

To: Board of Directors
From: Norma J. Camacho, CEO

Chief Executive Officer Bulletin

Week of June 29 – July 5, 2018

Board Executive Limitation Policy EL-7:

The Board Appointed Officers shall inform and support the Board in its work. Further, a BAO shall 1) inform the Board of relevant trends, anticipated adverse media coverage, or material external and internal changes, particularly changes in the assumptions upon which any Board policy has previously been established and 2) report in a timely manner an actual or anticipated noncompliance with any policy of the Board.

Page	IN THIS ISSUE
<u>1</u>	\$75 Million Wells Fargo Bank Revolving Line of Credit Terminated by District
<u>2</u>	Vision Document for Calabazas Creek, San Tomas Aquino Creek, and Pond A8
<u>3</u>	<u>Varela</u> Create an agenda item to discuss how California Water Managers are dealing with the large amount of water used to grow cannabis; how the district's Open Space Credit could be affected; and could this be additional revenue for the district. R-18-0011

\$75 Million Wells Fargo Bank Revolving Line of Credit Terminated by District

Effective June 30, 2018, the district will terminate its \$75 million revolving line of credit with Wells Fargo Bank without paying any early termination fee. The early termination reflects recent updates to the projected financing needs for the Safe, Clean Water (SCW) program and Water Utility Enterprise (WUE) projects, which show that the existing \$150 million commercial paper program capacity is sufficient to meet the financing needs without the Wells Fargo Bank's \$75 million line of credit. This termination will save the district a minimum of \$190,000 in annual banking fees effective FY 2018-19.

The Board approved the line of credit on December 13, 2016, with an initial term of three (3) years through January 17, 2020. The line of credit was established to expand the borrowing capacity of the district's short-term financing program beyond the \$150 million capacity provided by a commercial paper facility backed by a letter-of-credit from the Bank of Tokyo-Mitsubishi. Recently, updated financial projections show that the district will have sufficient capacity with the commercial paper facility alone to finance anticipated fiscal year 2018-19 and 2019-20 capital costs for SCW and WUE. Bond issuances are planned for this timeframe to refinance outstanding commercial paper certificates issued for the WUE costs and maintain capacity in the commercial paper program to finance on-going costs.

For further information, please contact Darin Taylor at (408) 630-3068.

Vision Document for Calabazas Creek, San Tomas Aquino Creek, and Pond A8

San Francisco Estuary Institute/Aquatic Science Center (SFEI) and the district have partnered to explore new approaches to integrate resilience in project planning. An example of this is the recently released Vision Document for Calabazas Creek, San Tomas Aquino Creek, and Pond A8, which was funded by an Environmental Protection Agency (EPA) Water Quality Improvement Fund grant in the amount of \$1,667,683.

This joint effort, including the South Bay Salt Pond Restoration Project, builds on SFEI's Healthy Watersheds and Resilient Baylands Program and explores flood protection and habitat improvements at the Bay shoreline while considering sea level rise. The vision, which was developed with a panel of regional expert scientists, focuses on breaching a levee protecting a historical commercial salt pond (Pond A8) and allowing Calabazas and San Tomas Aquino creeks to drain directly into the pond. This connection would deliver sediment to restore the pond back to tidal marsh. This vision is a major step in identifying opportunities for improving the landscape in the West Valley area. Potential benefits from creek-bayland reconnection could include flood protection, sediment delivery to tidal marshes, and improving estuarine transition zones.

The district will continue to work with partners for feasibility analyses, garnering regulatory agency support, and stakeholders outreach.

For further information, please contact Vincent Gin at (408) 630-2633.

Varela

Create an agenda item to discuss how California Water Managers are dealing with the large amount of water used to grow cannabis; how the district's Open Space Credit could be affected; and could this be additional revenue for the district.

R-18-0011

Staff is preparing to bring this item to the Board on August 14, 2018.

For further information, please contact Garth Hall at (408) 630-2750.
