



PAJARO VALLEY WATER MANAGEMENT AGENCY

2023 WATER REVENUE CERTIFICATES OF PARTICIPATION

PRESENTATION TO ADMINISTRATION & FINANCE COMMITTEE

NHA | ADVISORS
Financial & Policy Strategies.
Delivered.

April 11, 2023

Agency's Financing Team

Pajaro Valley Water
Management Agency

- Issuer for the 2023 COPs

NHA Advisors

- Agency's municipal financial advisor

Jones Hall

- Bond & Disclosure Counsel

Hilltop Securities

- Underwriter

BNY Mellon

- Bond trustee

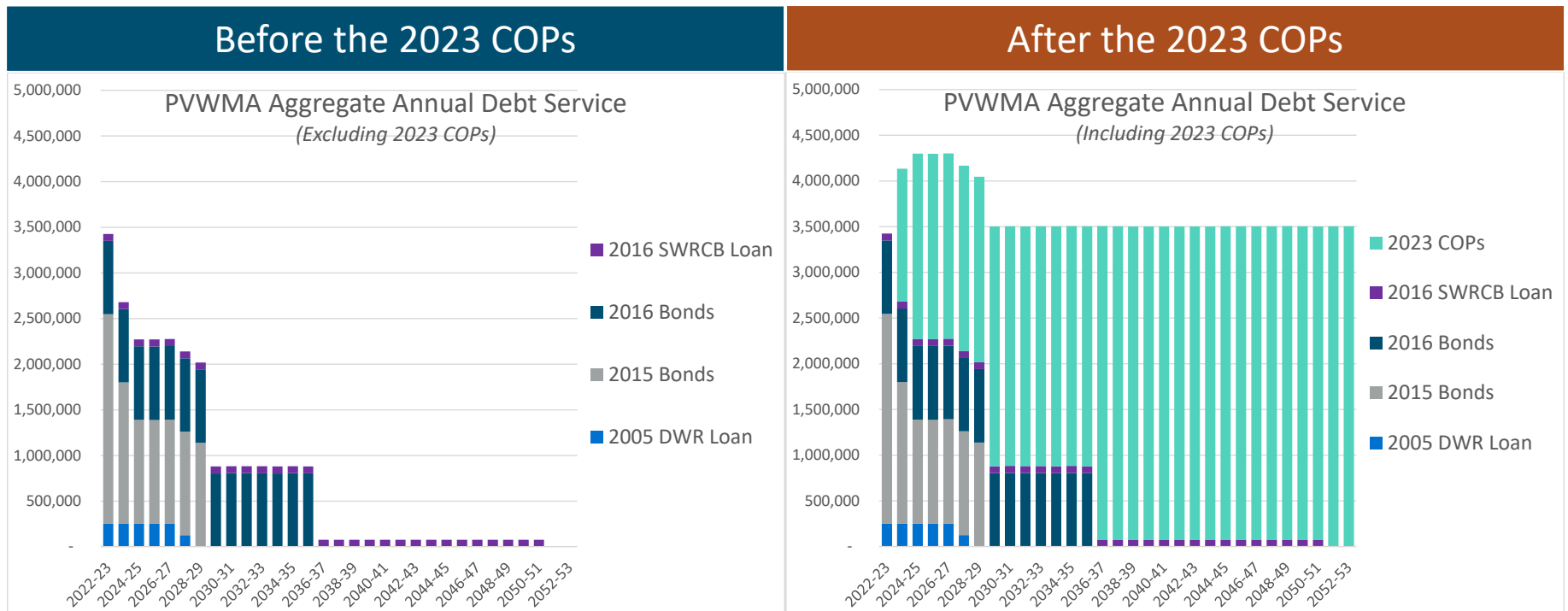
Background and Financing Need

- ▶ PVWMA Board approved \$87.2M in contracts for the College Lake Integrated Resources Management Project (CLIRMP) on February 1, 2023
 - ▶ WIFIA Loan is expected to fund 49% of this cost (~\$42.7 million) , with 51% coming from the Agency (~\$44.5 million)
- ▶ Anticipated maximum financing need for CLIRMP is \$44.5 million
 - ▶ Actual par of the 2023 COPs will be higher to cover the costs of issuance and to fund for a debt service reserve, if needed
- ▶ Agency staff have applied for some additional construction grants to offset these costs
 - ▶ *If PVWMA is awarded all or a portion of these grants, we will reduce the financing amount accordingly*

College Lake Integrated Resources Management Project Current Funding Sources	
2023 COPs	\$44,488,049
WIFIA Loan	\$42,743,420
Grants (Pending Award)	TBD
Total CLIRMP Construction Contract	\$87,231,468

Anticipated Structure

- ▶ 2023 COPs are being structured to wrap around the Agency’s other outstanding debt (see teal series in graph to the right below)
 - ▶ Interest-only for the first few years, followed by step-ups in 2029-30 and 2036-37
- ▶ Fixed-rate debt, 30-year amortization, prepayment option after 10 years



Summary of Legal and Disclosure Documents

Authorizing Resolutions

- Approve the financing plan, legal and disclosure documents, and authorize Agency staff to deliver the 2023 COPs
- Outlines Not-to-Exceed amounts for the 2023 COPs

Installment Sale Agreement

- Outlines relationship between PVWMA and PVWMA Financing Corporation (corporation provides financing for project and sells project to PVWMA in exchange for installment payments)
- 110% debt service coverage agreement

Trust Agreement

- Relationship between PVWMA, PVWMA Financing Corporation and BNY Mellon (Trustee)
- Sets forth key terms and conditions for COPs – allocation of proceeds, prepayment terms, covenants, form of 2023 COPs, role of Trustee

Preliminary Official Statement

- Primary disclosure document for 2023 COPs, providing investors with information about PVWMA, security for the bonds, state of Agency finances and operations, and outlines key risks
- Must contain all relevant material information that an investor would make in deciding to invest in the 2023 COPs

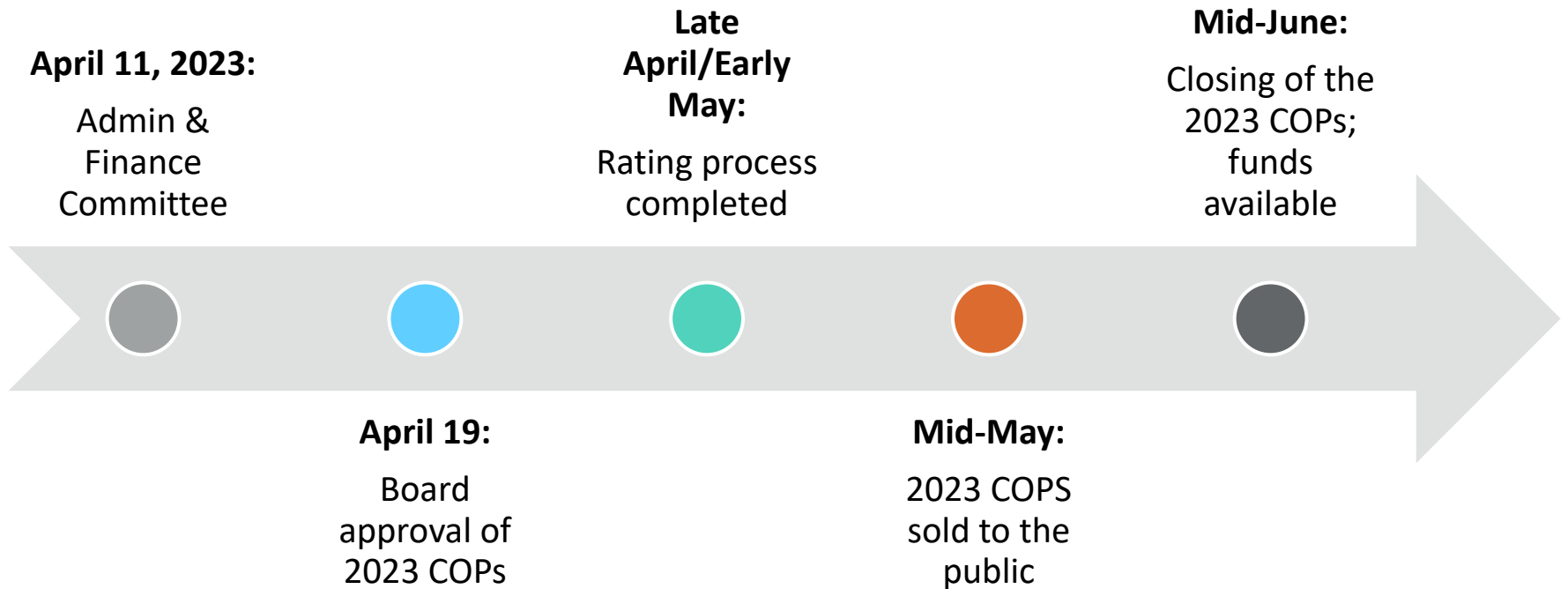
Continuing Disclosure Agreement

- Attached as an Appendix to the Preliminary Official Statement; sets forth the Agency's obligation to provide ongoing reporting
- Agency already subject to this requirement under 2015 and 2016 Bonds

Purchase Contract

- Sets forth terms and conditions under which underwriter (Hilltop Securities) will purchase the 2023 COPs and sell the 2023 COPs to investors

Anticipated Timing





ANY QUESTIONS?