



**REGULAR MEETING AGENDA
VALLEJO SANITATION AND FLOOD CONTROL DISTRICT
FINANCING CORPORATION
6:15 P.M. – CITY COUNCIL CHAMBERS
555 SANTA CLARA STREET, VALLEJO CA 94590
JANUARY 10, 2017**

Board of Directors
Bob Sampayan
Rozzana Verder-Aliga – Vice-President
Pippin Dew-Costa
Erin Hannigan
Jess Malgapo
Robert H. McConnell
Katy Miessner
Hermie Sunga

District Manager
Melissa Morton

Notice: Members of the public shall have the opportunity to address the Board concerning any item listed on this notice before or during consideration of that item. No other items may be discussed during this meeting.

The City Council Chambers is ADA compliant. Devices for the hearing impaired are available from the District Clerk. Requests for disability related modifications or accommodations, aids or services may be made by a person with a disability to the District Clerk's office no less than 48 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof. Please contact our office at (707) 644-8949.

Any writings or documents related to an agenda item for the open session of this meeting are available for public inspection during normal business hours at the front counter of the District office, located at 450 Ryder Street.

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. COMMENTS ON CONSENT CALENDAR BY MEMBERS OF THE PUBLIC**

Members of the public wishing to address the Board on Consent Calendar Items are requested to submit a completed speaker card to the District Clerk. Each speaker is limited to three minutes. Requests for removal of Consent Items received from the public are subject to approval by a majority vote of the Board of Directors. Items removed from the Consent Calendar will be heard immediately after approval of the Consent Calendar and Agenda.

5. CONSENT CALENDAR AND APPROVAL OF AGENDA

All matters are approved under one motion unless requested to be removed for discussion by the Board, District Manager, or requested for removal by a member of the public, which requires approval by a majority vote of the Board.

- A. APPROVAL OF THE MINUTES FROM THE SPECIAL MEETING OF FEBRUARY 9, 2016

PROPOSED ACTION

Approve the minutes from the special meeting of February 9, 2016


6. ADMINISTRATIVE ITEMS

A. FINANCING CORPORATION ACTIVITY REPORT

PROPOSED ACTION

Adopt a resolution to accept the VSFCD Financing Corporation Activity Report as submitted.

7. ADJOURNMENT


I, Holly M. Charley, District Clerk of Vallejo Sanitation and Flood Control District declare that the foregoing agenda for the January 10, 2017 Regular Meeting was posted and available for review by the required time as prescribed by law at the District office located at 450 Ryder Street, Vallejo, California. This agenda is also available on the District website at <http://www.vsfcd.com>.



SPECIAL MEETING MINUTES
VALLEJO SANITATION AND FLOOD CONTROL DISTRICT
FINANCING CORPORATION
6:15 P.M. – CITY COUNCIL CHAMBERS
555 SANTA CLARA STREET, VALLEJO CA 94590
FEBRUARY 9, 2016

Board of Directors
Osby Davis, President
Jess Malgapo, Vice-President
Pippin Dew-Costa
Erin Hannigan
Robert H. McConnell
Katy Miessner
Bob Sampayan
Rozzana Verder-Aliga

District Manager
Melissa Morton

1. **CALL TO ORDER** - The regular meeting of the Vallejo Sanitation and Flood Control District was called to order at 6:15 PM with President Davis presiding.
2. **PLEDGE OF ALLEGIANCE** – No action.
3. **ROLL CALL** - On roll call present were: President Davis; Directors Dew-Costa, Hannigan, Malgapo, McConnell, Miessner, Sampayan, and Verder-Aliga.

Others present were; Melissa Morton, District Manager; Holly Charléty, District Clerk; Johnson Ho, Director of Operations and Maintenance; Andy Jannings, Field Operations Superintendent; Mary Morris, Finance Director; Dan Tafolla, Director of Environmental Services; Mark Tomko, Director of Engineering; Gretchen Watkins, HR Administrator; and Louis Caretti, District Legal Counsel.

4. **COMMENTS ON CONSENT CALENDAR BY MEMBERS OF THE PUBLIC** - None

Members of the public wishing to address the Board on Consent Calendar Items are requested to submit a completed speaker card to the District Clerk. Each speaker is limited to three minutes. Requests for removal of Consent Items received from the public are subject to approval by a majority vote of the Board of Directors. Items removed from the Consent Calendar will be heard immediately after approval of the Consent Calendar and Agenda.

5. **CONSENT CALENDAR AND APPROVAL OF AGENDA**

All matters are approved under one motion unless requested to be removed for discussion by the Board, District Manager, or requested for removal by a member of the public, which requires approval by a majority vote of the Board.

President Davis called for a motion to approve the item, Director Verder-Aliga moved the item.

AYES: President Davis; Directors Dew-Costa, Hannigan, Malgapo, McConnell, Miessner, Sampayan, and Verder-Aliga.
NOES: None
ABSENT: None
ABSTAIN: None

- A. **APPROVAL OF THE MINUTES FROM THE SPECIAL MEETING OF JULY 14, 2015**

PROPOSED ACTION

Approve the minutes from the special meeting of July 14, 2015

B. APPROVAL OF AMENDMENTS TO FINANCE CORPORATION BYLAWS

PROPOSED ACTION

Adopt a resolution amending the Finance Corporation Bylaws to update the number of directors, revise annual meeting requirements, separate offices of the Secretary/Treasurer, further define the duties of the Secretary and the Treasurer, and make other changes for housekeeping and legal update purposes. [Resolution 2016-5755](#)

6. ADMINISTRATIVE ITEMS

A. FINANCING CORPORATION ACTIVITY REPORT

PROPOSED ACTION

Adopt a resolution to accept the VSFCD Financing Corporation Activity Report as submitted. [Resolution 2016-5756](#)

[President Davis called for a motion to approve the item, Director Verder-Aliga moved the item.](#)

[AYES: President Davis; Directors Dew-Costa, Hannigan, Malgapo, McConnell, Miessner, Sampayan, and Verder-Aliga.](#)
[NOES: None](#)
[ABSENT: None](#)
[ABSTAIN: None](#)

7. ADJOURNMENT – 6:18 PM

This is to certify that the foregoing is the true and correct meeting minutes as approved by the Board of Trustees on January 10, 2017



**FINANCING CORPORATION
BOARD COMMUNICATION**

Administrative Item No. 6A
Date: January 10, 2017

TO: THE HONORABLE PRESIDENT AND BOARD OF DIRECTORS

FROM: MELISSA MORTON, DISTRICT MANAGER *Melissa Morton*
MARY A. MORRIS, FINANCE DIRECTOR AND TREASURER

SUBJECT: FINANCING CORPORATION ACTIVITY REPORT

BACKGROUND AND DISCUSSION

The Vallejo Sanitation and Flood Control District Financing Corporation (VSFCDFC) is a non-profit, public benefit corporation established to assist the District with issuing and administering tax-exempt municipal debt to finance capital projects. Pursuant to the 1993 Certificates of Participation (COPS) Installment Purchase Agreement which was approved by the Board of Trustees of the Vallejo Sanitation and Flood Control District at time of debt issuance, the District is responsible for debt service payments. The District is in compliance with all Trust Agreement Covenants.

The only debt issuance currently subject to the oversight of the VSFCDFC which is reported on below are the 1993 COPS. Detailed information on all District debt can be located in the Notes to the Financial Statements contained in the Comprehensive Annual Financial Report (CAFR). No new debt is known or anticipated; however, this is dependent upon future capital financing needs and may change at some point in the future.

The 1993 Certificates of Participation were issued on July 1, 1993 in the amount of \$38,905,000 with net proceeds used to: finance the construction of sewage collection, treatment and flood control facilities; defease then outstanding 1988 COP's; and fund a debt service reserve fund. Principal is due annually on July 1 with interest due semi-annually on January 1 and July 1. The Certificates are fixed rate and not subject to optional prepayment prior to their stated maturity dates except from the proceeds of insurance or condemnation. Certificates maturing on or after July 1, 2009 are subject to mandatory prepayment without premium on dates and in amounts set forth in the Official Statement. Annual debt service requirements are as follows:

Fiscal Year End	1993 Certificates of Participation		
	Principal	Interest	Total
2017	\$ 2,280,000	\$ 377,500	\$ 2,657,500
2018	2,395,000	257,750	2,652,750
2019	2,515,000	132,000	2,647,000
2020	2,640,000		2,640,000
Total Requirements	\$ 9,830,000	\$ 767,250	\$ 10,597,250

During Fiscal Year 2014, the District negotiated the lump sum payoff and termination of a debt service reserve agreement with Lehman Brothers in connection with the 1993 Certificates of Participation. The agreement called for semi-annual payments in the amount of \$16,405 for the life of the debt issuance through July 2019 as a hedge against market value decline of the reserve investments due to decreasing interest rates. The transaction resulted in a savings of approximately \$150K to the District and allowed the District to maintain ownership of the reserve investments that pay 8.1%. High yield earnings from the investments offset debt service of the 1993 Certificates of Participation.

RECOMMENDATION

Approve and accept the report as presented.

ALTERNATIVES CONSIDERED

None

ENVIRONMENTAL REVIEW

None

FISCAL IMPACT

None

PROPOSED ACTION

Adopt a resolution to accept the VSFCD Financing Corporation Activity Report as submitted.

DOCUMENTS ATTACHED

A. Resolution

CONTACT PERSON

Mary A. Morris, Finance Director and Treasurer, (707) 644-8949, ext. 221

**FINANCING CORPORATION
RESOLUTION NUMBER 2017-**

**A RESOLUTION TO APPROVE AND ACCEPT THE VSFCD FINANCING
CORPORATION ACTIVITY REPORT**

BE IT RESOLVED, by the Board of Directors of the Vallejo Sanitation and Flood Control District (VSFCD) Financing Corporation of Solano County as follows:

WHEREAS, the VSFCD Financing Corporation Bylaws require an annual business meeting to discuss current and future business of the Corporation; and

WHEREAS, District staff has provided such a report for the fiscal year ended June 30, 2016.

IT IS, THEREFORE, RESOLVED, by the Board of Directors of the Vallejo Sanitation and Flood Control District Financing Corporation accepts the staff report as presented.

ADOPTED by the Board of Directors of the Vallejo Sanitation and Flood Control District Financing Corporation on the 10th day of January, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

WITNESS my hand and the Seal of said Financing Corporation this 10th day of January, 2017.

HOLLY M. CHARLETY
District Clerk