



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

**Wednesday, January 24, 2024 at 5:33 p.m.**

BOARD OF DIRECTORS

*Case Van Wingerden*

*President*

*Shirley L. Johnson*

*Vice President*

*Casey Balch*

*Polly Holcombe*

*Matthew Roberts*

GENERAL MANAGER

*Robert McDonald, P.E. MPA*

**Join Zoom Meeting**

<https://us06web.zoom.us/j/89906790830?pwd=vLLdKTuhoD5nboucxFm2mqbriQ80Hn.1>

**Meeting ID: 899 0679 0830**

**Passcode: 740319**

**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 24, 2024 at 5:33 p.m. to consider and discuss the following items:**

- I. CALL TO ORDER, President Van Wingerden.**
- II. PUBLIC FORUM (Any person may address the Board of Directors on any matter within its jurisdiction which is not on the agenda.).**
- III. APPROVAL ITEMS**
  - A. \*\*Minutes of the Finance Corporation meeting held on January 11, 2023.**
- IV. Election of Officers**
  - A. President (currently Case Van Wingerden)**
  - B. Vice President (currently Shirley Johnson)**
  - C. Secretary (currently Robert McDonald)**
  - D. Chief Financial Officer (currently Norma Rosales)**
- V. \*\*Schedule of Debt Service (for information, Chief Financial Officer Rosales)**
- VI. Consider Date and Items for Agenda for next annual meeting on January 8, 2025 at 5:30 p.m. in Carpinteria City Hall.**
- VII. ADJOURNMENT.**

Robert McDonald, Secretary

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

\*\*Indicates attachment of document to agenda packet.

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 21, 2024. 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  
Carpinteria, CA 93013  
(805) 684-2816

\*\*IIndicates attachment of document to agenda packet.

	<b>MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS</b>
	<b>CARPINTERIA VALLEY WATER DISTRICT FINANCING CORPORATION</b>
	<b>January 11, 2023</b>
	President Van Wingerden called to order the Financing Corporation meeting of the Carpinteria Valley Water District Board of Directors held in the Carpinteria City Hall Chamber at 6:34 p.m., Wednesday, January 11, 2023.
	Directors Present: Holcombe, Van Wingerden, Roberts, Johnson and Balch.
	Directors Absent: None
	Others Present: Bob McDonald Cari Ann Potts Lisa Silva
<b>RESOLUTION 1133</b>	<p>General Manager McDonald presented to consider adopting 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</p> <p>Following discussion, Director Roberts moved, and Director Balch seconded the motion to approve the adoption of Resolution 1133. The motion carried by a 5-0 vote. The motion was approved by roll call as follows;</p> <p>Ayes: Roberts, Johnson, Holcombe, Balch and Van Wingerden Nays: None Absent: None</p>
<b>PUBLIC FORUM</b>	No one from the public addressed the Board.
<b>MINUTES</b>	<p>Following discussion, Director Roberts moved, and Director Johnson seconded the motion to approve the minutes of the January 12, 2022, 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, Balch and Van Wingerden Nays: None Absent: None</p>

<b>ELECTION OF OFFICERS</b>	<p>Following discussion, Director Roberts moved, and Director Balch seconded the motion to elect Case Van Wingerden as President, Shirley Johnson as Vice President, Robert McDonald as Secretary 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, Balch and Van Wingerden  Nays: None  Absent: None</p>
<b>SCHEDULE OF DEBT SERVICE</b>	<p>General Manager McDonald gave a verbal update for the Schedule of Debt Service.</p>
<b>NEXT ANNUAL MEETING</b>	<p>The next annual meeting of the CVWD Financing Corporation is scheduled to be held on January 10, 2024 at 5:30 p.m., in Carpinteria City Hall, 5775 Carpinteria Avenue, Carpinteria California.</p>
<b>ADJOURNMENT</b>	<p>President Van Wingerden adjourned the meeting at 6:39 p.m.</p> <hr/> <p>Robert McDonald, 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, 2022	Additions	Retirements/ Amortization	Balance June 30, 2023	Due Within One Year
Series 2016A Refunding Revenue					
Bonds	\$ 5,475,000	\$ -	\$ (460,000)	\$ 5,015,000	\$ 480,000
Unamortized bond premium	1,100,243	-	(100,022)	1,000,221	100,022
Total Series 2016A Bonds	<u>6,575,243</u>	<u>-</u>	<u>(560,022)</u>	<u>6,015,221</u>	<u>580,022</u>
Series 2020A Refunding Revenue					
Bonds	17,115,000	-	(395,000)	16,720,000	415,000
Unamortized bond premium	3,169,025	-	(226,359)	2,942,666	226,359
Total Series 2020A Bonds	<u>20,284,025</u>	<u>-</u>	<u>(621,359)</u>	<u>19,662,666</u>	<u>641,359</u>
Series 2020B Refunding Revenue	<u>3,625,000</u>	<u>-</u>	<u>(100,000)</u>	<u>3,525,000</u>	<u>100,000</u>
Total Series 2020B Bonds	<u>3,625,000</u>	<u>-</u>	<u>(100,000)</u>	<u>3,525,000</u>	<u>100,000</u>
Series 2020C Refunding Revenue					
Bonds	1,510,000	-	-	1,510,000	-
Unamortized bond premium	250,421	-	(17,887)	232,534	17,887
Total Series 2020C Bonds	<u>1,760,421</u>	<u>-</u>	<u>(17,887)</u>	<u>1,742,534</u>	<u>17,887</u>
Cater Treatment Plant Financing Agreement	<u>676,314</u>	<u>-</u>	<u>(676,314)</u>	<u>-</u>	<u>-</u>
Siemens Master Lease Purchase Bonds	<u>5,097,487</u>	<u>-</u>	<u>(402,500)</u>	<u>4,694,987</u>	<u>413,693</u>
Capital Leases	<u>212,063</u>	<u>-</u>	<u>(93,873)</u>	<u>118,190</u>	<u>76,117</u>
Compensated Absences	<u>645,915</u>	<u>208,886</u>	<u>(174,327)</u>	<u>680,474</u>	<u>94,979</u>
Net Pension Liability (Asset)	<u>-</u>	<u>594,250</u>		<u>594,250</u>	<u>-</u>
Net OPEB Liability	<u>921,079</u>	<u>-</u>	<u>(188,332)</u>	<u>732,747</u>	<u>-</u>
Long-term debt	<u>\$39,797,547</u>	<u>\$ 803,136</u>	<u>\$(2,834,614)</u>	<u>\$37,766,069</u>	<u>\$ 1,924,057</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
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	485,000	135,625	620,625
2029 - 2033	2,470,000	296,750	2,766,750
	<u>\$ 5,015,000</u>	<u>\$ 1,235,625</u>	<u>\$ 6,250,625</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>
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	950,000	722,500	1,672,500
2029 - 2033	6,800,000	2,641,500	9,441,500
2034 - 2036	7,175,000	587,625	7,762,625
	<u>\$ 16,720,000</u>	<u>\$ 7,122,000</u>	<u>\$ 23,842,000</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>
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	115,000	119,647	234,647
2029 - 2033	630,000	537,178	1,167,178
2034 - 2038	765,000	401,583	1,166,583
2039 - 2043	935,000	230,903	1,165,903
2044 - 2046	660,000	40,754	700,754
	<u>\$ 3,525,000</u>	<u>\$ 1,841,335</u>	<u>\$ 5,366,335</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>
2024	\$ -	\$ 75,500	\$ 75,500
2025	-	75,500	75,500
2026	-	75,500	75,500
2027	-	75,500	75,500
2028	135,000	72,125	207,125
2029 - 2033	795,000	248,125	1,043,125
2034 - 2036	580,000	44,250	624,250
	<u>\$ 1,510,000</u>	<u>\$ 666,500</u>	<u>\$ 2,176,500</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 15<sup>th</sup> and June 15<sup>th</sup> each year. During the year ended June 30, 2023, the loan was paid in full.



**CARPINTERIA VALLEY WATER DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5 – Long-Term Debt (Continued)**

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 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%.

<u>Fiscal Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 413,693	\$ 124,984	\$ 538,677
2025	425,198	113,479	538,677
2026	437,023	101,654	538,677
2027	449,177	89,500	538,677
2028	461,669	77,008	538,677
2029 - 2033	2,508,225	185,161	2,693,387
	<u>\$ 4,694,987</u>	<u>\$ 691,786</u>	<u>\$ 5,386,773</u>

<u>Lease Element</u>	<u>Capital Asset Class</u>	<u>Amount</u>	<u>% Complete</u>
Meter replacement	Transmission and Distribution Infrastructure	\$ 5,557,156	100%
Lighting Retrofit	Buildings	25,500	100%
Solar Carport	Buildings	886,000	100%
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, 2023:

Fiscal Year End	Principal	Interest	Total
2024	\$ 76,117	\$ 2,403	\$ 78,520
2025	32,213	830	33,043
2026	9,860	65	9,925
2027	-	-	-
2028	-	-	-
	<u>\$ 118,190</u>	<u>\$ 3,298</u>	<u>\$ 121,488</u>

As of June 30, 2023, the cost of assets and related accumulated depreciation under the capital leases were as follows:

	Gross	Accumulated Depreciation	Balance June 30, 2023
Furnishings, Machinery, and Equipment	<u>\$ 509,273</u>	<u>\$ (375,523)</u>	<u>\$ 133,750</u>