

**PAJARO VALLEY WATER MANAGEMENT AGENCY
FINANCING CORPORATION**

**December 20, 2023, 6:00 p.m.
City Council Chambers
275 Main Street, 4th Floor
Watsonville, CA 95076**

Meeting Agenda

A meeting of the Pajaro Valley Water Management Agency Financing Corporation will take place via Teleconference, immediately following Board of Directors Meeting of December 20, 2023. The following items will be considered:

- 1. Call to Order**
- 2. Roll Call**
- 3. Public Comment:** Audience members may speak on any item pertaining to the PV Water Financing Corporation's jurisdiction that is not on the agenda. **Not to exceed three (3) minutes.**
- 4. Action Items:**
 - A. Approval of minutes of the April 19, 2023, Financing Corporation Meeting
 - B. Consider Election of Officers of the Corporation
- 5. Adjournment**

This agenda is subject to revision and may be amended prior to the scheduled meeting. If amended, a Final Agenda will be posted at the PVWMA offices at 36 Brennan Street, Watsonville, 72 hours prior to the meeting. Copies of the Final Agenda will be available at the Board Meeting. This Agenda shall be made available upon request in alternative formats to persons with a disability, as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the Ralph M. Brown Act (Cal. Govt. Code Sec. 54954.2). Persons requesting a disability-related modification or accommodation should contact PVWMA at (831) 722-9292 during regular business hours, at least 24 hours prior to the time of the meeting.



PAJARO VALLEY WATER FINANCE CORPORATION

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Board of Directors Meeting
April 19, 2023
Immediately following Regular Board Meeting

City of Watsonville Council Chambers
275 Main St., 4th Floor, Watsonville, CA

DRAFT BOARD MEETING MINUTES

1. Call to Order: The PV Water Finance Corporation Board Meeting was called to order at 8:43 p.m. by President Newell, at the City of Watsonville Council Chambers, 275 Main St., 4th Floor, Watsonville, Ca

2. Roll call of the PV WATER Financing Corporation Directors:

Board Members Present: Newell, Rider, Culbertson, Bannister, Broz, Sanchez

Board Members Absent: Zamora

Staff Members Present: Brian Lockwood, General Manager (GM)
Laura R. Taay, Board Secretary
Marcus Mendiola, Water Conservation and Outreach Specialist (WCOS)
Nancy Trevino, (IAFM), Interim Admin/Finance Manager

Others Present: Tony Condotti, Agency Counsel (AC)
Tom Rider, Public

3. Public Comment: None

4. Action Items:

A. Consider Approval of minutes of the Annual Financing Corporation Board of Director's meeting December 21, 2022

Action: Motion by Director Bannister to approve the minutes of the December 21, 2021 meeting; Seconded by Director Broz.

Motion carried by the following voice vote:

AYES: Newell, Rider, Culbertson, Bannister, Broz, Sanchez
NOES: None
ABSENT: Zamora
ABSTAIN: None

B. Consider Adopting Resolution 2023-01FC, Authorizing the Execution, Delivery and Sale of Water Revenue Certificates of Participation to Finance Capital Improvement Projects of the Pajaro Valley Water Management Agency, and Approving Related Documents and Actions

GM Lockwood introduced this item. He discussed how the Pajaro Valley Water Management Agency (Agency) is in the midst of two capital projects: the College Lake Integrated Resources Management Project (the “College Lake Project”) and Watsonville Slough System Managed Aquifer Recharge and Recovery Project (“WSS-MARR”). Each project will provide critical new water sources to the Pajaro Valley. The projects are estimated to cost approximately \$135 million in total. This agenda item is related to the issuance of obligations to fund a portion of the College Lake Project. The financing will be captioned the “Pajaro Valley Water Management Agency 2023 Water Revenue Certificates of Participation” (“2023 COPs”), and is expected to raise up to \$44.5 million to cover a portion of the cost of College Lake Project. The 2023 COPs will be sold through the public bond markets through a municipal underwriter and will require the approval of certain legal, disclosure, and sale documents. Agency staff anticipate that the 2023 COPs will be delivered by mid-June 2023, at which time funds will be available for use.

The 2023 COPs are expected to raise up to \$44.5 million for College Lake Project costs, with the remaining costs anticipated to be funded with a WIFIA loan and the other sources discussed above, as needed. Agency staff have submitted grant applications for additional construction funding. The final par amount of the 2023 COPs will be reduced to the extent that the Agency is awarded additional grant funding or to the extent that the Agency contributes additional reserves to the College Lake Project.

The 2023 COPs will be structured with a 30-year term and the amortization will be structured to “wrap around” the Agency’s other debt in order to make the aggregate debt service repayments as level as possible. The 2023 COPs will be fixed rate debt and the interest rates on the 2023 COPs will not change once they are priced.

The Resolution approves the financing plan, authorize execution and delivery of the 2023 COPs, and approve the other documents described below. The resolution also authorizes Agency staff to execute those documents, provided the final terms of the 2023 COPs do not exceed a maximum principal amount of \$50 million; a maximum true interest cost of 4.75%, and a maximum underwriting discount of 0.5%. These amounts are conservatively set to provide the Agency with the flexibility to adjust the structuring on the 2023 COPs as needed in the days leading up to the sale. The actual par of the 2023 COPs may be less than the \$50 million not-to-exceed amount to the extent that the Agency is awarded additional grant funding or applies additional Agency cash to the Project.

Action: Motion by Vice President Rider for the Board to adopt Resolution 2023-01FC authorizing the execution, delivery, and sale of water revenue certificates of participation to finance capital improvement projects and approving related documents and actions. The Board also approve agreements with NHA Advisors and Jones Hall, in substantially the same form as the versions attached to the agenda packet.

Motion carried by the following voice vote:

AYES: Newell, Rider, Culbertson, Bannister, Broz, Sanchez
NOES: None
ABSENT: Zamora

Adjourned at 8:48 p.m.

Laura R. Taay, Board Secretary

Date Approved

MEMORANDUM

DATE: December 14, 2023
MEETING OF: December 20, 2023
FROM: General Manager
RE: **ITEM 4B:** Elect PV Water Financing Corporation Officers for 2024
President, Vice President, Chief Financial Officer and Secretary

BACKGROUND

At today's PV Water Financing Corporation's annual meeting, it is an appropriate time for the election of 2024 officers. The Corporation has four elected officers: President, Vice President, Chief Financial Officer, and Secretary.

Director Newell currently fills the position of President, Director Rider of Vice President, Director Bannister of Chief Financial Officer and Secretary.

FISCAL IMPACT

None.

STAFF RECOMMENDATION

That the Corporation elect its 2024 officers.