

MEETING AGENDA

**UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
Santa Clarita Valley Water Agency Boardroom
27234 Bouquet Canyon Road
Santa Clarita, CA 91350
Tuesday, November 6, 2018 at 7:00 PM
Or Immediately Following the
Regular Meeting of the
Santa Clarita Valley Water Agency
Board of Directors**

1. REGULAR PROCEDURES

- 1.1. Call to Order
- 1.2. Pledge of Allegiance
- 1.3. Public Comments – Members of the public may comment as to items not on the agenda at this time. Members of the public wishing to comment on items covered in this agenda may do so now or prior to each item as they arise. Please complete and return a comment request form to the Authority Secretary. (Comments may, at the discretion of the Board’s presiding officer, be limited to three minutes for each speaker.)
- 1.4. Acceptance of the Agenda

BOARD OF DIRECTORS

PRESIDENT
MARIA GUTZEIT

VICE PRESIDENT
R.J. KELLY

ED COLLEY
WILLIAM C. COOPER
E.G. “JERRY” GLADBACH

EXECUTIVE DIRECTOR
MATTHEW G. STONE

GENERAL COUNSEL
STRADLING YOCCA
CARLSON & RAUTH, P.C.

SECRETARY
APRIL JACOBS

2. GENERAL AGENDA ITEMS

PAGE

- 2.1. * Approve Minutes of the October 16, 2018 Special Authority Meeting 3
- 2.2. * Approve a Resolution of Intent to Issue Tax Exempt Obligations 7

3. ADJOURNMENT

*** Indicates attachment**

NOTICES

Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning (661) 297-1600, or writing to Santa Clarita Valley Water Agency at 27234 Bouquet Canyon Road, Santa Clarita, CA 91350. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that Agency staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the Agency to provide the requested accommodation.

November 6, 2018

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Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection at the Santa Clarita Valley Water Agency, located at 27234 Bouquet Canyon Road, Santa Clarita, California 91350, during regular business hours. When practical, these public records will also be made available on the Agency's Internet Website, accessible at <http://www.yourscvwater.com>.

Posted on October 30, 2018.

MBS

DRAFT

ITEM NO.
2.1

Minutes of the Special Meeting of the Upper Santa Clara Valley Joint Powers Authority –
October 16, 2018

A special meeting of the Upper Santa Clara Valley Joint Powers Authority was held at Santa Clarita Valley Water Agency, 27234 Bouquet Canyon Road, Santa Clarita, CA 91350, at 9:45 PM on Tuesday, October 16, 2018 in the Boardroom. A copy of the Agenda is inserted in the Minute Book of the Authority preceding these minutes.

DIRECTORS PRESENT: William Cooper, Ed Colley, Jerry Gladbach, Maria Gutzeit and R. J. Kelly were in attendance.

DIRECTORS ABSENT: None.

Also present: Steve Cole, SCV Water Assistant General Manager sitting in for the Mathew Stone, Executive Director; Joe Byrne and Tom Bunn, General Counsel for SCV Water Agency sitting in for the Authority’s Special Counsel; April Jacobs, Board Secretary; Beverly Johnson, Treasurer; Rochelle Patterson, SCV Water Agency Director of Administrative Services; Cris Perez, SCV Water Director of Tech Services; and members of the public.

President Gutzeit called the meeting to order at 9:45 PM. A quorum was present.

Upon motion of Director Cooper, seconded by Director Colley and carried, the Authority approved the Agenda by the following voice votes (Item 1.4):

Director Cooper	Yes	Director Colley	Yes
Director Gladbach	Yes	President Gutzeit	Yes
Vice President Kelly	Yes		

Upon motion of Vice President Kelly, seconded by Director Cooper and carried, the Authority approved the June 5, 2018 regular Authority meeting minutes by the following voice votes (Item 2.1):

Director Cooper	Yes	Director Colley	Yes
Director Gladbach	Yes	President Gutzeit	Yes
Vice President Kelly	Yes		

Upon motion of Director Gladbach, seconded by Director Colley and carried, the Authority approved Resolution No. 2018-03 establishing banking authority with Wells Fargo and Resolution No. 2018-04 authorizing the investment of monies in the Local Agency Investment Fund (LAIF) by the following voice votes (Item 2.2):

Director Cooper	Yes	Director Colley	Yes
Director Gladbach	Yes	President Gutzeit	Yes
Vice President Kelly	Yes		

RESOLUTION NO. 2018-03

**RESOLUTION OF THE
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
ESTABLISHING BANKING AUTHORITY WITH**

WELLS FARGO

WHEREAS, the Upper Santa Clara Valley Joint Powers Authority (the "Authority"), has a banking relationship with Wells Fargo with respect to issuing Refunding Revenue Bonds, Series 2011A; and

WHEREAS, said Bank requests that the Authority define Authority officials authorized to make withdrawals from and perform other business details concerning said account; and

WHEREAS, consistent with the terms of this resolution, the Authority's Board finds it to be in the Authority's best interest to establish authorized Authority officials to participate in the above banking relationships.

NOW, THEREFORE BE IT RESOLVED that the President, Vice President, Executive Director, Chief Financial and Administrative Officer, Controller or Treasurer are authorized to sign or countersign withdrawal orders, and Wells Fargo is authorized to honor and pay all withdrawal orders – including those drawn to the order of the President, Vice President, Executive Director, Chief Financial and Administrative Officer, Controller or Treasurer signed in the manner required by this resolution; and

RESOLVED FURTHER that the President, Vice President, Executive Director, Chief Financial and Administrative Officer, Controller or Treasurer is authorized to order withdrawals from said account up to a maximum of \$50,000 per order on his or her signature only, and either said President, Vice President, Executive Director, Chief Financial and Administrative Officer, Controller or Treasurer is authorized to order withdrawals from said accounts exceeding the sum of \$50,000 but not exceeding \$1,000,000 per order on his or her signature when the order is countersigned by one of the authorized signatures of the President, Vice President, Executive Director, Chief Financial and Administrative Officer, Controller or Treasurer; and

RESOLVED FURTHER that the President, Vice President, Executive Director, Chief Financial and Administrative Officer, Controller or Treasurer is authorized to order withdrawals from the account without limit when countersigned by one of the authorized signatures of the President or Vice President; and

RESOLVED FURTHER that any and all of the foregoing six named Authority Officers are hereby authorized to execute on behalf of the Authority all Bank forms and agreements which, in their absolute discretion, are consistent with this resolution.

RESOLUTION NO. 2018-04

**RESOLUTION OF THE
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
AUTHORIZING THE INVESTMENT OF MONIES IN THE LOCAL AGENCY
INVESTMENT FUND**

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the Upper Santa Clara Valley Joint Powers Authority.

NOW THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the deposit and withdrawal of Upper Santa Clara Valley Joint Powers Authority monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following Upper Santa Clara Valley Joint Powers Authority officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

Maria Gutzeit, President

R.J. Kelly, Vice President

Matthew G. Stone, Executive Director

Rochelle Patterson, Treasurer

Upon motion of Director Colley, seconded by Director Gladbach and carried, the Board received and filed the Fourth Quarter FY 2017/18 Investment Report by the following voice votes (Item 2.3):

Director Cooper	Yes	Director Colley	Yes
Director Gladbach	Yes	President Gutzeit	Yes
Vice President Kelly	Yes		

Upon motion of Director Colley, seconded by Director Cooper and carried, the meeting was adjourned at 9:50 PM by the following voice votes (Item 3):

Director Cooper	Yes	Director Colley	Yes
Director Gladbach	Yes	President Gutzeit	Yes
Vice President Kelly	Yes		

April Jacobs, Board Secretary


ATTEST:

President

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY

Date: October 16, 2018

To: Upper Santa Clara Valley Joint Powers Authority Board of Directors

From: Eric Campbell 
Chief Financial and Administrative Officer

Subject: Approve a Resolution of Intent to Issue Tax-Exempt Obligations

SUMMARY

SCV Water proposes the issuance of revenue bonds by the Upper Santa Clara Valley Joint Powers Authority (USCVJPA) to fund the ongoing Capital Improvement Program (CIP) and anticipates this transaction occurring in early May 2019. It is likely that the current bond funding will be exhausted by this time. The Agency would use available cash from one-percent property tax funds that would be reimbursed from the bond proceeds. The proposed resolution of intent to issue tax-exempt bonds will allow the Agency to use bond proceeds to reimburse the Agency for expenditures on the specified projects.

DISCUSSION

As discussed in the FY 2018/19 Budget process, the Agency's current CIP for Major Capital projects shows 20 projects being constructed over the next ten years. Assuming the Agency is able to obtain some grant funding for the recycled water projects, the current projection shows a need for additional funding of \$183 million through FY 2025/26. The FY 2018/19 Budget proposes \$35 million in debt issuance to cover approximately three years of capital project funding.

In recent years, the Agency (formerly Castaic Lake Water Agency) has issued all bonds through the USCVJPA. The reason for having bonds issued by the USCVJPA rather than SCV Water is to allow the Agency to take advantage of more favorable interest rates available with revenue bonds. SCV Water is unable to issue revenue bonds due to legal limitations. Therefore, staff proposes that the proposed bonds be issued by the USCVJPA to continue to take advantage of the favorable interest rates associated with revenue bonds.

Projects that are anticipated to require funding in the interim period include:

- ◆ Castaic Conduit
- ◆ Distribution System – RV-2 Modifications
- ◆ ESFP Clearwell/CT Improvements
- ◆ ESFP Sludge Collection System
- ◆ ESIPS Pipeline Improvements
- ◆ Foothill Feeder Connection
- ◆ Honby Parallel

- ◆ Magic Mountain Pipeline No. 4
- ◆ Magic Mountain Pipeline No. 5
- ◆ Magic Mountain Pipeline No. 6
- ◆ Magic Mountain Reservoir
- ◆ Recycled Water Program Phase 11, 2A – Central Park
- ◆ Recycled Water Program Phase 11, 2B – Vista Canyon
- ◆ Recycled Water Program Phase 11, 2C – South End
- ◆ Recycled Water Program Phase 11, 2D – West Ranch
- ◆ Rosedale Rio Bravo Extraction

The proposed resolution of intent by USCJVPA to issue tax-exempt bonds would allow the Agency to use bond proceeds to reimburse the Agency for expenditures on ongoing capital improvement projects.

The closing of the bond issuance is expected to occur in early May 2019. A draft schedule for the bond issuance is attached as Attachment 1.

RECOMMENDATION

That the Upper Santa Clara Valley Joint Powers Authority approve the attached resolution of intent to issue tax-exempt obligations.

EC/bj

Attachments



SANTA CLARITA VALLEY WATER AGENCY
 2019 Revenue Bonds

DRAFT SCHEDULE

Revised on:

Wednesday, September 26, 2018

I = Issuer - Santa Clarita Valley Water Agency
GC = Issuer Counsel - Best Best & Krieger LLP
BC = Bond Counsel - Stradling, Yocca, Carlson & Rauth
FA = Financial Advisor - Fieldman, Rolapp & Associates, Inc.
U = Underwriter - TBD
UC = Underwriter's Counsel - TBD
T = Trustee - U.S. Bank

Date	Description	Responsible Parties	Status
Week of Monday, October 15, 2018	Distribute first draft of legal documents	BC	
<i>Monday, October 15, 2018</i>	<i>Finance and Administrative Committee considers approval of Reimbursement Resolution</i>	<i>I</i>	
Week of Monday, October 29, 2018	Distribute UW RFP	FA	
Week of Monday, November 05, 2018	Distribution of initial draft of offering document to working group	BC	
Tuesday, November 06, 2018	SCVWA Board considers approval of Reimbursement Resolution	I	
Week of Monday, November 12, 2018	Receipt of Underwriter responses	I, FA	
<i>Monday, November 19, 2018</i>	<i>Finance and Administrative Committee considers approval of financing plan and underwriter</i>		
Week of Monday, December 10, 2018	Distribution of near-final legal documents	BC	
<i>Monday, December 17, 2018</i>	<i>Finance and Administrative Committee considers approval of legal documents</i>	<i>I, FA, BC</i>	
Tuesday, December 18, 2018	SCVWA Board considers approval of financing plan and Underwriter	I, FA	
Tuesday, January 15, 2019	SCVWA and USCJPA Board Meeting to consider approval of legal documents	All	
Tuesday, January 15, 2019	60 day Validation period commences	BC	
Week of Monday, February 18, 2019	Finalize information for POS	All	
Week of Monday, March 11, 2019	Distribution of Legal Documents/POS to rating analysts	FA	
Monday, March 18, 2019	Validation period ends	All	
<i>Monday, March 18, 2019</i>	<i>SCVWA Finance and Administrative Committee consideration of offering document</i>	<i>I</i>	
Week of Monday, March 25, 2019	Credit rating presentation	I, UW, FA	

SANTA CLARITA VALLEY WATER AGENCY
 2019 Revenue Bonds

DRAFT SCHEDULE

	Date	Description	Responsible Parties	Status
Week of	Monday, April 08, 2019	Due diligence call	All	
+/-	Monday, April 15, 2019	Ratings received	I, UW, FA	
	Tuesday, April 16, 2019	SCVWA and USCJPA Board Meeting to consider approval of: - Offering Document	I	
	Wednesday, April 17, 2019	Post Preliminary Official Statement	BC	
	Tuesday, April 23, 2019	Pre-pricing	All	
	Wednesday, April 24, 2019	Pricing Execute Bond Purchase Agreement	All	
	Wednesday, May 01, 2019	Post Official Statement	All	
	Wednesday, May 08, 2019	Closing	All	

ATTACHMENT 2

RESOLUTION NO. ____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY REGARDING ITS INTENTION TO ISSUE TAX-EXEMPT OBLIGATIONS

WHEREAS, the Board of Directors of the Upper Santa Clara Valley Joint Powers Authority (the "Issuer") has been requested to finance the costs of acquiring certain public facilities and improvements for the Santa Clara Valley Water Agency (the "Agency"), as provided in Exhibit A attached hereto and incorporated herein (the "Project"); and

WHEREAS, the Authority has agreed to finance the acquisition of the Project or portions of the Project on behalf of the Agency with the proceeds of the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to the issuance of the Obligations the Agency may incur certain expenditures with respect to the Project from available monies of the Agency which expenditures are desired to be reimbursed by the Agency from a portion of the proceeds of the sale of the Obligations;

NOW, THEREFORE, THE ISSUER HEREBY FINDS, DETERMINES, DECLARES AND RESOLVES AS FOLLOWS:

SECTION 1. The Issuer hereby states its intention and reasonably expects to reimburse Project costs to the Agency incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes the general character, type, purpose, and function of the Project.

SECTION 2. The reasonably expected maximum principal amount of the Obligations is \$35,000,000. The reasonably expected maximum amount of proceeds of the Obligations to be allocated to reimburse original expenditures is \$35,000,000.

SECTION 3. The Issuer shall not reimburse from proceeds of the Obligations reimbursement or expenditures for Project costs which may have been incurred by the Agency prior to the date that is sixty (60) days prior to the date of adoption of this resolution (the "Expenditures Date or Dates").

SECTION 4. Except as described below, the expected date of issue of the Obligations will be within eighteen months of the later of the Expenditure Date or Dates and the date the Project is placed in service; provided, the reimbursement may not be made more than three years after the original expenditure is paid.

SECTION 5. Proceeds of the Obligations to be used to reimburse for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the Issuer or the Agency (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Issuer, the Agency, or any entity related in any manner to the Issuer or the Agency, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

SECTION 6. This resolution is consistent with the budgetary and financial circumstances of the Issuer (or any related party), as of the date hereof. No monies from sources other than the Obligation issue are, or are reasonably expected to be reserved, allocated on a long-term basis, or otherwise set aside by the Issuer, the Agency (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this Board of Directors is not aware of the previous adoption of official intents by the Issuer that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 7. The limitations described in Section 3 and Section 4 do not apply to (a) costs of issuance of the Obligations, (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations, or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

SECTION 8. This resolution is adopted as official action of the Issuer in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Issuer and/or Agency expenditures incurred prior to the date of issue of the Obligations, is part of the Issuer's official proceedings, and will be available for inspection by the general public at the main administrative office of the Issuer.

SECTION 9. All the recitals in this Resolution are true and correct and this Board of Directors so finds, determines and represents.

SECTION 10. This resolution shall take effect immediately.

EXHIBIT A

DESCRIPTION OF PROJECT

The Project consists of water utility collection, storage, and distribution property and related components and improvements, identified on the Agency's books and records as indicated below:

- Castaic Conduit
- Distribution System – RV-2 Modifications
- ESFP Clearwell/CT Improvements
- ESFP Sludge Collection System
- ESIPS Pipeline Improvements
- Foothill Feeder Connection
- Honby Parallel
- Magic Mountain Pipeline No. 4
- Magic Mountain Pipeline No. 5
- Magic Mountain Pipeline No. 6
- Magic Mountain Reservoir
- Recycled Water Program Phase 11, 2A – Central Park
- Recycled Water Program Phase 11, 2B – Vista Canyon
- Recycled Water Program Phase 11, 2C – South End
- Recycled Water Program Phase 11, 2D – West Ranch
- Rosedale Rio Bravo Extraction

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