



**AGENDA
ANNUAL MEETING OF
THE BOARD OF DIRECTORS OF
CARPINTERIA VALLEY WATER DISTRICT
FINANCING CORPORATION**

Wednesday, January 11, 2023 at 5:30 p.m.

BOARD OF DIRECTORS

*Case Van Wingerden
President*

*Casey Balch
Polly Holcombe
Shirley L. Johnson
Matthew Roberts*

GENERAL MANAGER

Robert McDonald, P.E. MPA

Join Zoom Meeting

<https://us06web.zoom.us/j/86807551680?pwd=RFVLMGVPeU1VZWZrL0w1TVIxbHNudz09>

Meeting ID: 868 0755 1680

Passcode: 301785

Or

Dial by Phone: 1-669-444-9171

Notice is hereby given that a meeting of the Financing Corporation, will be held on Wednesday, January 11, 2023 at 5:30 p.m. to consider and discuss the following items:

- I. **CALL TO ORDER, President Van Wingerden.**
- II. ****Consider Adoption of Resolution 1133 proclaiming a local emergency, ratifying the proclamation of a State of Emergency by Governor Newsom's order dated March 4, 2020, and authorizing remote teleconference meetings of the legislative bodies of the Carpinteria Valley Water District for the period of January 11, 2023, to February 11, 2023 (for action, General Manager McDonald).**
- III. **PUBLIC FORUM (Any person may address the Board of Directors on any matter within its jurisdiction which is not on the agenda.).**
- IV. **APPROVAL ITEMS**
 - A. ****Minutes of the Finance Corporation meeting held on January 12, 2022.**
- V. **Election of Officers**
 - A. **President (currently Case Van Wingerden)**
 - B. **Vice President (currently Vacant)**
 - C. **Secretary (currently Robert McDonald)**
 - D. **Chief Financial Officer (currently Norma Rosales)**
- VI. ****Schedule of Debt Service (for information, Chief Financial Officer Rosales)**

1301 Santa Ynez Avenue
Carpinteria, CA 93013
(805) 684-2816

**Indicates attachment of document to agenda packet.

VII. Consider Date and Items for Agenda for next annual meeting on January 10, 2024 at 5:30 p.m. in Carpinteria City Hall.

VIII. ADJOURNMENT.

Robert McDonald, Secretary

Note: The above Agenda was posted at Carpinteria Valley Water District Administrative Office in view of the public no later than 5:30 p.m., January 8, 2023. The Americans with Disabilities Act provides that no qualified individual with a disability shall be excluded from participation in, or denied benefits of, the District's programs, services, or activities because of any disability. If you need special assistance to participate in this meeting, please contact the District Office at (805) 684-2816. Notification at least twenty-four (24) hours prior to the meeting will enable the District to make appropriate arrangements. Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the Carpinteria Valley Water district offices located at 1301 Santa Ynez Avenue, Carpinteria during normal business hours, from 8 am to 5 pm.

1301 Santa Ynez Avenue
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(805) 684-2816

**Indicates attachment of document to agenda packet.

RESOLUTION NO. 1133

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FINANCING CORPORATION PROCLAIMING A LOCAL EMERGENCY PERSISTS, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR NEWSOM'S ORDER DATED MARCH 4, 2020, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF CARPINTERIA FINANCING CORPORATION FOR THE PERIOD JANUARY 11, 2023 TO FEBRUARY 11, 2023 PURSUANT TO BROWN ACT PROVISIONS.

WHEREAS, the FINANCING CORPORATION is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of the FINANCING CORPORATION's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provision for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, on March 4, 2020, Governor Gavin Newsom proclaimed a State of Emergency to exist in California due to the threat of COVID-19; despite sustained efforts, the virus, and its variants, continues to spread and has impacted nearly all sectors of California; and

WHEREAS, on September 5, 2021, the Santa Barbara County Health Officer issued Order 2021-10.4, requiring face coverings in all public indoor settings in response to the rise in SARS-CoV-2 Delta Variant; and

WHEREAS, the FINANCING CORPORATION Governing Board does hereby find that the rise in SARS-CoV-2 Delta Variant has caused, and will continue to cause, conditions of peril to the safety of persons within the FINANCING CORPORATION's jurisdictional boundaries that are likely to be beyond the control of services, personnel, equipment, and facilities of the FINANCING CORPORATION, and acknowledges and ratifies the proclamation of a state of emergency by the Governor of the State of California and the Santa Barbara County Health Officer's Order 2021-10.4; and

WHEREAS, as a consequence of the local emergency, the FINANCING CORPORATION Governing Board does hereby find that meeting in person would pose imminent risks to the health or safety of attendees; and

WHEREAS, the FINANCING CORPORATION Governing Board does hereby find that Carpinteria FINANCING CORPORATION shall continue to conduct its meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, all meeting agendas, meeting dates, times and manner in which the public may participate in the public meetings of the FINANCING CORPORATION and offer public comment by telephone or internet-based services options, including video conference, are posted on the Carpinteria Valley Water District's website and physically within the FINANCING CORPORATION's jurisdictional boundaries.

WHEREAS, on March 25, 2020 the Board was presented with the COVID19 Operational Continuity and Social Distancing Plan.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF Carpinteria FINANCING CORPORATION DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference
2. Proclamation of Local Emergency. The Board hereby proclaims that a local emergency now exists throughout the District, and COVID-19 has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District.
3. Risks to Health and Safety of Attendees. The Governing Board hereby determines that meeting in person would present imminent risks to the health and safety of attendees.
4. Ratification of Governor's Proclamation of a State of Emergency. The Governing Board hereby acknowledges and ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

5. Remote Teleconference Meetings. Carpinteria FINANCING CORPORATION staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

6. Effective Date of Resolution. This Resolution shall take effect on January 11, 2023 and shall be effective until the earlier of (i) February 11, 2023, or such time the Governing Board adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of Carpinteria FINANCING CORPORATION may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED AND ADOPTED by the Board of Directors of the FINANCING CORPORATION, this 11th day of January 2023, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Case Van Wingerden, President

Robert McDonald, Board Secretary

	MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS
	CARPINTERIA VALLEY WATER DISTRICT FINANCING CORPORATION
	January 12, 2022
	President Van Wingerden called to order the Financing Corporation meeting of the Carpinteria Valley Water District Board of Directors held via tele-conference at 5:59 p.m., Wednesday, January 12, 2022.
	Directors Present: Holcombe, Van Wingerden, Roberts, Johnson and Stendell.
	Directors Absent: None
	Others Present: Bob McDonald Roger Myers Norma Rosales
PUBLIC FORUM	No one from the public addressed the Board.
RESOLUTION 1108	<p>General Manager McDonald presented to consider adopting Resolution 1108 proclaiming a local emergency, ratifying the proclamation of a State of Emergency by Governor Newsom’s order dated March 4, 2020, and authorizing remote teleconference meetings of the legislative bodies of the Carpinteria Valley Water District for the period of January 12, 2022 to February 12, 2022.</p> <p>Following discussion, Director Holcombe moved, and Director Johnson seconded the motion to approve the adoption of Resolution 1108. The motion carried by a 5-0 vote. The motion was approved by roll call as follows;</p> <p>Ayes: Roberts, Johnson, Holcombe, Stendell and Van Wingerden Nays: None Absent: None</p>
MINUTES	<p>Following discussion, Director Roberts moved, and Director Stendell seconded the motion to approve the minutes of the January 13, 2021, meeting of the Financing Corporation. The motion carried by a 5-0 vote. The motion was approved by roll call as follows;</p> <p>Ayes: Roberts, Johnson, Holcombe, Stendell and Van Wingerden Nays: None Absent: None</p>

ELECTION OF OFFICERS	<p>Following discussion, Director Roberts moved, and Director Johnson seconded the motion to elect Case Van Wingerden as President, Kenneth Stendell as Vice President, Ursula Santana as Secretary with Robert McDonald as an alternate and Norma Rosales as Chief Financial Officer. The motion carried by a 5-0 vote. The motion was approved by roll call as follows;</p> <p>Ayes: Roberts, Johnson, Holcombe, Stendell and Van Wingerden Nays: None Absent: None</p>
SCHEDULE OF DEBT SERVICE	<p>Chief Financial Officer Rosales gave a verbal update for the Schedule of Debt Service.</p>
NEXT ANNUAL MEETING	<p>The next annual meeting of the CVWD Financing Corporation is scheduled to be held on January 11, 2023 at 5:30 p.m., Carpinteria City Hall, 5775 Carpinteria Avenue, Carpinteria California and on Zoom.</p>
ADJOURNMENT	<p>President Van Wingerden adjourned the meeting at 6:03 p.m.</p> <hr/> <p>Ursula Santana, Board Secretary</p>

CARPINTERIA VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS

Note 5 – Long-Term Debt

Long-term debt of the District is as follows:

	Balance June 30, 2021	Additions	Retirements/ Amortization	Balance June 30, 2022	Due Within One Year
Series 2016A Refunding Revenue Bonds	\$ 5,910,000	\$ -	\$ (435,000)	\$ 5,475,000	\$ 460,000
Unamortized bond premium	1,200,265	-	(100,022)	1,100,243	100,022
Total Series 2016A Bonds	<u>7,110,265</u>	<u>-</u>	<u>(535,022)</u>	<u>6,575,243</u>	<u>560,022</u>
Series 2020A Refunding Revenue Bonds	17,490,000	-	(375,000)	17,115,000	395,000
Unamortized bond premium	3,395,384	-	(226,359)	3,169,025	226,359
Total Series 2020A Bonds	<u>20,885,384</u>	<u>-</u>	<u>(601,359)</u>	<u>20,284,025</u>	<u>621,359</u>
Series 2020B Refunding Revenue	3,720,000	-	(95,000)	3,625,000	100,000
Total Series 2020B Bonds	<u>3,720,000</u>	<u>-</u>	<u>(95,000)</u>	<u>3,625,000</u>	<u>100,000</u>
Series 2020C Refunding Revenue Bonds	1,510,000	-	-	1,510,000	-
Unamortized bond premium	268,308	-	(17,887)	250,421	17,887
Total Series 2020C Bonds	<u>1,778,308</u>	<u>-</u>	<u>(17,887)</u>	<u>1,760,421</u>	<u>17,887</u>
Cater Treatment Plant Financing Agreement	891,031	-	(214,717)	676,314	109,327
Siemens Master Lease Purchase Bonds	5,489,096	-	(391,609)	5,097,487	402,500
Capital Leases	304,089	-	(92,027)	212,062	94,155
Compensated Absences	567,801	296,527	(218,413)	645,915	103,185
Net OPEB Liability	992,812	-	(71,733)	921,079	-
Long-term debt	<u>\$41,738,786</u>	<u>\$ 296,527</u>	<u>\$(2,237,767)</u>	<u>\$39,797,546</u>	<u>\$ 2,008,435</u>

CARPINTERIA VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 5 – Long-Term Debt (Continued)

A) Revenue Certificates of Participation and Bonds

Series 2016A:

In May 2016, the District issued the Refunding Revenue Bonds, Series 2016A (“2016A Bonds”) with a principal amount of \$8,765,000 and premium of \$1,713,989 with interest rates ranging from 2% to 5%. The Bonds were executed and delivered 1) to refund the entire outstanding aggregate principal amount and interest of the 2006A COPs and 2) to refund a portion of the District’s obligations under the Safe Drinking Water State Revolving Fund Contract #SRF99CX125. The remaining obligations under the Safe Drinking Water State Revolving Fund Contract #SRF99CX125 were repaid by funds contributed by the District.

The refunding resulted in decreased total debt service payments from \$11,851,263 to \$10,302,396. This decreased cash flow created an economic gain of approximately \$1,344,787 when discounted at the 2016A Bonds’ effective interest rate of 1.8115713%. Total annual requirements to amortize the Series 2016A Bonds are as follows:

Fiscal Year End	Principal	Interest	Total
2023	\$ 460,000	\$ 262,250	\$ 722,250
2024	480,000	238,750	718,750
2025	500,000	214,250	714,250
2026	525,000	188,625	713,625
2027	555,000	161,625	716,625
2028 - 2032	2,510,000	421,250	2,931,250
2033 - 2037	445,000	11,125	456,125
	<u>\$ 5,475,000</u>	<u>\$ 1,497,875</u>	<u>\$ 6,972,875</u>

Series 2020A:

In March 2020, the District issued the Refunding Revenue Bonds, Series 2020A (“2020A Bonds”) with a principal amount of \$17,915,000 and premium of \$3,668,272 with interest rates of 5%. The Bonds were executed and delivered 1) to provide a portion of the money to refund all of the currently outstanding 2010A; 2) to prepay the District’s share of the outstanding balance of a Department of Water Resources joint loan contract; 3) to pay costs of issuance of the 2020 bonds. Total annual requirements to amortize the Series 2020A Bonds are as follows:

CARPINTERIA VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 5 – Long-Term Debt (Continued)

A) Revenue Certificates of Participation and Bonds (Continued)

Series 2020A (Continued):

<u>Fiscal Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 395,000	\$ 845,875	\$ 1,240,875
2024	415,000	825,625	1,240,625
2025	435,000	804,375	1,239,375
2026	460,000	782,000	1,242,000
2027	485,000	758,375	1,243,375
2028 - 2032	6,345,000	2,970,125	9,315,125
2033 - 2037	8,580,000	981,500	9,561,500
	<u>\$ 17,115,000</u>	<u>\$ 7,967,875</u>	<u>\$ 25,082,875</u>

Series 2020B:

In March 2020, the District issued the Refunding Revenue Bonds, Series 2020B (“2020B Bonds”) with a principal amount of \$3,720,000 with interest rates ranging from 2.56% to 3.32%. The Bonds were executed and delivered 1) to refund the District’s net pension liability; and 2) to pay costs of issuance of the 2020 bonds. Total annual requirements to amortize the Series 2020B Bonds are as follows:

<u>Fiscal Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 100,000	\$ 134,986	\$ 234,986
2024	100,000	132,314	232,314
2025	105,000	129,434	234,434
2026	105,000	126,379	231,379
2027	110,000	123,143	233,143
2028 - 2032	610,000	558,875	1,168,875
2033 - 2037	735,000	431,846	1,166,846
2038 - 2042	895,000	267,823	1,162,823
2043 - 2047	865,000	71,520	936,520
	<u>\$ 3,625,000</u>	<u>\$ 1,976,320</u>	<u>\$ 5,601,320</u>

CARPINTERIA VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 5 – Long-Term Debt (Continued)

A) Revenue Certificates of Participation and Bonds (Continued)

Series 2020C:

In March 2020, the District issued the Refunding Revenue Bonds, Series 2020C (“2020C Bonds”) with a principal amount of \$1,500,000 and premium of \$150,000 with interest rates of 5%. The Bonds were executed and delivered 1) to finance the cost of certain water utility system improvements and 2) to pay costs of executing and delivering the Certificates. Total annual requirements to amortize the Series 2020C Bonds are as follows:

<u>Fiscal Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ -	\$ 75,500	\$ 75,500
2024	-	75,500	75,500
2025	-	75,500	75,500
2026	-	75,500	75,500
2027	-	75,500	75,500
2028 - 2032	755,000	286,875	1,041,875
2033 - 2037	755,000	77,625	832,625
	<u>\$ 1,510,000</u>	<u>\$ 742,000</u>	<u>\$ 2,252,000</u>

B) Cater Treatment Plant Expansion Project Financing Agreement

The District entered into a financing agreement with the City of Santa Barbara dated February 27, 2002, which requires the District to pay twenty percent of a loan obligation between the City of Santa Barbara and the California Drinking Water State Revolving Fund. The loan proceeds were used to finance certain improvements to the Cater Treatment Plant in order to meet new water quality standards imposed on public agencies. The loan provides for a 20 year loan amortization maturing on July 1, 2025, bearing an interest rate of approximately 2.5%. The improvements were completed in January 2005 and the District’s portion of the loan in the amount of \$3,580,170 was recorded on the statement of net position at June 30, 2005. The District is required to make semi-annual payments of interest and principal in the amount of \$114,425 payable to the City of Santa Barbara on December 15th and June 15th each year.

The annual requirements to amortize the Cater Treatment Plant Expansion financing agreement are as follows:

CARPINTERIA VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 5 – Long-Term Debt (Continued)

B) Cater Treatment Plant Expansion Project Financing Agreement (Continued)

Fiscal Year End	Principal	Interest	Total
2023	\$ 109,327	\$ 8,260	\$ 117,587
2024	222,674	12,501	235,175
2025	228,145	7,030	235,175
2026	116,168	1,420	117,588
	<u>\$ 676,314</u>	<u>\$ 29,211</u>	<u>\$ 705,525</u>

C) Siemens Master Lease Purchase Agreement

The District entered into a master lease agreement with Siemens Financial Services, Inc., on August 2, 2017, in the amount of \$6,468,656 to finance the replacement of all installed mechanical water meters with digital meters and the attendant remote reading and reporting infrastructure, installation of a solar carport and solar panels on a reservoir, and retrofit of all headquarter buildings with LED lights. The projected benefits of increased revenue collection due to more accurate meters and savings in electrical costs due to solar panel and LED lighting installations are projected to offset the total lease costs over the life of the lease. The District entered into a performance contracting agreement with Siemens Industry, Inc., to guarantee the projected cost savings. The lease payment period is fifteen years, commencing August 2018, with an annual amount of \$538,677 paid quarterly and an interest rate of 2.7525%.

Fiscal Year End	Principal	Interest	Total
2023	\$ 402,500	\$ 136,177	\$ 538,677
2024	413,693	124,984	538,677
2025	425,199	113,478	538,677
2026	437,024	101,653	538,677
2027	449,177	89,500	538,677
2028 - 2032	2,440,358	253,029	2,693,387
2033	529,536	9,141	538,677
	<u>\$ 5,097,487</u>	<u>\$ 827,962</u>	<u>\$ 5,925,449</u>

Lease Element	Capital Asset Class	Amount	% Complete
Meter replacement	Transmission and Distribution	\$ 5,401,236	100%
Lighting Retrofit	Buildings	25,500	100%
Solar Carport and Solar Reserv	Buildings	886,000	100%
Cellular Endpoint Installation	N/A (Work in Process)	155,920	80%
Total Master Lease Purchased Assets		<u>\$ 6,468,656</u>	

CARPINTERIA VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 5 – Long-Term Debt (Continued)

D) Capital Lease Commitments

The District routinely leases equipment on an ongoing basis. In accordance with GASB Statement No. 87, Leases, lease agreements with terms greater than one year or that transfer ownership of the underlying asset are classified as leased assets, with a corresponding liability measured at the present value of payments to be made per lease terms. The following is a schedule showing the future minimum lease payments as of June 30, 2022:

Fiscal			
Year End	Principal	Interest	Total
2023	\$ 94,155	\$ 5,099	\$ 99,254
2024	75,834	2,403	78,237
2025	32,213	830	33,043
2026	9,860	65	9,925
2027	-	-	-
	<u>\$ 212,062</u>	<u>\$ 8,397</u>	<u>\$ 220,459</u>

As of June 30, 2022, the cost of assets and related accumulated depreciation under the capital leases were as follows:

	Gross	Accumulated Depreciation	Balance June 30, 2022
Furnishings, Machinery, and Equipment	<u>\$ 509,273</u>	<u>\$ (281,582)</u>	<u>\$ 227,691</u>