

MINUTES OF THE UPPER SANTA ANA RIVER WATERSHED INFRASTRUCTURE FINANCING AUTHORITY

Regular Meeting of the Board of Directors | August 18, 2021

ROLL CALL

JPA Board and Officers	Director	Attendance
San Bernardino Valley Municipal Water District	Paul Kielhold, Chair	Absent due to technical difficulties
San Bernardino Valley Municipal Water District	Gil Botello, Alternate	Present
San Bernardino Valley Municipal Water District	T. Milford Harrison, Treasurer	Present
San Bernardino Valley Municipal Water District	Heather Dyer, Executive Director	Present
San Bernardino Valley Municipal Water District	Jose Macedo, Secretary	Present
Yucaipa Valley Water District	Lonni Granlund, Vice-Chair	Present
Yucaipa Valley Water District	Nyles O'Harra, Alternate	Present
San Bernardino Valley Water Conservation District	Daniel Cozad, Director	Present
San Bernardino Valley Water Conservation District	Betsy Miller, Alternate	Present

Attendees	Agency
Anthony Flordelis	San Bernardino Valley Municipal Water District
Adekunle Ojo	San Bernardino Valley Municipal Water District
Melissa Zoba	San Bernardino Valley Municipal Water District
Allison Edmisten	Yucaipa Valley Water District
Scott Heil	Varner & Brandt
Ryan Shaw	Western Municipal Water District

Jeff Herrin	AECOM
Joseph Zoba	Yucaipa Valley Water District
Lora Carpenter	Fieldman Rolapp & Associates
Robert Porr	Fieldman Rolapp & Associates
Devin Arciniega	San Bernardino Municipal Water Department

CALL TO ORDER

The record will reflect that Chair Paul Kielhold experienced technical issues and was therefore unable to chair the virtual meeting. The Regular Meeting of the Upper Santa Ana River Watershed Infrastructure Financing Authority (USAR WIFA) was called to order by Vice Chair Lonni Granlund at 8:30 a.m. Alternate, Mr. Gil Botello served on behalf of SBVMWD. Vice Chair Granlund led the meeting, beginning with the Pledge of Allegiance. A quorum was noted present by roll call.

Vice Chair Granlund stated that pursuant to the provisions of Executive Order N-29-20 issued by Governor Gavin Newsom on March 17, 2020, there will be no public access to the meeting venue.

1. PUBLIC COMMENT

Vice Chair Granlund stated that any member of the public wishing to make any comments to the Authority may do so. There were no comments or requests to speak.

Executive Director Heather Dyer announced the unfortunate loss of Brendan Brandt, San Bernardino Valley Municipal Water District's counsel, who was also providing legal counsel to the SAR WIFA joint powers authority.

2. APPROVAL OF MINUTES

Director Cozad moved to approve the minutes of the July 21, 2021 meeting. Director Botello seconded. The motion was unanimously adopted by roll-call vote.

3. DISCUSSION AND POSSIBLE ACTION ITEMS

3.1 Approval of a Conflict of Interest Code

Mr. Adekunle Ojo provided background on the requirement for a Conflict of Interest Code and presented a draft document. He advised that most designated positions in the Code will be required to file a Form 700 Statement of Economic Interests with more than one government agency. Legal Counsel Scott Heil confirmed that an Assuming Office statement would be required.

Director Cozad moved to approve the Authority's Conflict of Interest Code applying to both directors and alternates. Director Botello seconded. The motion was unanimously adopted by a roll-call vote.

3.2 Approve the Engagement of Varner & Brandt LLP for General Counsel Services

Mr. Adekunle Ojo explained that general counsel is appointed by the Board on a contract basis and is responsible for administration of the legal affairs of the Authority. He detailed additional duties of the counsel. To this point, Ojo continued, Varner & Brandt, legal counsel of San Bernardino Valley Municipal Water District, has been performing this role. This item is to finalize the separation of counsel for the Authority, he stated. He pointed to the contract and conflict waiver and said the retainer agreement is on an as-needed basis.

Ojo listed some upcoming needs for legal services and recommended formalizing the arrangement with Varner & Brandt, LLP.

Director Botello moved to retain the services of Varner & Brandt, LLP as the General Counsel and authorize the Executive Director to sign the Retainer Agreement and Conflict Waiver. Director Cozad seconded. The motion was unanimously adopted by a roll-call vote.

3.3 Approve the Engagement of Stradling Yocca Carlson and Rauth for Bond and Disclosure Counsel Services.

Mr. Adekunle Ojo explained that general counsel does not cover securities law, therefore a separate firm is needed. He touched on the experience of Stradling and explained this contract is also on an as-needed basis.

Director Cozad moved to retain the services of Stradling Yocca Carlson & Rauth as the bond and disclosure counsel and authorize the Executive Director to sign the engagement letter. Director Botello seconded. The motion was unanimously adopted by a roll-call vote.

3.4 Approve the engagement of Fieldman Rolapp for Financial Advisory Services.

Mr. Adekunle Ojo explained that Fieldman Rolapp was responsible for the financial planning and analysis for the Letter of Interest application. He remarked on the firm's experience. This agreement would provide flexibility and can accommodate a wide range of services on an as-needed basis, he said. The maximum compensation over three years is \$327,110, he noted.

Vice Chair Granlund asked if this firm would assist in setting up a budget and other tasks. Mr. Ojo clarified services include financial planning, financial analysis at the time to issue bonds, and other services using a comprehensive approach. Executive Director Heather Dyer added that Fieldman Rolapp would compile the arduous financial information and perform complex tracking of project costs required for submittal with the grant.

Director Cozad pointed out that the comprehensive financial model that Fieldman Rolapp has proposed to put together will be very helpful as additional opportunities arise.

Director Botello concurred, saying an important aspect of this newly formed JPA is to assure the public it is on a steady financial ground.

Director Cozad moved to retain the services of Fieldman Rolapp for as-needed financial advisory services and direct the Executive Director to execute a consulting services agreement. Director Botello seconded. The motion was unanimously adopted by a roll-call vote.

4. REPORTS AND POSSIBLE ACTION ITEMS

4.1 Executive Director's Report

Executive Director Heather Dyer updated the Board on submittal of the Water Infrastructure Financing and Innovation Act (WIFIA) Letter of Interest on July 22. She noted that the Environmental Protection Agency had received \$8 billion in letters of interest and will narrow it down to the \$6.5 billion available this year. Ms. Dyer expressed confidence that the Authority will be selected to move forward in the process. The Authority is requesting a Phase 1 loan of up to \$177 million which covers 49 percent of the estimated costs of the regional infrastructure program.

She noted the material will be repackaged to seek state funding. The financial team advised there will be a different process, she said. Staff is working with advisors on the team to understand how to best position the Authority for consideration and meet with legislators to lay the groundwork for future opportunities. The goal is to obtain as many funding sources as possible to reduce the local cost share, she concluded.

Ms. Dyer provided detail on the current \$1.2 trillion Senate Infrastructure package and briefed the Board on the state level funding availability. There is money remaining in the Authority's planning budget, she said, and recommended development of a website and a dashboard tool to track projects.

Adekunle Ojo is working on a fair and equitable cost allocation strategy with the assistance of Fielman Rolapp, Dyer advised. Creation of a project agreement template is also underway, Dyer continued. These will come before the Board for consideration.

Staff recommends formation of a Technical Advisory Committee to include knowledgeable and experienced members to review project agreements and consider the different materials, she said. The chair and vice chair would be appointed by the Board for a one-year term. The member could be an agency employee or consultant, she stated. It is anticipated these would be appointed in October.

Staff is working with potential new members who were not part of the original push, but this is envisioned to be a watershed scale tool that can be relied upon to find funding mechanisms over time for all watershed projects, Dyer said. She said it is anticipated that new members may be included, and other agencies are looking at when they can be agendized for their governing bodies.

Director Cozad offered assistance to staff.

5. ANNOUNCEMENTS

5.1 List of Announcements

Director Botello moved to cancel the September 1, 2021 meeting. Director Cozad seconded. The motion was unanimously adopted by a roll-call vote.

6. ADJOURNMENT

The meeting was adjourned at 9:02 a.m.



APPROVAL CERTIFICATION
I hereby certify to approval of the foregoing
Minutes of Upper Santa Ana River
Watershed Infrastructure Financing
Authority.

Secretary

Date _____

Respectfully submitted,

Lynda J. Kerney
Contract Assistant