



**SPECIAL NOTICE REGARDING
CORONAVIRUS DISEASE 2019 (COVID-19)
AND PARTICIPATION IN PUBLIC MEETINGS**

On March 4, 2020, Governor Newsom declared a State of Emergency resulting from the threat of COVID-19. On September 16, 2021, Governor Newsom signed Assembly Bill No. 361 into law. Assembly Bill No. 361 amends Government Code section 54953(e) by adding provisions for remote teleconferencing participation in meetings by members of a legislative body, without the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions. The San Bernardino Valley Municipal Water District adopted a resolution determining, by majority vote, that, as a result of the declared State of Emergency, a meeting in person would present imminent risks to the health or safety of attendees. Accordingly, it has been determined that all meetings of the San Bernardino Valley Municipal Water District will be held pursuant to the Brown Act and will be conducted via teleconference. There will be no public access to the meeting venue.

**MEETING OF THE
UPPER SANTA ANA RIVER
WATERSHED INFRASTRUCTURE FINANCING AUTHORITY
WEDNESDAY, OCTOBER 20, 2021 – 8:30 am**

PUBLIC PARTICIPATION

Public participation is welcome and encouraged. You may participate in the October 20, 2021, meeting of the Upper Santa Ana River Watershed Financing Authority online and by telephone as follows:

**Dial-in Info: (877) 853 5247 US Toll-free
Meeting ID: 818 8828 6875
PASSCODE: 3802020**

<https://sbvmwd.zoom.us/j/81888286875>

If you are unable to participate online or by telephone, you may also submit your comments and questions in writing for consideration by sending them to comments@sbvmwd.com with the subject line "Public Comment Item #" (insert the agenda item number relevant to your comment) or "Public Comment Non-Agenda Item". Submit your written comments by 6:00 p.m. on Tuesday, October 19, 2021. All public comments will be provided to the Executive Director and may be read into the record or compiled as part of the record.

IMPORTANT PRIVACY NOTE: Participation in the meeting via the Zoom app is strongly encouraged. Online participants MUST log in with a Zoom account. The Zoom app is a free download. Please keep in mind: (1) This is a public meeting; as such, the virtual meeting information is published on the World Wide Web and available to everyone. (2) Should you participate remotely via telephone, your telephone number will be your "identifier" during the meeting and available to all meeting participants; there is no way to protect your privacy if you elect to call in to the meeting.



Agenda

**UPPER SANTA ANA RIVER WATERSHED
INFRASTRUCTURE FINANCING AUTHORITY**
380 East Vanderbilt Way, San Bernardino, CA 92408

WEDNESDAY, OCTOBER 20, 2021

CALL TO ORDER/PLEDGE OF ALLEGIANCE

1. PUBLIC COMMENT

Any person may address the Board on matters within its jurisdiction.

2. APPROVAL OF MINUTES

- 2.1 BOD Minutes 081821 (Page 4)
[BOD Minutes 081821](#)

3. DISCUSSION AND POSSIBLE ACTION ITEMS

- 3.1 Confirm the Membership of the San Bernardino Municipal Water Department and its Representatives (Page 10)
[Staff Memo - Confirm the Membership of the San Bernardino Municipal Water Department and its Representatives](#)
[SBMWD Resolution 2021-011](#)
- 3.2 Consider the Appointment of the Chair and Vice Chair of the Technical Advisory Committee (Page 14)
[Staff Memo - Consider the Appointment of the Chair and Vice Chair of the Technical Advisory Committee](#)
[Extract of JPA Agreement - Section 17](#)

4. REPORTS (Discuss and Possible Action)

- 4.1 Executive Director's Report (Page 17)
[Executive Director's Report](#)
[EPA Letter to Congressional Delegation](#)
[Fiscal Year 2021 LOIs Factsheet](#)

5. ANNOUNCEMENTS

- 5.1 List of Announcements 102021 (Page 29)
[Announcements 102021](#)

6. ADJOURNMENT

PLEASE NOTE: Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection in the District's office located at 380 E. Vanderbilt Way, San Bernardino, during normal business hours. Also, such documents are available on the District's website at www.sbvmd.com subject to staff's ability to post the documents before the meeting. The District recognizes its obligation to provide equal access to those individuals with disabilities. Please contact Melissa Zoba at (909) 387-9228 two working days prior to the meeting with any special requests for reasonable accommodation.

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

UPPER SANTA ANA RIVER WATERSHED
INFRASTRUCTURE FINANCING AUTHORITY



DATE: October 20, 2021

TO: Board of Directors

FROM: Heather Dyer, Executive Director
Adekunle Ojo, Valley District's Manager of Water Resources

SUBJECT: Confirm the Membership of the San Bernardino Municipal Water Department and its Representatives

Summary:

San Bernardino Municipal Water Department ("SBMWD") was involved in the formation process of the Authority and recently completed its Water Board and City Council process to officially join the Authority. Staff is recommending that the Board formally confirm the membership by unanimous vote and welcome Miguel Guerrero as a Director and Cecilia "Toni" Callicott as the Alternate. This action does not constitute an amendment to the JPA Agreement as SBMWD was originally included in the Exhibit A (Authority Members).

Background:

On August 24, 2021, the Board of the San Bernardino Municipal Water Department approved the Joint Exercise of Powers Agreement to join the Authority and forwarded the approval to the Mayor and City Council for their consideration. On September 15, 2021, the City Council approved the agreement. At its September 28, 2021, the Water Board designated General Manager Miguel Guerrero as its representative on the Authority Board and President Callicott as the alternate.

Fiscal Impact:

There is no fiscal impact associated with the requested action.

Recommendation:

Staff recommends that the Board confirm the membership of the San Bernardino Municipal Water Department and seat Miguel Guerrero as Director and Cecilia "Toni" Callicott as the Alternate.

Attachment:

SBMWD Resolution No. 2021-011

RESOLUTION NO. 2021-011

**RESOLUTION OF THE WATER BOARD OF THE CITY OF
SAN BERNARDINO, CALIFORNIA, APPOINTING TWO
CITY OF SAN BERNARDINO REPRESENTATIVES AS
DIRECTORS ON THE UPPER SANTA ANA RIVER
WATERSHED INFRASTRUCTURE FINANCING
AUTHORITY BOARD OF DIRECTORS**

WHEREAS, in accordance with Section 603 of the City Charter, the Water Board is responsible for oversight and management of the City’s water supply, recycled water, wastewater collection and treatment functions; and

WHEREAS, Chapter 5 of Division 7 of Title 1 of the California Government Code, Government Code sections 6500 et seq., (the “Act”) authorizes the creation of a joint exercise of powers entity which has the power to exercise any powers common to its members and to exercise additional powers granted to it under the Act; and

WHEREAS, the San Bernardino Valley Municipal Water District, Yucaipa Valley Water District, and San Bernardino Valley Water Conservation District (“Authority Members”) have executed a Joint Exercise of Powers Agreement (“Agreement”) creating the Upper Santa Ana River Watershed Infrastructure Financing Authority (“Authority”) to facilitate the financing of the implementation of a coordinated regional water infrastructure program that provides a more reliable and affordable water supply to Authority Members and their respective ratepayers, consisting of water-related capital improvement projects that will benefit public agencies located within the vicinity of, or receiving water from, the Santa Ana River watershed (“Upper Santa Ana River Watershed Infrastructure Program”); and

WHEREAS, the Authority desires to explore all financing options to fully implement the Upper Santa Ana River Watershed Infrastructure Program, including, but not limited to, entering into one or more loan agreements with the United States Environmental Protection Agency (“EPA”) under its Water Infrastructure Finance and Innovation Act of 2014 (“WIFIA”) program, a federal credit program administered by the EPA for eligible water and wastewater infrastructure projects; and

WHEREAS, the City of San Bernardino Municipal Water Department (“Water Department”) has worked closely with Authority Members to develop the Agreement and several Authority components including strategic communications, program branding, funding applications, and endorsement letters; and

WHEREAS, the Water Department has identified approximately \$14 million in potential projects to be part of the Upper Santa Ana River Watershed Infrastructure Program, including the Tertiary Treatment System Phase II project and the Hospitality Lane Recycled Water Extension project; and

WHEREAS, on August 24, 2021, the Water Board of the City of San Bernardino, California, approved the Agreement to join the Authority and forwarded the Agreement to the Mayor and City Council for approval; and

WHEREAS, on September 15, 2021, the City Council of the City of San Bernardino, California, approved the Agreement to join the Authority; and

WHEREAS, the Agreement provides Authority guidelines including formation of an Authority “Board of Directors” that shall consist of two members from each participating agency, requiring that the Water Board designate two City representatives which shall be a Department employee or Water Board Commissioner to serve as a Director and an alternate.

BE IT RESOLVED BY THE WATER BOARD OF THE CITY OF SAN BERNARDINO AS FOLLOWS:

SECTION 1. The above recitals are true and correct and are incorporated herein by this reference.

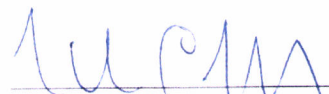
SECTION 2. The Water Board appoints Miguel J. Guerrero as Director and Toni Callicott as an alternate on the Board of Directors of the Upper Santa Ana River Watershed Infrastructure Financing Authority.

SECTION 3. CEQA. The Water Board finds this Resolution is not subject to the California Environmental Quality Act (“CEQA”) in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty, as in this case, that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

SECTION 4. Severability. If any provision of this Resolution or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications, and to this end the provisions of this Resolution are declared to be severable.

SECTION 5. Effective Date. This Resolution shall become effective immediately.

APPROVED and **ADOPTED** by the Water Board and signed by the President of the Water Board and attested by the Deputy City Clerk & Ex Officio Secretary of the Water Board this 28th day of September, 2021.



Toni Callicott, President
City of San Bernardino Water Board

Attest:

Robin L. Ohama

Robin L. Ohama (Sep 28, 2021 13:43 PDT)

Robin Ohama
Deputy City Clerk & Ex Officio Secretary of the Water Board

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss
CITY OF SAN BERNARDINO)

I, Robin Ohama, Deputy City Clerk & Ex Officio Secretary of the Water Board, hereby certify that the attached is a true copy of Resolution No. adopted at a regular meeting held on the 28th day of September, 2021 by the following vote:

| <u>Water Board Members:</u> | <u>AYES</u> | <u>NAYS</u> | <u>ABSTAIN</u> | <u>ABSENT</u> |
|-----------------------------|--------------|---------------|----------------|---------------|
| CALLICOTT | <u> X </u> | <u> </u> | <u> </u> | <u> </u> |
| HENDRIX | <u> X </u> | <u> </u> | <u> </u> | <u> </u> |
| MLYNARSKI | <u> X </u> | <u> </u> | <u> </u> | <u> </u> |
| BRICKLEY | <u> X </u> | <u> </u> | <u> </u> | <u> </u> |
| JOHNSON | <u> X </u> | <u> </u> | <u> </u> | <u> </u> |

WITNESS my hand and official seal of the City of San Bernardino this 28th day of September, 2021.

Robin L Ohama
Robin L Ohama (Sep 28, 2021 13:43 PDT)

Robin Ohama
Deputy City Clerk & Ex Officio Secretary of
the Water Board

UPPER SANTA ANA RIVER WATERSHED
INFRASTRUCTURE FINANCING AUTHORITY



DATE: October 20, 2021

TO: Board of Directors

FROM: Heather Dyer, Executive Director
Adekunle Ojo, Valley District's Manager of Water Resources

SUBJECT: Consider the Appointment of the Chair and Vice Chair of the Technical Advisory Committee

Summary:

The Technical Advisory Committee (TAC) is established by Section 17 of the Joint Exercise of Powers Agreement. After consultation with the General Managers of Member agencies, Staff is recommending the appointment of Joe Zoba as the Chair and Wen Huang as the Vice Chair of the TAC.

Background:

Section 17 of the Joint Exercise of Powers Agreement requires the establishment of a Technical Advisory Committee to review materials relevant to Projects to be financed by the Authority, including draft Project Agreements, and periodically reporting to the Board regarding its review of such materials. The same section vests the power to appoint the Chair and Vice Chair of the Committee in the Board; the term of office is one year.

TAC will provide a venue for items to be considered in detail at the staff/consultant-level prior to Board's consideration; meetings shall be called, noticed, and conducted in accordance with the Brown Act.

Each member agency has designated the following representative, who have expertise in water and/or wastewater capital improvement projects:

| Member Agency | TAC Representative |
|-------------------------------|---|
| Conservation District | Katelyn Scholte, Assistant Engineer |
| SBMWD | Steve Miller, Director of Water Utility |
| Valley District | Wen Huang, P.E., Chief Engineer |
| Yucaipa Valley Water District | Joe Zoba, General Manager |

UPPER SANTA ANA RIVER WATERSHED
INFRASTRUCTURE FINANCING AUTHORITY

Fiscal Impact:

There is no fiscal impact associated with the requested action.

Recommendation:

Staff recommends that the Board approve the appointment of Joe Zoba as Chair and Wen Huang as Vice Chair for a one-year term.

Attachment:

Extract of Section 17 of the JPA Agreement

(b) *Audit Reports.* The Treasurer of the Authority, as soon as practicable after the close of each fiscal year but in any event within the time necessary to comply with the requirements of the Act, shall file a report of the audit performed pursuant to this Section 15(b) as required by the Act and shall send a copy of such report to public entities and persons in accordance with the requirements of the Act.

Section 16. Funds. Subject to the provisions of each Indenture for outstanding Bonds providing for a trustee to receive, have custody of and disburse funds which constitute Authority funds, the Treasurer of the Authority shall receive, have the custody of and disburse Authority funds pursuant to accounting procedures approved by the Board and shall make the disbursements required by this Agreement or otherwise necessary to carry out the provisions and purposes of this Agreement.

Section 17. Technical Advisory Committee. The Authority shall establish a Technical Advisory Committee. The Technical Advisory Committee shall be comprised of one representative of each Member that is an employee of the Member or a consultant appointed by such Member with expertise in water and/or wastewater capital improvement projects. The Technical Advisory Committee will meet from time to time to review materials relevant to Projects to be financed by the Authority, including draft Project Agreements, and shall periodically report to the Board regarding its review of such materials.

Representatives on the Technical Advisory Committee shall serve in such capacity for so long as they are in the active employ of, or contracted by, the appointing Member, unless earlier removed from such position by the governing board of the appointing Member. Representatives on the Technical Advisory Committee shall serve at the pleasure of the governing board of the appointing Member and may be removed at any time, with or without cause, in the sole discretion of the appointing Member's governing board.

The Board shall appoint a Chair and Vice Chair of the Technical Advisory Committee. The term of each of the Chair and Vice Chair of the Technical Advisory Committee shall be one year.

All regular and special meetings of the Technical Advisory Committee shall be called, noticed, held and conducted subject to the provisions of the Ralph M. Brown Act (Chapter 9 of Part 1 of Division 2 of Title 5 of the California Government Code), or any successor legislation hereafter enacted.

Section 18. Adoption of Certain Codes and Policies. The Authority shall, by resolution, adopt a Conflict of Interest Code, an investment policy and a debt management policy to the extent required by law. Such Conflict of Interest Code, investment policy and debt management policy may initially be the respective code or policies of the San Bernardino Valley Municipal Water District.

Section 19. Notices. Notices and other communications hereunder to the parties shall be sufficient if delivered to the clerk or secretary of the governing body of each party.

Section 20. Effectiveness. This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of the Members when each party has executed a counterpart of this Agreement.

Section 21. Severability. Should any part, term, or provision of this Agreement be decided by the courts to be illegal or in conflict with any law of the State, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

DATE: October 20, 2021

TO: Board of Directors

FROM: Heather Dyer, Executive Director

SUBJECT: Executive Director's Report

The following is an update from the Executive Director:

I. Water Infrastructure Finance and Innovation Act (WIFIA) Letter of Interest Submission

LOIs were due to the EPA on July 23, 2021 and the response time is typically 90 days. EPA staff are currently reviewing all Letters of Interest (LOIs) submitted by prospective borrowers, and we anticipate the conclusion of the process at any time. In a letter dated September 23, 2021 from EPA Assistant Administrator for the Office of Water to our Congressional Delegation, the EPA confirmed that it will be reviewing the LOI from the Authority and giving it a thorough consideration. The EPA Letter and a Factsheet of all LOIs received are attached to this report.

II. Fiscal Year 2022 WaterSMART Drought Response Program Grant Application for Enhanced Recharge Phase 1B

Enhanced Recharge Phase 1B is one of the largest projects within Watershed Connect with an estimated cost of \$60 million; the project partners are Valley District, Riverside Public Utilities, and Western Municipal Water District. As part of our financial strategy to reduce local cash contribution and the debt finance of all project partners, Valley District submitted a grant application to the U.S. Bureau of Reclamation WaterSMART Drought Response Program. The submission deadline was October 5, 2021 and the application was for the maximum grant amount of \$2 million for projects that can be completed within three (3) years. Award is expected in early 2022. Additional details on the application can be found at:

<https://www.sbvmd.com/home/showpublisheddocument/9360/637675041184130000>

UPPER SANTA ANA RIVER WATERSHED INFRASTRUCTURE FINANCING AUTHORITY

III. State Funding for Climate Action and Drought Resilience

On September 23, Governor Newsom announced an unprecedented \$15 Billion in climate action funding, which included among other things, funding for water and drought resilience. The Water and Drought Resilience Package will invest \$5.2 Billion over three (3) years to support immediate drought response and long-term water resilience, including funding for emergency drought relief projects to secure and expand water supplies; support for drinking water and wastewater infrastructure, with a focus on small and disadvantaged communities; Sustainable Groundwater Management Act implementation to improve water supply security and quality; and projects to support wildlife and habitat restoration efforts, among other nature-based solutions. Many projects in Watershed Connect will qualify for this funding. Staff expects more clarity from the State on how to access these funds by the end of the current year or the first quarter of 2022.

IV. Federal Infrastructure Bill Update

The Senate passed the \$1.2 trillion infrastructure bill in August. Under this bill, up to \$55 billion would be available over a five-year period for water infrastructure projects that are relevant to the Authority and its Members including groundwater storage, water recycling and reuse, aging infrastructure, and conveyance. However, the bill has stalled in the House of Representatives. Staff continues to monitor any new developments.

V. Project Agreement

The JPA's financial adviser, Fieldman Rolapp & Associates, recently completed the draft project agreement, which is being reviewed by Member agency's staff and will be reviewed by the Bond Counsel and General Counsel prior to the Board's consideration at a future meeting. Also known in the industry as an Installment Payment Agreement, a Project Agreement with one or more Members is an essential contractual document for the JPA that lays out the terms and conditions of the finance or refinance of a project, including rights and obligations, payments, transaction costs, etc.

VI. Watershed Connect Program Implementation

AECOM/WSC was contracted to be the lead consultant for the preparation of the WIFIA Letter of Interest. Other consultants including Fieldman Rolapp & Associates (financial advisor), Stradling (bond counsel), and Varner & Brandt (general counsel) have since been retained by the Authority to continue their

UPPER SANTA ANA RIVER WATERSHED INFRASTRUCTURE FINANCING AUTHORITY

services. At a future meeting, staff will place before the Board, the consideration of a consulting services agreement for AECOM/WSC to support the ongoing administration of the Watershed Connect Program, including but not limited to completing the WIFIA Loan Application.

VII. Program Website and Dashboard

Staff is currently working with WSC on the development of a website to amplify the presence of the JPA and the Watershed Connect Program to various audiences. The website will be undergoing beta testing in late October and early November; it will be previewed with the Board prior to going live. Subsequently, staff and WSC will focus on developing dashboard functionalities for the website to provide an interactive, long-term tracking portal for all stakeholders (member agencies, bondholders, supporters, etc.) to access program costs, schedule, commitments, reporting, etc.

VIII. Additional Members and Stakeholder Engagement

Staff will continue to engage with other potential members, namely the City of Colton/Colton Utility Authority, Western Municipal Water District, and the Big Bear Area Regional Wastewater Authority on scheduling consideration of joining the JPA on their governing bodies' agendas.

Attachments:

EPA Letter to Congressional Delegation
Fiscal Year 2021 LOIs Factsheet

Recommendation:

Receive and File



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

OFFICE OF WATER

September 23, 2021

The Honorable Pete Aguilar
House of Representatives
Washington, D.C. 20515

Dear Congressman Aguilar:

Thank you for your July 19, 2021, letter to the U.S. Environmental Protection Agency (EPA) regarding the Letter of Interest (LOI) submitted by the Upper Santa Ana Watershed Infrastructure Financing Authority for a loan under the Water Infrastructure Finance and Innovation Act (WIFIA) program.

EPA staff are currently evaluating all LOIs submitted by prospective borrowers for FY 2021 funding. Evaluations are based on each LOI's alignment with statutory and regulatory requirements, as well as a preliminary creditworthiness and feasibility review. EPA anticipates selecting projects later this year for the next phase of the loan selection and approval process. We will be reviewing the LOI from the Upper Santa Ana Watershed Infrastructure Financing Authority and giving it thorough consideration. Additional information on the WIFIA application process is available at <https://www.epa.gov/wifia>.

Again, thank you for your letter. If you have further questions, please contact me or your staff may contact Matt Klasen in EPA's Office of Congressional and Intergovernmental Relations at Klasen.Matthew@epa.gov or (202) 566-0780.

Sincerely,

A handwritten signature in black ink, appearing to be "Radhika Fox", written in a cursive style.

Radhika Fox
Assistant Administrator

cc: The Honorable Raul Ruiz, M.D., Member of Congress
The Honorable Mark Takano, Member of Congress
The Honorable Norma J. Torres, Member of Congress
The Honorable Ken Calvert, Member of Congress
The Honorable Jay Obernolte, Member of Congress

| Fiscal Year | Prospective Borrower | State | Project Description |
|--------------------|------------------------------------|--------------|--|
| 2021 | Santa Margarita Water District | California | The Recycled Water Conversion project will convert irrigation customers from potable water to recycled water in the City of Rancho Santa Margarita and adjacent areas. |
| 2021 | Marin Municipal Water District | California | Marin Water will reconstruct two 5 million gallon (10 million gallon total) welded steel transmission water storage tanks constructed in 1960. |
| 2021 | Mannco Solutions, LLC | California | The Mannco Heat Dried Biosolids project will use wastewater treatment plant produced sludge to produce electricity and a bio-char material for agricultural use. |
| 2021 | United Water Conservation District | California | The Santa Felicia Safety Improvement project includes a new outlet works and spillway improvement which will increase the Santa Felicia Dam and the Lake Piru Reservoir's efficiency. |
| 2021 | Rialto Water Service LLC | California | The Microgrid and System Improvements project consists of wastewater and drinking water treatment plant improvements, the creation of retention ponds at the wastewater treatment plant outfall, a detailed analysis of condition assessments, cybersecurity enhancements, the installation of Automatic Meter Infrastructure, and expansion of the existing gravity sewer system. |
| 2021 | Helix Water District | California | The Drinking Water Reliability project would replace/rehabilitate portions of the Helix treatment and distribution system and construct infrastructure necessary to provide drinking water treatment as part of the East County Advanced Water Purification Project. |
| 2021 | Santa Clara Valley Water District | California | The Safe, Clean Water and Natural Flood Protection Program is a set of five projects focused on flood protection and lake improvements: 1) Llagas Creek Flood Protection, 2) Coyote Creek Flood Protection, 3) San Francisquito Creek Flood Protection, 4) Sunnyvale East and Sunnyvale West Channels Flood Protection, and 5) Almaden Lake Improvement. |

| Fiscal Year | Prospective Borrower | State | Project Description |
|--------------------|--|--------------|---|
| 2021 | San Francisco Public Utilities Commission | California | The Wastewater Capital Plan Resilience projects consists of twelve projects designed to repair, rehabilitate and replace critical assets that have a significant risk of failure and upgrade the system to enhance reliability, resiliency, and sustainability. |
| 2021 | City of Santa Cruz | California | The Santa Cruz Water Program has four water infrastructure projects: 1) Graham Hill Water Treatment Plant Facility Improvements Project, 2) Newell Creek Pipeline Replacement Project, 3) University Tank 4 Project, and 4) Aquifer Storage and Recovery Project. |
| 2021 | Upper Santa Ana River Watershed Infrastructure Financing Authority | California | Watershed Connect is a multiphase program consisting of interconnected water capture, recharge, storage, treatment, and conveyance projects. |
| 2021 | Sites Project Authority | California | The Sites Reservoir project is a multi-benefit water storage project that will capture and store surface water and stormwater flows from the Sacramento River and release them for environmental use and for California communities, farms, and businesses in dry and critical years. |
| 2021 | Santa Clara Valley Water District | California | The Pacheco Reservoir Expansion project will expand the Pacheco Reservoir to 140 thousand acre-feet by constructing a new dam, pump station, conveyance facilities, and related infrastructure. |
| 2021 | City of Westminster | Colorado | Water2025 projects includes the phased replacement of the aging 44 million gallons per day (MGD) Semper Water Treatment Plant with a new 30 MGD water treatment plant, construction of raw water pipelines, and a new potable water pipeline. |
| 2021 | Project 7 Water Authority | Colorado | The Ridgway Water Treatment Plant project will construct new water treatment plant to serve as a redundant water source for the communities of the Uncompahgre and Gunnison River Valleys. |

| Fiscal Year | Prospective Borrower | State | Project Description |
|--------------------|--|----------------------|---|
| 2021 | Northern Water | Colorado | The Northern Integrated Supply project is a regional water storage and distribution project that will annually supply fifteen Northern Colorado Front Range water providers with 40,000 acre-feet of new, reliable water supplies by building two reservoirs and associated infrastructure. |
| 2021 | South Central Connecticut Regional Water Authority | Connecticut | The Lake Whitney Dam and Spillway Improvements project will rehabilitate the dam which is used for drinking water supply and drought mitigation. |
| 2021 | New Castle County | Delaware | The Christina River Force Main Rehabilitation project will construct approximately 1,500 linear feet of new force main pipe across the Christina River and connect it to the Wilmington Wastewater Treatment Plant. |
| 2021 | American Infrastructure Holdings | District of Columbia | The DC Regional Biosolids to Fertilizer project consists of biosolids drying facilities at wastewater treatment plants and a regional biosolids-to-fertilizer blending and bagging plant which would take dried biosolids from both drying facilities and manufacture fertilizer. |
| 2021 | Gainesville Regional Utilities | Florida | The Sanitary Sewer Replacement and Improvement project will replace or rehabilitate manholes, gravity sewer mains, sewer laterals and force mains throughout the utility service area. |
| 2021 | County of Hawaii | Hawaii | The Hawaii Wastewater Treatment Upgrades project will design and construct components in need of upgrades, repair, and replacement, including headworks, force mains, sewage pumping stations, aeration basins, and upgrades. |
| 2021 | Designated Corporation | Hawaii | The Maui County One Water project will upgrade and manage three private water systems that serve a significant portion of the island of Molokai and a private water system, Wailuku Water Company, which services the central and southern regions of Maui Island. |

| Fiscal Year | Prospective Borrower | State | Project Description |
|--------------------|---|--------------|---|
| 2021 | City of Boise | Idaho | The Water Renewal Services Capital Investments projects include the following: 1) Lander Street Water Renewal Facility Program, 2) West Boise Water Renewal Facility Program, 3) Recycled Water Program, and 4) collections and conveyance projects. |
| 2021 | Cat Creek Energy and Water, LLC | Idaho | The Cat Creek Energy and Water Storage project will construct a 720 megawatt nameplate Pumped Storage Hydroelectric facility with a 100,000 acre-feet water reservoir of which 80,000 is dedicated for water beneficial uses other than power production. |
| 2021 | Southland Water Agency | Illinois | The Southland Water Agency Infrastructure System project will construct a new drinking water intake structure from the Lake Michigan shoreline that will convey up to 130 million gallons per day (MGD) to serve up to 30 small communities in south suburban Cook County, Illinois. |
| 2021 | Village of New Lenox | Illinois | The Phase 1 Improvements projects will construct a new Water Resource Recovery Facility, gravity sewers, interceptors, and new pumping station and decommission the aged Sewage Treatment Plants 1 and 2. |
| 2021 | Indiana Finance Authority | Indiana | A mixture of projects that are eligible for clean water and drinking water state revolving fund financing. |
| 2021 | City of Wichita | Kansas | The Wastewater Reclamation Facilities Biological Nutrient Removal Improvements project will rehabilitate two critical wastewater facilities, Grove Street Pump Station and the Lower Arkansas Water Quality Reclamation Facility, which provide conveyance and treatment within the City's largest sewershed. |
| 2021 | Baltimore City Department of Public Works | Maryland | The Water Infrastructure Advancement 2021 projects consist of the replacement of water mains and pipes as part of the City's commitment to renew at least 15 miles of |

| Fiscal Year | Prospective Borrower | State | Project Description |
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| | | | water mains per year and address the City's aging water infrastructure. |
| 2021 | Metropolitan St. Louis Sewer District | Missouri | The Deer Creek Watershed / Lemay Service Area System Improvements projects are sewer and wastewater system projects that will facilitate combined sewer separation, eliminate overcharged sewers, implement new biosolids treatment and dewatering processes at wastewater treatment plants, and construct a new Solids Processing Building. |
| 2021 | New Jersey Infrastructure Bank | New Jersey | A mixture of projects that are eligible for clean water and drinking water state revolving fund financing. |
| 2021 | City of Cortland | New York | The Homer Avenue Gateway project will completely replace the aging potable water, sanitary sewer, and storm sewer infrastructure along Homer Avenue. |
| 2021 | Fishers Island Water Works Corporation | New York | The Water System Improvements project will replace a majority of water mains and renovate the existing surface water treatment plant to return it to service. |
| 2021 | Charlotte Water | North Carolina | The Charlotte Water project will improve wastewater conveyance and treatment improvements and expand reclaimed water facilities to serve the rapidly growing area of Northeast Charlotte. |
| 2021 | City of Middletown | Ohio | The Downtown Combined Sewer Overflow (CSO) Control and Sewer Rehabilitation project will construct a 5.1 million gallon storage basin to reduce CSOs in the downtown area. |
| 2021 | EPCOR Foothills Water Project Inc. | Oregon | The Lake Oswego Wastewater Treatment Replacement project will replace the aging Tryon Creek Wastewater Treatment Plant that treats sewage collected from parts of southwest City of Portland, unincorporated areas of Multnomah and Clackamas counties, and the City of Lake Oswego. |
| 2021 | City of Ashland | Oregon | The City of Ashland will construct a new 7.0 MGD Water Treatment Plant to replace |

| Fiscal Year | Prospective Borrower | State | Project Description |
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| | | | their aging plant and conduct additional work to route utilities to the new plant and abandon components of the City's existing water treatment plant. |
| 2021 | Tualatin Valley Water District | Oregon | The Water System Upgrades Program includes pump station replacements or seismic upgrades, reservoir replacements and upgrades, water main replacements, Supervisory Control and Data Acquisition (SCADA) system upgrades including implementation of an innovative earthquake early warning system (ShakeAlert), and other facility seismic upgrades. |
| 2021 | City of Oregon City | Oregon | The Water Rehabilitation, Resiliency, and Improvement projects consist of projects to protect the water system against cyber attacks, repair and replace aging and undersized pipes and mains, and provide reliable service. |
| 2021 | City of Philadelphia | Pennsylvania | The Water Department 2021 projects are part of the Drinking Water Master Plan and include projects to upgrade the City's drinking water treatment and supply facilities, including pumping stations, treatment plants, finished water storage facilities, and distribution systems. |
| 2021 | Narragansett Bay Commission | Rhode Island | The Field's Point Resiliency Improvements project consists of six components: 1) Field's Point Wastewater Treatment Facilities Improvements, 2) Ernest Street Pump Station Improvements, 3) new maintenance and storage buildings, 4) installation of a solar carport, 5) electrical improvements and standby power, and 6) cybersecurity improvements. |
| 2021 | American Infrastructure Holdings | South Dakota | The Sioux City Biosolids to Fertilizer project will convert wet biosolids cake to a dry granulated fertilizer at Sioux City's wastewater treatment plant. |
| 2021 | Metro Water Services | Tennessee | The Process Advancements at Omohundro and K.R. Harrington Water Treatment Plants project will improve these facilities, focusing |

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| | | | on upgrades and the installation of Granular Activated Carbon Post Filter Adsorbers. |
| 2021 | City of Chattanooga | Tennessee | The Wastewater Compliance and Sustainability projects will rehabilitate the existing interceptor sewer system and treatment plant to help solve the City's storage and treatment capacity issues. |
| 2021 | City of Memphis | Tennessee | The Stormwater Upgrades project will repair or replace more than 80 segments of damaged and deteriorated pipe in 21 basins. |
| 2021 | Sharyland Water Supply Corporation | Texas | The Water System Infrastructure Improvements projects will upgrade the water distribution system including pressure zone expansions, infrastructure relocation, capacity and performance improvements, and looping and gridding throughout the system. |
| 2021 | Lake Restoration Solutions, LLC | Utah | The Lake Restoration Solutions project is a public-private partnership with the State of Utah that will undertake comprehensive water and environmental infrastructure improvements at Utah Lake to restore water quality, increase water supply, rehabilitate the lake's ecosystem and generate numerous other environmental and socio-economic benefits for the region. |
| 2021 | Kitsap County Department of Public Works | Washington | The Post Point Resource Recovery Plant Biosolids project will repair and replace the aging wastewater solids treatment infrastructure and the emergency power system. |
| 2021 | City of Bellingham | Washington | King County will replace or rehabilitate structural and mechanical equipment at its West Point Treatment Plant located in Seattle and its South Treatment Plant located in Renton. |
| 2021 | City of Port Washington | Wisconsin | The Water Treatment Plant Improvement project will upgrade the level of treatment, eliminate code deficiencies, and replace/upgrade existing infrastructure at the Port Washington Water Treatment Plant. |

UPPER SANTA ANA RIVER WATERSHED
INFRASTRUCTURE FINANCING AUTHORITY



Announcements

- A. November 3, 2021, 8:30 a.m. – Upper SAR WIFA JPA Board meeting via Zoom
- B. November 17, 2021, 8:30 a.m. – Upper SAR WIFA JPA Board meeting via Zoom
- C. December 1, 2021, 8:30 a.m. – PROPOSE TO CANCEL
- D. December 15, 2021, 8:30 a.m. – Upper SAR WIFA JPA Board meeting via Zoom