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# Agenda

Tuesday, November 5, 2019

**Place:** County Board of Supervisors Chambers  
Kings County Government Center, Hanford, CA

**Time:** 11:00 a.m.

1. **CALL TO ORDER**

ROLL CALL – Clerk to the Board

2. **APPROVAL OF MINUTES**

Approval of the minutes from the September 24, 2019 regular meeting.

3. **CONSENT CALENDAR**

- a. Consideration of approving resolution 19-07M for the addition of program participants to the Authority.
- b. Consideration of Invoice request 19-08IR for WIPFLi for financial statement audit June 30, 2019.

4. **NEW BUSINESS**

- a. Consideration of approving resolution 19-11A for West Valley Sanitation District of Santa Clara County; up to \$27,000,000 in revenue bonds. (Staff – Scott Carper)

5. **PUBLIC COMMENT**

*Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item.*

6. **STAFF UPDATES**

7. **ADJOURNMENT**

*Adjourn as the California Public Finance Authority.*



2. **APPROVAL OF MINUTES**

Approval of the minutes from the September 24, 2019 regular meeting.



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# Action Summary

Tuesday, September 24, 2019

**Place:** County Board of Supervisors Chambers  
Kings County Government Center, Hanford, CA

**Time:** 11:00 a.m.

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1. **CALL TO ORDER**

ROLL CALL – Clerk to the Board  
**ALL MEMBERS PRESENT**

2. **APPROVAL OF MINUTES**

Approval of the minutes from the September 10, 2019 regular meeting.  
**ACTION: APPROVED AS PRESENTED (RF/DV/RV/CP/JN-Aye)**

3. **CONSENT CALENDAR**

- a. Consideration of approving resolution 19-06M for the addition of program participants to the Authority.
- b. Consideration of approving an inducement resolution 19-09I for:
  - i. LIH Oak Grove LP (Oak Grove Apartments), City of Healdsburg, County of Sonoma; up to \$20,000,000 in revenue bonds.
  - ii. Meta Housing Corporation (Sepulveda Apartments), City of Los Angeles, County of Los Angeles; up to \$135,000,000 in revenue bonds.
  - iii. ~~WAC, L.P. (Washington Arts Collective), City of Los Angeles, County of Los Angeles; up to \$36,000,000 in revenue bonds.~~ **ITEM WAS REMOVED BY STAFF**

**ACTION: APPROVED AS AMENDED (DV/CP/RV/RF/JN-Aye)**

4. **NEW BUSINESS**

- a. Consideration of approving resolution 19-10A for North Church St., LLC, City of Redlands, County of San Bernardino; up to \$12,000,000 in revenue bonds. (Staff – Scott Carper)

**ACTION: APPROVED AS PRESENTED (RF/DV/RV/CP/JN-Aye)**

5. **PUBLIC COMMENT**

*Any person may directly address the Board at this time on any item on the agenda, or on any other items of interest to the public, that is within the subject matter jurisdiction of the Board. Five (5) minutes are allowed for each item. **None***

6. **STAFF UPDATES**

None

7. **ADJOURNMENT**

The meeting was adjourned at 11:06 a.m.



CALIFORNIA  
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AUTHORITY

3. **CONSENT CALENDAR**

- a. Consideration of approving resolution 19-07M for the addition of program participants to the Authority.

**RESOLUTION NO. 19-07M**

**RESOLUTION OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY APPROVING  
AND RATIFYING THE ADDITION OF PROGRAM PARTICIPANTS TO THE  
AUTHORITY**

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WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), Kings County and the Housing Authority of Kings County entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Public Finance Authority (the "Authority") was organized;

WHEREAS, pursuant to Section 12 of the Agreement, the Authority may add a qualifying public agency to become a Non-Charter Member (an "Additional Member") upon the filing by such public agency with the Authority of a resolution of the governing body of such public agency requesting to be added as an Additional Member of the Authority and adoption of a resolution of the Board approving the addition of such public agency as an Additional Member;

WHEREAS, the Cities and/or Counties listed on Exhibit A hereto (the "City/County") have by resolution requested to join the Authority and the Authority has authorized each such City/County to become an Additional Member pursuant to the provisions of the Agreement;

WHEREAS, the Board hereby finds and determines that each City/County is qualified to be added as an Additional Member to the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Board of the California Public Finance Authority, as follows:

Section 1. This Board hereby finds and determines that the foregoing recitals are true and correct.

Section 2. The addition of the Cities and/or Counties listed on Exhibit A hereto as Additional Members of the Authority is hereby approved, confirmed and ratified, and any actions heretofore taken on behalf of each City/County is hereby approved, confirmed and ratified.

Section 3. This resolution shall take effect immediately upon its passage.

PASSED AND ADOPTED by the California Public Finance Authority this 5<sup>th</sup> day of November 2019.

I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called meeting of the Board of Directors of the Authority held in accordance with law on November 5, 2019.

By: \_\_\_\_\_  
Authorized Signatory  
California Public Finance Authority

**EXHIBIT A**

**ADDITION OF CITIES AND/OR COUNTIES AS ADDITIONAL MEMBERS OF THE  
CALIFORNIA PUBLIC FINANCE AUTHORITY**

1. County of San Bernardino



CALIFORNIA  
PUBLIC  
FINANCE  
AUTHORITY

**3. CONSENT CALENDAR**

b. Consideration of Invoice request 19-08IR for WIPFLi for financial statement audit June 30, 2019.





CPAs and Consultants

10000 Innovation Drive, Suite 250  
Milwaukee WI 53226  
Federal ID# 39-0758449

INVOICE

California Public Finance Authority  
2999 Oak Rd Ste 710  
Walnut Creek CA 94597

Date: 10/15/19  
Page: 1  
Client #: 425645  
Invoice #: 1489038  
Billor: Corina Schoenke  
Phone: (414) 259-6730  
Email: cschoenke@wipfli.com

ACCOUNTS DUE AND PAYABLE WITHIN 30 DAYS

Progress bill for the financial statement audit of California Public Finance Authority for the year ended June 30, 2019	5,000.00
Total	<u><u>\$ 5,000.00</u></u>

\*\*\*\*\* Please return remittance coupon with check payment \*\*\*\*\*

To pay online, go to [www.wipfli.com](http://www.wipfli.com) and select *Pay Bill*. You will need your client # and billing zip code.

All business or commercial accounts will be charged interest at the lesser of one percent (1%) per month or the maximum rate permitted by law, except where prohibited by law.

Remit payment to:

WIPFLI LLP  
PO BOX 3160  
MILWAUKEE WI 53201-3160

California Public Finance Authority  
Client #: 425645  
Invoice #: 1489038  
Amount Due: \$5,000.00

0425645 1489038 00005000000



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AUTHORITY

4. **NEW BUSINESS**

- a. Consideration of approving resolution 19-11A for West Valley Sanitation District of Santa Clara County; up to \$27,000,000 in revenue bonds. (Staff – Scott Carper)



CALIFORNIA  
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AUTHORITY

<b>DATE:</b>	NOVEMBER 5, 2019
<b>APPLICANT:</b>	WEST VALLEY SANITATION DISTRICT OF SANTA CLARA COUNTY (THE “DISTRICT”)
<b>AMOUNT:</b>	UP TO \$27 MILLION OF TAX-EXEMPT BONDS
<b>PURPOSE:</b>	FINANCE CAPITAL IMPROVEMENTS TO THE DISTRICT’S WASTEWATER SYSTEM AND OTHER FACILITIES AND REFUND ALL OR A PORTION OF OUTSTANDING BONDS
<b>PRIMARY ACTIVITY:</b>	WASTEWATER SERVICES, WASTEWATER DISTRIBUTION
<b>LEGAL STRUCTURE:</b>	SANITATION DISTRICT

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The District was formed in 1948 under the Sanitary District Act of 1923 (California Health and Safety Code, Section 6400 et. seq.). In 1988, the District changed its name to West Valley Sanitation District of Santa Clara County, to reflect its geographical service area. The District provides wastewater collection services to incorporated and unincorporated areas in Santa Clara County which are located approximately 8 miles southwest of downtown San José, California and 17 miles northeast of the City of Santa Cruz. The District encompasses approximately 28.3 square miles, bordered by the Santa Cruz Mountains to the southwest and the City of San José to the northeast.

The District’s total customer base includes 39% from the City of Campbell, 28% from the Town of Los Gatos, 22% from the City of Saratoga, 8% from unincorporated Santa Clara County, and 3% from the City of Monte Sereno. The population of the District is currently estimated at 110,084 and the District provides service through approximately 46,740 connections.

The District contracts with the City of San José for wastewater treatment and disposal services from the San José/Santa Clara Regional Wastewater Facility (the “Plant”). The Plant is jointly owned by the cities of San José and Santa Clara, and is managed and operated by the City of San José’s Environmental Services Department. The city councils of San José and Santa Clara oversees the Plant’s activities. The Plant is located on 2,600 acres approximately 8 miles north of downtown San José and 5 miles west of the City of Milpitas along the south point of the San Francisco Bay. The Plant cleans about 110 million gallons of wastewater per day, serving approximately 1.4 million residents and over 17,000 businesses across 300 square miles throughout eight cities and four sanitation districts.

**Description of Proposed Project:**

The District plans to use the proceeds of the Bonds to finance the Project, which includes the following components:

Joint Trunk Sewer Projects and Wastewater Collection System Upgrades. The District plans to use a portion of the proceeds of the Bonds to finance joint trunk sewer projects with the City of San José. The District also plans to use a portion of the proceeds for ongoing sewer collection system rehabilitation and other capital projects.

Refunding Outstanding Principal Amount of Series 2010 Bonds. The District previously issued its Sewer Revenue Refunding Bonds, Series 2010 (the “Prior Bonds”) in the aggregate principal amount of \$6,385,000, of which \$3,945,000 is currently outstanding, and made a loan of the proceeds thereof to the District to refund the District’s Series 2000C

Wastewater Revenue Bonds then outstanding. The District now wishes to refund all or a portion of the outstanding principal amount of the Prior Bonds for interest cost savings.

The District has requested CalPFA to issue up to \$27,000,000 to assist the District in paying the costs to finance the Project and to pay certain Bond issuance expenses.

**TEFRA Information:**

A TEFRA hearing is not required for the proposed financing.

**Financing Structure:**

The Bonds will mature in no more than 30.5 years and bear interest at an average coupon rate not to exceed 5%. The Bonds will be sold through a competitive sale. The proposed financing is in accordance with the Authority's issuance guidelines.

**Good Faith Estimates**

- True Interest Cost – 3.366%
- Sum of all fees and charges to third parties - \$393,955.94 (COI = \$218,955.94, Underwriter's Discount = \$175,000)
- Net Bond Proceeds - \$25,985,978.06
- Total Payments to Maturity - \$42,078,345.83 (30.5 yrs)

**Estimated Sources and Uses:**

<b><u>Sources of Funds</u></b>	
Bond Proceeds	<u>\$26,379,934.00</u>
Total Sources	\$26,379,934.00
<b><u>Uses of Funds</u></b>	
Project Fund	\$22,000,000.00
Escrow to Refund 2010 Bonds	3,985,978.06
Costs of Issuance	218,955.94
Underwriter's Discount	<u>175,000.00</u>
Total Uses	\$26,379,934.00

**Recommendations:**

Based on the overall Project public benefit and finance related considerations detailed on Attachment 1, it is recommended that the Board of Directors approve the Resolution as submitted to the Board, which:

1. Approves the issuance of tax-exempt bonds;
2. Approves all necessary actions and documents for the financing; and
3. Authorizes any member of the Board or authorized signatory to sign all necessary documents.

## Attachment 1

### **Public Benefit:**

Completion of this Project will upgrade the wastewater collection and trunk sewer system which transports wastewater to the Plant. These upgrades are expected to prolong the useful life and improve the reliability of the wastewater collection and trunk sewer system.

**RESOLUTION NO. 19-11A**

**CALIFORNIA PUBLIC FINANCE AUTHORITY**

**AUTHORIZING THE ISSUANCE OF REVENUE BONDS ON BEHALF OF WEST VALLEY SANITATION DISTRICT OF SANTA CLARA COUNTY IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$27,000,000 IN CONNECTION WITH FINANCING CERTAIN CAPITAL IMPROVEMENTS TO THE WASTEWATER SYSTEM AND REFUNDING OUTSTANDING BONDS, AUTHORIZING AND DIRECTING EXECUTION OF AN INDENTURE OF TRUST, AN INSTALLMENT SALE AGREEMENT AND CERTAIN OTHER DOCUMENTS, APPROVING AN OFFICIAL STATEMENT, AND AUTHORIZING OTHER RELATED ACTIONS**

WHEREAS, pursuant to the provisions of the Joint Exercise of Powers Act, comprising Articles 1, 2, 3 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the Government Code of the State of California (the "Act"), Kings County and the Housing Authority of Kings County (the "Charter Members") entered into a joint exercise of powers agreement (the "Agreement") pursuant to which the California Public Finance Authority (the "Authority") was organized; and

WHEREAS, the Authority is authorized by its Agreement and under the Act to, among other things, issue bonds, notes or other evidences of indebtedness in connection with, and to make loans to assist in the financing of certain public capital improvement projects; and

WHEREAS, West Valley Sanitation District of Santa Clara County (the "District"), a sanitation district organized under the Sanitary District Act of 1923 (California Health and Safety Code, Section 6400 et. seq.) has requested that the Authority participate in issuing one or more series of tax-exempt bonds in an aggregate principal amount not to exceed \$27,000,000 (the "Bonds"), for the purpose of raising funds necessary to finance certain capital improvements (the "Project") relating to the District's wastewater system and to refund all or a portion of the District's Sewer Revenue Refunding Bonds, Series 2010 (the "Prior Bonds"), which the District will purchase from the Authority (the "Project"); and

WHEREAS, pursuant to an Indenture of Trust (the "Indenture") between the Authority and U.S. Bank National Association or any other trustee to be selected by the District (the "Trustee"), the Authority will issue the Bonds for the purpose, among others, of financing the Project and refunding all or a portion of the Prior Bonds; and

WHEREAS, pursuant to an Installment Sale Agreement by and between the District and the Authority (the "Installment Sale Agreement"), the District will make installment payments to the Authority as the purchase price for certain capital improvements to the District's wastewater system and to refund all or a portion of the Prior Bonds, and the Authority will use the installment payments made by the District to the Authority pursuant to the Installment Sale Agreement to pay sufficient debt service on the Bonds; and

WHEREAS, in order to maximize benefits to the District, the District has requested that the Authority sell the Bonds bearing interest at fixed rates through a competitive sale using an official notice of sale (the “Notice of Sale”); and

WHEREAS, the Authority desires to prepare and make available to potential investors an official statement relating to the Bonds containing information to be used in connection with the sale of Bonds; and

WHEREAS, the Board of Directors (the “Board”) of the Authority has duly considered these transactions and wishes at this time to approve these transactions and make certain findings regarding significant public benefits to the District with respect to these transactions; and

WHEREAS, pursuant to Section 5852.1 of the California Government Code, the Authority, as conduit financing provider, has received certain representations and good faith estimates from the District and has disclosed such good faith estimates as set forth on Exhibit A attached hereto;

NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF THE CALIFORNIA PUBLIC FINANCE AUTHORITY, AS FOLLOWS:

Section 1. Findings and Determinations. Pursuant to the Act, based upon information and representations provided by the District to the Authority, the Board hereby finds and determines that the issuance of the Bonds and the transactions related thereto will result in significant public benefits within the contemplation of Section 6586 of the Act, specifically the more efficient delivery of local agency services to residential and commercial development.

Section 2. Issuance of Bonds; Approval of Indenture. The Board hereby authorizes the issuance of the Bonds, to be designated as the “California Public Finance Authority (West Valley Sanitation District of Santa Clara County) 2019 Wastewater Tax-Exempt Revenue Bonds” pursuant to the Indenture. The Board hereby approves the Indenture in the form on file with the Secretary, together with such additions thereto and changes therein as any member of the Board of Directors of the Authority or their administrative delegates duly authorized pursuant to Resolution No. 18-01C of the Authority, adopted on December 4, 2018, or any other resolution of the Authority (each, an “Authorized Signatory”) deems necessary, desirable or appropriate upon consultation with counsel to the Authority, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Authorized Signatories, each acting alone or in combination, are hereby authorized and directed to execute, the final form of the Indenture for and in the name and on behalf of the Authority. The Bonds shall be issued and secured in accordance with the terms of, and shall be in the form or forms set forth in, the Indenture. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority or the manual signature of any Authorized Signatory.

Section 3. Maximum Bond Parameters. The principal amount of Bonds may not exceed \$27,000,000, the maximum interest rate on the Bonds may not exceed 5% per annum, and the final maturity of the Bonds may not be later than 30.5 years after the date of issuance.

Section 4. Approval of Installment Sale Agreement. The Board hereby approves the form of the Installment Sale Agreement on file with the Authority, together with such additions thereto and changes therein as the Authorized Signatories deem necessary, desirable or appropriate upon consultation with counsel to the Authority, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes. The Authorized Signatories, each acting alone or in combination, are hereby authorized and directed to execute the final form of the Installment Sale Agreement for and in the name of and on behalf of the Authority.

Section 5. Sale of Bonds. The Authority hereby authorizes and directs the District to carry out the sale of the Bonds pursuant to a competitive sale. The Board hereby approves the form of the Notice of Sale on file with the Authority, together with such additions thereto and changes therein as the Authorized Signatories deem necessary, desirable or appropriate upon consultation with counsel to the Authority, the execution of which by the Authority shall be conclusive evidence of the approval of any such additions and changes.

Section 6. Official Statement. The Board hereby approves the form of Official Statement relating to the Bonds (the "Official Statement") on file with the Authority, together with such changes or additions thereto as the Authorized Signatories deem necessary, desirable or appropriate upon consultation with counsel to the Authority, and authorizes the Authorized Signatories, each acting alone or in combination, to deem a Preliminary Official Statement (the "Preliminary Official Statement") final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, as amended, except for omissions permitted therein. The Board hereby approves the distribution of the Preliminary Official Statement by the underwriters to potential Bond investors. The Board hereby authorizes the distribution of the final Official Statement in substantially the form of the Preliminary Official Statement.

Section 7. The Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority are hereby authorized and directed, jointly and severally, for and in the name and on behalf of the Authority, to execute and deliver any and all documents, including, without limitation, any and all documents and certificates to be executed in connection with securing credit support, if any, for the Bonds, and to do any and all things and take any and all actions which may be necessary or advisable, in their discretion, to effectuate the actions which the Authority has approved in this resolution and to consummate by the Authority the transactions contemplated by the documents approved hereby, including any subsequent amendments, waivers or consents entered into or given in accordance with such documents.

Section 8. All actions heretofore taken by the Chair, the Vice Chair, the Secretary, the Treasurer, any other members of the Board of Directors of the Authority and other appropriate officers and agents of the Authority with respect to the issuance of the Bonds are hereby ratified, confirmed and approved.

Section 9. This resolution shall take effect from and after its adoption.

PASSED AND ADOPTED by the California Public Finance Authority this 5<sup>th</sup> day of November, 2019.



I, the undersigned, an Authorized Signatory of the California Public Finance Authority, DO HEREBY CERTIFY that the foregoing resolution was duly adopted by the Board of Directors of the Authority at a duly called and properly noticed regular meeting of the Board of Directors of the Authority, at which a quorum was acting and present throughout, held in accordance with law on November 5, 2019.

By: \_\_\_\_\_  
Authorized Signatory  
California Public Finance Authority

## Exhibit A

### PUBLIC DISCLOSURES RELATING TO CONDUIT REVENUE OBLIGATIONS

Pursuant to California Government Code Section 5852.1, the borrower (the "Borrower") identified below has provided the following required information to the California Public Financing Authority (the "Authority") as conduit financing provider, prior to the Authority's regular meeting (the "Meeting") of its board of directors (the "Board") at which Meeting the Board will consider the authorization of conduit revenue obligations (the "Obligations") as identified below.

1. Name of Borrower: West Valley Sanitation District of Santa Clara County.
2. Authority Meeting Date: Tuesday, November 5<sup>th</sup>, 2019
3. Name of Obligations: California Public Finance Authority (West Valley Sanitation District of Santa Clara County) 2019 Wastewater Tax-Exempt Revenue Bonds.
4.  Private Placement Lender or Bond Purchaser,  Underwriter or  Financial Advisor (mark one) engaged by the Borrower provided the Borrower with the required good faith estimates relating to the Obligations [as follows / attached as Schedule A]:
  - (A) The true interest cost of the Obligations, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for Obligations (to the nearest ten-thousandth of one percent): 3.366%.
  - (B) The finance charge of the Obligations, which means the sum of all fees and charges paid to third parties: \$393,955.94
  - (C) The amount of proceeds received by the public body for sale of the Obligations less the finance charge of the Obligations described in subparagraph (B) and any reserves or capitalized interest paid or funded with proceeds of the Obligations: \$25,985,978.06.
  - (D) The total payment amount, which means the sum total of all payments the Borrower will make to pay debt service on the Obligations plus the finance charge of the Obligations described in subparagraph (B) not paid with the proceeds of the Obligations (which total payment amount shall be calculated to the final maturity of the Obligations): \$42,078,345.83.
5. The good faith estimates provided above will be presented to the governing board of the Borrower, or  presented to the official or officials or committee designated by the governing board of the Borrower to obligate the Borrower in connection with the Obligations or, in the absence of a governing board,  presented to the official or officials of the Borrower having authority to obligate the Borrower in connection with the Obligations (mark one).

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Obligations issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to a variety of factors. The actual interest rates borne by the Obligations and the actual amortization of the Obligations will depend on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Borrower.

The Authority is authorized to make this document available to the public at the Meeting of the Authority.

Dated: 11/05/2019