



Santa Clara Valley Water District Public Facilities Financing Corporation Meeting

Zoom Conference Meeting

AGENDA

Tuesday, November 2, 2021
2:00 PM

District Mission: Provide Silicon Valley safe, clean water for a healthy life, environment and economy.

SANTA CLARA VALLEY WATER
DISTRICT - PUBLIC FACILITIES
FINANCE CORPORATION

Members:
David Vanni, President
Steve M. Mullen, Vice President
Dean Chu
Spenser Horowitz
Carolyn M. Bauer

During the COVID-19 restrictions, 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

AGENDA

Tuesday, November 2, 2021

2:00 PM

Zoom Conference Meeting
<https://valleywater.zoom.us/j/82951008019>
Meeting ID: 829 5100 8019

IMPORTANT NOTICES

This meeting is being held in accordance with the Brown Act as currently in effect that allows attendance by members of the Board of Directors, Board Committees, District staff, and the public to conduct and participate in meetings of the legislative bodies by teleconference, videoconference, or both.

In accordance with the requirements of Gov. Code Section 54954.3(a), members of the public wishing to address the Board/Committee at a video conferenced meeting, during public comment or on any item listed on the agenda, should use the "Raise Hand" tool located in the Zoom meeting link listed on the agenda, at the time the item is called. Speakers will be acknowledged by the Board Chair in the order requests are received and granted speaking access to address the Board.

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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 has not been prepared with a view to informing an investment decision in any of Valley Water's bonds, notes or other obligations. Any projections, plans or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of Valley Water's bonds, notes or other obligations and investors and potential investors should rely only on information filed by Valley Water on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures and Valley Water's Investor Relations website, maintained on the World Wide Web at <https://emma.msrb.org/> and <https://www.valleywater.org/how-we-operate/financebudget/investor-relations>, respectively.

Under the Brown Act, members of the public are not required to provide identifying information in order to attend public meetings. Through the link below, the Zoom webinar program requests entry of a name and email address, and Valley Water is unable to modify this requirement. Members of the public not wishing to provide such identifying information are encouraged to enter "Anonymous" or some other reference under name and to enter a fictional email address (e.g., attendee@valleywater.org) in lieu of their actual address. Inputting such values will not impact your ability to access the meeting through Zoom.

Join Zoom Meeting:

<https://valleywater.zoom.us/j/82951008019>

Meeting ID: 829 5100 8019

Join by Phone:

1 (669) 900-9128, 82951008019#

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 Committee on any item not listed on the agenda should access the "Raise Hand" tool located in Zoom meeting link listed on the agenda. Speakers will be acknowledged by the Committee Chair in order requests are received and granted speaking access to address the Committee. Speakers comments should be limited to three minutes or as set by the Chair. The law does not permit Committee action on, or extended discussion of, any item not on the agenda except under special circumstances. If 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 Committee may take action on any item of business appearing on the posted agenda.

3. APPROVAL OF MINUTES:

3.1. Approval of Minutes.

[21-1126](#)

Recommendation: **RECOMMENDATION:**

Approve the November 9, 2020, Minutes.

Attachments: [Attachment 1: November 9, 2020, Minutes](#)

4. INFORMATION AND ACTION ITEMS:

4.1. 2021 Debt Management Program Update.

[21-1125](#)

Recommendation: **RECOMMENDATION:**

Receive and discuss updates regarding Valley Water's financial status for prior fiscal year 2020-21 and financing plans for current fiscal year 2021-22.

Attachments: [Attachment 1: PowerPoint](#)


5. ADJOURN.



Santa Clara Valley Water District

File No.: 21-1126

Agenda Date: 11/2/2021
Item No.: 3.1.

 <p>Valley Water SANTA CLARA VALLEY WATER DISTRICT</p> <p>SANTA CLARA VALLEY WATER DISTRICT PUBLIC FACILITIES FINANCING CORPORATION</p>		
	Meeting Date:	11/2/21
	Item No.	3.1
	Unclassified Manager:	Michele King

SUBJECT:

Approval of Minutes.

RECOMMENDATION:

Approve the November 9, 2020, Minutes.

SUMMARY:

A summary of Public Facilities Financing Corporation (PFFC) discussions, and details of all 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 the District's historical records archives and serve as historical records of the PFFC meetings.

ATTACHMENTS:

Attachment 1: November 9, 2020, Minutes

DRAFT MINUTES
SANTA CLARA VALLEY WATER DISTRICT
PUBLIC FACILITIES FINANCING CORPORATION
November 9, 2020

(Paragraph numbers coincide with agenda item numbers)

A Regular Meeting of the Santa Clara Valley Water District Public Facilities Financing Corporation (PFFC) was held at 2:30 p.m. on November 9, 2020, via a teleconference in compliance with COVID-19 Shelter in Place Orders.

1.1 Roll Call: PFFC Board of Director members in attendance via teleconference were Dean Chu, Spencer Horowitz, Steve Mullen, and David Vanni, constituting a quorum. Director Carolyn Bauer arrived as noted below.

PFFC Corporate Officer present via teleconference: Michele King, Corporate Secretary.

District staff present via teleconference: Aaron Baker, Rick Callender, Brian Hopper, Heath McMahon, Steve Peters, Charlene Sun, Darin Taylor, and Tina Yoke.

Outside Counsel Present: Mr. Doug Brown, Bond Counsel, Stradling, Yocca Carlson and Rauth, and Mr. Ed Soong, Public Resources Advisory Group.

2.1 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 August 19, 2020 PFFC Meeting. It was moved by Director Horowitz, seconded by Director Mullen, with Director Chu abstaining and Director Bauer absent, and unanimously carried, that the August 19, 2020, minutes be approved as presented.

4.1 Results of Recently Closed Financing. Steve Peters provided an update and answered questions on the lines of credit and revenue certificates of participation financing approved by the PFFC on April 17 and August 19, 2020, respectively, and as outlined in the Corporation agenda memo attached. Director Bauer arrived during the discussion of this item.

5. Other Business. None.

6. Adjourn: It was moved by Director Horowitz, seconded by Director Mullen, and unanimously approved to adjourn the meeting at approximately 3:00 p.m.


Michele L. King, CMC
Corporate Secretary, PFFC



Santa Clara Valley Water District

File No.: 21-1125

Agenda Date: 11/2/2021
Item No.: 4.1.

 Valley Water <small>SANTA CLARA VALLEY WATER DISTRICT</small> SANTA CLARA VALLEY WATER DISTRICT PUBLIC FACILITIES FINANCING CORPORATION		
	Meeting Date:	11/2/21
	Item No.	4.1
	Unclassified Manager:	Darin Taylor

SUBJECT:

2021 Debt Management Program Update.

RECOMMENDATION:

Receive and discuss updates regarding Valley Water’s financial status for prior fiscal year 2020-21 and financing plans for current fiscal year 2021-22.

SUMMARY:

Staff has prepared a PowerPoint presentation to provide the Public Facilities Financing Corporation Board with updates on Santa Clara Valley Water District’s (Valley Water) financial status for fiscal year 2020-21 and Debt Management’s financing plans for fiscal year 2021-22 (Attachment 1).

ATTACHMENTS:

Attachment 1: PowerPoint



Valley Water

Clean Water • Healthy Environment • Flood Protection

2021 Debt Management Program Update to Santa Clara Valley Water District Public Facilities Financing Corporation

November 2, 2021 (Regular Annual Meeting)

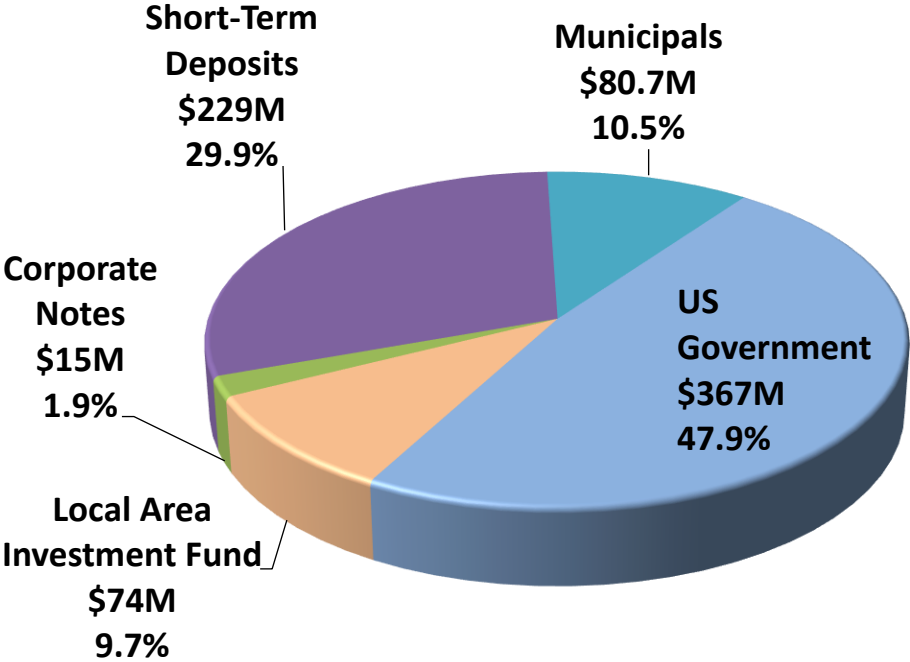
Disclaimer: Information presented herein not intended to be used by investors or potential investors

The FY 2020-21 unaudited financial statements 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/>.

Financial Status Update – Cash & Investments

\$375M (49%) of portfolio very liquid (<1-year maturity)

Valley Water Investment Portfolio Composition



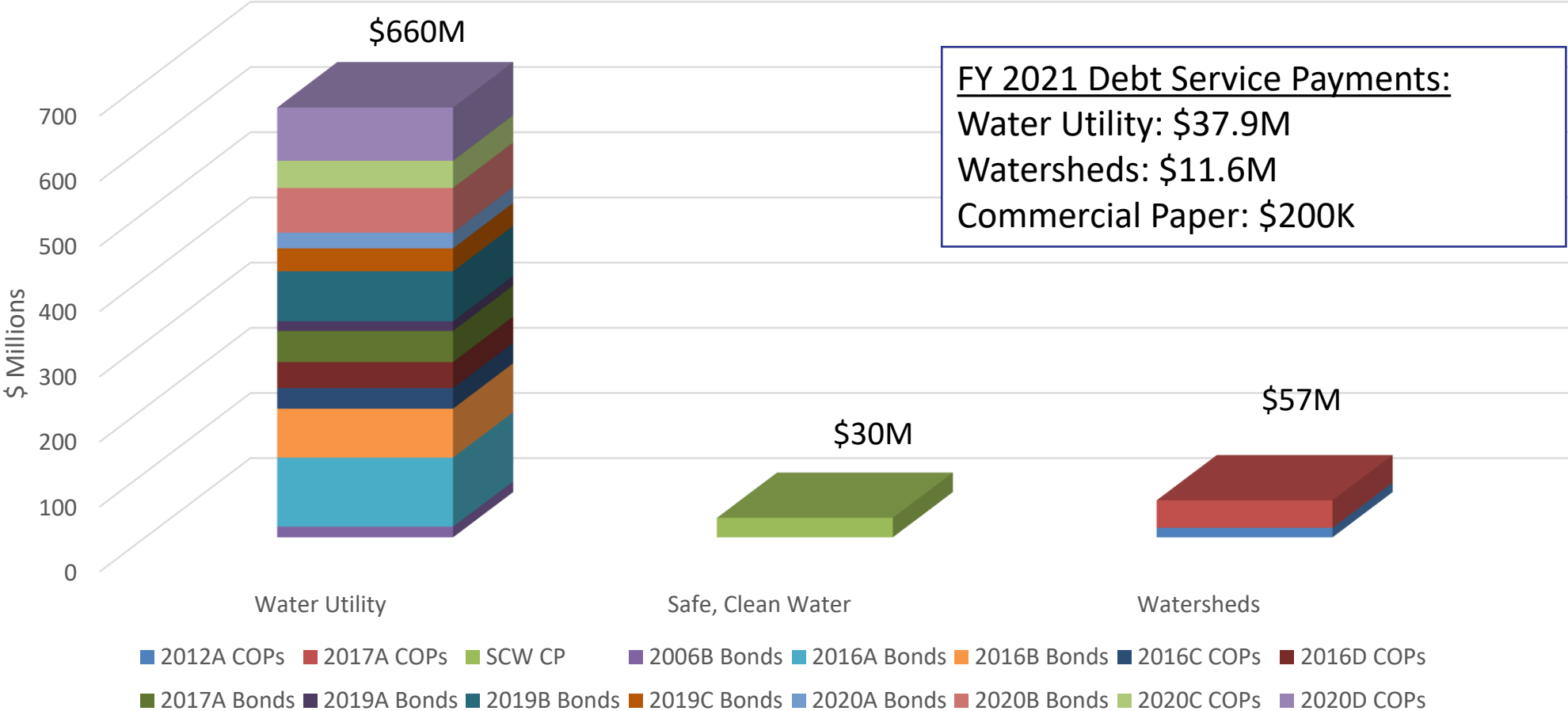
Valley Water Portfolio Aging Report
 June 30, 2021
 Portfolio Book Value: \$766 Million



Valley Water Portfolio Book Value as of June 30, 2021: \$766 Million

Financial Status Update – Outstanding Debt

Total Outstanding Debt as of June 30, 2021: \$747 Million



Financial Status Update - Debt Portfolio

Ample access to cash at low interest rates

\$320M short-term credit facilities

- \$150M Commercial Paper – ongoing program
- \$170M Bank Line of Credit (\$150M Lead + \$20M Small/Local)
 - US Bank Lead (\$150M), Community Bank of the Bay (\$5M), Bank of SF (\$7M), and First Foundation Bank (8M)

FY 2021 Debt Issuance: \$216M Water Utility Series 2020ABCD

FY 2022 Planned Debt Issuances (~March – May 2022):

- \$100M Safe, Clean Water and Natural Flood Protection Program
- \$159M Water Utility Enterprise

WIFIA Loan Program Update: \$135M SCW + \$1.2B Pacheco

FY 2021 Unaudited Results - Revenues

Majority of sources of revenues exceeded budget, except for capital reimbursements

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(\$ in millions)	FY21 Adj Budget	FY21 Actuals	Over/(Under) Adj Budget	FY21 % Rec'd	FY20 Actuals	FY21 vs FY20
Groundwater Production Charges	\$ 121.1	\$ 132.1	\$ 11.0	109%	\$ 112.6	\$ 19.5
Treated Water Charges	137.4	154.9	17.5	113%	152.6	2.3
Surface/Recycled Water Charges	2.6	2.7	0.1	104%	1.7	1.0
1% Ad-valorem Property Tax	110.9	117.3	6.4	106%	110.6	6.7
Safe Clean Water Special Parcel Tax	45.5	46.1	0.6	101%	46.1	-
Benefit Assessments	12.4	12.4	-	100%	13.4	(1.0)
State Water Project Tax	18.0	21.3	3.3	118%	21.8	(0.5)
Capital Reimbursements	43.6	19.9	(23.7)	46%	33.8	(13.9)
Interest Income & Other	15.2	17.9	2.7	118%	23.9	(6.0)
Total Revenue	\$ 506.7	\$ 524.6	\$ 17.9	104%	\$ 516.5	\$ 8.1

(\$ in millions)	FY21 Adj Budget	FY21 Actuals	Over/(Under) Adj Budget	FY21 % Rec'd	FY20 Actuals	FY21 vs FY20
General Fund	\$ 9.4	\$ 10.0	\$ 0.6	106%	\$ 9.7	\$ 0.3
Watershed & Stream Stewardship Fund	117.8	107.7	(10.1)	91%	114.7	(7.0)
Safe, Clean Water Fund	61.1	56.9	(4.2)	93%	64.4	(7.5)
Water Utility Enterprise Fund	305.5	337.0	31.5	110%	313.3	23.7
Service Funds	0.5	0.6	0.1	120%	1.1	(0.5)
Benefit Assessment Funds	12.4	12.4	-	100%	13.4	(1.0)
Total Revenue	\$ 506.7	\$ 524.6	\$ 17.9	104%	\$ 516.5	\$ 8.1

Observations

- FY 21 revenues \$524.6M, 104% of Adj budget.
- 1% Ad Valorem Property Tax and State Water Project Tax higher than budget due to 2021 assessment roll growth in Santa Clara County (leading contributors are changes in ownership and new construction).
- Groundwater production charges \$132.1M or 109% of budget.
- Treated water charges \$154.9M, 113% of the budget due to approximately 24 KAF higher volume consumption.
- Capital Reimbursement \$19.9M or 46% of the budget, due to timing of expenditures vs. grant reimbursement process.
- Interest Income and Other revenue, \$2.7M higher than budget due to higher intergovernmental service in Water Utility Enterprise Fund

FY 2021 Unaudited Results - Operating Outlays & Capital Expenditures

Operating and Capital expenditures end Fiscal Year below budgeted levels



Operating

(\$ in millions)	FY21 Adj Budget	FY21 Actuals	Remaining Budget	FY21 % Spent	FY20 Actuals	FY21 vs FY20
General Fund	\$ 69.5	\$ 68.4	1.1	98%	\$ 59.1	\$ 9.3
Watershed & Stream Stewardship Fund	62.6	59.2	3.4	95%	51.7	7.5
Safe, Clean Water Fund	20.5	15.9	4.6	78%	21.1	(5.2)
Water Utility Enterprise Fund	243.1	236.6	6.5	97%	199.5	37.1
Service Funds	31.9	30.6	1.3	96%	23.8	6.8
Benefit Assessment Funds	11.2	11.0	0.2	99%	11.0	-
Total Operating Expenditures	\$ 438.8	\$ 421.7	\$ 17.1	96%	\$ 366.2	\$ 55.5

Note 1: Operating Adjusted Budget includes Adopted Budget and current year budget adjustments
 Note 2: FY 21 Actuals column reflects Budgetary basis Actuals, includes actuals and encumbrances as of 06/30/21
 Note 3: Operating Expenditures does not include OPEB and Pension accruals related to unfunded liability

Capital

(\$ in millions)	FY21 Adj Budget	FY21 Actuals	Remaining Budget	FY21 % Spent	FY20 Actuals	FY21 vs FY20
General Fund	\$ 3.0	\$ 3.3	\$ (0.3)	110%	\$ 1.5	\$ 1.8
Watershed & Stream Stewardship Fund	87.4	63.5	23.9	73%	19.0	44.5
Safe, Clean Water Fund	127.0	71.7	55.3	56%	70.9	0.8
Water Utility Enterprise Fund	210.2	136.0	74.2	65%	132.2	3.8
Service Funds	18.7	9.7	9.0	52%	11.3	(1.6)
Total Capital Expenditures	\$ 446.3	\$ 284.2	\$ 162.1	64%	\$ 234.9	\$ 49.3

Note 1: Capital Adjusted Budget includes Adopted Budget and prior year capital carryforward
 Note 2: Budgetary basis Actuals includes actuals and encumbrances as of 06/30/21

Observations

- FY 21 Operating Expenditures of \$421.7M or 96% of Budget
- SCW Fund \$4.6M below budget due to impact of COVID 19 on project schedules (pending execution for grants projects, CDC restrictions on Encampment Cleanup / suspended activities in the Impaired Water Bodies Improvements project).
- Water Utility Enterprise Fund savings of \$6.5M primarily due to savings in training, travel and debt service expenses.
- FY 21 Capital Expenditures of \$284.2M or 64% of the Adj Budget, lower spending primarily due to project schedule changes and project delays.

FY 2021 Unaudited Year-End Reserve Balances

FY21 Actual Reserve Balances higher than projected

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(\$ in millions)	FY20		FY21		FY21	
	Actual	Projected	Actuals	Projected	Year-end	Year-end vs. Projected
Restricted Reserves						
Safe Clean Water Fund	\$ 153.4	\$ 105.2	\$ 132.4			27.2
Water Utility Enterprise Fund	81.6	63.8	72.1			8.3
Restricted Subtotal	\$ 235.0	\$ 169.0	\$ 204.5			\$ 35.5
Committed Reserves						
General Fund	\$ 8.2	\$ 5.8	\$ 7.1			1.3
Watershed & Stream Stewardship Fund	161.6	92.6	131.5			38.9
Water Utility Enterprise Fund	86.8	141.1	224.6			83.5
Service Funds	27.0	18.8	28.2			9.4
Committed Subtotal	\$ 283.6	\$ 258.3	\$ 391.4			\$ 133.1
Total Reserves	\$ 518.6	\$ 427.3	\$ 595.9			\$ 168.6

Observations

- Overall, FY21 actual reserve balance at year-end, 595.9M. \$168.6M higher than FY 21 projected year-end balance.
- Safe Clean Water Fund Reserve: \$27.2M higher, primarily due to lower actual capital expenditures.
- Watershed & Stream Stewardship Fund Reserve: \$38.9M higher, primarily due to actual FY21 expenditures for the San Francisco Bay Shoreline Project less than projected spending in FY 21 by \$37.2M.
- Water Utility Enterprise Fund Reserve: \$91.8M higher than projection (Water Revenue higher than projection by \$28.0M, Lower than anticipated capital expenditures \$57.1M)
- Service Fund Reserve: \$9.4M higher, primary due to actual capital expenditures less than projection by \$8.9M.

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QUESTIONS





Valley Water

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