joining Valley Water Board Meetings at: <https://www.youtube.com/watch?v=TojJpYCxXm0>

Valley Water, in complying with the Americans with Disabilities Act (ADA), requests individuals who require special accommodations to access and/or participate in Valley Water Board of Directors/Board Committee meetings to please contact the Clerk of the Board’s office at (408) 630-2711, at least 3 business days before the scheduled meeting to ensure that Valley Water may assist you.

This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Sections 54950 et. seq. and has not been prepared with a view to informing an investment decision in any of Valley Water’s bonds, notes or other obligations. Any projections, plans or other forward-looking

statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:
<https://valleywater.zoom.us/j/85677988462>
Meeting ID: 856 7798 8462
Join by Phone:
1 (669) 444-9171, 856 7798 8462#

1. CALL TO ORDER:

1.1. Roll Call.

2. TIME OPEN FOR PUBLIC COMMENT ON ANY ITEM NOT ON THE AGENDA.

Notice to the public: Members of the public who wish to address the Board/Committee on any item not listed on the agenda may do so by filling out a Speaker Card and submitting it to the Clerk or using the "Raise Hand" tool located in the Zoom meeting application to identify yourself to speak. Speakers will be acknowledged by the Board/Committee Chair in the order requests are received and granted speaking access to address the Board/Committee. Speakers' comments should be limited to three minutes or as set by the Chair. The law does not permit Board/Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If Board/Committee action is requested, the matter may be placed on a future agenda. All comments that require a response will be referred to staff for a reply in writing. The Board/Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

3.1. Approval of Minutes.

[23-1129](#)

Recommendation: **RECOMMENDATION:**

Approve the December 6, 2022, Minutes.

Attachments: [Attachment 1: December 6, 2022, Minutes](#)

4. REGULAR AGENDA:

4.1. 2023 Debt Management Program Update.

[23-1128](#)

Recommendation: **RECOMMENDATION:**

Receive and discuss updates regarding recent and planned debt issuances and Valley Water's financial status as of fiscal year ending June 30, 2023.

Attachments: [Attachment 1: PowerPoint Presentation](#)

5. ADJOURN.




Santa Clara Valley Water District

File No.: 23-1129

Agenda Date: 11/1/2023

Item No.: 3.1.

 Valley Water <small>SANTA CLARA VALLEY WATER DISTRICT</small>		
SANTA CLARA VALLEY WATER DISTRICT PUBLIC FACILITIES FINANCING CORPORATION		
	Meeting Date:	November 1, 2023
	Item No.	3.1
	Unclassified Manager:	M. King

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the December 6, 2022, Minutes.

SUMMARY:

A summary of Public Facilities Financing Corporation (PFFC) discussions, and details of all actions taken during all open and public meetings is transcribed and submitted for review and approval.

Upon approval, minutes transcripts are finalized and entered into Santa Clara Valley Water District historical record archives and serve as historical records of the PFFC meetings.

ATTACHMENTS:

Attachment 1: December 6, 2022, Minutes.

DRAFT MINUTES
SANTA CLARA VALLEY WATER DISTRICT
PUBLIC FACILITIES FINANCING CORPORATION

December 6, 2022

(Paragraph numbers coincide with agenda item numbers)

A Special Meeting of the Santa Clara Valley Water District (Valley Water) Public Facilities Financing Corporation (PFFC) was held at 1:00 p.m. on December 6, 2022, at 5700 Almaden Expressway, San Jose, California.

1.1 Roll Call: PFFC Board of Director members in attendance were Carolyn Bauer, Dean Chu, and Spencer Horowitz and Steve Mullen (via Zoom), constituting a quorum.

PFFC Corporate Officer present via teleconference: Michele King, Corporate Secretary.

District staff present: Brian Hopper, Carlos Orellana, Steve Peters, and Charlene Sun.

Outside Counsel Present: Mr. Doug Brown, Bond Counsel, Stradling, Yocca Carlson and Rauth, and Mr. Ed Soong, Public Resources Advisory Group.

Santa Clara Valley Water District Board Members present via Zoom: Jim Beall, Director District 4, Tony Estremera, Director District 6, Richard Santos, Director District 3, and John L. Varela, Director District 1. Rebecca Eisenberg, Director-Elect District 7 was also present.

2.1 Time Open for Public Comment on Any Subject Not on the Agenda: There was no one present who wished to speak.

3.1 Approval of Minutes of October 28, 2022, PFFC Meeting. It was moved by Director Bauer, seconded by Director Horowitz, and unanimously carried, that the October 28, 2022, Minutes be approved as presented.

4.1 Elect Public Facilities Financing Corporation Board of Director Vice President. President Mullen opened the nomination process for PFFC Vice President. It was moved by Director Bauer to nominate Director Chu, seconded by Director Horowitz, and unanimously carried that Director Chu be elected PFFC Vice President.

4.2 Adopt a Resolution of the Board of Directors of the Santa Clara Valley Water District Public Facilities Financing Corporation Authorizing the Execution and Delivery of Water Infrastructure Finance and Innovation Act (WIFIA) Master Agreement, WIFIA Loan Agreements, WIFIA Term Sheets and WIFIA Installment Purchase Agreements with Respect to the Water Utility and Authorizing Certain Actions in Connection Therewith, to obtain WIFIA Loans of Up to Two Billion Five Hundred Million Dollars (\$2,500,000,000) for certain Water Utility Enterprise Projects.

Charlene Sun, Treasury and Debt Manager, reviewed the information on this item per the agenda memo and Attachment 2. Staff and outside counsel answered questions presented by the PFFC Directors, Valley Water Directors and Director-Elect Eisenberg.

It was moved by Director Horowitz, seconded by Director Chu, and unanimously approved by roll call vote, to adopt Resolution 22-04 AUTHORIZING THE EXECUTION AND DELIVERY OF WIFIA MASTER AGREEMENT, WIFIA LOAN AGREEMENTS, WIFIA TERM SHEETS AND WIFIA INSTALLMENT PURCHASE AGREEMENTS WITH RESPECT TO THE WATER UTILITY AND AUTHORIZING CERTAIN ACTIONS IN CONNECTION THEREWITH, to obtain WIFIA loans for up to \$2.5 billion dollars for certain Water Utility Projects; and authorizing President, Vice President, Chief Executive Officer or the Chief Financial Officer (or any acting or interims of such positions) and the Secretary (each an "Authorized Officer"), District Counsel, and the Clerk of the Board to execute and deliver any and all documents necessary to consummate the execution and delivery of all required WIFIA Loan Program documents

5. Adjourn: It was moved by Director Horowitz, seconded by Director Chu, and unanimously approved to adjourn the meeting at approximately 1:50 p.m.

Michele L. King, CMC
Corporate Secretary, PFFC

Date:




Santa Clara Valley Water District

File No.: 23-1128

Agenda Date: 11/1/2023

Item No.: 4.1.

 Valley Water <small>SANTA CLARA VALLEY WATER DISTRICT</small>		
SANTA CLARA VALLEY WATER DISTRICT PUBLIC FACILITIES FINANCING CORPORATION		
	Meeting Date:	November 1, 2023
	Item No.	4.1
	Unclassified Manager:	D. Taylor

Government Code § 84308 Applies: Yes ☐ No ☒
(If "YES" Complete Attachment A - Gov. Code § 84308)

SUBJECT:

2023 Debt Management Program Update.

RECOMMENDATION:

Receive and discuss updates regarding recent and planned debt issuances and Valley Water's financial status as of fiscal year ending June 30, 2023.

SUMMARY:

Staff has prepared a PowerPoint presentation to provide the Public Facilities Financing Corporation Board with information on (1) the results of the most recent long-term financings, (2) a financial status as of June 30, 2023, (3) financing plans through calendar year 2024, and (4) a summary of changes to the District Act that become effective January 1, 2024 (Attachment 1).

ATTACHMENTS:

Attachment 1: PowerPoint Presentation



Valley Water

Clean Water • Healthy Environment • Flood Protection

2023 Debt Management Program Update to Santa Clara Valley Water District Public Facilities Financing Corporation

November 1, 2023 (Regular Annual Meeting)



Disclaimer: Information presented herein not intended to be used by investors or potential investors

The FY 2022-23 unaudited information contained herein have been prepared by Valley Water for information only and have not been audited by the external auditor. These financial statements remain subject to change by Valley Water and remain subject to review by external auditor. Changes made by the external auditor, including changes in response to the outsider auditor's review, could be material. No party is authorized to disseminate these unaudited financial statements to the State Comptroller or any nationally recognized rating agency nor post these statements on EMMA or any similar financial reporting outlets or redistribute the information without the express written authorization of the Chief Financial Officer of Valley Water. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale Valley Water bonds, notes or other obligations and investors and potential investors should rely on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at <https://emma.msrb.org/>.

Agenda

- Results of Recent Long-Term Financings
- Financial Status as of June 30, 2023 (unaudited)
 - Outstanding Debt
 - Cash and Investments
 - Short-Term Debt Credit Facilities
- Upcoming Debt Management Activities
- Revisions to Valley Water's District Act

Board Approved Debt

Public Facilities Financing Corporation and Valley Water Board Approvals (October – December 2022)

- EPA Water Infrastructure and Finance Innovation Act (WIFIA) Loans
 - Safe, Clean Water (SCW) Program projects
 - Water Utility projects
- Refunding Bonds and Certificates of Participation (COPs)
 - Safe, Clean Water Program
 - Water Utility

December 2022 Safe, Clean Water Financing

6

valleywater.org

	2022A Bonds	2022B COPs	Total
Tax Status:	Tax-Exempt	Tax-Exempt	
Projects:	Combination	WIFIA	
<u>Sources</u>			
Total	<u>\$ 83,021,392</u>	<u>\$ 50,089,075</u>	<u>\$ 133,110,467</u>
<u>Uses</u>			
Repay Short-Term Debt	\$ 82,704,257	\$ 2,826,673	\$ 85,530,930
Construction Funds	-	38,485,580	38,485,580
Capitalized Interest	-	8,581,573	8,581,573
Costs of Issuance	<u>317,135</u>	<u>195,249</u>	<u>512,384</u>
Total	<u>\$ 83,021,392</u>	<u>\$ 50,089,075</u>	<u>\$ 133,110,467</u>
<u>Debt Information</u>			
Maturity Date	August 1, 2049	December 1, 2026	
All-In True Interest Cost	4.13%	3.01%	3.95%

January 2023 Water Utility Financing

7

	2023A Bonds	2023B Bonds	2023C-1 COPs	2023C-2 COPs	2023D COPs	Total
Tax Status:	Tax-Exempt	Taxable	Tax-Exempt	Tax-Exempt	Taxable	
Projects:	Combination	Combination	WIFIA	Non-WIFIA	WIFIA	
<u>Sources</u>						
Total	<u>\$ 58,776,720</u>	<u>\$ 68,180,978</u>	<u>\$ 122,571,816</u>	<u>\$ 49,184,091</u>	<u>\$ 62,615,000</u>	<u>\$ 361,328,606</u>
<u>Uses</u>						
Repay Short-Term Debt	\$ 58,563,000	\$ 67,675,000	\$ 7,957,000	\$ -	\$ -	\$ 134,195,000
Construction Funds	-	-	102,393,486	49,078,604	55,134,954	206,607,044
Capitalized Interest	-	-	12,028,954	-	7,357,763	19,386,717
Costs of Issuance	<u>213,720</u>	<u>505,978</u>	<u>192,376</u>	<u>105,487</u>	<u>122,283</u>	<u>1,139,844</u>
Total	<u>\$ 58,776,720</u>	<u>\$ 68,180,978</u>	<u>\$ 122,571,816</u>	<u>\$ 49,184,091</u>	<u>\$ 62,615,000</u>	<u>\$ 361,328,605</u>
<u>Debt Information</u>						
Maturity Date (June 1)	2052	2052	Dec. 1, 2024, June 1, 2026	2041	Dec. 1, 2024, June 1, 2026	
All-In True Interest Cost	4.19%	5.11%	2.35%	3.22%	4.33%	4.13%

February 2023 WIFIA Agreements

1. Anderson Dam Seismic Retrofit and Coyote Percolation Dam Replacement (Water Utility projects)
 - \$579 million Master Agreement loan program
 - 10 individual loans can be entered into through February 14, 2031
 - \$74 million initial Loan Agreement
 - Design/Planning cost only
 - 3.77% annual interest rate

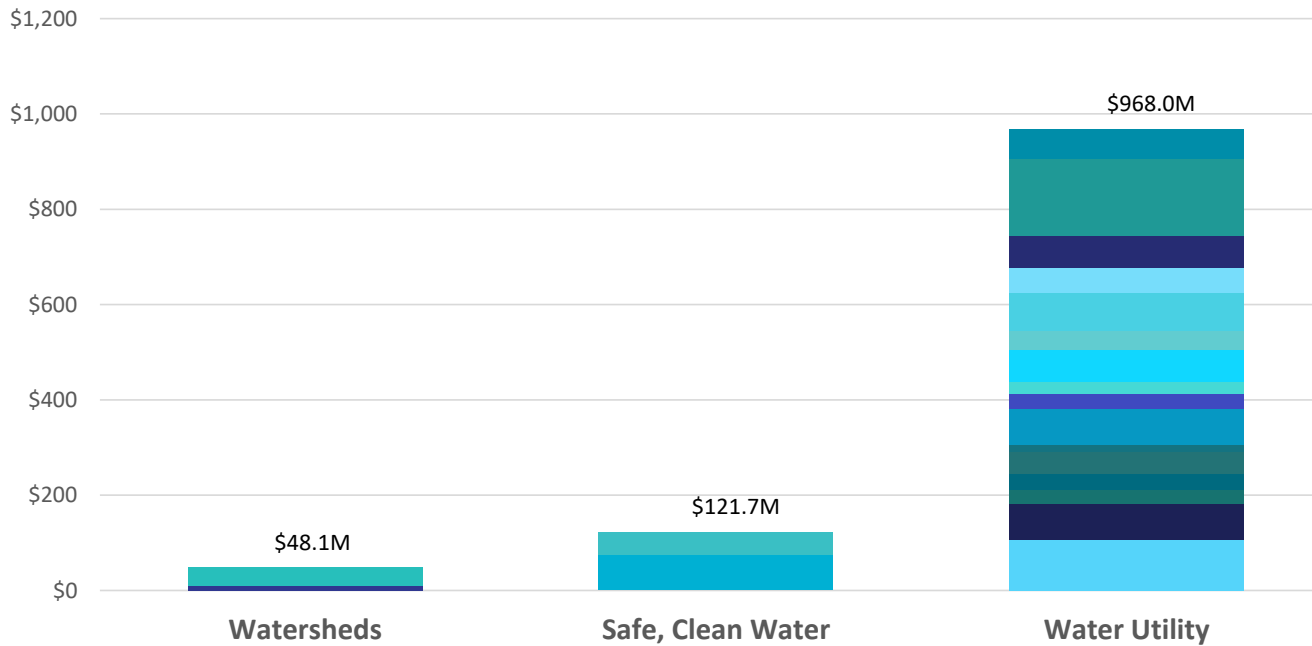
February 2023 WIFIA Agreements (continued)

2. Sunnyvale East/West Channels, Coyote Creek, and Upper Penitencia Creek Flood Protection (SCW projects)
 - \$147 million Master Agreement loan program
 - 5 individual loans can be entered into through February 14, 2028
 - \$41 million initial Loan Agreement
 - Design/Planning costs – all projects
 - Construction costs - Sunnyvale E/W only
 - 3.77% annual interest rate

Financial Status Update – Outstanding Debt

10

Outstanding Debt 6/30/23: \$1.138 Billion



Fiscal Year 2023
Debt Service Budget: \$72.2M
Water Utility: \$56.6M
Watersheds: \$11.6M
Safe, Clean Water: \$4.0M

2012A COPs 2017A COPs 2022A Bonds 2022B COPs WU CP 2016A Bonds 2016B Bonds
 2016C COPs 2016D COPs 2017A Bonds 2019A Bonds 2019B Bonds 2019C Bonds 2020A Bonds
 2020B Bonds 2020C COPs 2020D COPs 2023A Bonds 2023B Bonds 2023C COPs 2023D COPs

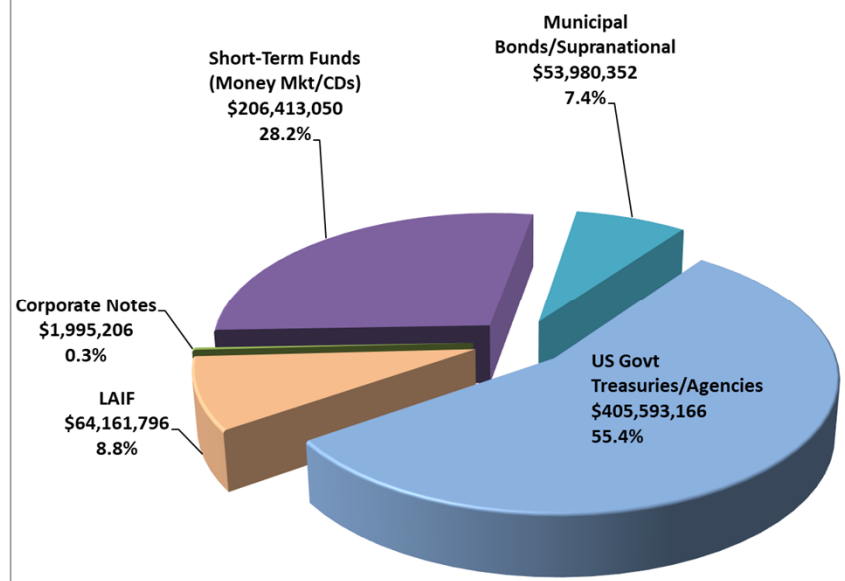


Financial Status Update – Cash & Investments

\$385M or 53% of portfolio very liquid (<=1-year maturity)

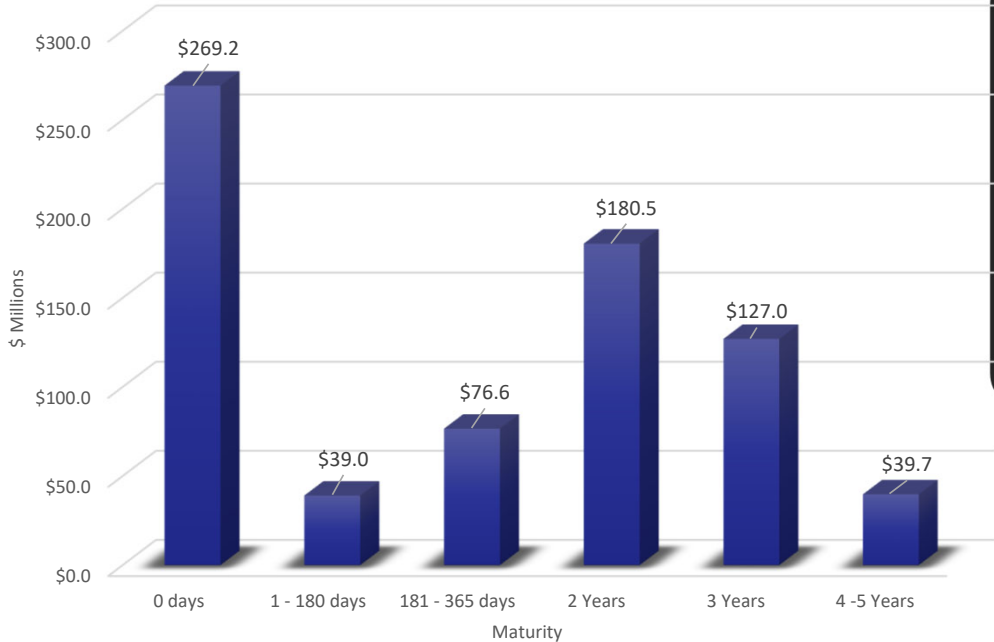
11

SCVWD Investment Portfolio Composition



SCVWD Portfolio Book Value as of June 30, 2023: \$732,143,570

Valley Water Portfolio Aging Report
June 30, 2023
Portfolio Book Value: \$ 732.0 Million



valleywater.org

Financial Status Update – Credit Facilities

\$320 million in combined credit capacity for short-term borrowings

- \$150 million commercial paper program
 - Currently supported by MUFG Bank letter of credit
- \$170 million bank line of credit
 - U.S. Bank (lead bank) - \$150 million
 - Community Bank of the Bay - \$5 million
 - Bank of SF - \$7 million
 - First Foundation Bank - \$8 million

Upcoming Debt Management Activities

- WIFIA Master/Loan Agreements – Pacheco Reservoir Expansion [fall 2023]
- Valley Water Board Meeting [January 2024]
 - Seek approval for Water Utility Bonds issuance
- Water Utility Bond Issuance [mid-2024]
- Commercial Paper Letter of Credit RFQ [mid-to late 2024]
 - MUFG Bank does not want to extend current Letter of Credit
 - Current LOC expires December 10, 2024

District Act Revisions

State Assembly Bill 939 (Pellerin)

- Debt-related revisions
 - Allows issuance of new-money revenue bonds
 - Short-term debt cap modified to 85% of annual revenue to conform to State law
 - Allows issuance of general obligation bonds subject to 2/3 voter approval
- Removes sunset date on provision allowing Board members compensation up to 15 days per month
- Signed into law on September 8, 2023
- Effective January 1, 2024

QUESTIONS





Valley Water

Clean Water • Healthy Environment • Flood Protection