PUBLIC COMMENT – CVWD Board Mtg 8/11/2020 (from Marilyn Tyler)

Concerns About Agenda for 8/11/2020 CVWD Board Mtg

1. Tonight's agenda is packed with 7 agenda items followed by a closed meeting. The question arises whether this packed agenda was done to DISCOURAGE the Board from deliberating on the individual agenda items, and to ENCOURAGE the Board to rubber-stamp their approval in the interests of time.

This suspicion arises for several reasons:

1a. I recollect that a Board member had requested that the bond financing documents be presented and discussed in a finance committee meeting, prior to presenting the documents to the full Board. This request was not honored; instead the voluminous bond documents are being presented for the first time tonight---over 200 pages. Is there sufficient time to deliberate on 200 pages during a meeting with a packed agenda?

1b. Two agenda items are only relevant if bond financing has final approval by the Board, so these agenda items could have been deferred to a subsequent Board meeting, if there was a sincere desire for a less packed agenda: Agenda item 3 (consulting services for AMI) and Agenda item 4 (consulting services for pipeline replacement).

2. My concerns about the bond financing documents:

2a. Resolution No. 762 states (paragraph 5 Whereas): "...it is in the best interest of the Corporation,...District and customers...to authorize the sale...of revenue certificates...in an aggregate principal amount not to exceed $12,500,000..." ($12.5M is mentioned again in Sections 3 and 6).

Shouldn't the maximum aggregate principal amount be $5,000,000 ($5M) and not $12.5M? To me Resolution No. 762 would permit CVWD to take on new bond debt up to $12.5M (not the $5M approved by the board) with the increased burden of paying it all back.

2b. The Installment Purchase Agreement states (Section 6.13 Amount of Rates and Charges): "The District, to the fullest extent permitted by law, will prescribe...rates and charges for Water Service...to be at least sufficient to yield Net Revenues during each Fiscal Year equal to one hundred twenty-five percent (125%) of the Annual Debt Service payable in such Fiscal Year." 125% seems high to me---why is it not closer to 100%? This statement, to me, is unnecessary and restrictive.

2c. The Installation Purchase Agreement Exhibit A ("Description of 2020 Project and Prior Project") is not filled in---it would be helpful to know specifically what Engineering CIP projects are intended to be funded by the new bond.