

REGULAR MEETING AGENDA

**UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
SANTA CLARITA VALLEY WATER AGENCY BOARDROOM
27234 BOUQUET CANYON ROAD
SANTA CLARITA, CA 91350
TUESDAY, JUNE 18, 2019 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 February 5, 2019 Regular Authority Meeting 3
- 2.2. * Approve a Resolution Adopting the Fiscal Year 2019/20 Budget 7
- 2.3. * Approve Receiving and Filing of the Second and Third Quarter FY 2018/19 Investment Reports 17

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.

June 18, 2019

Page 2

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 June 12, 2019.

M65

DRAFT

ITEM NO.
2.1

Minutes of the Regular Meeting of the Upper Santa Clara Valley Joint Powers Authority –
February 5, 2019

A regular 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 9:43 PM on Tuesday, February 5, 2019 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: Mathew Stone, Executive Director; Tom Bunn, General Counsel for SCV Water Agency sitting in for the Authority’s Special Counsel; April Jacobs, Board Secretary; Steve Cole, Assistant General Manager; Eric Campbell, SCV Water Chief Financial and Administrative Officer; Rochelle Patterson, Treasurer; and members of the public.

President Gutzeit called the meeting to order at 9:43 PM. A quorum was present.

Upon motion of Director Gladbach, seconded by Vice President Kelly and carried, the Authority approved the Agenda by the following voice votes (Item 1.4):

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

Upon motion of Director Cooper, seconded by Director Colley and carried, the Authority approved the November 6, 2018 regular Authority meeting minutes by the following voice votes (Item 2.1):

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

Director Gladbach nominated Director Gutzeit for President of the Authority and Director Gutzeit nominated Director Kelly for Vice President of the Authority. Upon motion of Director Colley, seconded by Director Gladbach and carried by a slate vote, the Authority elected the following officers:

Director Gutzeit – President
Director Kelly – Vice President

And appointed the following officers:

April Jacobs – Board Secretary
Matthew Stone – Executive Director
Rochelle Patterson – Treasurer

By the following voice votes (Item 2.2):

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

Upon motion of Director Colley, seconded by Director Cooper and carried, the Authority approved the Disclosure Procedures Policy formalizing the JPA's responsibilities and procedures in connection with debt issuance and management including notes, bonds and certificates of participation, to ensure the JPA continues to comply with all applicable disclosures obligations and requirements under federal securities laws by the following voice votes (Item 2.3):

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

Upon motion of Director Cooper, seconded by Vice President Kelly and carried, the Authority approved Resolution No. 2019-01 authorizing the issuance of one or more series of revenue bonds in an amount not to exceed \$40,000,000 approving the execution of certain documents, and authorizing certain acts in connection therewith by the following voice votes (Item 2.4):

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

RESOLUTION NO. 2019-01

**RESOLUTION OF THE
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY AUTHORIZING:
(1) THE ISSUANCE OF ONE OR MORE SERIES OF REVENUE BONDS
IN AN AMOUNT NOT TO EXCEED \$40,000,000;
(2) APPROVING THE EXECUTION OF CERTAIN DOCUMENTS; AND
(3) AUTHORIZING CERTAIN ACTS IN CONNECTION THEREWITH**

WHEREAS, the Upper Santa Clara Valley Joint Powers Authority (the "Authority"), a joint exercise of powers authority duly organized and existing under and pursuant to the Constitution and laws of the State of California, has been requested to assist the Santa Clarita Valley Water Agency (the "Agency") by undertaking the financing of the acquisition of certain capital improvements to the Agency's wholesale water system with the issuance of one or more series of Authority revenue bonds; and

WHEREAS, the Board of Directors has determined to assist the Agency to finance such capital improvements from the proceeds of such Authority revenue bonds;

NOW THEREFORE, the Board of Directors of the Upper Santa Clara Valley Joint Powers Authority hereby finds, determines, declares and resolves as follows:

1. The issuance by the Authority of one or more series of revenue bonds (the "Bonds") in the principal amount not to exceed \$40,000,000 in order to finance certain capital

improvements on behalf of the Agency's wholesale water system and pay the costs of issuance for the Bonds is hereby approved.

2. The Installment Purchase Agreement in substantially the form on file with the Authority is hereby approved. The President, Vice President, Executive Director or the Treasurer (the "Authorized Officers") thereof are hereby authorized and directed to execute and deliver the Installment Purchase Agreement with such changes, insertions and omissions as may be approved by the person executing the same, said execution being conclusive evidence of such approval.

3. The Indenture of Trust in substantially the form on file with the Authority is hereby approved. Each of the Authorized Officers, acting singly or the designee thereof are hereby authorized and directed to execute and deliver the Indenture of Trust with such changes, insertions and omissions as may be approved by the officers executing the same, said execution being conclusive evidence of such approval.

4. The Purchase Contract with Citigroup Global Markets Inc. in substantially the form on file with the Authority is hereby approved. Each of the Authorized Officers, acting singly, or the designee thereof are hereby authorized and directed to execute and deliver the Purchase Contract with such changes, insertions and omissions as may be approved by the person executing the same, said execution being conclusive evidence of such approval; provided, however, that in no event shall the principal amount of the Bonds exceed \$40,000,000, nor shall the underwriter's discount exceed 0.25% of the principal amount of the Bonds, nor shall the true interest cost of the Bonds exceed 4.70%.

5. The Board of Directors hereby authorizes the Executive Director of the Authority to select a municipal bond insurer to insure payments of interest and principal on all or a portion of the Bonds so long as Fieldman, Rolapp & Associates, Inc., the Authority's municipal advisor, determines that obtaining the municipal bond insurance policy provided thereby will result in a lower interest rate or yield to maturity on such Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation is hereby directed to make all changes to the Installment Purchase Agreement, the Indenture of Trust and the Purchase Contract as are necessary to reflect the selection of a municipal bond insurer and the reasonable comments thereof.

6. Stradling Yocca Carlson & Rauth, a Professional Corporation, is hereby directed to revise the series designations and document dates with respect to the Bonds based on when the Bonds are actually issued. Such revisions shall be deemed to be ministerial and shall not constitute an amendment to any of the documents so revised.

7. The Board of Directors acknowledges that the good faith estimates required by Section 5852.1 of the California Government Code are disclosed in paragraph 4 to the staff report and are available to the public at the meeting at which this resolution is approved.

8. Each of the Authorized Officers, acting singly, and any other proper officer of the Authority are hereby authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture of Trust, the Installment Purchase Agreement, the Purchase Contract and this Resolution.

9. U.S. Bank National Association is hereby appointed to act as trustee under the Indenture of Trust.

10. Unless otherwise defined herein, all terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture of Trust unless the context otherwise clearly requires.

11. This resolution shall take effect immediately.

Upon motion of Director Colley, seconded by Director Gladbach and carried, the Authority reappraised the Investment Policy by the following voice votes (Item 2.5):

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

Upon motion of Director Colley, seconded by Director Cooper and carried, the Authority approved receiving and filing of the First Quarter FY 2018/19 Investment Report by the following voice votes (Item 2.6):

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

Upon motion of Director Gladbach, seconded by Director Colley and carried, the meeting was adjourned at 9:58 PM by the following voice votes (Item 3):

Director Colley	Yes	Director Cooper	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: June 18, 2019
To: Upper Santa Clara Valley Joint Powers Authority Board of Directors
From: Rochelle Patterson
Treasurer 
Subject: Approve a Resolution Adopting the Fiscal Year 2019/20 Budget

SUMMARY AND DISCUSSION

The Fiscal Year (FY) 2019/20 Budget for the Upper Santa Clara Joint Powers Authority (Authority) is \$17,515,500. This budget provides for the payment of annual debt service on the 2015A Revenue Bonds (Refunding of 2006C Certificates of Participation), 2016A Revenue Bonds (New bond proceeds and Refunding of 2006A Certificates of Participation), 2017A Retail Refunding Revenue Bonds (Refunding of 2011A), 2018A Revenue Bonds, and miscellaneous expenses, such as insurance, trustee and audit fees. It also anticipates the issuance of \$35 million in proposed 2019A bonds. The revenues are paid by the Santa Clarita Valley Water Agency (SCV Water-Regional), Santa Clarita Water Division (SCWD), and Valencia Water Division (VWD) proportionate to their relative expenditures.

FINANCIAL CONSIDERATIONS

The Authority will collect revenues equal to the amount of expenditures.

RECOMMENDATION

That the Upper Santa Clara Valley Joint Powers Authority approve the attached resolution adopting the FY 2019/20 Budget and amending the FY 2018/19 Budget.

Attachments

RP:aa



[This page intentionally left blank.]

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
Budget
FY 2019/20

	FY 2015/16 ACTUAL	FY 2016/17 ACTUAL	FY 2017/18 ACTUAL	FY 2018/19 ESTIMATED	FY 2019/20 BUDGET	
Beginning Balance	\$ 10,079	\$ 10,079	\$ 10,079	\$ 10,176	\$ 10,176	
Revenues						
Installment Purchase Agreement Payments 2011A	\$ 4,464,479	\$ 2,138,513	\$ -	\$ -	\$ -	(1)
Installment Purchase Agreement Payments 2015A	2,755,943	5,048,950	5,036,800	5,524,441	5,565,100	(2)
Installment Purchase Agreement Payments 2016A	-	1,908,614	4,489,400	5,029,214	5,062,400	(2)
Installment Purchase Agreement Payments 2017A			1,218,600	5,467,133	5,563,900	(2)
Installment Purchase Agreement Payments 2018A			419,037	945,047	965,300	(2)
Commercial Paper LOC Fee	190,278	34,028	-	-	-	
Cost of Issuance of 2015A	46,000	-	-	-	-	
Cost of Issuance of 2016A	224,718	-	-	-	-	
Cost of Issuance of 2017A			222,879			
Cost of Issuance of 2018A			421,662			
Cost of Issuance of 2019A					331,500	(3)
Reimbursements from Member Agencies	45,758	15,168	18,709	27,265	27,200	
Investment Earnings	-	-	97	135	100	
Total Revenues	\$ 7,727,176	\$ 9,145,273	\$ 11,827,184	\$ 16,993,235	\$ 17,515,500	
Expenditures						
Debt Service 2011A	\$(4,464,479)	\$(2,138,513)	\$ -	\$ -	\$ -	
Debt Service 2015A	(2,755,943)	(5,048,950)	(5,036,800)	(5,524,441)	(5,565,100)	
Debt Service 2016A	-	(1,908,614)	(4,489,400)	(5,029,214)	(5,062,400)	
Debt Service 2017A			(1,218,600)	(5,467,133)	(5,563,900)	
Debt Service 2018A			(419,037)	(945,047)	(965,300)	
Cost of Issuance of 2015A	(46,000)	-	-	-	-	
Cost of Issuance of 2016A	(224,718)	-	-	-	-	
Cost of Issuance of 2017A			(222,879)			
Cost of Issuance of 2018A			(421,662)			
Cost of Issuance of 2019A					(331,500)	
Commercial Paper LOC Fee	(190,278)	(34,028)	-	-	-	
Operating Expenditures	(45,758)	(15,168)	(18,709)	(27,400)	(27,300)	
Other	-	-	-	-	-	
Total Expenditures	\$(7,727,176)	\$(9,145,273)	\$ (11,827,087)	\$ (16,993,235)	\$(17,515,500)	
Ending Balance	\$ 10,079	\$ 10,079	\$ 10,176	\$ 10,176	\$ 10,176	

(1) 2011A Bonds refunded / defeased by 2017A Bonds.

(2) Debt service includes prinicpal,interest, and net premium amortization

(3) Proposed bond to be issued in last six months of 2019.

[This page intentionally left blank.]

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY

FY 2018/19 Estimated Actual			
Revenues	<u>Regional</u>	<u>Retail Divisions</u>	
2015A - Principal	2,165,000	-	2,165,000
2015A - Interest	2,812,948	-	2,813,000
2015A - Premium Amortization	546,493		546,500
2016A - Principal	1,900,000	-	1,900,000
2016A - Interest	2,556,279	-	2,556,300
2016A - Premium Amortization	572,935		573,000
2017A - Principal		1,216,750	1,216,800
2017A - Interest		3,840,256	3,840,300
2017A - Premium Amortization		410,127	410,200
2018A - Principal		-	-
2018A - Interest		956,668	956,700
2018A - Discount Amortization		(11,621)	(11,700)
Reversal of prior year 2014A amortization	(238,698)		(238,700)
Interest Income - LAIF	135		100
Reimbursements from Member Agencies			27,300
Total Revenues	\$10,314,958	\$ 6,412,181	<u>\$ 16,754,800</u>
Expenditures			
Reversal of prior year 2014A amortization			\$ 238,700
Debt Service 2015A			(5,524,500)
Debt Service 2016A			(5,029,300)
Debt Service 2017A			(5,467,300)
Debt Service 2018A			(945,000)
<u>Operating expenditures</u>			
53304 Dues and Memberships	ACWA	\$ 750	\$ 750
55210 Insurance (ACWA-JPIA)			
	Auto and General Liability	2,550	
	Property Program	500	
	Bonds/Honesty	<u>950</u>	
			4,000
Audit Expense	<i>Every 2 years: FY 1718 = \$2700; FY18/19 = \$2,700.</i>		5,400
Legal Expense - CP and LOC Legal Administration			
	CP - Fitch Surveillance Fees - 2008A	3,000	
	Legal & Fin Advisory Fees-Bonds & LOCs	<u>4,000</u>	
			7,000
Misc Expense/US Bank			
	2011A-US Bank Trustee Fees	\$2,200	
	2015A-US Bank Trustee Fees	2,000	
	2016A- US Bank Trustee Fees	2,000	
	2017A - US Bank Trustee Fees	2,000	
	2018A - US Bank Trustee Fees	<u>2,000</u>	
			10,200
			(27,400)
Total Expenditures			<u>\$ (16,754,800)</u>

6/5/2019

[This page intentionally left blank.]

UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY

				FY 2019/20 Budget			
Revenues				<u>Regional</u>	<u>Retail Divisions</u>	<u>Total</u>	
2015A - Principal - Wholesale				2,250,000		2,250,000	
2015A - Interest				2,768,550		2,768,600	
2015A - Premium Amortization				546,493		546,500	
2016A - Principal - Wholesale				1,970,000		1,970,000	
2016A - Interest				2,519,400		2,519,400	
2016A - Premium Amortization				572,935		573,000	
2017A - Principal - SCWD					3,035,000	3,035,000	
2017A - Interest					2,218,625	2,218,700	
2017A - Premium Amortization					410,127	410,200	
2018A - Principal - VWD Reimb's					-	-	
2018A - Interest					976,975	977,000	
2018A - Discount Amortization					(11,621)	(11,700)	
Cost of Issuance - 2019A - Wholesale				331,500		331,500	
Interest Income - LAIF				136		100	
Reimbursements from Member Agencies						27,200	
Total Revenues				\$10,958,879	\$ 6,629,107	<u>\$ 17,615,500</u>	
Expenditures							
Debt Service 2015A						(5,565,100)	
Debt Service 2016A						(5,062,400)	
Debt Service 2017A						(5,663,900)	
Debt Service 2018A						(965,300)	
Cost of Issuance - 2019A						(331,500)	
<u>Operating expenditures</u>							
53304	Dues and Memberships	ACWA	\$ 800		\$ 800		
55210	Insurance (ACWA-JPIA)						
	Auto and General Liability			2,700			
	Property Program			600			
	Bonds/Honesty			<u>1,200</u>			
						4,500	
	Audit Expense	<i>Annual audits beginning in FY 19/20</i>				2,800	
	Legal & Financial Advisory Fees - Bonds & LOCs						
	CP - Fitch Surveillance Fees - 2008A			3,000			
	Legal & Fin Advisory Fees-Bonds & LOCs			<u>4,000</u>			
						7,000	
	Misc Expense/US Bank Trustee Fees						
	2011A			\$2,200			
	2015A			2,000			
	2016A			2,000			
	2017A			2,000			
	2018A			2,000			
	Proposed 2019A			<u>2,000</u>			
						<u>12,200</u>	
						(27,300)	
Total Expenditures						<u>\$ (17,615,500)</u>	

6/5/2019

[This page intentionally left blank.]

RESOLUTION NO. _____

**RESOLUTION OF THE
UPPER SANTA CLARA VALLEY JOINT POWERS AUTHORITY
ADOPTING THE BUDGET FOR FISCAL YEAR 2019/20**

WHEREAS, the Upper Santa Clara Valley Joint Powers Authority (Authority) annually adopts a budget prior to the commencement of each fiscal year; and

WHEREAS, the Board of Directors has reviewed the Final FY 2019/20 Budget.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Upper Santa Clara Valley Joint Powers Authority hereby:

1. Adopts as its FY 2019/20 Budget the attached Budget.
2. Appropriates the Debt Service and Operating Expenditures for FY 2019/20 as shown in the attached Budget.
3. Authorizes the Executive Director to move operating appropriations from one-line item to another, provided that the total appropriation by fund is not changed.
4. Amends the FY 2018/19 and FY 2017/18 Budgets as shown in the attached Budget.

[This page intentionally left blank.]

ITEM NO.
2.3

**Upper Santa Clara Valley
Joint Powers Authority**

**Approve Receiving and Filing
the
Second Quarter FY 2018/19
Investment Report
December 31, 2018**

[This page intentionally left blank.]

**Upper Santa Clara Valley Joint Powers Authority
Cash and Investment Summary
As of December 31, 2018**

	<u>BALANCE</u>	<u>% OF TOTAL</u>	<u>WGHTD. AVG. YIELD</u>	
Cash & Sweep Account	\$ 5,000	41.84%	0.000%	41.8375%
LAIF	6,951	58.16%	1.524%	58.1625%
Total Cash and Investment	\$ 11,951	100.00%		

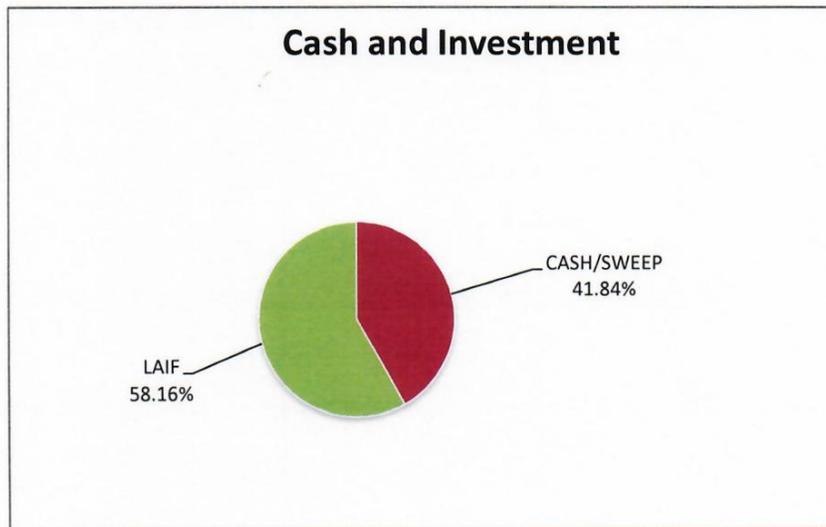
I certify the cash and investments balance of the Upper Santa Clara Valley Joint Powers Authority.



Rochelle Patterson
Treasurer



Amy Aguer
Controller



[This page intentionally left blank.]

Upper Santa Clara Valley Joint Powers Authority
Cash and Investment Activity
As of December 31, 2018

	CASH & SWEEP	LAIF	TOTAL
Cash & Investments @ 9/30/18	\$ 5,000	\$ 6,914	\$ 11,914
Cash & Sweep Transactions:			
Receipts:	-		-
	-		-
Disbursements:	-		-
	-		-
Investment Transactions:			
LAIF Transactions:			
Interest Deposited		-	-
Interest Receivable		37	37
SCVWA pass through investment	-	-	-
SCWD pass through investment		-	-
Cash & Investments @ 12/31/18	\$ 5,000	\$ 6,951	\$ 11,951

[This page intentionally left blank.]

ITEM NO.
2.3

**Upper Santa Clara Valley
Joint Powers Authority**

**Approve Receiving and Filing the
Third Quarter FY 2018/19
Investment Report**

March 31, 2019

[This page intentionally left blank.]

**Upper Santa Clara Valley Joint Powers Authority
Cash and Investment Summary
As of March 31, 2019**

	BALANCE	% OF TOTAL	WGHTD. AVG. YIELD	
Cash & Sweep Account	\$ 5,000	41.69%	0.000%	41.6895%
LAIF	6,993	58.31%	1.524%	58.3105%
Total Cash and Investment	\$ 11,993	100.00%		

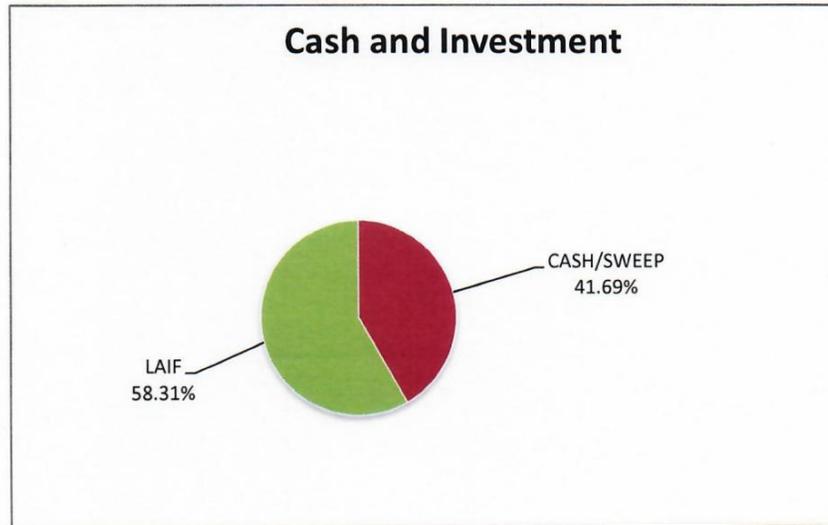
We certify the cash and investments balance of the Upper Santa Clara Valley Joint Powers Authority:



Rochelle Patterson
Treasurer



Amy Aguer
Controller



[This page intentionally left blank.]

Upper Santa Clara Valley Joint Powers Authority
Cash and Investment Activity
As of March 31, 2019

	CASH & SWEEP	LAIF	TOTAL
Cash & Investments @ 12/31/18	\$ 5,000	\$ 6,951	\$ 11,951
Cash & Sweep Transactions:			
Receipts:	-		-
	-		-
Disbursements:	-		-
	-		-
Investment Transactions:			
LAIF Transactions:			
Interest Deposited		-	-
Interest Receivable		42	42
SCVWA pass through investment	-	-	-
SCWD pass through investment		-	-
Cash & Investments @ 3/31/19	\$ 5,000	\$ 6,993	\$ 11,993