



AGENDA
CONTINUED FROM JANUARY 13, 2016
ANNUAL MEETING OF
THE BOARD OF DIRECTORS
CARPINTERIA VALLEY WATER DISTRICT FINANCING
CORPORATION

BOARD OF DIRECTORS

Alonzo Orozco
President
Polly Holcombe
Vice President
Richard Forde
Matthew Roberts
June Van Wingerden

GENERAL MANAGER

Charles B. Hamilton

BOARD ROOM
1301 SANTA YNEZ AVENUE
CARPINTERIA, CALIFORNIA 93013

JANUARY 20, 2016 AT 5:30 P.M.

- I. Call To Order - President Orozco.**
- II. **Approval Items – Minutes of December 10, 2014.**
- III. Public Forum (Any person may address the Board of Directors on any matter within its jurisdiction which is not on the agenda.)**
- IV. **Schedule of debt service (for information, Chief Financial Officer Norma Rosales).**
- V. Consider Date and Items for Agenda for next annual meeting on December 14, 2016 at 5:30 p.m. in Carpinteria City Hall.**
- VI. Adjournment**

Charles B. Hamilton

Charles B. Hamilton, 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 19, 2016. 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
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**Indicates attachment of document to agenda packet.

	MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS
	CARPINTERIA VALLEY WATER DISTRICT FINANCING CORPORATION
	December 10, 2014
	President Roberts called the Financing Corporation meeting of the Board of Directors of the Carpinteria Valley Water District at City Hall to order at 5:31 p.m., Wednesday, December 10, 2014.
	Directors Present: Forde, Holcombe, Orozco, Roberts, Van Wingerden
	Directors Absent: none
	Others Present: Charles Hamilton Norma Rosales Roger Myers Bob McDonald Ursula Santana Linda Reimel Mark Lloyd
APPROVAL OF MINUTES, DECEMBER 11, 2013	Director Van Wingerden moved and Director Orozco seconded the motion to approve the minutes of the December 11, 2013 meeting of the Financing Corporation. The motion carried by a 5-0 vote.
ELECTION OF OFFICERS	Temporary Chair Secretary Charles Hamilton introduced this item. Following discussion, Director Van Wingerden moved and Director Orozco seconded the motion to elect Financing Corporation Officers as follows: President: Alonzo Orozco Vice President: Polly Holcombe Secretary: Charles Hamilton Chief Financial Officer: Norma Rosales The motion passed by a 5-0 vote.
PUBLIC FORUM	No one from the public addressed the Board
SCHEDULE OF DEBT SERVICE	Chief Financial Officer Norma Rosales gave a presentation about the Districts' schedule of debt service. No action was taken.
NEXT ANNUAL MEETING	The next annual meeting of the CVWD Financing Corporation is scheduled to be held on December 9, 2015 at 5:30 p.m.
ADJOURNMENT	President Orozco adjourned the meeting at 5:57 p.m.
	_____ Charles B. Hamilton, Secretary

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, 2014	Additions	(Retirements)/ Amortization	Balance June 30, 2015	Due Within One Year
Series 2006A Certificates of Participation	\$ 8,555,000	\$ -	\$ (115,000)	\$ 8,440,000	\$ 110,000
Unamortized bond discount	(72,951)		3,839	(69,112)	-
Total Series 2006A Certificates of Participation	<u>8,482,049</u>	<u>-</u>	<u>(111,161)</u>	<u>8,370,888</u>	<u>110,000</u>
Series 2010A Certificates of Participation	<u>8,475,844</u>	<u>-</u>	<u>-</u>	<u>8,475,844</u>	<u>-</u>
Total Series 2010A Certificates of Participation	<u>8,475,844</u>	<u>-</u>	<u>-</u>	<u>8,475,844</u>	<u>-</u>
Department of Water Resources Loan Contracts	<u>12,281,785</u>	<u>-</u>	<u>(398,413)</u>	<u>11,883,372</u>	<u>408,489</u>
Cater Treatment Plant Financing Agreement	<u>2,257,019</u>	<u>-</u>	<u>(181,292)</u>	<u>2,075,727</u>	<u>92,299</u>
Compensated absences	<u>337,899</u>	<u>204,056</u>	<u>(167,807)</u>	<u>374,148</u>	<u>49,287</u>
Long-term debt	<u>\$ 31,834,596</u>	<u>\$ 204,056</u>	<u>\$ (858,673)</u>	<u>\$ 31,179,979</u>	<u>\$ 660,075</u>

A) Revenue Certificates of Participation

Series 2006A:

In June 2006, the District issued the Refunding Revenue Certificates of Participation, Series 2006A ("2006A COPs") in the amount of \$10,025,000 with interest rates ranging from 3.625% to 4.50%. The Certificates were executed and delivered to refund the \$9,015,000 outstanding aggregate principal amount of Series 2000 Revenue Certificates of Participation, and to pay for the costs to reconstruct the existing El Carro well.

In accordance with District's refunding plan, \$8,835,290 was deposited with an escrow agent to provide for payment when due of all interest with respect to the 2000 Refunded Certificates on and prior to July 1, 2010 and to pay the prepayment price on July 1, 2010 of the 2000 Refunded Certificates maturing after July 1, 2010. On July 1, 2010 the final payment from the escrow account was made. The refunding resulted in an economic gain of approximately \$883,000 and decreased total debt service payments by approximately \$772,000, excluding amounts related to servicing of the \$1,000,000 to be applied to El Carro well.

CARPINTERIA VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 5 - Long-Term Debt (Continued)

A) Revenue Certificates of Participation (Continued)

Total annual requirements to amortize the Series 2006A COPs are as follows:

<u>Fiscal Year End</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 110,000	\$ 377,788	\$ 487,788
2017	355,000	367,600	722,600
2018	370,000	351,288	721,288
2019	385,000	334,781	719,781
2020	405,000	317,994	722,994
2021-2025	2,280,000	1,304,675	3,584,675
2026-2030	2,835,000	731,844	3,566,844
2031-2033	1,700,000	113,080	1,813,080
	<u>\$ 8,440,000</u>	<u>\$ 3,899,050</u>	<u>\$ 12,339,050</u>

Series 2010A:

In March 2010, the District issued the Refunding Revenue (Capital Appreciation) Certificates of Participation, Series 2010A (“2010A COPs”) in the amount of \$8,475,844 with interest rates ranging from 5.75% to 6.86%. The Certificates were executed and delivered 1) to refund a portion of the outstanding aggregate principal amount of the 2006A COPs, constituting a portion of the 2006A COPs maturing on July 1, 2010 and each July 1 thereafter through July 1, 2015, inclusive, 2) to refund a portion of the District’s obligations under the Safe Drinking Water State Revolving Fund Contract #SRF99CX125 maturing on July 1, 2010 and each January and July 1 thereafter through July 1, 2017, inclusive, and 3) to fund certain improvements to the City of Santa Barbara’s Cater Water Treatment Plant which serves the District.

In accordance with District’s refunding plan, \$1,079,808 was deposited with an escrow agent to provide for payment when due (through July 2015) of all principal and interest with respect to the 2006A Refunded Certificates. The total payments made on the 2006A Refunded Certificates from escrow funds will be \$1,000,000 in principal and \$142,800 in interest. The refunding resulted in increased total debt service payments from \$1,142,800 to \$3,300,000, including only amounts related to the 2006A Refunded Certificates. This increased cash flow created an economic loss of approximately \$133,052 when discounted at the 2010A COPs’ effective interest rate of 6.61769%. At June 30, 2015 there was \$230,000 of defeased Series 2006A Refunded Certificates outstanding, to be paid from escrow funds.

CARPINTERIA VALLEY WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS

Note 5 - Long-Term Debt (Continued)

A) Revenue Certificates of Participation (Continued)

Total annual requirements to amortize the Series 2010A COPs are as follows:

Fiscal Year End	Principal	Interest	Total
2016	\$ -	\$ -	\$ -
2017	-	-	-
2018	-	-	-
2019	-	-	-
2020	-	-	-
2021-2025	1,265,833	1,449,166	2,714,999
2026-2030	3,176,328	6,233,672	9,410,000
2031-2035	3,306,106	11,088,894	14,395,000
2036	727,577	3,262,424	3,990,001
	<u>\$ 8,475,844</u>	<u>\$ 22,034,156</u>	<u>\$ 30,510,000</u>

B) Safe Drinking Water State Revolving Fund Contracts

Contract # SRF99CX125:

The Safe Drinking Water State Revolving Fund Contract was issued February 9, 2004. The purpose of the loan was to assist in financing various capital improvements which will enable the District to meet certain safe drinking water standards. The contract provides for a 20 year loan bearing an interest rate of approximately 2.5%. The District will be required to maintain a reserve fund equal to two semi-annual loan payments during the first ten years of the repayment period. The loan requires semi-annual payments of interest and principal due on January 1 and July 1 of each year commencing after the completion of the projects.

Contract # SRF99CX121:

The Safe Drinking Water State Revolving Fund Contract was issued March 19, 2004. The purpose of the loan was to assist in financing various capital improvements which will enable the District to meet certain safe drinking water standards. The contract provides for a 20 year loan bearing an interest rate of approximately 2.5%. This loan was issued to both this District and the Montecito Water District in order to finance the capital improvements to the Ortega Reservoir. Each District will be legally liable for half of the joint loan proceeds. Carpinteria Valley Water District's portion of the principal balance was \$9,236,658, and requires semi-annual payments of interest and principal due on January 1 and July 1 of each year commencing in July 2010. Interest payments during the construction period were due semi-annually based on the funds disbursed. The District will be required to maintain a reserve fund equal to two semi-annual loan payments during the first ten years of the repayment period.