



California WaterFix

Special Board Meeting

July 6, 2018

Delta Conveyance Finance Authority
Joint Powers Agreement (JPA)



Presentation Agenda



Delta Conveyance **Finance Authority** JPA



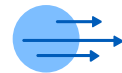
Major Provisions of the Authority Agreement



Governance and Voting of Finance Authority



Strategies to **Minimize Risk Related to JPA**



JPA **Future Agreements and Arrangements**



Staff **Recommendations**





Finance Authority Joint Powers Agreement Formation

- Issue bonds for the conveyance project known as California Water Fix
- May also issue debt for the benefit of a member for the conveyance project
- Members can include State Water Project Contractors, Central Valley Project Contractors, and/or member units of Kern County Water Agency



Major Provisions of the Finance Authority Joint Powers Agreement

- **Term:** 50 years or until such later date all bonds and notes of Authority are paid in full
- **Enter into contracts** with Authority member(s) or other entities for planning, design, ownership, construction, acquisition, operation, disposal, or financing
- Apply for, receive and disburse state, federal or local **licenses, permits, loans or grants**
- Can **hire employees or contractors** to accomplish purpose of Authority
- Can **acquire, hold, lease, sell** any real or personal property, commodity or service



Governance and Voting

- **One Member, One Vote** for all administrative matters
- **Weighted Vote** for Financial Matters
- **Four Officers:** President, Vice President, Secretary, and Treasurer
- **Executive Committee:** Composed of President, Vice President, and Secretary, can expand per discretion of the Board
- **Quorum Requirements:** At no time shall a quorum consist of less than two Directors



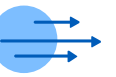
Strategies to Minimize Risk as a Member of the JPA

Membership into JPA:

- Requires Resolution by governing body to:
 - financially support any bonds OR
 - Express an intention to provide such financial support
- AND must approve and execute the formation agreement

Withdrawal from JPA:

- Requires Resolution to withdraw AND
- Pay pro rata portion of any obligations to date of withdrawal



Finance JPA Key Agreements

TODAY

Delta Conveyance Finance Authority Joint Powers Agreement

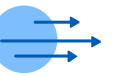
FUTURE

Installment Purchase Agreement

Project Assignment Agreement (Securities Agreement)

Bond Support Agreement

DWR Bond Financing Agreement



Next Steps

TODAY

Consider Delta Conveyance Finance Authority JPA

FUTURE

Finance Authority JPA plans to submit Letter of Interest for WIFIA by July 31st

Gap Funding Agreement*

State Water Contract Amendment *

Continued Negotiations on Water Supply, Storage and Financial agreements related to California Water Fix*

**Subject to Board Approval at future date*

Questions?



Public Comment





Staff Recommendations

Summary of Staff Recommendations:

- Approve and Execute the Delta Conveyance Finance Authority Joint Powers Agreement; and
- Designate a District Representative and Alternate to serve on the Board of Directors of the Delta Conveyance Finance Authority for the first two years following formation; and
- Adopt a Resolution for Approval of the Delta Conveyance Finance Authority Joint Powers Agreement

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