



## **Santa Clara Valley Water District Public Facilities Financing Corporation Meeting**

**CORRECTED Join Zoom Meeting:**

**<https://valleywater.zoom.us/j/89478815287>**

Santa Clara Valley Water District  
Headquarter Boardroom  
5700 Almaden Expressway  
San Jose, CA 95118

### **ANNUAL MEETING AGENDA**

**Thursday, November 14, 2024  
4:00 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  
Chris Elias

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**  
**ANNUAL MEETING**  
**AGENDA**

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Thursday, November 14, 2024

4:00 PM

Join Zoom Meeting:  
<https://valleywater.zoom.us/j/85677988462>

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**\*\*\*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>

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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

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**Join Zoom Meeting:**

**<https://valleywater.zoom.us/j/89478815287?from=addon>**

**Meeting ID: 894 7881 5287**

**Join by Phone:**

**1 (669) 900-9128, 89478815287#**

**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.

[24-0974](#)

**Recommendation:** Approve the November 1, 2023 Minutes.

**Attachments:** [Attachment 1: November 1, 2023 Minutes.](#)

**4. REGULAR AGENDA:**

4.1. 2024 Debt Management Program Update.

[24-0973](#)

**Recommendation:** Receive and discuss updates regarding Santa Clara Valley Water District's financial status as of fiscal year ending June 30, 2024, recent debt issuances, and upcoming financing plans.

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

**5. ADJOURN**



# Santa Clara Valley Water District

**File No.:** 24-0974

**Agenda Date:** 11/14/2024

**Item No.:** 3.1.



SANTA CLARA VALLEY WATER DISTRICT

## SANTA CLARA VALLEY WATER DISTRICT PUBLIC FACILITIES FINANCING CORPORATION

	Meeting Date:	November 14, 2024
	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 November 1, 2023 Minutes.

### SUMMARY:

A summary of Public Facilities Financing Corporation (PFFC) discussions, and details of any 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: November 1, 2023 Minutes.

**DRAFT MINUTES**  
**SANTA CLARA VALLEY WATER DISTRICT**  
**PUBLIC FACILITIES FINANCING CORPORATION**  
**November 1, 2023**

(Paragraph numbers coincide with agenda item numbers)

A Meeting of the Santa Clara Valley Water District (Valley Water) Public Facilities Financing Corporation (PFFC) was held at 3:30 p.m. on November 1, 2023, at 5700 Almaden Expressway, San Jose, California.

**1. Roll Call:** PFFC Board of Director members in attendance were Carolyn Bauer, Dean Chu, and Spencer Horowitz, constituting a quorum. President Steven Mullen was absent. Vice President Chu facilitated the meeting.

PFFC Corporate Officer present: Michele King, Corporate Secretary.

District staff present: Carlos Orellana, District Counsel, Steve Peters, Darin Taylor, Charlene Sun, and Tina Yoke.

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: Rebecca Eisenberg, Director District 7.

**2. 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 December 6, 2022, PFFC Meeting.** It was moved by Director Horowitz, seconded by Director Bauer, and unanimously carried, that the December 6, 2022, Minutes be approved as presented.

**4.1 2023 Debt Management Program Update.** Steve Peters, Senior Management Analyst, and Charlene Sun, Treasury Debt Manager, provided an update the 2023 Debt Management Program as presented in Attachment 1, and provided answers to questions from the PFFC board members. The PFFC Board noted the information.

**5. Adjourn:** Vice President Chu adjourned the meeting at approximately 4:00 p.m.

Michele L. King, CMC  
Corporate Secretary, PFFC

Date:







# Santa Clara Valley Water District

**File No.:** 24-0973

**Agenda Date:** 11/14/2024

**Item No.:** 4.1.



SANTA CLARA VALLEY WATER DISTRICT

## SANTA CLARA VALLEY WATER DISTRICT PUBLIC FACILITIES FINANCING CORPORATION

	Meeting Date:	November 14, 2024
	Item No.	4.1
	Unclassified Manager:	Darin Taylor

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

### SUBJECT:

2024 Debt Management Program Update.

### RECOMMENDATION:

Receive and discuss updates regarding Santa Clara Valley Water District's financial status as of fiscal year ending June 30, 2024, recent debt issuances, and upcoming financing plans

### SUMMARY:

Staff has prepared a PowerPoint presentation (Attachment 1) to provide the Public Facilities Financing Corporation Board with information on (1) Santa Clara Valley Water District's financial status as of June 30, 2024, (2) the results of the most recent debt financing, (3) a review of outstanding WIFIA loan agreements, and (4) debt management activities through calendar year 2025.

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**File No.:** 24-0973

**Agenda Date:** 11/14/2024  
**Item No.:** 4.1.

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**ATTACHMENTS:**

Attachment 1: PowerPoint



# Valley Water

Clean Water • Healthy Environment • Flood Protection

# 2024 Debt Management Program Update to Santa Clara Valley Water District Public Facilities Financing Corporation

November 14, 2024 (Regular Annual Meeting)

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

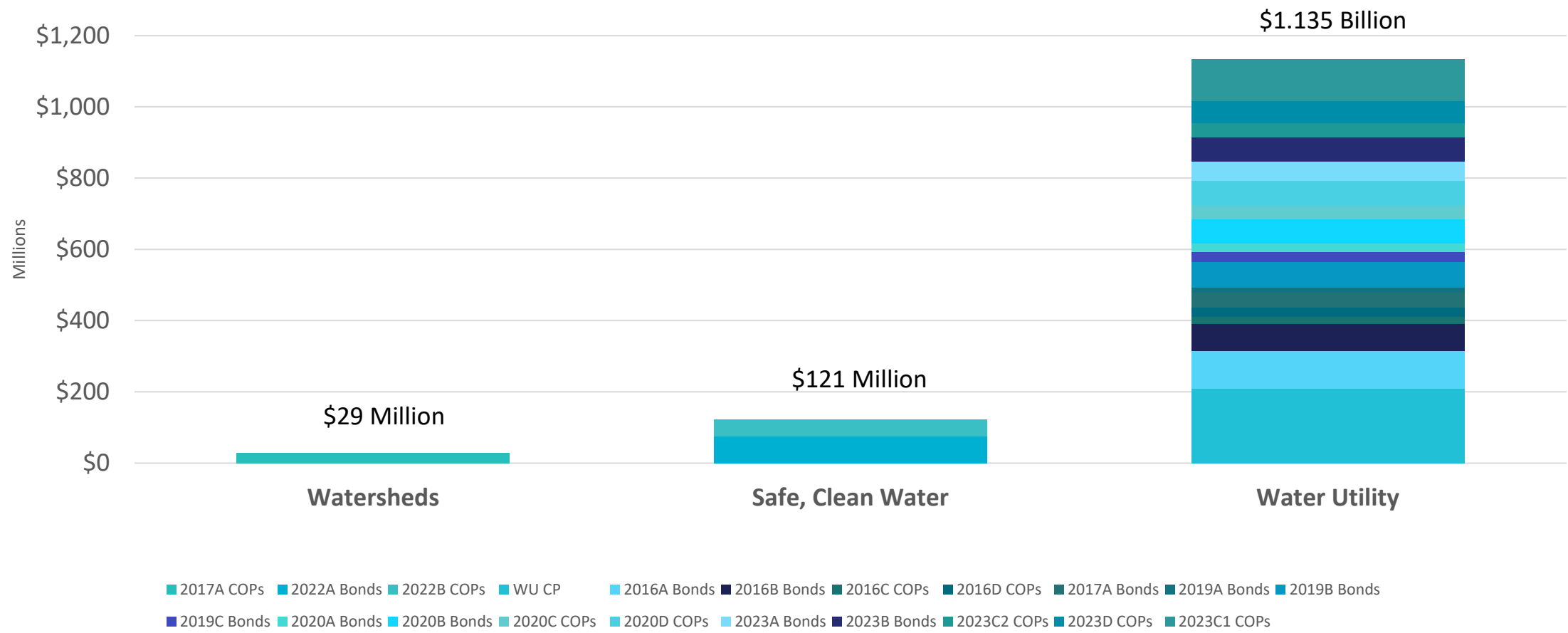
The FY 2023-24 unaudited information contained herein have been prepared by Valley Water for information only and have not been audited by the external auditor. These financial statements remain subject to change by Valley Water and remain subject to review by external auditor. Changes made by the external 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

- Financial Status as of June 30, 2024 (unaudited)
  - Outstanding Debt
  - Cash and Investments
  - Short-Term Debt Credit Facilities
- Results of Recent Water Utility System Debt Financing
- WIFIA Agreements Review
- Upcoming Debt Management Activities

# Financial Status Update – Outstanding Debt

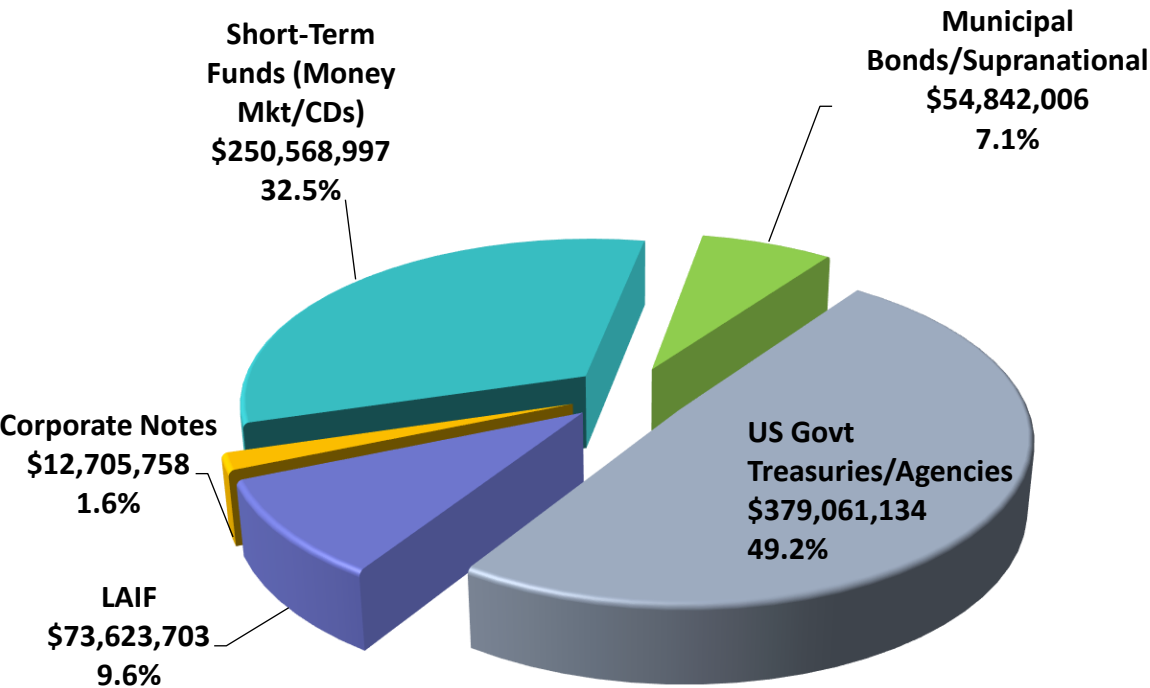
Outstanding Debt 6/30/24: \$1.3 Billion



# Financial Status Update – Cash & Investments

*\$528M or 69% of portfolio very liquid (<=1-year maturity)*

## SCVWD Investment Portfolio Composition

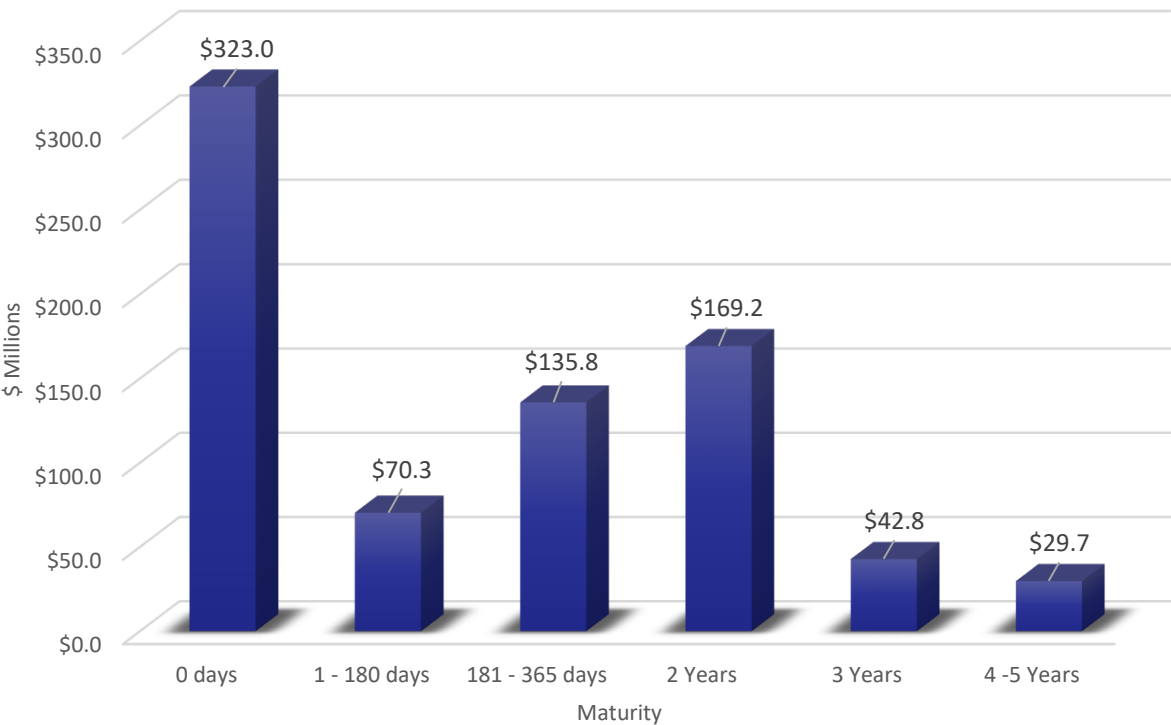


SCVWD Portfolio Book Value as of June 30, 2024: \$770.8 Million

## Valley Water Portfolio Aging Report

June 30, 2024

Portfolio Book Value: \$770.8 Million





# 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 (expires December 10, 2024)
- \$170 million bank line of credit (expires April 29, 2025)
  - U.S. Bank (lead bank) - \$150 million
  - Community Bank of the Bay - \$5 million
  - Bank of SF - \$7 million
  - First Foundation Bank - \$8 million

# September 2024 Water Utility Financing

8

	2024A-1	2024B-1	2024A-2	2024B-2	2024C	Total
Tax Status:	Tax-Exempt	Taxable	Tax-Exempt	Taxable	Tax-Exempt	
Projects:	Non-WIFIA	Non-WIFIA	WIFIA	WIFIA	Non-WIFIA	
<u>Sources</u>						
Proceeds	<u>\$ 118,935,605</u>	<u>\$ 90,500,000</u>	<u>\$ 52,815,454</u>	<u>\$ 25,025,000</u>	<u>\$ 50,121,509</u>	<u>\$ 337,397,568</u>
<u>Uses</u>						
Refund Short-Term Debt	\$ 118,640,000	\$ 89,960,000	\$ 52,669,753	\$ 24,878,981	\$ -	\$ 286,148,734
Construction Funds	-	-	-	-	50,000,000	50,000,000
Costs of Issuance	<u>295,605</u>	<u>540,000</u>	<u>145,701</u>	<u>146,019</u>	<u>121,509</u>	<u>1,248,834</u>
Total	<u>\$ 118,935,605</u>	<u>\$ 90,500,000</u>	<u>\$ 52,815,454</u>	<u>\$ 25,025,000</u>	<u>\$ 50,121,509</u>	<u>\$ 337,397,568</u>
<u>Debt Information</u>						
Maturity Date (June 1)	2054	2054	2026	2026	2038	
All-In True Interest Cost	4.10%	4.80%	2.49%	4.25%	2.73%	4.16%

# Board Approved WIFIA Loans

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

- EPA Water Infrastructure and Finance Innovation Act (WIFIA) Loans provide for up to 49% of total project costs
  - Safe, Clean Water (SCW) Program flood protection projects
    - Coyote Creek
    - Sunnyvale East-West Channels
    - Upper Penitencia Creek
  - Water Utility projects
    - Anderson Dam Seismic Retrofit / Coyote Percolation Dam Replacement
    - Pacheco Reservoir Expansion

# WIFIA Agreements

1. Anderson Dam Seismic Retrofit and Coyote Percolation Dam Replacement (Water Utility project)
  - \$1.2 billion estimated cost
  - \$579 million Master Agreement loan program
    - 10 individual loans can be entered into through February 14, 2031
  - \$74 million initial Loan Agreement
    - Design/Planning costs only
    - 3.77% annual interest rate
  - Agreements executed February 14, 2023

# WIFIA Agreements

## 2. Pacheco Reservoir Expansion (Water Utility project)

- \$3.0 billion estimate cost
- \$1.5 billion Master Agreement loan program
  - 10 individual loans can be entered into through October 30, 2031
- \$92 million initial Loan Agreement
  - Design/Planning costs only
  - 5.08% annual interest rate
- Agreements executed October 30, 2023

# WIFIA Agreements

3. Sunnyvale East-West Channels, Coyote Creek, and Upper Penitencia Creek flood protection (SCW project)
  - \$299 million estimated cost
  - \$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 East-West Channels only
    - 3.77% annual interest rate
  - Agreements executed February 14, 2023

# Upcoming Debt Management Activities

- Replace Commercial Paper Letter of Credit (LOC) [December 2024]
  - Increased issuance capacity to \$250 million from \$150 million
- Revolving Line of Credit RFQ [December 2024]
- CWIFP Loan Application [March 2025]
  - Dam Safety Program invited to apply for \$653 million by Army Corps of Engineers
- WIFIA SCW Loan Agreement #2 [March 2025]
  - Coyote Creek flood protection – \$95.3 million construction loan
- Anderson Dam - WIFIA Loan Commitment Upsizing [June 2025]
  - Amend existing Master Agreement for increased projected cost (\$1.9 billion) and execute construction loan (Anderson Loan Agreement #2)
  - Approval from PFFC and Valley Water Boards for increase in authorization
- Water Utility Bonds Issuance [September 2025]

# QUESTIONS







# Valley Water

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