



MEMORANDUM

FC 14 (02-08-19)

TO: Board of Directors

FROM: Michele King,
Clerk of the Board

SUBJECT: August 9, 2022 – Item 4.1 -Vacancy on the
SCVWD PFFC Board of Directors

DATE: August 8, 2022

The following additional information is provided in response to questions from Director Keegan regarding the item on the August 9, 2022, Agenda, Item 4.1 – Vacancy on the Santa Clara Valley Water District (SCVWD) Public Facilities Financing Corporation (PFFC) Board of Directors.

The Board of Directors established the PFFC (a Non-Profit Corporation) in 1987, following voter approval of increased benefit assessment rate ceilings in the Northwest, Central, East and South Flood Control Zones, to implement short and long-term financing for the accelerated flood control construction schedule required to meet the objectives of the new benefit assessment program.

The PFFC was formed on December 21, 1987, as a nonprofit public benefit corporation under and pursuant to the Nonprofit Public Benefit Corporation Law of the State of California (Title 1, Division 2, Part 2 of the California Corporation Code). The specific and primary purpose of the PFFC is to provide assistance to the SCVWD in financing the acquisition, construction and improvement of public facilities for SCVWD.

What are criteria for selection? Are we looking for strong financial background/other qualities?

The current selection criteria are set forth in the PFFC By-Laws. Strong financial background is not required, though beneficial. Summarized below are the current criteria of *PFFC Directors and best practices from selection criteria for the Executive Board of the Government Finance Officers Association (GFOA)*

Selection Criteria for PFFC Directors:

According to the PFFC By-Laws, adopted by the PFFC on January 26, 1988, Directors must be residents of the Santa Clara Valley Water District. Neither District Directors nor employees may be appointed directors of this Corporation. No person shall be eligible to serve as a director who has not been initially approved as a director by resolution of the Board of Directors of the Santa Clara Valley Water District.

Selection Criteria for Board Members of the GFOA:

The GFOA is the professional organization for public finance officials throughout the US and Canada, representing over 20,000 members in federal, state and local agency finance officials. The GFOA publishes best practices and standards for all areas of public finance. Summarized below is the best practices selection criteria the GFOA uses for selecting its own Board Members.

Criteria For Selection of At-Large Members of the Executive Board

1. **Contributions:** Members should be nominated for positions on the executive board on the basis of performance in office, professional integrity, and reasonable activity in pursuing the goals of GFOA. Nominees should be chosen on the basis of what they can contribute to GFOA as evidenced by their past record as members of the association and the governmental finance profession.
2. **Size and Type of Governmental Units:** It is generally agreed that the executive board should be composed of members representing a variety of sizes and types of governmental units.

The nominating committee should seek a group of nominees from large, intermediate and small governmental units and those which represent counties, states, cities, special districts, school districts retirement systems, and other forms of local government represented within the association.

3. **Balance of Regional Representation:** The nominating committee should consider candidates for positions on the executive board who will insure representation among the various regions of the United States and Canada so that members in each region have a reasonable opportunity to have a member from their region serve on the executive board.
4. **Balance of Age and Experience:** Individuals nominated by the nominating committee should represent a variety of ages and experience in governmental finance.
5. **Women and Minorities:** The Nominating Committee should consider the present composition of the executive board and recognize that it is a goal of GFOA to have women and minorities actively involved at all levels of the organization including the GFOA executive board.
6. **Professional Representation:** Nominees for election to the executive board should generally be elected on the basis of their ability to represent programs of the association as a whole and not a particular facet of governmental finance.
7. **Commitment:** An understanding that attendance at all executive board meetings is expected.

Criteria for the Selection of the GFOA President-Elect

1. The president-elect shall either be a member of the existing GFOA executive board or a prior member of a GFOA executive board.
2. Possess an understanding of the current goals of the organization and an ability to communicate those goals.
3. Public speaking ability, including the skills to effectively represent the organization before a variety of public and private groups such as U.S. Congressional committees, Canadian committees, state and provincial associations, other organizations of state and local officials, trade associations and the press.
4. Experience in a variety of public finance disciplines.
5. Demonstrated leadership ability, including the ability to work with an 18-member executive board, and the ability to develop consensus.
6. A clear understanding of the policy role of the president and executive board and the administrative and management responsibilities of the executive director and staff.
7. A willingness to make the necessary time commitment.

What do other agencies do? Generally speaking, other agencies with Financing Corporations select Board members by appointments from the Governing Board (e.g. SCVWD Board) from interested constituents, staff members, and/or members of the Board. Doug Brown, Bond Counsel from Stradling, Yocca, Carlson & Rauth, is available via zoom to answer additional questions.

Below is a link the GFOA.org where more information on nominating and election procedures and policies can be found.

<https://www.gfoa.org/gfoa-nominating-and-election-procedures-and-policy>