

ALAMEDA COUNTY WATER DISTRICT FINANCING AUTHORITY

43885 So. Grimmer Boulevard
Fremont, CA 94538

BOARD OF DIRECTORS

A G E N D A

January 12, 2023

5:55 P.M.

ACCESSIBLE PUBLIC MEETINGS: Upon request, ACWD will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request at least 72 hours before the meeting to the District Secretary, ACWD, 43885 S. Grimmer Blvd., Fremont, CA 94538, or to gina.markou@acwd.com stating your name, mailing address, phone number, and brief description of the requested materials and preferred alternative format or auxiliary aid or service.

MEMBERS OF THE PUBLIC MAY PARTICIPATE IN THIS MEETING IN PERSON AT THE DISTRICT OFFICE LOCATED AT 43885 SOUTH GRIMMER BOULEVARD, FREMONT OR VIA WEBINAR OR TELECONFERENCE DUE TO THE COVID-19 PANDEMIC AND IN ACCORDANCE WITH ASSEMBLY BILL 361, WHICH MODIFIES GOVERNMENT CODE SECTION 54953.

TO PARTICIPATE VIA ZOOM WEBINAR: USE THE FOLLOWING LINK: <https://us02web.zoom.us/j/83359856504?pwd=ZkxPUGVHWmVNTi8raFc2UIJGY3kzZz09> (PASSCODE: **438204**). ZOOM MAY REQUEST ENTRY OF A NAME AND EMAIL ADDRESS. ACWDFA IS UNABLE TO MODIFY THIS FEATURE. MEMBERS OF THE PUBLIC ARE NOT REQUIRED TO IDENTIFY THEMSELVES WHEN ATTENDING PUBLIC MEETINGS AND MAY ENTER “ANONYMOUS” UNDER NAME, AND ENTER A FICTIONAL EMAIL ADDRESS (e.g., “attendee@acwd.com”). TO MAKE COMMENTS OR ASK QUESTIONS DURING THE MEETING, “RAISE YOUR HAND” OR USE THE CHAT OR Q&A FEATURE IN THE ZOOM APP AT ANY TIME, OR UNMUTE AND SPEAK WHEN INVITED.

TO PARTICIPATE VIA TELECONFERENCE, CALL ANY OF THE FOLLOWING PHONE NUMBERS: 1-669-900-9128 OR 1-346-248-7799 OR 1-301-715-8592 FOLLOWED BY **833 5985 6504**. TO MAKE COMMENTS OR ASK QUESTIONS DURING THE MEETING, TYPE *9 ON YOUR DIAL PAD TO “RAISE” OR “LOWER” YOUR “HAND” AT ANY TIME, OR TYPE *6 TO MUTE OR UNMUTE AND SPEAK WHEN INVITED.

MEMBERS OF THE PUBLIC ARE ALSO ENCOURAGED TO SUBMIT COMMENTS TO THE DISTRICT SECRETARY AT gina.markou@acwd.com AT LEAST ONE HOUR PRIOR TO THE SCHEDULED START TIME OF THE MEETING.

THIS AGENDA AND ALL ACCOMPANYING MATERIALS CAN BE VIEWED ON THE ALAMEDA COUNTY WATER DISTRICT WEBSITE AT: www.acwd.org.

1. ROLL CALL

2. SALUTE TO THE FLAG

3. PUBLIC COMMENTS

Members of the public may address the Board on any issues not listed on the agenda which are within the purview of the Alameda County Water District Financing Authority. A 5-minute limit is customary; however the Board President may adjust the actual time allotted to accommodate the number of speakers. Members of the public who wish to address the Board on a scheduled agenda item will be given the opportunity to do so.

4. CONSENT CALENDAR

4.1 Approval of Minutes – Regular Board Meeting of March 10, 2022

4.2 Confirmation of Officers

5. ACTION CALENDAR

5.1 Resolution Making Findings Pursuant to Assembly Bill 361 that the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person and Authorizing Continuing to Hold Public Meetings Virtually

5.2 Results of Series 2022 Water System Revenue Bonds

6. ADJOURNMENT

***ALAMEDA COUNTY WATER DISTRICT
FINANCING AUTHORITY
MEMORANDUM***

DATE: January 9, 2023
TO: Board of Directors
FROM: Jonathan Wunderlich
SUBJECT: Consent Calendar Items for Board Meeting of January 12, 2023

Attached for your information are items that will appear under the Consent Calendar.

- 4.1 Approval of Minutes – Regular Meeting of March 10, 2022
- 4.2 Confirmation of Officers

The Bylaws for the Alameda County Water District Financing Authority (Authority) require that the confirmation of officers occur at the first meeting of the Authority held in each calendar year.

Therefore, the Board confirms that the officers of the Authority are as follows:

- President of the Authority is the President of the ACWD Board.
- Vice President of the Authority is the Vice President of the ACWD Board.
- Secretary of the Authority is the ACWD District Secretary.
- Treasurer of the Authority is the ACWD Director of Finance & Administration.

ghm
Attachments
cc: Executive Staff

Approved JW

March 10, 2022
Fremont, California

A regular meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT FINANCING AUTHORITY (ACWDFA) was held on March 10, 2022, at the hour of 5:30 P.M.

Due to COVID-19 and in accordance with Assembly Bill 361, which modifies Government Code Section 54953, this meeting was conducted by Zoom Webinar and Teleconference, and members of the public were invited to participate.

Present: Directors Paul Sethy, Aziz Akbari, James Gunther, Judy Huang, Anjali Lathi, and John Weed

Officers present: President Weed, Treasurer Jonathan Wunderlich, and Secretary Marian Hsu

President John Weed presided.

The Salute to the Flag was performed.

3 – PUBLIC COMMENTS – None

4 – CONSENT CALENDAR

A motion was made by Director Akbari to add Item 5.1 to the Consent Calendar, seconded by Director Gunther

The motion was passed by the following vote:

AYES: Directors Sethy, Akbari, Gunther, Huang, Lathi, and Weed
NOES: None
ABSENT None

A motion was made by Director Akbari, seconded by Director Lathi to approve the following items on the Consent Calendar as amended.

- 4.1 Approval of Minutes – Regular Board Meeting of February 10, 2022
- 5.1 Consider and Reaffirm Resolution No. 22-001 Making Findings Pursuant to Assembly Bill 361 that the Proclaimed State of Emergency Continues to Impact the Ability to Meet Safely in Person

The motion was passed by the following vote:

AYES: Directors Sethy, Akbari, Gunther, Huang, Lathi, and Weed
NOES: None
ABSENT None

5 – ACTION CALENDAR

5.1* CONSIDER AND REAFFIRM RESOLUTION NO. 22-001 MAKING FINDINGS PURSUANT TO ASSEMBLY BILL 361 THAT THE PROCLAIMED STATE OF EMERGENCY CONTINUES TO IMPACT THE ABILITY TO MEET SAFELY IN PERSON

Assembly Bill 361 (AB 361) amended Government Code Section 54953 to allow legislative bodies to continue to meet remotely during a proclaimed state of emergency provided certain conditions are met and certain findings are made. On January 13, 2022, the Board adopted Resolution No. 22-001 finding that the state of emergency associated with the COVID-19 pandemic continues to directly impact the ability to meet safely in person, and state or local officials continue to impose or recommend measures to promote social distancing. Pursuant to Government Code Section 54953(e)(3), the Board must reaffirm those findings. Resolution No. 22-001 was attached to the staff report.

On March 4, 2020, Governor Newsom declared a State of Emergency for the state of California due to COVID-19. Shortly thereafter, the Governor suspended certain provisions of the Ralph M. Brown Act related to teleconferencing to allow legislative bodies to conduct public meetings remotely, while still being accessible to the public, in order to help protect against the spread of COVID-19, maximize social distancing, and protect the health and safety of the public. This suspension expired September 30, 2021.

On September 16, 2021, the Governor signed Assembly Bill 361 (AB 361) into law as urgency legislation. AB 361 amends Government Code Section 54953 to allow legislative bodies to continue to meet remotely during a proclaimed state of emergency provided certain conditions are met and certain findings are made.

The Finance Authority has held all its meetings remotely since the Governor’s initial emergency declaration due to COVID-19. On January 13, 2022, the Board adopted Resolution No. 22-001 making the necessary findings to continue to hold public meetings virtually under AB 361. Pursuant to Government Code Section 54953(e)(3), the Board must reaffirm those findings.

In order to continue meeting virtually during the ongoing State of Emergency, the Board will continue to:

- Ensure all virtual meetings are open to the public and all persons are permitted to attend and participate.
- Provide notice and post agendas and virtual access information.
- Conduct the virtual meetings in a manner that protects the statutory and constitutional rights of the public.
- Provide members of the public access to the meeting and an opportunity to address the Board and provide comments in real time.
- Suspend action on items in the meeting agenda in the event that there is a disruption in the ability of the meeting to be broadcast to members of the public or the ability for members of the public to comment.

The Board will monitor the ongoing situation and will consider and reaffirm the resolution making these findings as appropriate to continue virtual meetings.

A motion was made by Director Akbari and seconded by Director Lathi to consider and reaffirm Resolution No. 22-001 making findings pursuant to AB 361 that the proclaimed state of emergency continues to impact the ability to meet safely in person and state or local officials continue to impose or recommend measures to promote social distancing.

The motion was passed by the following vote:

AYES: Directors Sethy, Akbari, Gunther, Huang, Lathi, and Weed
NOES: None
ABSENT: None

5.2 ADOPTION OF RESOLUTION AUTHORIZING ISSUANCE OF THE 2022 WATER SYSTEM REVENUE BONDS AND AUTHORIZATION TO EXECUTE AND DELIVER CERTAIN DOCUMENTS IN CONNECTION THEREWITH, SUCH AS THE NOTICE OF INTENT TO SELL, OFFICIAL NOTICE OF SALE, INSTALLMENT PURCHASE CONTRACT, PRELIMINARY OFFICIAL STATEMENT, AND RELATED ACTIONS

Mr. Wunderlich reported that on November 14, 2011 a Joint Exercise of Powers Agreement between the Alameda County Water District (ACWD or District) and Union Sanitary District (USD) created the Alameda County Water District Financing Authority (ACWDFFA) as a mechanism for the District to issue bonds to take advantage of historic low borrowing rates, and to enable the District to accomplish a number of desired capital projects. The District is planning to issue up to \$29.5 million in new water revenue bonds plus issuance costs in late March 2022. This will provide net of costs up to \$29.5 million of bond proceeds for capital expenditures. Also, the District is planning to refinance approximately \$38 million of its outstanding Series 2012 Water System Revenue Bonds to take advantage of current market conditions. Total authority requested exceeds these amounts to 1) allow for issuance expenses, and 2) provide flexibility in the final financing structure.

At the February 10, 2022 ACWDFFA Board meeting, the Board directed staff to proceed with the preparation of the relevant legal documents, resolutions and other related documents to implement the bond issuance. Staff is recommending that both the ACWDFFA and ACWD Boards approve the necessary legal documents to implement the bond sale.

Mr. Wunderlich informed the Board that the Authority received strong credit ratings of ‘AAA’ by S&P and ‘Aa1’ by Moody’s for the bond issuance.

Financial Analysis Supervisor Mr. Sydney Oam and the District’s municipal advisor, Mr. Darren Hodge, Director of PFM Financial Advisors, LLC presented an overview of the proposed Series 2022 Water System Revenue Bonds and the economics of the proposed transaction.

While technically the ACWDFFA issues the bonds, it is the District itself, via the joint powers authority legal structure, that actually implements the bond sale, and pays the resulting debt service. The District will build the associated project. Because of the legal requirements, both the ACWDFFA and ACWD Boards authorize most of the same legal documents. In order to proceed

with the bond issuance, each Board must adopt a resolution which generally approves the sale of the Series 2022 Water System Revenue Bonds, and authorize:

- a. Approval by both Boards as to form and execution and delivery of the following documents:
 - i. A Preliminary Official Statement which provides all relevant material information to potential investors, and provisions for the approval of a final Official Statement which will be delivered to the actual purchasers of the bonds after the bonds have been offered at public sale;
 - ii. An Installment Purchase Contract which is executed between the District and the ACWDFFA and provides that the ACWDFFA shall obtain the necessary financing to fund the 2022 Water System Project and requires the District to make payments equal to the debt service with respect to the 2022 Bonds;
 - iii. An Escrow Agreement, by and among the ACWD, ACWDFFA, and the Trustee, which provides for the redemption of the Series 2012 Bonds;
 - iv. An Official Notice of Sale which provides a description of the 2022 Water System financing and includes detailed information on the terms of sale of the debt issue including information potential bidders will need to submit bids on the expected sale date of March 22, 2022. The Official Notice of Sale along with the Preliminary Official Statement are available to potential underwriters of the bonds; and,
 - v. A Notice of Intention to Sell which is a general notice of the District's/JPA's intent to sell bonds and is published 5 days prior to the sale date. The purpose of this notice is to advise the financial community that a debt issue is planned and that interested parties should contact the District's financial advisor for further information.
- b. Approval only by the ACWD Board as to form and execution and delivery of the following documents:
 - i. A Continuing Disclosure Certificate which provides that the District will prepare and file with a specified repository, updated financial and operating information on an annual basis for the benefit of the investors; and,
 - ii. An Escrow Agreement between the District and a third party trustee which governs purchase of U.S. government obligations with proceeds of the bonds which will be applied to redeem the Series 2012 Water System Revenue Bonds, if executed.
- c. Approval only by the ACWDFFA Board as to form and execution and delivery of the following document:
 - i. A Trust Agreement which establishes the Trustee (U.S. Bank) to act on behalf of the JPA in the distribution of the debt proceeds and of payments to the investors.
- d. Approval of certain other administrative matters in connection with the sale of the bonds.

The financing schedule provides for the bond sale to take place on Tuesday, March 22, 2022 with the closing to occur and funding to be received on or around Wednesday, April 6, 2022. If the bond sale is approved, staff will report the results of the sale to the ACWD Board at its April 12, 2022 Board meeting. The timing of the sale may change depending on discussions related to the potential State Revolving Fund (SRF) loan – as these discussions and use of the SRF loan may alter the amount of new money bonds needing to be issued. However, staff will keep the Board apprised of discussions on and timing related to this topic and if needed will return to the ACWD Board for approval of the SRF loan.

Discussion ensued and staff and the District’s advisor responded to inquiries from the Board. Staff will consult with the advisory team to find what options are available for the Board to attend the bond bidding.

A motion was made by Director Sethy, seconded by Director Gunther to adopt a resolution authorizing the issuance of water system revenue bonds in an amount up to \$76 million, inclusive of issuance costs, and approving and directing the sale and approving the publication of a notice of intention to sell relating to the water system revenue bonds and authorizing the distribution of an official notice of sale for the purchase of such bonds and the execution and delivery of an installment purchase contract, a trust agreement, an escrow agreement and an official statement and approving the distribution of a preliminary official statement in connection therewith, and related actions.

RESOLUTION NO. 22-003

OF THE BOARD OF DIRECTORS OF THE ALAMEDA COUNTY WATER DISTRICT FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF WATER SYSTEM REVENUE BONDS IN AN AMOUNT NOT TO EXCEED \$76,000,000 AND APPROVING AND DIRECTING THE SALE AND APPROVING THE PUBLICATION OF A NOTICE OF INTENTION TO SELL RELATING TO THE WATER SYSTEM REVENUE BONDS AND AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL NOTICE OF SALE FOR THE PURCHASE OF SUCH BONDS AND THE EXECUTION AND DELIVERY OF AN INSTALLMENT PURCHASE CONTRACT, A TRUST AGREEMENT, AN ESCROW AGREEMENT AND AN OFFICIAL STATEMENT AND APPROVING THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT IN CONNECTION THEREWITH, AND RELATED ACTIONS

The motion was passed by the following vote:

AYES: Directors Sethy, Akbari, Gunther, Huang, Lathi, and Weed
NOES: None
ABSENT: None

5.3 RESOLUTION MODIFYING THE DATE AND TIME FOR REGULAR MEETINGS OF THE BOARD OF DIRECTORS

The by-laws of the Alameda County Water District Financing Authority (Authority) authorize it to update its meeting schedule by Board resolution. Traditionally, the Authority meets annually

on the second Thursday of January at 5:55 p.m.; just before the regular January Board meeting of the Alameda County Water District. However, when warranted due to a planned debt issuance, more frequent meetings may be scheduled, as has been done to schedule additional meetings to facilitate the 2022 debt issuance. With final Board actions for the 2022 debt issuance scheduled for this meeting, it is appropriate to return to the traditional schedule.

At the January 13, 2022, Board meeting, the Authority adopted Resolution No. 22-002 to modify its schedule of regular Board meetings to provide for monthly regular Board meetings to prepare for and authorize a bond issuance to refund the 2012 bonds to achieve significant savings and issue additional debt to fund a share of the District’s Advanced Metering Infrastructure project. The Authority held monthly regular Board meetings in February and March of 2022. Once the 2022 bonds are authorized by the Board, it is appropriate to return to the normal schedule of an annual regular Board meeting each January.

A motion was made by Director Gunther, seconded by Director Akbari to approve a resolution modifying the date and time for regular Board meetings to set the second Thursday of January at 5:55 p.m. as the date and time of regular meetings of the Alameda County Water District Financing Authority.

RESOLUTION NO. 22-004

OF BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER
DISTRICT FINANCING AUTHORITY MODIFYING THE DATE AND
TIME FOR REGULAR MEETINGS OF THE BOARD OF DIRECTORS

The motion was passed by the following vote:

AYES: Directors Sethy, Akbari, Gunther, Huang, Lathi, and Weed
NOES: None
ABSENT: None

There being no further business to come before the Board, the meeting adjourned at 6:06 P.M.

Marian Hsu, Secretary

Attest:

John H. Weed, President

ALAMEDA COUNTY WATER DISTRICT
FINANCING AUTHORITY
MEMORANDUM

DATE: January 9, 2023
TO: Board of Directors
FROM: Jonathan Wunderlich
SUBJECT: STAFF REPORT, ACTION CALENDAR ITEMS FOR JANUARY 12, 2023

5.1 RESOLUTION MAKING FINDINGS PURSUANT TO ASSEMBLY BILL 361 THAT THE PROCLAIMED STATE OF EMERGENCY CONTINUES TO IMPACT THE ABILITY TO MEET SAFELY IN PERSON

SUMMARY: The Financing Authority held its regular 2022 public Board meetings virtually, due to the COVID-19 pandemic and in order to maximize social distancing and community and participant safety. Given the ongoing situation of the COVID-19 pandemic, the Board wishes to provide flexibility to continue to hold its annual 2023 public Board meeting virtually. In order to do so, the Board must make certain findings pursuant to Assembly Bill 361.

RECOMMENDATION: By motion, adopt a resolution making findings pursuant to Assembly Bill 361 that the proclaimed state of emergency continues to impact the ability to meet safely in person.

DISCUSSION: On March 4, 2020, Governor Newsom declared a State of Emergency for the state of California due to COVID-19. Shortly thereafter, the Governor suspended certain provisions of the Ralph M. Brown Act related to teleconferencing to allow legislative bodies to conduct public meetings remotely, while still being accessible to the public, in order to help protect against the spread of COVID-19, maximize social distancing, and protect the health and safety of the public. This suspension expired September 30, 2021.

On September 16, 2021, the Governor signed Assembly Bill 361 (AB 361) into law as urgency legislation. AB 361 amends Government Code Section 54953 to allow legislative bodies to continue to meet remotely during a proclaimed state of emergency provided certain conditions are met and certain findings are made.

The Finance Authority held its 2022 public Board meetings remotely. Given that the State of emergency remains in effect and with the continuing interest to maximize public health and safety and prevent the spread of COVID-19, the Board of Directors desires to continue to provide flexibility to hold its public meetings virtually, and currently plans to hold its Board meetings under a hybrid approach that allows participation in person as well as virtually.

In order to continue meeting virtually during the ongoing State of Emergency, the Board will continue to:

- Ensure all virtual meetings are open to the public and all persons are permitted to attend and participate.
- Provide notice and post agendas and virtual access information.
- Conduct the virtual meetings in a manner that protects the statutory and constitutional rights of the public.
- Provide members of the public access to the meeting and an opportunity to address the Board and provide comments in real time.
- Suspend action on items in the meeting agenda in the event that there is a disruption in the ability of the meeting to be broadcast to members of the public or the ability for members of the public to comment.

The Board will monitor the ongoing situation and will take action as needed.

5.2 RESULTS OF SERIES 2022 WATER SYSTEM REVENUE BONDS

SUMMARY: The Alameda County Water District Financing Authority (Financing Authority) issued debt in 2022 to refund its 2012 bonds and provide new proceeds to help fund the Alameda County Water District's capital program.

DISCUSSION: The Financing Authority issued \$43,575,000 of bonds in 2022 to refund the 2012 bonds and provide for \$10 million of new proceeds to fund capital projects. These bonds will mature in 2042 – at the same time as the refunded 2012 bonds would have matured. The Financing Authority received a total of eight bids with the low bid providing for a true interest cost of 2.66 percent. This result provided approximately \$2 million in net-present value savings for the refunded 2012 bonds. The 2022 bonds can be refunded on a tax-exempt basis in 2032.

The District is current on all of its debt obligations, which now includes bonds issued in 2015 and 2022, and had a debt coverage ratio of 8.73 in Fiscal Year 2021/22. This ratio exceeds the ratio of 1.25 set by the debt covenants and the ratio of 2.0 set by District policy.

Attachments
cc: Executive Staff

RESOLUTION NO. _____

OF THE BOARD OF DIRECTORS OF ALAMEDA COUNTY WATER DISTRICT
FINANCING AUTHORITY MAKING FINDINGS PURSUANT TO ASSEMBLY
BILL 361 THAT THE PROCLAIMED STATE OF EMERGENCY CONTINUES TO
IMPACT THE ABILITY TO MEET SAFELY IN PERSON

WHEREAS, on March 4, 2020, Governor Newsom declared a State of Emergency to exist in California as a result of the threat of COVID-19;

WHEREAS, on March 17, 2020, the Governor issued Executive Order N-29-20 suspending certain provisions of the Ralph M. Brown Act related to teleconferencing to allow legislative bodies to conduct meetings remotely to help protect against the spread of COVID-19 and to protect the health and safety of the public;

WHEREAS, on June 11, 2021, the Governor issued Executive Order N-08-21, which specified that Executive Order N-29-20 remains in effect through September 30, 2021, and then expires;

WHEREAS, on September 16, 2021, the Governor signed Assembly Bill 361 (AB 361) in to law, as urgency legislation that goes into effect immediately, that amends Government Code Section 54953 to allow legislative bodies to continue to meet remotely during a proclaimed state of emergency provided certain conditions are met and certain findings are made;

WHEREAS, on September 20, 2021, the Governor issued Executive Order N-15-21 that generally suspends the AB 361 amendments to Government Code Section 54953 until October 1, 2021, and therefore clarifying that Executive Order N-29-20 controls through the end of September 2021;

WHEREAS, the Governor's proclaimed State of Emergency remains in effect, and state and local officials, including the Alameda County Health Officer, the California Department of Public Health, and the Department of Industrial Relations, have imposed or recommended measures to promote social distancing; and

WHEREAS, to help protect against the spread of COVID-19 and its variants, and to protect the health and safety of the public, the Board of Directors desires to take the actions necessary to comply with AB 361 and to continue to hold its Board meetings remotely.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Alameda County Water District Financing Authority has considered the circumstances of the proclaimed State of Emergency, and finds that the State of Emergency continues to directly impact the ability of the members to meet safely in person, and state or local officials continue to impose or recommend measures to promote social distancing.

BE IT FURTHER RESOLVED that the Authority will comply with the requirements of Government Code Section 54953(e)(2) when holding Board meetings pursuant to this Resolution.

PASSED AND ADOPTED this 12th day of January 2023, by the following vote:

AYES:

NOES:

ABSENT:

Paul S. Sethy, President
Board of Directors
Alameda County Water District
Financing Authority

ATTEST:

APPROVED AS TO FORM:

Marian Hsu, Assistant District Secretary
Alameda County Water District
Financing Authority
(Seal)

Patrick T. Miyaki, Attorney
Alameda County Water District
Financing Authority