

**CMTA** 2023  
ANNUAL  
CONFERENCE

**FOR ALL FLAVORS OF FINANCE**  
TREASURY DEBT INVESTMENTS

MARRIOTT SAN MATEO • SAN FRANCISCO AIRPORT • APRIL 26-28, 2023

## Considerations for Issuing Debt in 2023: A Bond Counsel and Issuer Perspective

*Jonathan Guz, Shareholder, Stradling Yocca Carlson & Rauth*

*Joseph B. Zoba, General Manager, Yucaipa Valley Water District*

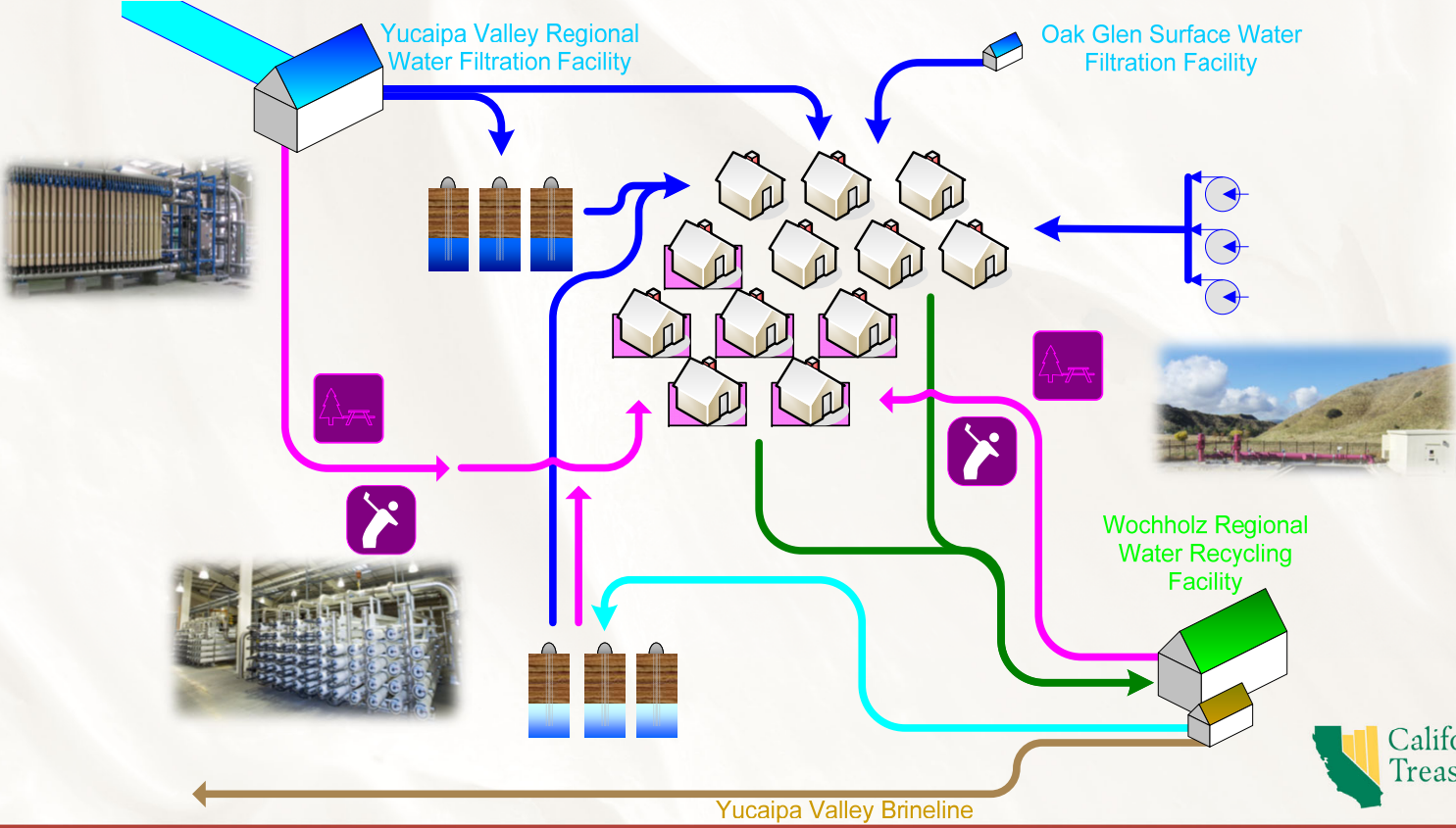
*Allison M. Edmisten, Chief Financial Officer, Yucaipa Valley Water District*

# Introductions

- Jonathan Guz, Shareholder, Stradling Yocca Carlson & Rauth
- Joseph B. Zoba, General Manager, Yucaipa Valley Water District
- Allison M. Edmisten, Chief Financial Officer, Yucaipa Valley Water District



# Water Resource Management Schematic for the Yucaipa Valley Water District





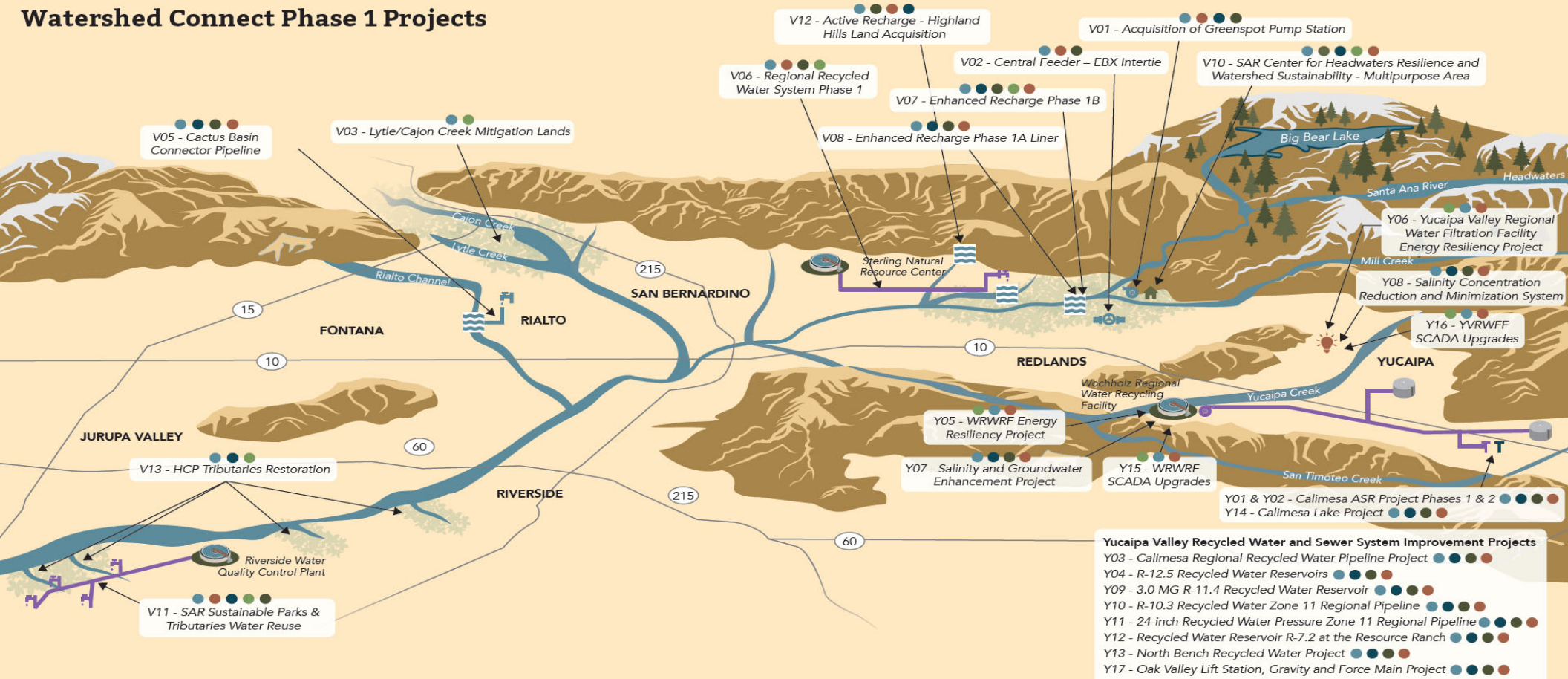
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# Watershed Connect Phase 1 Projects



- Yucaipa Valley Recycled Water and Sewer System Improvement Projects**
- Y03 - Calimesa Regional Recycled Water Pipeline Project
  - Y04 - R-12.5 Recycled Water Reservoirs
  - Y09 - 3.0 MG R-11.4 Recycled Water Reservoir
  - Y10 - R-10.3 Recycled Water Zone 11 Regional Pipeline
  - Y11 - 24-inch Recycled Water Pressure Zone 11 Regional Pipeline
  - Y12 - Recycled Water Reservoir R-7.2 at the Resource Ranch
  - Y13 - North Bench Recycled Water Project
  - Y17 - Oak Valley Lift Station, Gravity and Force Main Project



### LEGEND

- |  |                             |  |                             |  |                             |  |                               |
|--|-----------------------------|--|-----------------------------|--|-----------------------------|--|-------------------------------|
|  | Wastewater Treatment Plant  |  | Natural Waterway or Channel |  | Groundwater Recharge Basin  |  | Habitat Restoration Area      |
|  | Recycled Water Turnout      |  | Recycled Water Pipeline     |  | Recycled Water Pump Station |  | Recycled Water Reservoir      |
|  | State Water Project Turnout |  | Raw Water Pipeline          |  | Raw Water Pump Station      |  | Injection and Extraction Well |

### PROGRAM BENEFITS

- |  |  |  |                             |  |                    |
|--|--|--|-----------------------------|--|--------------------|
|  | Resilience in the Face of Climate Change |  | Infrastructure Enhancements |  | Drought Resiliency |
|  | Improved Water Quality                   |  | Ecological Health           |  |                    |

# Watershed Connect (YVWD Overview)

## Yucaipa Valley Water District WIFIA Loan #1 (Phase 1)

Project	Total Estimated Project Cost	Proposed WIFIA Funding	Proposed Other Funding Sources
Calimesa Aquifer Storage and Recovery Project Phase 1	\$12,292,285	\$9,292,285	\$3,000,000
Calimesa Aquifer Storage and Recovery Project Phase 2	\$4,681,128	\$4,081,128	\$600,000
R-12.5 Recycled Water Reservoirs	\$4,964,500	\$2,664,500	\$2,300,000
Wochholz Regional Water Recycling Facility Energy Resiliency Project	\$33,414,752	\$7,829,215	\$25,585,537
Yucaipa Valley Regional Water Filtration Facility Energy Resiliency Project	\$19,397,533	\$805,500	\$18,592,033
Salinity and Groundwater Enhancement Project	\$42,739,120	\$33,239,120	\$9,500,000
Salinity Concentration Reduction and Minimization System	\$10,422,968	\$4,922,968	\$5,500,000
Oak Valley Sewer Lift Station, Force Mainline and Gravity System Improvements Phase 1	\$11,196,626	\$11,196,626	\$0
Calimesa Lake Project	\$10,576,380	\$2,576,380	\$8,000,000
Wochholz Regional Water Recycling Facility – SCADA Upgrades	\$3,655,000	\$0	\$3,655,000
Yucaipa Valley Regional Water Filtration Facility – SCADA Upgrades	\$3,655,000	\$0	\$3,655,000
<b>TOTAL</b>	<b>\$156,995,292</b>	<b>\$76,607,722</b>	<b>\$80,387,570</b>

## Yucaipa Valley Water District WIFIA Loan #2 (Phase 2)

Project	Total Estimated Project Cost	Proposed WIFIA Funding	Proposed Other Funding Sources
3.0 MG R-11.4 Recycled Water Reservoir	\$15,068,044	\$0	\$15,068,044
R-10.3 Recycled Water Booster to R-11.4 Recycled Water Reservoir	\$2,060,120	\$0	\$2,060,120
Oak Valley Sewer Lift Station, Force Mainline and Gravity System Improvements Phase 2	\$30,125,512	\$8,415,452	\$21,710,060
24-inch Recycled Water Pressure Zone 11 Regional Pipeline	\$9,950,960	\$0	\$9,950,960
North Bench Recycled Water Project	\$23,902,970	\$23,902,970	\$0
<b>TOTAL</b>	<b>\$81,107,606</b>	<b>\$32,318,422</b>	<b>\$48,789,184</b>

# District Approach to Financing

- Water, Wastewater and Recycled Water Funds
  - Current outstanding debt for both Water and Wastewater Funds
- Current and Anticipated Debt
  - Water and Wastewater Revenue Bonds
  - SRF Loan (Wastewater Fund)
  - Water Infrastructure Finance and Innovation Act (WIFIA) Loan with Master Agreement (Water and Wastewater Funds)
    - Loan 1 executed
  - Expected issuance of short-term notes

# District Approach to Financing (cont.)

- District's approach to the incurrence of debt
  - Pay-go for smaller projects
  - Loans or publicly offered obligations for larger projects
    - Pursue grants where possible
  - Market interest rates can be a determining factor
  - Existing debt and related interest rates are a consideration

# State Revolving Fund (SRF) Loan Program



# Water Infrastructure Finance and Innovation Act (WIFIA) Loan Program



United States Environmental  
Protection Agency (EPA)

# Publicly Offered Obligations



Revenue Bonds, Refunding  
Revenue Bonds and  
Notes

# Ongoing Compliance Requirements

- SRF and WIFIA Loans
  - SRF Quarterly Reports
  - Annual Financial Reports
  - Notices
  - Annual Updated Financial Model/Plan
  - Covenants
- Publicly Offered Obligations
  - Tax-Related Compliance
  - Annual Continuing Disclosure and Annual Financial Reports
  - Event Notices
  - Covenants
- Annual California Debt and Investment Advisory Commission (CDIAC) report
- Ongoing Compliance Management

# Questions