

LAVWMA
Livermore-Amador Valley Water Management Agency
Minutes

Adjourned Regular Meeting of Board of Directors
Wednesday, July 21, 2021

Due to Shelter in Place Orders, this was a web meeting available to participants and the public through the following link: <https://us02web.zoom.us/j/83531133920>
6:00 p.m.

1. Call to Order

Chair Ann Marie Johnson called the meeting to order at 6:01 p.m. She announced that this meeting was a continuation of the adjourned meeting from May 19, 2021.

2. Pledge of Allegiance

The Pledge of Allegiance was conducted.

3. Roll Call

Board Members Present: Chair Ann Marie Johnson; Directors Valerie Arkin, Gina Bonanno, Arun Goel, and Julie Testa

Board Members Absent: Bob Carling

Staff Present: General Counsel Alexandra Barnhill, General Manager Chuck Weir, Treasurer Carol Atwood, DSRSD, and Jeff Carson, DSRSD Operations Director

Staff Absent: None

Others Present: Yanming Zhang, City of Livermore; Robert Porr, Fieldman Rolapp; Chris Lynch, Jones Hall; Eric McKean, Stifel

Introductions

Introductions were made.

4. Order of Agenda

There were no changes to the order of the agenda.

5. Comments from the Public

There were no comments from the public.

6. Adopt Resolution Authorizing the Issuance of 2021 Sewer Revenue Refunding Bonds; Authorizing and Directing Execution of an Indenture of Trust, Second Amended and Restated Sewer Service Contract, Escrow Deposit and Trust Agreement and Bond Purchase Agreement; Authorizing the Negotiated Sale of Bonds; Approving an Official Statement; and Authorizing Related Documents and Actions.

General Manager Weir and Treasurer Atwood reminded the Board of the various issues related to the refunding of the 2011 Bonds and that due to requirements that the recommended actions

must occur during a Regular Board meeting, this meeting is a continuation of the adjourned May 19, 2021 Board meeting. Treasurer Atwood introduced the refunding team: Robert Porr, Fieldman Rolapp & Associates, the Municipal Advisor; Chris Lynch, Jones Hall, the Bond Counsel and Disclosure Counsel, and Eric McKean, Stifel, the Underwriter. The team used a PowerPoint presentation to highlight the various documents in the packet and the recommended Board Actions.

Mr. Poor discussed the purpose of the recommended actions, which is to refinance the Series 2011 bonds. Those bonds have an interest rate of between 3.5% to 5.0% and have a par value of approximately \$64.4 Million. Market conditions are such that new bonds would have an interest rate of 1.0% or less. The total estimated ten-year savings is over \$12 million. Mr. Porr highlighted the savings over time and the savings for each of the Member Agencies.

Eric McKean discussed current market conditions for municipal tax exempt bonds. He noted trends of ten-year bonds hovering around 1.0% and that municipal bonds continue to see high inflows for the market to consider. The four-week moving average is \$1.7 Billion coming into the market. All of this is good news for LAVWMA.

Chris Lynch described the various documents and actions under consideration by the Board. They include the following:

1. Indenture of Trust – defines the 2021 bonds in terms of principal, interest rate and pledged revenues from the Member Agencies to make payments on the Bonds.
2. Second Amended and Restated Sewer Service Contract – member agencies agree to pay LAVWMA O&M and 2021 bond costs.
3. Bond Purchase Agreement – establishes terms and conditions for the purchase of the bonds by Stifel.
4. Escrow Deposit and Trust Agreement – directs US Bank as the 2011 trustee to use 2021 Bond proceeds to redeem the 2011 Bonds.
5. Preliminary Official Statement (POS) – this is the disclosure document for investors that describes the 2021 Bonds, pledged revenues, risk factors, details information about LAVWMA and the Member Agencies, all of which are subject to federal law.
6. Continuing Disclosure Certificate – LAVWMA agrees to annually update financial and operating information and notice of certain events.
7. Approves agreements with financing team.
8. Authorizes necessary actions and documents to issue the 2021 Bonds.

Mr. Lynch also highlighted the current schedule, which is scheduled to be completed in September 2021.

Director Bonanno asked a question about the schedule that was answered by Mr. Porr.

Director Bonanno motioned, seconded by Director Goel, that the Board approve Resolution 21-06: 1) Authorizing issuance of the 2021 Bonds; 2) Authorizing and directing execution of: (a) an Indenture of Trust, (b) a Second Amended and Restated Sewer Service Contract, (c) an Escrow Deposit and Trust Agreement, and (d) a negotiated sale of the 2021

Bonds to Stifel, Nicolaus & Company, Incorporated, as Underwriter, pursuant to a Bond Purchase Agreement; 3) Authorizing the negotiated sale of the 2021 Bonds; 4) Approving an Official Statement; 5) Approving a Continuing Disclosure Certificate; 6) Approving the appointment of Bond Counsel, Disclosure Counsel, and Municipal Advisor; and 6) Approving and directing the Chair, General Manager; and 7) any and all other officers of LAVWMA to take any and all actions as may be reasonably necessary related to the issuance and sale of the 2021 Bonds.

There were no comments from the public. The Motion passed unanimously (5 – 0) by a roll call vote.

7. Matters From/For Board Members

There were no matters from the Board. Staff acknowledged the reserve policy issue and will bring that to a future Board meeting.

8. Next Regular Board Meeting, Wednesday, August 18, 2021, at 6:00 p.m. The meeting will likely still be a Zoom meeting.

9. Adjournment

There being no further action, Chair Johnson adjourned the meeting at 6:26 p.m.

Minutes Approved by the Board August 18, 2021.

DocuSigned by:
Charles V. Weir
F94385304F064AC...

Charles V. Weir
General Manager