

**MINUTES**  
**SANTA CLARA VALLEY WATER DISTRICT**  
**PUBLIC FACILITIES FINANCING CORPORATION**  
**November 8, 2017**

(Paragraph numbers coincide with agenda item numbers)

A Regular Meeting of the Santa Clara Valley Water District Public Facilities Financing Corporation (PFFC) was held in Conference Room A-143 of the District Headquarters Building, 5700 Almaden Expressway, San Jose, California, at 2:00 p.m. on November 8, 2017.

**1. Roll Call:** PFFC Board of Director members in attendance were Anthony Bennetti, Dean Chu, Steve Mullen, and David Vanni, constituting a quorum.

PFFC Corporate Officer present: Michele King, Corporate Secretary.

District staff present: Marty Grimes, Acting Chief of External Affairs; Nina Hawk, Chief Operating Officer, Water Utility; Melanie Richardson, Acting Chief Executive Officer; Charlene Sun, Treasury and Debt Officer; Darin Taylor, Chief Financial Officer; and Stan Yamamoto, District Counsel.

Members of the external finance team present: Mr. Doug Brown, Stradling, Yocca, Carlson and Ruath.

**2. Time Open for Public Comment on Any Subject Not on the Agenda:** There was no one present who wished to speak.

**3. Approval of Minutes of November 10, 2016 PFFC Meeting:** It was moved by Director Bennetti, seconded by Director Chu, and unanimously carried that the November 10, 2016, minutes be approved as amended to identify Mr. "Najon" Chu in item 8 on page 3.

**4. Resignation of PFFC Board Member Maria Oberg and Filling of Director Vacancy.** Ms. Michele King, Corporation Secretary informed the Board that Ms. Oberg had submitted her resignation in September 2017, and that the Santa Clara Valley Water District Board of Directors adopted a resolution of appreciation and provided direction to fill the vacancy through an interview process.

**5. Updates on the Fiscal Year 2017-18 Treasury and Debt Management Program.** Ms. Charlene Sun, Treasury and Debt Officer reviewed the information on this item, per the attached Board Agenda Memorandum.

Darin Taylor, Chief Financial Officer and Melanie Richardson, Acting Chief Executive Officer, provided explanation for the delays in the Watersheds (Safe, Clean Water Project) and Water Utility capital programs, which has led to delays in the issuance of additional debt planned for the CIP in both divisions for Fiscal Years 2017 and 2018.

**6. Updates on the Expedited Purified Water Program and Approve the Forms of Installment Purchase Agreement and Trust Agreement Related to Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects.)** Ms. Sun and Mr. Doug Brown, Bond Counsel, reviewed the information on this item, per the attached Board Agenda Memorandum, and provided a short overview of the Expedited Purified Water Program and the partnership with the City of San Jose for the treated wastewater from the San Jose/Santa Clara Wastewater Treatment Plant (SJ/SC WTP) for potable reuse.

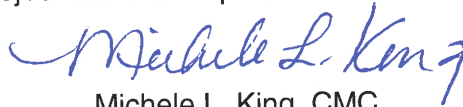
The City of San Jose has plans to expand their treatment plant and finance it with tax exempt debt bond funds. Since the treated wastewater that the District would receive from the plant could be used for direct potable reuse (DPR), the District is working to implement a strategy to obtain official guidance from the Internal Revenue Service (IRS) through a Private Letter Ruling (PLR) to confirm that such use would not result in any private use. The PLR will seek to affirm the District's accounting strategy of allocating DPR for public retailers only, and is thereby exempt from private activity limitations imposed by the IRS.

The PFFC is asked to approve the Forms of the Installment Purchase Agreement and Trust Agreement as supporting financing for the PLR.

It was moved by Director Mullen, seconded by Director Bennetti, and unanimously carried to approve the Forms of Installment Purchase Agreement and Trust Agreement Relating to Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), as presented.

**7. Other Business:** None.

**8. Adjourn:** The meeting adjourned at 2:40 p.m.



Michele L. King, CMC  
Corporate Secretary, PFFC