



FINANCE COMMITTEE MEETING
WEDNESDAY, SEPTEMBER 9, 2020 – 2:00PM

DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT.

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON.

Committee Directors, staff and the public may participate remotely.

Public comment may be submitted via email to the District Secretary, Candy Pina, at candyp@midpeninsulawater.org. Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the committee Directors before or during the meeting. Comments submitted after the meeting is called to order will be included in correspondence that will be provided to the full Board.

Meeting Link: <https://global.gotomeeting.com/join/535186525>
Dial by Telephone: 1-866-899-4679 (United States)
Access Code: 535-186-525

AGENDA

- 1. Call to Order**
 - A. Roll Call
- 2. Public Comment**

If you wish to address the Committee, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Committee and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply.
- 3. Review Draft Updated MPWD Miscellaneous Fees Schedule**
- 4. Discuss Opportunities for Refunding 2016 Certificates of Participation (COP) Capital Improvement Program (CIP) Debt and Potential New Debt Issuance Options**

5. **Review Final Draft of the MPWD Other Post-Employment Benefits (OPEB) and Pension Rate Stabilization Program (PRSP) Funding Policy**
6. **Review Final Drafts of the MPWD's Request for Proposal (RFP) for Professional Accounting Services and Notice to Fill District Treasurer Vacancy**
7. **Review Proposed MPWD Reorganization Plan**
8. **Discuss Schedule for Future MPWD Finance Committee Meetings**
9. **Adjournment**

This agenda was posted at the Mid-Peninsula Water District's office, 3 Dairy Lane, in Belmont, California, and on its website at www.midpeninsulawater.org.

ACCESSIBLE PUBLIC MEETINGS

Upon request, the Mid-Peninsula Water District will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation (including auxiliary aids or services), to enable individuals with disabilities to participate in public meetings and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested. Requests should be sent to the District Secretary at (650) 591-8941 or candyp@midpeninsulawater.org. Requests must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.



FINANCE COMMITTEE MEETING

September 9, 2020

AGENDA ITEM NO. 3

Review Draft Updated MPWD Miscellaneous Fees Schedule

POSTPONED



FINANCE COMMITTEE MEETING

September 9, 2020

AGENDA ITEM NO. 4

**Discuss Opportunities for Refunding 2016 Certificates of Participation (COP)
Capital Improvement Program (CIP) Debt and
Potential New Debt Issuance Options**

Finance Committee Meeting

Mid-Peninsula Water District

Wednesday, September 9th

Municipal Advisor Item Agenda

1. Intro/Professional Background of Ben Levine and Rob Pankratz
2. Market Update
3. Method of Sale: Competitive vs. Negotiated
4. Example RFPs for Underwriter/Placement Agent
5. Refunding scenarios for 2016 Certificates of Participation
6. Scenarios for a \$20 million New Project
7. Scenarios for a \$30 million New Project

Professional Background

Ben 'Bud' Levine



Ben 'Bud' Levine is a senior advisor at Wulff, Hansen, is a registered Municipal Advisor, and has many years of experience in public finance in various roles including as Municipal Advisor, investment banker and underwriter. His transaction history includes initial issuances, debt restructurings, and refunding of existing outstanding obligations for the full spectrum of debt issuers including cities, counties, water, sanitary, irrigation, fire, hospital and special districts as well as other issuers. Mr. Levine has particular expertise in managing and advising on financing renewable energy, water and wastewater projects, tax increment refundings and health care issues.

In recent years he has developed a growing practice in the renewable energy space. In this area he assists municipal clients in developing and financing energy efficiency projects which include funding of green infrastructure and building upgrades and construction of renewable generating capacity. He has advised on and participated in the process of selecting master developers and contractors for EPC (Energy Performance Contracting) projects. In this role he assists the client in negotiating terms of contractor financial guarantees and

other important aspects of the contract. He has arranged financing for such projects utilizing many of the various structures available for such financing, including paid-from-savings financing, Clean Renewable Energy Bonds (CREBs) and other means.

He is also comfortable working with undesirably complex or troubled issuers and can provide assistance in efforts to improve or resolve a client's financial difficulties. He has served as either advisor or underwriter on various debt restructurings and in matters resulting from the bankruptcy of issuers, providing assistance as an entity exits bankruptcy.

Mr. Levine exerts great effort to educate his clients about their options, the reasoning behind them, and the implications of a particular course of action. This is most often done in person, and he makes himself available to provide face-to-face onsite briefings on a project or situation not only to client staff but to the legislative body as well. He prides himself on his effectiveness in making complex financial transactions both transparent and understandable to the client and the general public, and he enjoys presenting at public meetings where a broader audience can learn about and come to understand the details of the project at hand.

Rob Pankratz



Rob Pankratz is the firm's Senior Analyst and Director of Operations. He runs numbers, performs industry research, analyzes financials, and supports the advisors in their day to day tasks. He has been a part of the Public Finance team at Wulff, Hansen since August of 2017 after a stint at a boutique mergers and acquisitions group in San Francisco that focused on full sales and large capital raises for high growth technology companies.

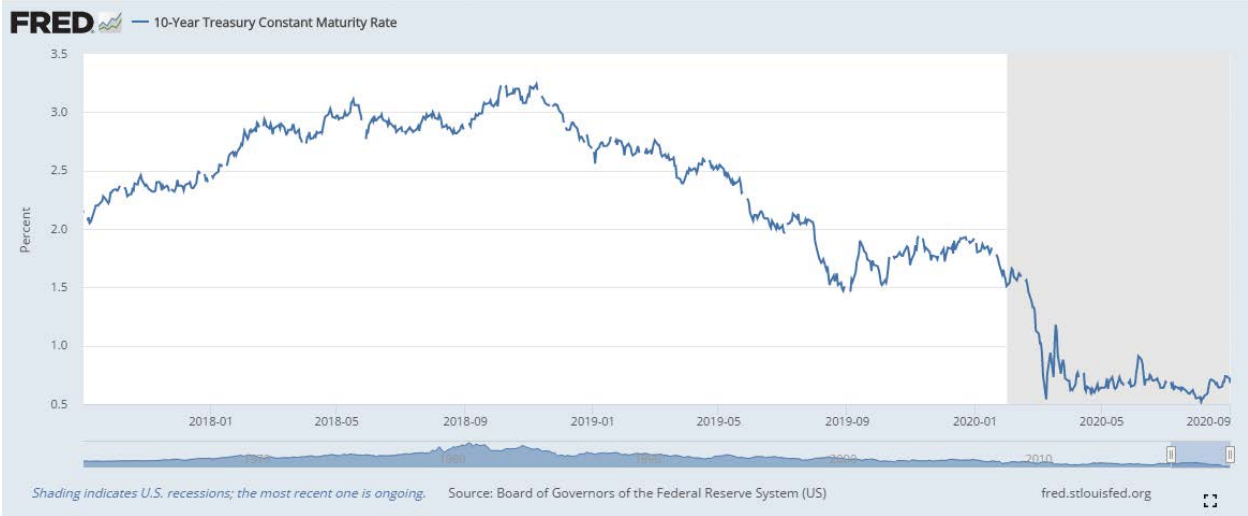
Mr. Pankratz has extensive experience working with complex financial models in the context of developing fundraising opportunities for technology companies. Investment banking in the public finance area is a unique opportunity to help communities serve their citizens; this has a special appeal for him and is unlike anything in technology finance.

He holds a B.S. in Commerce from the Leavey School of Business at Santa Clara University, where he had a concentration in Finance with an emphasis in Entrepreneurship and Applied Ethics. Professional

licenses: Series 52 (Municipal Securities Representative), Series 53 (Municipal Securities Principal), Series 50 (Municipal Advisor Representative).

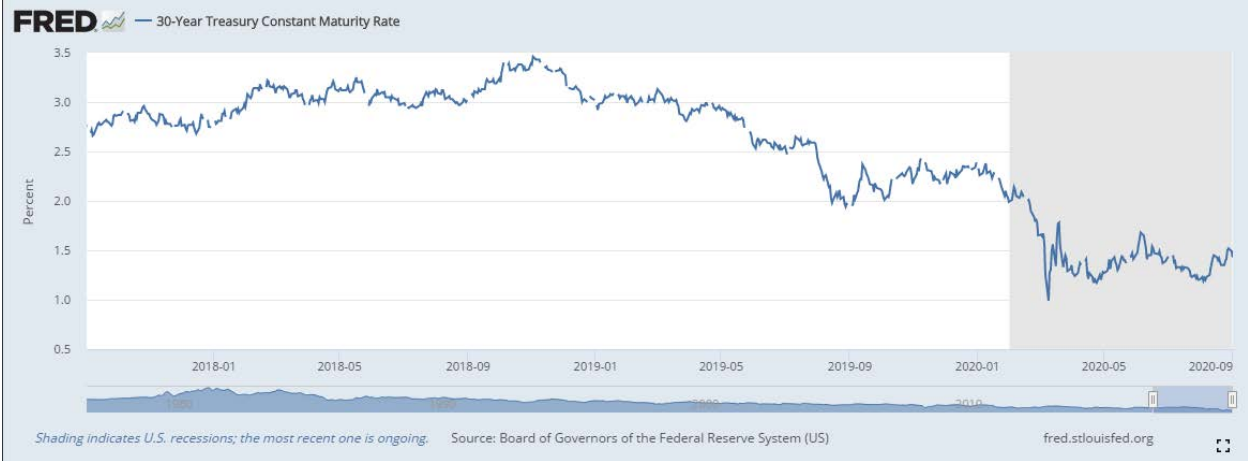
Market Update

10-year Treasury: 0.63% (9/3/2020)



September 1, 2017 through September 1, 2020

30-year Treasury: 1.36% (9/1/2020)



September 1, 2017 through September 1, 2020

Methods of Sale: Competitive vs. Negotiated

The below is an excerpt from a Securities Industry and Financial Markets Association (SIFMA) study titled [A Comprehensive Evaluation of the Comparative Cost of Negotiated and Competitive Methods of Municipal Bond Issuance](#). The full study is linked here: [SIFMA Study](#)

Competitive issuance

In a competitive issue, the new bonds are offered publicly via a bidding process. Broker-dealers and underwriters bid to acquire the new issue. When a public offering is selected, the issue is usually underwritten by investment bankers and municipal bond departments of banks. For large issues, broker dealers or underwriters may bid as a syndicate. This increases access to potential investors.

The broker dealers or underwriters who prevail in the competitive bidding process are responsible for distributing the issue. They accept the risk that investors might fail to purchase the issues at the expected prices reflected in the bids. The pricing of the security is fixed on the day of bidding (known as the *sale date*), but the issue transaction may not be settled and delivered for two weeks or more. The amount of retail business on large competitive issues is relatively small because such issues have no ability to pre-market to retail customers nor do they have a retail order period.

There is no municipal bond exchange in the secondary market. Rather, markets in individual bonds are made by municipal bond dealers. They buy and sell to other dealers and investors and for their own account. Bond brokers also play a significant role in the market for municipal bonds. These brokers are a small number of interdealer brokers who act as agents for registered dealers and dealer banks. In recent years, web sites have developed that provide the marketplace with near real-time pricing of individual trades.

Market competition in competitive issues

In a competitive issue, competitive discipline in the pricing of the issue is brought to bear by the bidding process. The market is apprised of the forthcoming issue and prospective bidders for the issue have an opportunity to evaluate the issue and formulate bids. The willingness of an individual bidder to pay for a particular issue depends on the bidder's sense of the strength of demand downstream in its distribution channel.

Depending on the features of the issue, the bidder's assessment of the risk of the issue, general market conditions, the level of saturation of the candidate investors in the municipal bond market, and other factors, the bidder may offer a strong or a weak bid. In the competitive offering process, market intelligence is brought to the design and timing of the issue by the issuer, the financial advisor, or others in the marketplace consulted by the issuer or financial advisor.

In an environment of good information about the issue, well-informed bidders, and a strong showing of candidate bidders, competitive discipline should yield pricing that represents the market value of the security in the ambient market environment. The primary market is not, however, highly atomistic. The number of bidders is limited by the cost of appraising the prospects of the issue, the accessibility enjoyed by the bidder to the downstream retail or institutional investors, and the perceived ability of the bidders to prevail against their rivals.

Negotiated issuance

A negotiated issue differs from competitive issues in that the initial price is struck not by competitive bidding but directly between the issuer and underwriters. In negotiated offerings, the underwriter plays an important part in the structuring of the issue and works with the issuer, its financial advisor, bond counsel, rating agencies and bond insurers. Unlike an independent financial advisor, an underwriter is involved intimately with the aftermarket and, arguably, brings a comprehensive sense of market conditions to the bond offering process.

In a negotiated offering, the underwriters negotiate the offering price of the new issue with the issuer. The underwriters take the risk of mispricing relative to the demand for the issue in downstream distribution. The underwriter investigates risk associated with the issue and the downstream potential of the issue through a process of analysis and premarketing inquiries in the marketplace. Downstream potential is also assessed during the order period where the bonds are sold. Unlike the competitive bid process, the negotiated process likely involves iterative development of the bond features throughout the pricing process.

Market competition in negotiated issues

Whether or not the negotiated process brings adequate competitive discipline to the marketplace is a matter of much debate. However, potential sources of competitive discipline are manifold. First, the underwriters usually have attained their status as part of an issuer's underwriting team through a competitive proposal process. In so doing, they have likely been determined by other clients to be effective analysts and marketers.

Second, the market for underwriter relationships is highly competitive. Other underwriters are eager to replace the underwriter who fails to satisfy an issuer or who generates poor aftermarket performance of issues. Underwriters thus have a strong incentive to bring creativity, analytical and marketing resources to bear on behalf of their clients. Indeed, even within firms, competition among the underwriter's own sales staff to fill an order tends to work for the benefit of the issuer.

Finally, underwriters' performance is readily tracked in the aftermarket. If an issue displays sharp upward positive increases in price in the immediate aftermarket, the issuer may conclude that the underwriters caused the issuer to "leave too much money on the table," and may seek either other underwriters or a competitive issuance method to improve issue pricing. All of these forces discipline new offering pricing to the benefit of the issuer. Thus, it is not clear, *a priori*, whether one process brings more competitive discipline to pricing.

Example Requests for Proposals to provide Underwriting/Placement Agent services:

Requests for Proposals to provide Underwriting/Placement Agent services can vary widely depending on the size of the issue, the complexity of transaction, and other factors. The following pages show two example RFPs, one is a limited RFP for a small relatively simple transaction, and the other is for a multi-faceted large transaction that had significant complexities.

Richardson Bay Sanitary District

2020 Pension Obligation Bonds (PERS UAL Financing)

REQUEST FOR FEE PROPOSAL

Limited Negotiated Bid

Richardson Bay Sanitary District, a Tiburon-based Sanitary District in Marin County, is seeking underwriter/placement agent services in connection with its expected 2020 offering of Pension Obligation Bonds, the proceeds of which will be used to finance its outstanding Unfunded Accrued Actuarial Liability (“UAAL” or “UAL”) at CalPERS. The projected UAL balance of the District as of 6/30/2020 is \$2,350,847. The contemplated bond issue is anticipated to be sold as a private placement with a 20-year maturity, but a public offering has not yet been ruled out.

The District is requesting fee quotes from a limited number of underwriter/placement agents on the above referenced 2020 Pension Obligation Bonds. **Your fee quote, provided in the format appearing on the lower half of this document, is due by 2:00 pm on Monday, December 23rd.** Fee quotes should be sent electronically directly to Wulff, Hansen & Co., the District’s Municipal Advisor. Contact information is set forth below.

The current schedule for the Bond issue is set forth below:

Dec. 19 th	Underwriter/Placement Agent request for Fee Proposal distributed
Dec. 23 rd	Receive Underwriter/Placement Agent Fee Proposals
Dec. 23 rd	Select Underwriter/Placement Agent
Jan. 10 th	Distribute RFP to Bank Investors
Feb. 18 th	Board Meeting to approve Bond Documents and to authorize sale
Feb. 20 th	Anticipated Day of Pricing / Final Terms negotiated
Mar. 5 th	Close issue

Please provide a fee quote for a Pension Obligation Bond issue, anticipated not to exceed \$3,000,000 par amount:

Private Placement	Public Offering (including all expenses)
\$ /bond	\$ /bond



Oroville Hospital

Oroville, California

REQUEST FOR PROPOSAL
FOR
UNDERWRITER OR PLACEMENT AGENT

July 17, 2108

RAVI CHITKARA

751 Patriot Place, Fremont, CA 94539

AND

WULFF, HANSEN & CO.

100 Smith Ranch Road, Suite 330, San Rafael, CA 94903

The Hospital:

Oroville Hospital is a private, 501(c)(3) non-profit, public benefit corporation duly organized and existing under the laws of the State of California (herein called the "Corporation"), located in Oroville, California. Oroville Hospital (the "Hospital") is a 133-bed acute care facility that specializes in a broad range of inpatient and outpatient services, including multiple physician practices. Oroville Hospital serves individuals in the Oroville and neighboring communities of Butte, Yuba, Colusa and Plumas County, including clinic and laboratory services.

Oroville is the only hospital in the City of Oroville, California and the primary hospital serving seven zip codes in Butte County. The Hospital has a medical staff of more than 130 physicians and total employees of approximately 1,660.

Oroville has experienced significant increase in patient demand which has led to the requirement to expand its facilities to accommodate additional patients. Current bed utilization in the existing hospital exceeds 90 percent average occupancy. The increase in patients has also had a significant positive impact on Oroville's operations.

Oroville Hospital offers a wide array of inpatient and outpatient services.

- Outpatient services include primary care, pediatric care, dermatology, chiropractic, anticoagulation, orthopedics, rehab services, cardiology, women's imaging (imaging), urology, nephrology, neurology women's services, pain management, cancer care, podiatry, gastroenterology, telemedicine, ENT, ophthalmology, urgent care and general surgery. Oroville Hospital's surgical specialist team includes physicians specialized in performing robotic surgery, thoracoscopic surgery using video-assistance, also known as VATS, neuro orphus surgery, endoscopic surgery, vascular and endovascular surgery, as well as advanced laparoscopic surgery.
- Oroville Hospital's inpatient services include an intensive care unit, medical surgical unit, surgery, and an emergency service department. Oroville Hospital also has a hospitalist program. Hospitalists provide 24-hour services to patients admitted into the hospital. Their main responsibilities include admitting patients, taking care of them while they're in the hospital and then discharging them back to their primary-care doctor.

For Federal Fiscal Year 2017, Oroville Hospital was ranked as the #1 Most Efficient Hospital by CMS. (*Appendix D - Medicare Hospital Value Based Purchasing (VBP) Impact Analysis, Federal Fiscal Years 2016 & 2017 - The California Hospital Association ("CHA")*)

The Hospital Expansion Project:

The project will consist of the following elements:

- A new 158,790 square foot Acute Care Hospital Tower;
- Demolition of existing medical office building totaling approximately 12,430 square feet;
- Relocation of existing Liquid Oxygen facilities on the western edge of the site;
- Demolition and relocation of existing utilities serving the existing hospital;
- Demolition, replacement and reconfiguration of parking and site improvements.

Purpose of the Project:

The purpose of this project is to expand the existing 133-bed acute care facility (decommissioning 30 existing beds, adding 108 new beds) to a total of 211 beds through the development of a new 5 story tower addition which will be connected to the existing hospital facilities on the south east side of the existing hospital.

Project Components and Scope:

The proposed hospital addition is a new General Acute Care Tower with the following Basic and Supplemental Services:

- Nursing Service –Medical/Surgical --70 beds total, including 2 Airborne Infection Isolation Rooms with shared anteroom per floor.
- Intensive Care Units –24-bed Critical Care (ICU); including 2 Airborne Infection Isolation Rooms with shared anteroom.
- Obstetrical Facilities –Labor/Delivery/Recovery/Postpartum (LDRPs) –9 beds, Postpartum –5 beds, and Nursery. Any NICU babies are to be stabilized and transported to a higher level of care (i.e. UC Davis, Dignity Health or Sutter Health in Sacramento). A Cesarean Operating Room is provided in the existing Hospital Surgery Department on Level 2. The Obstetrical Facilities are located on the same floor level as the existing Hospital Surgery Department.
- Ambulatory Care Service – Eight (8) outpatient procedure rooms with preoperative and recovery space (including 2 Airborne Infection Isolation Rooms with shared anteroom). Typical procedures performed in the procedure rooms will include Endoscopy, Colonoscopy, Bronchoscopy, Sclerosing Varices, EBUS, ERCP, YAG and Argon Laser procedures. Pill Cam placement, motility studies, PICC lines, bubble studies, TEE, cardioversion and pain management injections.
- Support Services –Patient Access/registration, public lobby and conference rooms, Central Sterile Supply, storage and new utility yard.

Preliminary Project Cost:

\$200 million

Preliminary Closing Date:

November 1, 2018

Outstanding Bonds:

On June 21, 2018, the City of Oroville issued Hospital Revenue Bonds, Series 2018 (“2018 Bonds”) to refund outstanding City of Oroville (Oroville Hospital), Variable Rate Demand Hospital Revenue Bonds, Series 2012 A and to fund certain Capital Improvements related to the Hospital Expansion Project. The 2018 Bonds were privately placed with MUFG Union Bank. The 2018 Bonds mature on April 1, 2018, based on a 20-year redemption schedule (Appendix C). The proposed Bonds will be issued by the City of Oroville as Hospital Revenue Bonds (Oroville Hospital), Series 2018 B (“2018 B Bonds”) on parity with the 2018 Bonds.

Proposal:

The Corporation is seeking proposals from underwriters and/or placement agents in connection with the proposed issuance of tax-exempt Bonds (the “Bonds”). Proceeds of the Bonds will be used to construct and equip the Hospital Expansion Project in Oroville, California. The Hospital will apply for a rating for the 2018 B Bonds, however, the Bonds may be sold without a rating. If the Bonds are rated, it is anticipated the rating likely would be in the “BBB” Category.

The 2018 B Bonds are expected to be structured with a final maturity of thirty to forty years with semi-annual interest and annual principal payments.

Proposals are due on Tuesday, August 7, 2018 by 1:00 pm PDT. Please submit proposals to the **Municipal Advisors Ravi Chitkara, Ben Levine, and the CFO of the Hospital, Ashok Khanchandani** via email at chitkara.r@gmail.com, blevine@wulffhansen.com and akhanchandani@orohosp.com. **Please do not contact the Corporation or the City.**

Proposal Format:

The Proposal shall conform to the following format:

- A Summary page of the Proposal.
- A section containing responses to specific questions set forth in sequential order as detailed below. Responses to each question should each begin on a new page with the question repeated at the top of the page.
- Proposals shall not exceed a total of 20 pages, excluding appendices for financial statements, financial analysis and listing of issues underwritten.

Proposal Questions:

1. Please provide an introduction of your firm and an overview of the professionals from your firm who will be assigned to this transaction.
2. Please describe your experience in managing not-for-profit hospital transactions, ***both nationally and in California.***
3. A significant focus of the upcoming financing will be an “introduction” of Oroville Hospital to the capital markets and credit community. Please describe your experience in managing inaugural debt financings and inaugural credit rating processes for not-for-profit hospitals. How will you position Oroville Hospital’s credit to receive an optimal reception from both investors and rating agencies?
4. Please describe your plan of finance ideas for Oroville Hospital’s upcoming financing.
5. Please describe your firm’s marketing and distribution capabilities, along with your strategies for obtaining a favorable market reception for Oroville Hospital’s proposed financing.
6. Please describe your firm’s OSHPD approval requirements for marketing the Oroville Hospital’s Bonds.
7. Briefly describe your firm’s organization and its financial position (include net capital and excess net capital) and its ability to takedown unsold bonds, if necessary.
8. Based on an issue of \$200,000,000 par amount, please provide an estimate of your fees and expenses in the event your firm is selected as underwriter or placement agent, using the format provided below. If you intend to use Underwriter’s Counsel (the Hospital may hire a Disclosure/Hospital Counsel), please include the firm and its fee in the itemized expenses.

<u>\$ / \$1,000</u>	<u>“BBB” Rated</u>	<u>Insured</u>	<u>“BB”/Non- Rated</u>
a. Underwriting Fee	\$ _____	\$ _____	\$ _____
b. Expense (itemize)	\$ _____	\$ _____	\$ _____

Refunding of 2016 COP utilizing Cinderella bond structure:

The following pages show numerical projections that utilize a refunding structure known as a Cinderella bond. Cinderella bonds have recently returned to prominence in the municipal bond market with the passage of the 2017 Tax Cuts and Jobs Act. The Act eliminated a long standing refunding structure known as a Tax-exempt Advanced Refunding. Tax-exempt Advanced Refundings allowed issuers to away from the future call date of the obligation. Advanced refunding issues are now required to be issued only as taxable obligations.

The District could issue a fully taxable advanced refunding, but our projections show that said structure would not produce any savings for the District and could actually produce a slight loss. However, a Cinderella structure could be utilized to refund the obligation and produce savings for the District.

A Cinderella structure allow an issuer to borrow funds to refinance outstanding obligations that are more than 90 days from the future call date of the obligation by borrowing funds at a taxable interest rate, which subsequently converts into a tax-exempt interest rate on the call date of the refunded bonds. The primary function of Cinderella bonds is to borrow funds before the call date, when interest rates are low and expected to rise, to minimize interest rate risk exposure. The projections on the following pages assume a matching term to the 2016 Certificates. Cinderella bonds can only be sold as a private placement because, for practical reasons, the entire issue is purchased by a single buyer.

BOND PRICING

Mid Peninsula Water District
2020 Ref (2016 COP) Cinderella

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	12/01/2021	582,800	2.590%	2.590%	100.000
	12/01/2022	618,100	2.590%	2.590%	100.000
	12/01/2023	633,000	2.590%	2.590%	100.000
	12/01/2024	647,600	2.590%	2.590%	100.000
	12/01/2025	666,900	2.590%	2.590%	100.000
	12/01/2026	681,000	2.590%	2.590%	100.000
	12/01/2027	699,800	1.970%	1.970%	100.000
	12/01/2028	714,000	1.970%	1.970%	100.000
	12/01/2029	727,700	1.970%	1.970%	100.000
	12/01/2030	740,800	1.970%	1.970%	100.000
	12/01/2031	758,400	1.970%	1.970%	100.000
	12/01/2032	770,400	1.970%	1.970%	100.000
	12/01/2033	786,700	1.970%	1.970%	100.000
	12/01/2034	802,400	1.970%	1.970%	100.000
	12/01/2035	817,400	1.970%	1.970%	100.000
	12/01/2036	836,700	1.970%	1.970%	100.000
	12/01/2037	850,200	1.970%	1.970%	100.000
	12/01/2038	868,000	1.970%	1.970%	100.000
	12/01/2039	884,900	1.970%	1.970%	100.000
	12/01/2040	900,900	1.970%	1.970%	100.000
	12/01/2041	921,100	1.970%	1.970%	100.000
	12/01/2042	940,200	1.970%	1.970%	100.000
	12/01/2043	958,300	1.970%	1.970%	100.000
	12/01/2044	975,400	1.970%	1.970%	100.000
	12/01/2045	996,400	1.970%	1.970%	100.000
	12/01/2046	1,016,200	1.970%	1.970%	100.000
		20,795,300			

Dated Date	11/18/2020	
Delivery Date	11/18/2020	
First Coupon	06/01/2021	
Par Amount	20,795,300.00	
Original Issue Discount		
Production	20,795,300.00	100.000000%
Underwriter's Discount		
Purchase Price	20,795,300.00	100.000000%
Accrued Interest		
Net Proceeds	20,795,300.00	

SAVINGS

Mid Peninsula Water District
2020 Ref (2016 COP) Cinderella

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 11/18/2020 @ 2.0020949%
12/01/2020	726,000.00		726,000.00	725,477.92
12/01/2021	1,072,000.00	1,031,860.60	40,139.40	40,409.26
12/01/2022	1,076,600.00	1,036,415.18	40,184.82	39,804.81
12/01/2023	1,075,400.00	1,035,306.38	40,093.62	38,932.94
12/01/2024	1,073,600.00	1,033,511.68	40,088.32	38,158.25
12/01/2025	1,076,200.00	1,036,038.84	40,161.16	37,468.65
12/01/2026	1,073,000.00	1,032,866.14	40,133.86	36,701.29
12/01/2027	1,074,200.00	1,034,028.24	40,171.76	36,005.27
12/01/2028	1,074,600.00	1,034,442.18	40,157.82	35,258.42
12/01/2029	1,074,200.00	1,034,076.38	40,123.62	34,507.93
12/01/2030	1,073,000.00	1,032,840.68	40,159.32	33,828.38
12/01/2031	1,076,000.00	1,035,846.92	40,153.08	33,126.38
12/01/2032	1,073,000.00	1,032,906.44	40,093.56	32,394.41
12/01/2033	1,074,200.00	1,034,029.56	40,170.44	31,781.46
12/01/2034	1,074,400.00	1,034,231.58	40,168.42	31,117.87
12/01/2035	1,073,600.00	1,033,424.30	40,175.70	30,472.42
12/01/2036	1,076,800.00	1,036,621.52	40,178.48	29,834.49
12/01/2037	1,073,800.00	1,033,638.52	40,161.48	29,192.86
12/01/2038	1,074,800.00	1,034,689.58	40,110.42	28,538.60
12/01/2039	1,074,600.00	1,034,489.98	40,110.02	27,930.54
12/01/2040	1,073,200.00	1,033,057.46	40,142.54	27,354.55
12/01/2041	1,075,600.00	1,035,509.72	40,090.28	26,731.74
12/01/2042	1,076,600.00	1,036,464.06	40,135.94	26,182.75
12/01/2043	1,076,200.00	1,036,042.12	40,157.88	25,626.79
12/01/2044	1,074,400.00	1,034,263.60	40,136.40	25,052.45
12/01/2045	1,076,200.00	1,036,048.22	40,151.78	24,509.94
12/01/2046	1,076,400.00	1,036,219.14	40,180.86	23,983.71
	28,668,600.00	26,898,869.02	1,769,730.98	1,550,384.07

Savings Summary

PV of savings from cash flow	1,550,384.07
Less: Prior funds on hand	-726,000.00
Plus: Refunding funds on hand	38.60
Net PV Savings	824,422.67

Refunding of 2016 COP utilizing Cinderella bond structure with a shortened term:

The following pages show numerical projections for a refunding of the 2016 Certificates utilizing a Cinderella bond structure with the term shortened to 20 years. This structure produces cash flow losses each year for most of the life of the issue, but due to the shorter term, the District has no payments for the final six years of the original obligation, saving more than \$1 million a year in each of those six years. Obviously the net present value of these savings will be materially less than their nominal amount due to the lengthy period before the cash savings begin.

SOURCES AND USES OF FUNDS

Mid Peninsula Water District
2020 Ref (2016 COP) Public Offering (shortened)

Dated Date 11/18/2020
Delivery Date 11/18/2020

Sources:

Bond Proceeds:	
Par Amount	21,521,300.00
	<hr/>
	21,521,300.00

Uses:

Refunding Escrow Deposits:	
Cash Deposit	726,000.40
SLGS Purchases	<hr/>
	20,615,261.00
	21,341,261.40

Delivery Date Expenses:	
Cost of Issuance	180,000.00

Other Uses of Funds:	
Additional Proceeds	38.60
	<hr/>
	21,521,300.00

BOND PRICING

Mid Peninsula Water District
2020 Ref (2016 COP) Public Offering (shortened)

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Bond Component:					
	12/01/2021	857,400	2.420%	2.420%	100.000
	12/01/2022	898,200	2.420%	2.420%	100.000
	12/01/2023	918,700	2.420%	2.420%	100.000
	12/01/2024	939,200	2.420%	2.420%	100.000
	12/01/2025	964,500	2.420%	2.420%	100.000
	12/01/2026	984,600	2.420%	2.420%	100.000
	12/01/2027	1,009,700	1.840%	1.840%	100.000
	12/01/2028	1,028,700	1.840%	1.840%	100.000
	12/01/2029	1,047,200	1.840%	1.840%	100.000
	12/01/2030	1,065,200	1.840%	1.840%	100.000
	12/01/2031	1,087,800	1.840%	1.840%	100.000
	12/01/2032	1,104,900	1.840%	1.840%	100.000
	12/01/2033	1,126,400	1.840%	1.840%	100.000
	12/01/2034	1,147,300	1.840%	1.840%	100.000
	12/01/2035	1,167,600	1.840%	1.840%	100.000
	12/01/2036	1,192,300	1.840%	1.840%	100.000
	12/01/2037	1,211,200	1.840%	1.840%	100.000
	12/01/2038	1,234,500	1.840%	1.840%	100.000
	12/01/2039	1,257,100	1.840%	1.840%	100.000
	12/01/2040	1,278,800	1.840%	1.840%	100.000
		21,521,300			

Dated Date	11/18/2020	
Delivery Date	11/18/2020	
First Coupon	06/01/2021	
Par Amount	21,521,300.00	
Original Issue Discount		
Production	21,521,300.00	100.000000%
Underwriter's Discount		
Purchase Price	21,521,300.00	100.000000%
Accrued Interest		
Net Proceeds	21,521,300.00	

SAVINGS

Mid Peninsula Water District
2020 Ref (2016 COP) Public Offering (shortened)

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 11/18/2020 @ 1.8927962%
12/01/2020	726,000.00		726,000.00	725,506.27
12/01/2021	1,072,000.00	1,301,119.76	-229,119.76	-223,633.70
12/01/2022	1,076,600.00	1,305,705.92	-229,105.92	-219,281.58
12/01/2023	1,075,400.00	1,304,469.48	-229,069.48	-215,130.05
12/01/2024	1,073,600.00	1,302,736.94	-229,136.94	-211,153.86
12/01/2025	1,076,200.00	1,305,308.30	-229,108.30	-207,164.20
12/01/2026	1,073,000.00	1,302,067.40	-229,067.40	-203,239.76
12/01/2027	1,074,200.00	1,303,340.08	-229,140.08	-199,489.59
12/01/2028	1,074,600.00	1,303,761.60	-229,161.60	-195,789.25
12/01/2029	1,074,200.00	1,303,333.52	-229,133.52	-192,117.50
12/01/2030	1,073,000.00	1,302,065.04	-229,065.04	-188,482.97
12/01/2031	1,076,000.00	1,305,065.36	-229,065.36	-184,974.87
12/01/2032	1,073,000.00	1,302,149.84	-229,149.84	-181,601.35
12/01/2033	1,074,200.00	1,303,319.68	-229,119.68	-178,201.45
12/01/2034	1,074,400.00	1,303,493.92	-229,093.92	-174,870.77
12/01/2035	1,073,600.00	1,302,683.60	-229,083.60	-171,616.17
12/01/2036	1,076,800.00	1,305,899.76	-229,099.76	-168,443.91
12/01/2037	1,073,800.00	1,302,861.44	-229,061.44	-165,293.31
12/01/2038	1,074,800.00	1,303,875.36	-229,075.36	-162,241.03
12/01/2039	1,074,600.00	1,303,760.56	-229,160.56	-159,297.46
12/01/2040	1,073,200.00	1,302,329.92	-229,129.92	-156,330.38
12/01/2041	1,075,600.00		1,075,600.00	724,388.29
12/01/2042	1,076,600.00		1,076,600.00	711,423.33
12/01/2043	1,076,200.00		1,076,200.00	697,778.61
12/01/2044	1,074,400.00		1,074,400.00	683,501.01
12/01/2045	1,076,200.00		1,076,200.00	671,755.45
12/01/2046	1,076,400.00		1,076,400.00	659,225.88
	28,668,600.00	26,069,347.48	2,599,252.52	1,115,225.69

Savings Summary

PV of savings from cash flow	1,115,225.69
Plus: Refunding funds on hand	38.60
Net PV Savings	1,115,264.29

\$20 million New Project:

The following pages show numerical projections for a \$20 million new project. The Bonds are structured as a tax-exempt public offering. There are two scenarios shown, one with a term of 20 years and the other with a term of 30 years. The Bonds could also be structured as a private placement, but at this time our projections show no financial benefit in utilizing that structure in comparison to a public offering.

	<u>20-year Public Offering</u>	<u>30-year Public Offering</u>
Borrowing Amount	\$ 20,378,917	\$ 20,381,679
Average Annual Debt Service	\$1,233,851	967,148
Total Debt Service	23,909,292	28,565,798
True Interest Cost	1.72%	2.47%

SOURCES AND USES OF FUNDS

Mid Peninsula Water District
 Water Revenue Bonds, Series 2020 (\$20m Project)(20-year Public Offering)

Dated Date 11/18/2020
 Delivery Date 11/18/2020

Sources:

Bond Proceeds:	
Par Amount	16,770,000.00
Premium	3,608,916.90
	<hr/>
	20,378,916.90

Uses:

Project Fund Deposits:	
Project Fund	20,000,000.00
Delivery Date Expenses:	
Cost of Issuance	260,000.00
Underwriter's Discount	<hr/> 117,390.00
	377,390.00

Other Uses of Funds:	
Additional Proceeds	1,526.90
	<hr/>
	20,378,916.90

BOND DEBT SERVICE

Mid Peninsula Water District
 Water Revenue Bonds, Series 2020 (\$20m Project)(20-year Public Offering)

Dated Date 11/18/2020
 Delivery Date 11/18/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Bond Balance	Total Bond Value
06/01/2021	815,000	5.000%	375,492.22	1,190,492.22	15,955,000	15,955,000
06/01/2022	535,000	5.000%	659,650.00	1,194,650.00	15,420,000	15,420,000
06/01/2023	565,000	5.000%	632,900.00	1,197,900.00	14,855,000	14,855,000
06/01/2024	590,000	5.000%	604,650.00	1,194,650.00	14,265,000	14,265,000
06/01/2025	620,000	5.000%	575,150.00	1,195,150.00	13,645,000	13,645,000
06/01/2026	650,000	5.000%	544,150.00	1,194,150.00	12,995,000	12,995,000
06/01/2027	685,000	5.000%	511,650.00	1,196,650.00	12,310,000	12,310,000
06/01/2028	720,000	5.000%	477,400.00	1,197,400.00	11,590,000	11,590,000
06/01/2029	755,000	5.000%	441,400.00	1,196,400.00	10,835,000	10,835,000
06/01/2030	795,000	5.000%	403,650.00	1,198,650.00	10,040,000	10,040,000
06/01/2031	830,000	5.000%	363,900.00	1,193,900.00	9,210,000	9,210,000
06/01/2032	875,000	5.000%	322,400.00	1,197,400.00	8,335,000	8,335,000
06/01/2033	915,000	4.000%	278,650.00	1,193,650.00	7,420,000	7,420,000
06/01/2034	955,000	4.000%	242,050.00	1,197,050.00	6,465,000	6,465,000
06/01/2035	990,000	4.000%	203,850.00	1,193,850.00	5,475,000	5,475,000
06/01/2036	1,030,000	3.000%	164,250.00	1,194,250.00	4,445,000	4,445,000
06/01/2037	1,065,000	3.000%	133,350.00	1,198,350.00	3,380,000	3,380,000
06/01/2038	1,095,000	3.000%	101,400.00	1,196,400.00	2,285,000	2,285,000
06/01/2039	1,125,000	3.000%	68,550.00	1,193,550.00	1,160,000	1,160,000
06/01/2040	1,160,000	3.000%	34,800.00	1,194,800.00		
	16,770,000		7,139,292.22	23,909,292.22		

BOND PRICING

Mid Peninsula Water District
Water Revenue Bonds, Series 2020 (\$20m Project)(20-year Public Offering)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Bond Component:							
	06/01/2021	815,000	5.000%	0.130%	102.609		21,263.35
	06/01/2022	535,000	5.000%	0.120%	107.487		40,055.45
	06/01/2023	565,000	5.000%	0.160%	112.244		69,178.60
	06/01/2024	590,000	5.000%	0.210%	116.866		99,509.40
	06/01/2025	620,000	5.000%	0.220%	121.562		133,684.40
	06/01/2026	650,000	5.000%	0.310%	125.722		167,193.00
	06/01/2027	685,000	5.000%	0.410%	129.572		202,568.20
	06/01/2028	720,000	5.000%	0.510%	133.153		238,701.60
	06/01/2029	755,000	5.000%	0.590%	136.659		276,775.45
	06/01/2030	795,000	5.000%	0.680%	139.822		316,584.90
	06/01/2031	830,000	5.000%	0.770%	140.778 C	0.928%	338,457.40
	06/01/2032	875,000	5.000%	0.870%	139.608 C	1.293%	346,570.00
	06/01/2033	915,000	4.000%	1.130%	127.157 C	1.600%	248,486.55
	06/01/2034	955,000	4.000%	1.210%	126.292 C	1.802%	251,088.60
	06/01/2035	990,000	4.000%	1.270%	125.647 C	1.963%	253,905.30
	06/01/2036	1,030,000	3.000%	1.710%	111.849 C	2.102%	122,044.70
	06/01/2037	1,065,000	3.000%	1.750%	111.459 C	2.171%	122,038.35
	06/01/2038	1,095,000	3.000%	1.790%	111.069 C	2.234%	121,205.55
	06/01/2039	1,125,000	3.000%	1.830%	110.682 C	2.290%	120,172.50
	06/01/2040	1,160,000	3.000%	1.870%	110.296 C	2.340%	119,433.60
		16,770,000					3,608,916.90

Dated Date	11/18/2020	
Delivery Date	11/18/2020	
First Coupon	06/01/2021	
Par Amount	16,770,000.00	
Premium	3,608,916.90	
Production	20,378,916.90	121.520077%
Underwriter's Discount	-117,390.00	-0.700000%
Purchase Price	20,261,526.90	120.820077%
Accrued Interest		
Net Proceeds	20,261,526.90	

SOURCES AND USES OF FUNDS

Mid Peninsula Water District
 Water Revenue Bonds, Series 2020 (\$20m Project)(30-year Public Offering)

Dated Date	11/18/2020
Delivery Date	11/18/2020

Sources:

Bond Proceeds:	
Par Amount	16,890,000.00
Premium	3,491,678.60
	<u>20,381,678.60</u>

Uses:

Project Fund Deposits:	
Project Fund	20,000,000.00
Delivery Date Expenses:	
Cost of Issuance	260,000.00
Underwriter's Discount	<u>118,230.00</u>
	378,230.00
Other Uses of Funds:	
Additional Proceeds	3,448.60
	<u>20,381,678.60</u>

BOND DEBT SERVICE

Mid Peninsula Water District
 Water Revenue Bonds, Series 2020 (\$20m Project)(30-year Public Offering)

Dated Date 11/18/2020
 Delivery Date 11/18/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Bond Balance	Total Bond Value
06/01/2021	580,000	5.000%	371,498.19	951,498.19	16,310,000	16,310,000
06/01/2022	290,000	5.000%	663,950.00	953,950.00	16,020,000	16,020,000
06/01/2023	305,000	5.000%	649,450.00	954,450.00	15,715,000	15,715,000
06/01/2024	320,000	5.000%	634,200.00	954,200.00	15,395,000	15,395,000
06/01/2025	335,000	5.000%	618,200.00	953,200.00	15,060,000	15,060,000
06/01/2026	350,000	5.000%	601,450.00	951,450.00	14,710,000	14,710,000
06/01/2027	370,000	5.000%	583,950.00	953,950.00	14,340,000	14,340,000
06/01/2028	385,000	5.000%	565,450.00	950,450.00	13,955,000	13,955,000
06/01/2029	405,000	5.000%	546,200.00	951,200.00	13,550,000	13,550,000
06/01/2030	425,000	5.000%	525,950.00	950,950.00	13,125,000	13,125,000
06/01/2031	445,000	5.000%	504,700.00	949,700.00	12,680,000	12,680,000
06/01/2032	470,000	5.000%	482,450.00	952,450.00	12,210,000	12,210,000
06/01/2033	495,000	4.000%	458,950.00	953,950.00	11,715,000	11,715,000
06/01/2034	515,000	4.000%	439,150.00	954,150.00	11,200,000	11,200,000
06/01/2035	535,000	4.000%	418,550.00	953,550.00	10,665,000	10,665,000
06/01/2036	555,000	3.000%	397,150.00	952,150.00	10,110,000	10,110,000
06/01/2037	570,000	3.000%	380,500.00	950,500.00	9,540,000	9,540,000
06/01/2038	590,000	3.000%	363,400.00	953,400.00	8,950,000	8,950,000
06/01/2039	605,000	3.000%	345,700.00	950,700.00	8,345,000	8,345,000
06/01/2040	625,000	3.000%	327,550.00	952,550.00	7,720,000	7,720,000
06/01/2041	645,000	4.000%	308,800.00	953,800.00	7,075,000	7,075,000
06/01/2042	670,000	4.000%	283,000.00	953,000.00	6,405,000	6,405,000
06/01/2043	695,000	4.000%	256,200.00	951,200.00	5,710,000	5,710,000
06/01/2044	725,000	4.000%	228,400.00	953,400.00	4,985,000	4,985,000
06/01/2045	750,000	4.000%	199,400.00	949,400.00	4,235,000	4,235,000
06/01/2046	780,000	4.000%	169,400.00	949,400.00	3,455,000	3,455,000
06/01/2047	815,000	4.000%	138,200.00	953,200.00	2,640,000	2,640,000
06/01/2048	845,000	4.000%	105,600.00	950,600.00	1,795,000	1,795,000
06/01/2049	880,000	4.000%	71,800.00	951,800.00	915,000	915,000
06/01/2050	915,000	4.000%	36,600.00	951,600.00		
	16,890,000		11,675,798.19	28,565,798.19		

BOND PRICING

Mid Peninsula Water District
Water Revenue Bonds, Series 2020 (\$20m Project)(30-year Public Offering)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Bond Component:							
	06/01/2021	580,000	5.000%	0.130%	102.609		15,132.20
	06/01/2022	290,000	5.000%	0.120%	107.487		21,712.30
	06/01/2023	305,000	5.000%	0.160%	112.244		37,344.20
	06/01/2024	320,000	5.000%	0.210%	116.866		53,971.20
	06/01/2025	335,000	5.000%	0.220%	121.562		72,232.70
	06/01/2026	350,000	5.000%	0.310%	125.722		90,027.00
	06/01/2027	370,000	5.000%	0.410%	129.572		109,416.40
	06/01/2028	385,000	5.000%	0.510%	133.153		127,639.05
	06/01/2029	405,000	5.000%	0.590%	136.659		148,468.95
	06/01/2030	425,000	5.000%	0.680%	139.822		169,243.50
	06/01/2031	445,000	5.000%	0.770%	140.778 C	0.928%	181,462.10
	06/01/2032	470,000	5.000%	0.870%	139.608 C	1.293%	186,157.60
	06/01/2033	495,000	4.000%	1.130%	127.157 C	1.600%	134,427.15
	06/01/2034	515,000	4.000%	1.210%	126.292 C	1.802%	135,403.80
	06/01/2035	535,000	4.000%	1.270%	125.647 C	1.963%	137,211.45
	06/01/2036	555,000	3.000%	1.710%	111.849 C	2.102%	65,761.95
	06/01/2037	570,000	3.000%	1.750%	111.459 C	2.171%	65,316.30
	06/01/2038	590,000	3.000%	1.790%	111.069 C	2.234%	65,307.10
	06/01/2039	605,000	3.000%	1.830%	110.682 C	2.290%	64,626.10
	06/01/2040	625,000	3.000%	1.870%	110.296 C	2.340%	64,350.00
	06/01/2041	645,000	4.000%	1.770%	120.422 C	2.698%	131,721.90
	06/01/2042	670,000	4.000%	1.770%	120.422 C	2.738%	136,827.40
	06/01/2043	695,000	4.000%	1.770%	120.422 C	2.775%	141,932.90
	06/01/2044	725,000	4.000%	1.770%	120.422 C	2.808%	148,059.50
	06/01/2045	750,000	4.000%	1.770%	120.422 C	2.839%	153,165.00
	06/01/2046	780,000	4.000%	1.840%	119.711 C	2.902%	153,745.80
	06/01/2047	815,000	4.000%	1.840%	119.711 C	2.927%	160,644.65
	06/01/2048	845,000	4.000%	1.840%	119.711 C	2.950%	166,557.95
	06/01/2049	880,000	4.000%	1.840%	119.711 C	2.971%	173,456.80
	06/01/2050	915,000	4.000%	1.840%	119.711 C	2.990%	180,355.65
		16,890,000					3,491,678.60

Dated Date	11/18/2020	
Delivery Date	11/18/2020	
First Coupon	06/01/2021	
Par Amount	16,890,000.00	
Premium	3,491,678.60	
Production	20,381,678.60	120.673053%
Underwriter's Discount	-118,230.00	-0.700000%
Purchase Price	20,263,448.60	119.973053%
Accrued Interest		
Net Proceeds	20,263,448.60	

\$30 million New Project:

The following pages show numeral projections for a \$30 million new project. The Bonds are structured as a tax-exempt public offering. There are two scenarios shown, one with a term of 20 years and the other with a term of 30 years. The Bonds could also be structured as a private placement, but at this time our projections show no financial benefit in utilizing that structure in comparison to a public offering.

	<u>20-year Public Offering</u>	<u>30-year Public Offering</u>
Borrowing Amount	\$ 30,438,223	\$ 30,439,312
Average Annual Debt Service	1,828,038	1,444,724
Total Debt Service	35,712,753	42,671,518
True Interest Cost	1.72%	2.47%

SOURCES AND USES OF FUNDS

Mid Peninsula Water District
 Water Revenue Bonds, Series 2020 (\$30m Project)(20-year Public Offering)

Dated Date 11/18/2020
 Delivery Date 11/18/2020

Sources:

Bond Proceeds:	
Par Amount	25,050,000.00
Premium	5,388,222.55
	<hr/>
	30,438,222.55

Uses:

Project Fund Deposits:	
Project Fund	30,000,000.00
Delivery Date Expenses:	
Cost of Issuance	260,000.00
Underwriter's Discount	<hr/> 175,350.00
	435,350.00
Other Uses of Funds:	
Additional Proceeds	2,872.55
	<hr/>
	30,438,222.55

BOND DEBT SERVICE

Mid Peninsula Water District
 Water Revenue Bonds, Series 2020 (\$30m Project)(20-year Public Offering)

Dated Date 11/18/2020
 Delivery Date 11/18/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Bond Balance	Total Bond Value
06/01/2021	1,225,000	5.000%	560,852.64	1,785,852.64	23,825,000	23,825,000
06/01/2022	800,000	5.000%	984,900.00	1,784,900.00	23,025,000	23,025,000
06/01/2023	840,000	5.000%	944,900.00	1,784,900.00	22,185,000	22,185,000
06/01/2024	880,000	5.000%	902,900.00	1,782,900.00	21,305,000	21,305,000
06/01/2025	925,000	5.000%	858,900.00	1,783,900.00	20,380,000	20,380,000
06/01/2026	975,000	5.000%	812,650.00	1,787,650.00	19,405,000	19,405,000
06/01/2027	1,020,000	5.000%	763,900.00	1,783,900.00	18,385,000	18,385,000
06/01/2028	1,075,000	5.000%	712,900.00	1,787,900.00	17,310,000	17,310,000
06/01/2029	1,125,000	5.000%	659,150.00	1,784,150.00	16,185,000	16,185,000
06/01/2030	1,185,000	5.000%	602,900.00	1,787,900.00	15,000,000	15,000,000
06/01/2031	1,240,000	5.000%	543,650.00	1,783,650.00	13,760,000	13,760,000
06/01/2032	1,305,000	5.000%	481,650.00	1,786,650.00	12,455,000	12,455,000
06/01/2033	1,370,000	4.000%	416,400.00	1,786,400.00	11,085,000	11,085,000
06/01/2034	1,425,000	4.000%	361,600.00	1,786,600.00	9,660,000	9,660,000
06/01/2035	1,480,000	4.000%	304,600.00	1,784,600.00	8,180,000	8,180,000
06/01/2036	1,540,000	3.000%	245,400.00	1,785,400.00	6,640,000	6,640,000
06/01/2037	1,585,000	3.000%	199,200.00	1,784,200.00	5,055,000	5,055,000
06/01/2038	1,635,000	3.000%	151,650.00	1,786,650.00	3,420,000	3,420,000
06/01/2039	1,685,000	3.000%	102,600.00	1,787,600.00	1,735,000	1,735,000
06/01/2040	1,735,000	3.000%	52,050.00	1,787,050.00		
	25,050,000		10,662,752.64	35,712,752.64		

BOND PRICING

Mid Peninsula Water District
Water Revenue Bonds, Series 2020 (\$30m Project)(20-year Public Offering)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Bond Component:							
	06/01/2021	1,225,000	5.000%	0.130%	102.609		31,960.25
	06/01/2022	800,000	5.000%	0.120%	107.487		59,896.00
	06/01/2023	840,000	5.000%	0.160%	112.244		102,849.60
	06/01/2024	880,000	5.000%	0.210%	116.866		148,420.80
	06/01/2025	925,000	5.000%	0.220%	121.562		199,448.50
	06/01/2026	975,000	5.000%	0.310%	125.722		250,789.50
	06/01/2027	1,020,000	5.000%	0.410%	129.572		301,634.40
	06/01/2028	1,075,000	5.000%	0.510%	133.153		356,394.75
	06/01/2029	1,125,000	5.000%	0.590%	136.659		412,413.75
	06/01/2030	1,185,000	5.000%	0.680%	139.822		471,890.70
	06/01/2031	1,240,000	5.000%	0.770%	140.778 C	0.928%	505,647.20
	06/01/2032	1,305,000	5.000%	0.870%	139.608 C	1.293%	516,884.40
	06/01/2033	1,370,000	4.000%	1.130%	127.157 C	1.600%	372,050.90
	06/01/2034	1,425,000	4.000%	1.210%	126.292 C	1.802%	374,661.00
	06/01/2035	1,480,000	4.000%	1.270%	125.647 C	1.963%	379,575.60
	06/01/2036	1,540,000	3.000%	1.710%	111.849 C	2.102%	182,474.60
	06/01/2037	1,585,000	3.000%	1.750%	111.459 C	2.171%	181,625.15
	06/01/2038	1,635,000	3.000%	1.790%	111.069 C	2.234%	180,978.15
	06/01/2039	1,685,000	3.000%	1.830%	110.682 C	2.290%	179,991.70
	06/01/2040	1,735,000	3.000%	1.870%	110.296 C	2.340%	178,635.60
		25,050,000					5,388,222.55

Dated Date	11/18/2020	
Delivery Date	11/18/2020	
First Coupon	06/01/2021	
Par Amount	25,050,000.00	
Premium	5,388,222.55	
Production	30,438,222.55	121.509870%
Underwriter's Discount	-175,350.00	-0.700000%
Purchase Price	30,262,872.55	120.809870%
Accrued Interest		
Net Proceeds	30,262,872.55	

SOURCES AND USES OF FUNDS

Mid Peninsula Water District
 Water Revenue Bonds, Series 2020 (\$30m Project)(30-year Public Offering)

Dated Date 11/18/2020
 Delivery Date 11/18/2020

Sources:

Bond Proceeds:	
Par Amount	25,225,000.00
Premium	5,214,311.80
	<hr/>
	30,439,311.80

Uses:

Project Fund Deposits:	
Project Fund	30,000,000.00
Delivery Date Expenses:	
Cost of Issuance	260,000.00
Underwriter's Discount	<hr/> 176,575.00
	436,575.00
Other Uses of Funds:	
Additional Proceeds	2,736.80
	<hr/>
	30,439,311.80

BOND DEBT SERVICE

Mid Peninsula Water District
 Water Revenue Bonds, Series 2020 (\$30m Project)(30-year Public Offering)

Dated Date 11/18/2020
 Delivery Date 11/18/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Bond Balance	Total Bond Value
06/01/2021	870,000	5.000%	554,767.78	1,424,767.78	24,355,000	24,355,000
06/01/2022	430,000	5.000%	991,300.00	1,421,300.00	23,925,000	23,925,000
06/01/2023	450,000	5.000%	969,800.00	1,419,800.00	23,475,000	23,475,000
06/01/2024	475,000	5.000%	947,300.00	1,422,300.00	23,000,000	23,000,000
06/01/2025	500,000	5.000%	923,550.00	1,423,550.00	22,500,000	22,500,000
06/01/2026	525,000	5.000%	898,550.00	1,423,550.00	21,975,000	21,975,000
06/01/2027	550,000	5.000%	872,300.00	1,422,300.00	21,425,000	21,425,000
06/01/2028	575,000	5.000%	844,800.00	1,419,800.00	20,850,000	20,850,000
06/01/2029	605,000	5.000%	816,050.00	1,421,050.00	20,245,000	20,245,000
06/01/2030	635,000	5.000%	785,800.00	1,420,800.00	19,610,000	19,610,000
06/01/2031	670,000	5.000%	754,050.00	1,424,050.00	18,940,000	18,940,000
06/01/2032	700,000	5.000%	720,550.00	1,420,550.00	18,240,000	18,240,000
06/01/2033	735,000	4.000%	685,550.00	1,420,550.00	17,505,000	17,505,000
06/01/2034	765,000	4.000%	656,150.00	1,421,150.00	16,740,000	16,740,000
06/01/2035	795,000	4.000%	625,550.00	1,420,550.00	15,945,000	15,945,000
06/01/2036	830,000	3.000%	593,750.00	1,423,750.00	15,115,000	15,115,000
06/01/2037	855,000	3.000%	568,850.00	1,423,850.00	14,260,000	14,260,000
06/01/2038	880,000	3.000%	543,200.00	1,423,200.00	13,380,000	13,380,000
06/01/2039	905,000	3.000%	516,800.00	1,421,800.00	12,475,000	12,475,000
06/01/2040	935,000	3.000%	489,650.00	1,424,650.00	11,540,000	11,540,000
06/01/2041	960,000	4.000%	461,600.00	1,421,600.00	10,580,000	10,580,000
06/01/2042	1,000,000	4.000%	423,200.00	1,423,200.00	9,580,000	9,580,000
06/01/2043	1,040,000	4.000%	383,200.00	1,423,200.00	8,540,000	8,540,000
06/01/2044	1,080,000	4.000%	341,600.00	1,421,600.00	7,460,000	7,460,000
06/01/2045	1,125,000	4.000%	298,400.00	1,423,400.00	6,335,000	6,335,000
06/01/2046	1,170,000	4.000%	253,400.00	1,423,400.00	5,165,000	5,165,000
06/01/2047	1,215,000	4.000%	206,600.00	1,421,600.00	3,950,000	3,950,000
06/01/2048	1,265,000	4.000%	158,000.00	1,423,000.00	2,685,000	2,685,000
06/01/2049	1,315,000	4.000%	107,400.00	1,422,400.00	1,370,000	1,370,000
06/01/2050	1,370,000	4.000%	54,800.00	1,424,800.00		
	25,225,000		17,446,517.78	42,671,517.78		

BOND PRICING

Mid Peninsula Water District
Water Revenue Bonds, Series 2020 (\$30m Project)(30-year Public Offering)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Bond Component:							
	06/01/2021	870,000	5.000%	0.130%	102.609		22,698.30
	06/01/2022	430,000	5.000%	0.120%	107.487		32,194.10
	06/01/2023	450,000	5.000%	0.160%	112.244		55,098.00
	06/01/2024	475,000	5.000%	0.210%	116.866		80,113.50
	06/01/2025	500,000	5.000%	0.220%	121.562		107,810.00
	06/01/2026	525,000	5.000%	0.310%	125.722		135,040.50
	06/01/2027	550,000	5.000%	0.410%	129.572		162,646.00
	06/01/2028	575,000	5.000%	0.510%	133.153		190,629.75
	06/01/2029	605,000	5.000%	0.590%	136.659		221,786.95
	06/01/2030	635,000	5.000%	0.680%	139.822		252,869.70
	06/01/2031	670,000	5.000%	0.770%	140.778 C	0.928%	273,212.60
	06/01/2032	700,000	5.000%	0.870%	139.608 C	1.293%	277,256.00
	06/01/2033	735,000	4.000%	1.130%	127.157 C	1.600%	199,603.95
	06/01/2034	765,000	4.000%	1.210%	126.292 C	1.802%	201,133.80
	06/01/2035	795,000	4.000%	1.270%	125.647 C	1.963%	203,893.65
	06/01/2036	830,000	3.000%	1.710%	111.849 C	2.102%	98,346.70
	06/01/2037	855,000	3.000%	1.750%	111.459 C	2.171%	97,974.45
	06/01/2038	880,000	3.000%	1.790%	111.069 C	2.234%	97,407.20
	06/01/2039	905,000	3.000%	1.830%	110.682 C	2.290%	96,672.10
	06/01/2040	935,000	3.000%	1.870%	110.296 C	2.340%	96,267.60
	06/01/2041	960,000	4.000%	1.770%	120.422 C	2.698%	196,051.20
	06/01/2042	1,000,000	4.000%	1.770%	120.422 C	2.738%	204,220.00
	06/01/2043	1,040,000	4.000%	1.770%	120.422 C	2.775%	212,388.80
	06/01/2044	1,080,000	4.000%	1.770%	120.422 C	2.808%	220,557.60
	06/01/2045	1,125,000	4.000%	1.770%	120.422 C	2.839%	229,747.50
	06/01/2046	1,170,000	4.000%	1.840%	119.711 C	2.902%	230,618.70
	06/01/2047	1,215,000	4.000%	1.840%	119.711 C	2.927%	239,488.65
	06/01/2048	1,265,000	4.000%	1.840%	119.711 C	2.950%	249,344.15
	06/01/2049	1,315,000	4.000%	1.840%	119.711 C	2.971%	259,199.65
	06/01/2050	1,370,000	4.000%	1.840%	119.711 C	2.990%	270,040.70
		25,225,000					5,214,311.80

Dated Date	11/18/2020	
Delivery Date	11/18/2020	
First Coupon	06/01/2021	
Par Amount	25,225,000.00	
Premium	5,214,311.80	
Production	30,439,311.80	120.671206%
Underwriter's Discount	-176,575.00	-0.700000%
Purchase Price	30,262,736.80	119.971206%
Accrued Interest		
Net Proceeds	30,262,736.80	



FINANCE COMMITTEE MEETING

September 9, 2020

AGENDA ITEM NO. 5

**Review Final Draft of the
MPWD Other Post-Employment Benefits (OPEB) and
Pension Rate Stabilization Program (PRSP) Funding Policy**



**OTHER POST-EMPLOYMENT BENEFITS (OPEB)
AND PENSION RATE STABILIZATION PROGRAM (PRSP)
FUNDING POLICY**

SECTION 1 – POLICY STATEMENT

The Mid-Peninsula Water District (MPWD) established a combined Other Post-Employment Benefits (OPEB) and Pension Rate Stabilization Program (PRSP) Internal Revenue Service (IRS) Section 115 Trust account with the Public Agency Retirement System (PARS) to fund post-employment healthcare and pension benefits for its employees, which is essential to ensure fiscal responsibility, a key organizational goal of the MPWD.

SECTION 2 – PURPOSE

The purpose of the OPEB and PRSP Funding Policy (Policy) is to establish a methodology and process for funding current and future costs associated with the MPWD’s contractual obligations to provide retiree healthcare and pension benefits as set forth in MPWD policies and applicable bargaining agreements and contracts. A properly designed funding policy sends a positive signal to ratepayers, investors, and regulatory and credit rating agencies that the MPWD is committed to maintaining the long-term fiscal strength of the MPWD.

SECTION 3 – POLICY ADOPTION AND IMPLEMENTATION

The Board of Directors for the MPWD is responsible for adopting the OPEB and PRSP Funding Policy and for approving any significant revision. The General Manager, or their designee, is responsible for developing administrative procedures, as needed, to implement the Policy. In this role, the General Manager, or their designee, is authorized to make minor administrative changes in the Policy as long as they are intended to carry out the purpose of this Policy and will not significantly impact the Policy.

SECTION 4 – MPWD COMBINED SECTION 115 TRUST AND PLAN

The MPWD established its Internal Revenue Code Section 115 tax-exempt and irrevocable trust (Trust) account and adopted the OPEB Plan with the Public Agency Retirement System (PARS) as follows:

- A. On April 28, 2011 via Resolution 2011-04 – Approved PARS OPEB Healthcare Trust and Plan; and
- B. On February 22, 2018 via Resolution 2018-03 – Approved PARS Combined OPEB and PRSP Section 115 Trust and OPEB Plan.

In 2018, OPEB funds were transferred to the MPWD’s newly approved PARS Combined OPEB and PRSP Trust (“Trust”), which included additional funds approved for scheduled contributions to and allocated to the OPEB, and funds that were approved for scheduled contributions to and allocated to the PRSP.

Trust funds can only be utilized for payment (including reimbursement of operating costs) of the MPWD’s OPEB and pension costs.

During each annual budget preparation and review process, and for approval by the Board of Directors, the General Manager will:

- Include proposed OPEB and pension liability contributions to the MPWD Combined Section 115 Trust and Plan, as itemized in Section 6 hereinbelow, or in lesser amounts depending upon the financial circumstances of the MPWD at the time, and
- Include when trust funds will be utilized for payment of MPWD OPEB and pension liabilities, as described in Section 7 hereinbelow.

The following outlines the governance and administration of the MPWD Trust and Plan:

- The MPWD Board of Directors has the authority to establish the Trust account with PARS and adopt the PARS Plan, serve as the Plan Administrator, and define policies for the administration of the Trust and Plan.
- General Manager and staff have day-to-day administrative responsibility for the Trust and Plan and will develop and manage procedures in accordance with the Board-adopted policies.
- Trust Administrator, PARS, maintains plan documents, which serve as the MPWD’s “substantive plan” under GASB, and provides ongoing consulting, reporting and plan accounting records.
- Trustee, currently US Bank, is the trustee and custodian and safeguards the assets of the Trust, holds the investments for safekeeping, and makes disbursements from the Trust on request.
- Investment Manager, currently Highmark Capital Management, selects specific investments within the portfolio allocation under the MPWD’s adopted investment strategy, and manages those assets accordingly.

SECTION 5 – ASSET ALLOCATION INVESTMENT STRATEGY

PARS provides flexibility to the MPWD in the selection of the investment strategy for its funds in the Trust, giving the MPWD the ability to select from among pre-set options with various target yields and levels of risk, and whether to adopt a discretionary or directed investment approach.

Within the Trust, the MPWD has the option of pre-funding either or ~~both of the OPEB~~both OPEB and PRSP accounts. In either case, the MPWD has the ability to select one of five (5) Investment Options, with different projected rates of return and risks, that best suits its desired or expected return on its investments, given the corresponding risk level, in the Trust. Each

Investment Option allocates the assets in varying investment combinations of equity, fixed income, and cash.

The available Trust Investment Options are:

- Conservative
- Moderately Conservative
- Moderate
- Balanced
- Capital Appreciation.

The Board of Directors will annually review the Trust performance and select the most appropriate Investment Option for the Trust. The Board of Directors has selected the discretionary investment approach, under which the Trustee and its Investment Manager have absolute authority for selecting specific investments for the MPWD Trust account, subject to the Investment Option selected by the Board of Directors.

This Policy recognizes that there will be market and other economic volatility, and that actual experience of the Trust will differ from assumed experience. Accordingly, this Policy is intended to provide flexibility to smooth such volatility and experience in a reasonable, systematic and financially sound manner.

SECTION 6 – ANNUAL CONTRIBUTIONS

To establish realistic and appropriate thresholds for annual contributions to the Trust based on the actuarial valuation under GASB of the MPWD’s OPEB liabilities, and CalPERS’ actuarial valuation of the MPWD’s pension liabilities, the MPWD adopts the following contribution schedules:

TRUST ACCOUNT	MINIMUM	MAXIMUM
OPEB	\$196,860* <u>10-Year Schedule:</u> <u>06/30/2020 \$196,860</u> <u>06/30/2021 \$196,860</u> <u>06/30/2022 \$196,860</u> <u>06/30/2023 \$196,860</u> <u>06/30/2024 \$196,860</u> <u>06/30/2025 \$196,860</u> <u>06/30/2026 \$196,860</u> <u>06/30/2027 \$196,860</u> <u>06/30/2028 \$196,860</u> <u>06/30/2029 \$196,860</u>	Unlimited
PRSP	\$50,000**	Unlimited

<p><u>10-Year Schedule:</u></p> <p><u>06/30/2020 \$ 50,000</u></p> <p><u>06/30/2021 \$ 60,000</u></p> <p><u>06/30/2022 \$ 70,000</u></p> <p><u>06/30/2023 \$ 80,000</u></p> <p><u>06/30/2024 \$ 90,000</u></p> <p><u>06/30/2025 \$100,000</u></p> <p><u>06/30/2026 \$100,000</u></p> <p><u>06/30/2027 \$100,000</u></p> <p><u>06/30/2028 \$100,000</u></p> <p><u>06/30/2029 \$100,000</u></p>

*Per the 10-year funding schedule (Closed Group) within the MPWD's GASB 75 OPEB Actuarial Valuation Report dated April 22, 2020, for FYE June 30, 2019 prepared by Pacific Crest Actuaries, LLC. Contributing at this level, the OPEB Trust account is projected to be funded ~~se-as-toto~~ fully pre-fund the MPWD's OPEB liabilities by FY 2028/2029.

**The PRSP Trust account was funded ~~se-as-toto~~ fully pre-fund the MPWD's pension liabilities (per the CalPERS Actuarial Valuation Report as of June 30, 2016) by the MPWD as of FYE 2018/2019. This contribution provides a reasonable level of continued prefunding of future MPWD pension liabilities ~~and benefits~~.

The minimum contribution amounts are based on the assumptions of the MPWD maintaining a balance of \$1,000,000 of unrestricted net position as of the end of each fiscal year. In the event the MPWD's unrestricted net position falls below \$1,000,000 for any fiscal year, the Board of Directors may suspend all contributions until the unrestricted net position exceeds the \$1,000,000 threshold.

Contributions itemized in the above schedules will not be made to the MPWD PARS Trust until after the fiscal year financial audit is finalized and presented to the Board of Directors. Adjustments in contribution amounts, if necessary, will be made accordingly during the MPWD mid-year budget review process and approval by the Board of Directors.

SECTION 7 – ANNUAL WITHDRAWALS

To establish realistic and appropriate thresholds for annual withdrawals, the MPWD adopts the following limitations on withdrawals from the Trust:

TRUST ACCOUNT	MINIMUM	MAXIMUM
OPEB	\$-0-	Actual Costs for Retiree Healthcare Benefits*
PRSP	\$-0-	\$266,599**
		<u>10-Year Payment Schedule:</u> <u>06/30/2020 \$208,844</u> <u>06/30/2021 \$214,587</u> <u>06/30/2022 \$220,488</u>

		<u>06/30/2023 \$226,552</u>
		<u>06/30/2024 \$232,782</u>
		<u>06/30/2025 \$239,184</u>
		<u>06/30/2026 \$245,761</u>
		<u>06/30/2027 \$252,520</u>
		<u>06/30/2028 \$259,464</u>
		<u>06/30/2029 \$266,599</u>

•Reimburses the MPWD for fiscal year MPWD Operating Budget expenditures for retiree healthcare coverage. Will vary depending upon number and ages of retirees.

••Maximum annual payment per the MPWD's CalPERS Actuarial Valuation for FYE June 30, 2018 and the 10-Year Amortization Schedule to pay off the MPWD's Unfunded Accrued Liabilities.

For any fiscal year in which the MPWD's annual required contribution to CalPERS, plus the MPWD's unfunded accrued liability (UAL) payment to CalPERS, exceeds the maximum withdrawal amount from the PRSP Trust account, the Board of Directors may suspend contributions to the PRSP Trust account.

Withdrawals itemized in the above schedules will not be made from the MPWD PARS Trust until after the fiscal year financial audit is finalized and presented to the Board of Directors. Adjustments in withdrawal amounts, if necessary, will be made accordingly during the MPWD mid-year budget review process and approval by the Board of Directors.

SECTION 8 – REPORTING AND MAINTENANCE OF POLICY

A progress report and presentation will be provided by PARS to the MPWD on an annual basis after the end of each Plan year (September 30th).

Trust fund levels, including contributions, withdrawals, earnings, and fees will be monitored by staff during the fiscal year and reported to the Board of Directors on a quarterly basis.

This OPEB and PRSP Funding Policy will be reviewed on a biennial basis to ensure conformance with the MPWD's strategic goals and objectives, and updated as necessary in accordance with material changes in actuarial valuations of the MPWD's OPEB and pension liabilities, underlying assumptions, applicable regulations, or governing standards.



FINANCE COMMITTEE MEETING

September 9, 2020

AGENDA ITEM NO. 6

**Review Final Drafts of the MPWD's Request for Proposal (RFP)
for Professional Accounting Services and
Notice to Fill District Treasurer Vacancy**



3 Dairy Lane
 Belmont, CA 94002
 (650) 591-8941

**REQUEST FOR PROPOSAL (RFP)
 FOR ~~DISTRICT TREASURER AND/OR~~ PROFESSIONAL ACCOUNTING SERVICES
AND OPTIONAL DISTRICT TREASURER SERVICES**

The Mid-Peninsula Water District (MPWD) seeks the services of a Certified Public Accountant (CPA) or firm to provide ~~District Treasurer and/or~~ professional accounting services and optional District Treasurer services for the MPWD in Belmont, California. It is the intent of this RFP to have the successful CPA or firm enter into a Contract for Professional Services with the MPWD to supply the services as outlined herein.

NOTE: Simultaneously with the issuance of this RFP the Board of Directors authorized the separate posting of a Notice of Intention to Fill the Vacancy of its District Treasurer position. Respondents have the option of proposing to provide the professional accounting services only or including the services of the District Treasurer.

Respondents are directed to either submit one (1) electronic copy of their proposal via email to:

Tammy Rudock, General Manager
 Mid-Peninsula Water District
tammyr@midpeninsulwater.org

by 12:00PM on Friday, ~~August 21~~October 30, 2020.

The MPWD Board of Directors reserves the right to reject any and all proposals, or parts of proposals, when it is judged to be in the best interest of the MPWD.

All questions should be transmitted in writing via email by 12:00PM on ~~Monday~~Friday, August ~~10~~October 16, 2020 to the MPWD General Manager, Tammy Rudock, at tammyr@midpeninsulwater.org.

RFP KEY DATES	
Request for Proposal Issued.....	July 24 September 25, 2020
Deadline for Submitting RFP Questions.....	By 12:00PM on August 10 October 16, 2020

Deadline for MPWD’s Response to RFP Questions.....By 4:00PM on ~~August 14~~October 23, 2020
 Due Date for Proposals to MPWD.....By 12:00PM on ~~August 21~~October 30, 2020

A. SCOPE OF SERVICES

The successful CPA or firm shall agree to contract with the MPWD to provide one (1) or both of the following services—~~District Treasurer and/or Professional~~ Accounting Services and optional District Treasurer services. The following table breaks down the expected services, frequencies, and deliverables:

SERVICE FREQUENCY	PROFESSIONAL ACCOUNTING SERVICES	OPTIONAL DISTRICT TREASURER
MONTHLY	<ul style="list-style-type: none"> ➤ Coordinate with Administrative Services Manager at month-end, when all data entry and reports are ready, and review: <ul style="list-style-type: none"> • A/R summary; • A/P summary; • Bank reconciliation statements and reports; • BNY 2016 COP bank statements and reports; • LAIF statements and reports; • PARS statements related to OPEB and PRSP, and related GASB actuarial report; and • Monthly spreadsheets/work papers, including each account reconciliation. ➤ Identify and investigate any discrepancies with bank statement balances to bank reconciliation reports. ➤ Prepare or review journals entered in general ledger system, including sales journal, general journals for depreciation, insurance, retirement expense, notes payable, miscellaneous bank activities, and investment income/expense, payroll journal, and fund balance adjustments. ➤ Review internally prepared financial statements and recommend revisions as needed for compliance with GAAP. ➤ Identify and investigate any unusual account activities and resolve with staff. ➤ <u>Provide a report to the Board of any findings and/or recommendations.</u> 	<ul style="list-style-type: none"> ➤ Attend all regular and/or special meetings of the Board of Directors and participate as District Treasurer.

<p>QUARTERLY</p>		<ul style="list-style-type: none"> ➤ Provide written summary overview report of accounting activities to General Manager. ➤ Attend Board Finance Committee meetings and participate as member (as scheduled).
<p>ANNUAL</p>	<ul style="list-style-type: none"> ➤ Work with MPWD’s financial auditor regarding accounting inquiries, as needed. ➤ <u>Prepare and timely submit State Controller’s report for MPWD submit timely to the State Controller’s Office the Annual Financial Transactions Report and Local Government Compensation Report.</u> ➤ <u>Review and evaluate accounting personnel duties and recommend changes to ensure proper cross training of accounting staff to allow for future succession planning.</u> ➤ <u>Evaluate the MPWD’s use of the financial management system—currently Springbrook accounting software—to ensure full utilization of the system capabilities to eliminate duplication of effort in the MPWD’s use of independent spreadsheets.</u> ➤ Prepare special reports as requested by the General Manager. 	<ul style="list-style-type: none"> ➤ Prepare special reports as requested by the Board of Directors or General Manager. ➤ Meet with General Manager regarding overall MPWD financial management.

B. QUALIFICATIONS

Respondents to this RFP shall have the following qualifications:

- Must be a licensed CPA and in good standing with the State of California;
- Must have an excellent reputation in the CPA professional community (requests for references may be made);
- Must be knowledgeable in governmental accounting, and GASB and GAAP compliance;
- Must have governmental auditing experience;
- Must have experience preparing and submitting annual State Controller’s reports;
- Experience working with California special districts and governing bodies is desirable; and
- Must be knowledgeable in the use of automated financial management systems- and should be familiar with the use of Springbrook accounting software and system capabilities.

C. INSURANCE REQUIREMENTS

Respondents are directed to Section 12 of the Sample Professional Services Agreement.

D. FEE SCHEDULE

The proposed fee schedule shall include the following items:

1. Fee for monthly accounting review services;
2. Fee to attend monthly regular and/or special Board meeting and participate as District Treasurer;
3. Fee to attend Board Finance Committee meetings (as scheduled) and participate as a member; and
4. Fee for quarterly summary reports to General Manager; and
5. Fee for preparation of annual State Controller's report for the MPWD.

CPA or firm should include schedule of hourly rates for other annual items and additional services as requested.

E. RFP SUBMITTAL REQUIREMENTS

Respondents represent that they have thoroughly examined and become familiar with the Scope of Services outlined in this RFP, and ~~are capable of performing~~can perform quality work to achieve the MPWD objectives.

1. Cover Letter. The cover letter should summarize the major points contained in the proposal, and should be signed by an authorized representative of the firm. The Respondent must acknowledge that their Proposal shall be firm for at least ninety (90) days from the due date for the Proposals.
2. List number of years in business, including previous names of the CPA firm, if any.
3. Describe firm, including size, location, number and nature of the professional staff to be assigned to the MPWD, staff experience and training, including a brief resume for each key person listed.
4. Describe pertinent governmental accounting experience (minimum of five [5] years' proven experience).
5. Describe experience in assisting other local government entities, particularly California special districts, and the services provided.
6. List at least three (3) references, including names and telephone numbers for the contacts.
7. Describe additional services offered.
8. List current litigation, outstanding judgments and liens.
9. Fee schedule.
10. State any other costs the MPWD may anticipate relating to the accounting services to be provided.

F. WITHDRAWAL OF PROPOSAL

Submission of a proposal shall constitute a firm offer to MPWD for ninety (90) days from the deadline for receipt of proposals. A Respondent may withdraw its proposal any time before the date and time when proposals are due, without prejudice, by submitting a written request for its withdrawal to the MPWD General Manager, Tammy Rudock, at tammyr@midpeninsulawater.org. A telephone request is not acceptable.

G. SELECTION CRITERIA

1. Knowledge of California special districts and working with governing bodies.
2. Governmental accounting experience, qualifications, and references, including automated financial management systems.
3. Fee schedule.
4. Completeness of response to the RFP.
5. Ability of the CPA or firm to meet or exceed the RFP submittal requirements.

Respondents shall furnish MPWD such additional information as MPWD may reasonably require.

Respondents may be required to give an oral presentation of their proposal. Additional technical and/or cost information may be requested for clarification purposes, but in no way will change the original proposal submitted.

H. TERM OF CONTRACT

The contract period for the successful CPA or firm will be from the date of contract award until ~~the~~ terminated sooner in accordance with the Agreement.

Issuance of this RFP and receipt of proposals does not commit the MPWD to award a contract. The MPWD reserves the right to:

1. Revise the RFP Key Dates;
2. Accept or reject any or all proposals received in response to this RFP;
3. Negotiate with any of the CPAs/firms that submitted a response to this RFP; or
4. Cancel all or part of this RFP, and re-issue a new RFP for the subject services.

I. EVALUATION AND AWARD

Contract award, if made, will be made to the Respondent that submits the proposal considered most advantageous to MPWD based on the criteria set forth in Section G above. Respondents shall bear all costs incurred in the preparation of the Proposal and participation in the Proposal process.

J. AGREEMENT FOR PROFESSIONAL SERVICES

The firm selected by MPWD to provide the services outlined in this RFP will be required to execute an Agreement for Professional Services with MPWD. A sample of the general form of this Agreement is attached hereto as Exhibit A so that Respondents will have an opportunity to review the terms and conditions that will be included in the final contractual agreement. If a Respondent desires any additions, deletions or modifications to the form of Agreement, they must submit a request for such additions, deletions or modifications with the proposal. ~~With the exception of~~ Except for any requests for such additions, deletions, and modifications, the Respondent will, by making a proposal, be deemed to have accepted the form of Agreement.

K. CONFIDENTIALITY OF PROPOSALS

The California Public Records Act (California Government Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless the information is exempt from disclosure by law, the content of any request for explanation, exception or substitution, response to these specifications, protest or any other written communication between MPWD and the Respondent shall be available to the public.

If the Respondent believes any communication contains trade secrets or other proprietary information that the Respondent believes would cause substantial injury to the Respondent's competitive position if disclosed, the Respondent shall request that MPWD withhold from disclosure the proprietary or other confidential information by marking each page containing such information as confidential. The Respondent may not designate its entire proposal or bid as confidential. Additionally, Respondent may not designate its cost proposal or any required bid forms or certifications as confidential.

If Respondent requests that MPWD withhold from disclosure information identified as confidential, and MPWD complies with the Respondent's request, Respondent shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless MPWD from and against all damages (including but not limited to attorneys' fees that may be awarded to the party requesting the Respondent information), and pay any and all costs and expenses related to the withholding of Respondent information. Respondent shall not make a claim, sue or maintain any legal action against MPWD or its directors, officers, employees or agents in connection with the withholding from disclosure of Respondent information.

If Respondent does not request that MPWD withhold from disclosure information identified as confidential, MPWD shall have no obligation to withhold the information from disclosure and may release the information sought without any liability to MPWD.

L. CONFLICT OF INTEREST

Respondent represents and warrants that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code §§ 1090 et seq. or §§ 87100 et seq. during the performance of services under this Agreement. Respondent shall promptly disclose any actual or potential conflict of interest to MPWD as soon as Respondent becomes aware of such conflict. Respondent further covenants that it will not knowingly employ any person having such an interest in the performance of this Agreement. Violation of this provision may result in this Agreement being deemed void and unenforceable.

Depending on the nature of the work performed, Respondent may be required to publicly disclose financial interests under MPWD's Conflict of Interest Code. Respondent agrees to promptly submit a Statement of Economic Interest on the form provided by MPWD upon receipt.

No member, officer or employee of MPWD or of any of its member jurisdictions during his/her tenure of office, or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds therefrom.



**NOTICE OF INTENTION TO FILL A VACANCY
FOR DISTRICT TREASURER
BY APPOINTMENT**

Notice is hereby given that the Board of Directors for the Mid-Peninsula Water District (MPWD) is accepting applications for appointment to District Treasurer to fill a vacancy created by the retirement of long-time District Treasurer Jeff Ira, CPA, effective April 23, 2020.

NOTE: Simultaneously with the posting of this notice, the Board of Directors authorized the issuance a Request for Proposal (RFP) for Professional Accounting Services, and Optional District Treasurer Services. Respondents to the RFP have the option of proposing to provide the professional accounting services only or including the services of the District Treasurer.

The term of the District Treasurer position is from the date of appointment until terminated by the Board of Directors. ~~to _____.~~

Candidates must be at least 18 years of age, reside within the MPWD service area ~~{or within a 5-mile radius of the MPWD service area}~~, and be registered to vote within the MPWD service area ~~{or within a 5-mile radius of the MPWD service area}~~ at the time application is made.

Applications should include:

1. A letter of interest and resume not exceeding 400 words indicating interest, qualifications, background, and other information useful for making an appointment;
2. At least two (2) reference letters but no more than three (3); and
3. A completed FPPC Form 700 "Statement of Economic Interests" available online: <http://www.fppc.ca.gov/content/dam/fppc/NS-Documents/TAD/Form%20700/2019-2020/Form%20700%202019.2020%20IA.pdf>

By 12:00PM on Friday, ~~August 21~~ **October 30, 2020**, applicants are directed to submit either one (1) electronic copy of their proposal via email to:

Tammy Rudock, General Manager
Mid-Peninsula Water District
tammyr@midpeninsulwater.org

OR

one (1) paper copy by mail to:

Tammy Rudock, General Manager
Mid-Peninsula Water District
3 Dairy Lane
Belmont, CA 94002

At a regular meeting of the MPWD Board of Directors on ~~Thursday, September 24, 2020~~, Wednesday, November 18, 2020 at 6:30PM each approved applicant ~~will~~may be asked to make a 5-minute presentation to the Board. The Board meeting will be conducted through a virtual platform and details for access to the meeting will be provided to each applicant the week before the Board meeting.

The applicant may be asked to respond to questions the Board may have about their application or presentation. The order in which the applicant will make their presentation will be determined by a random draw by the General Manager before the regular Board meeting.

The Board of Directors may make a decision at the regular meeting or may direct staff to place the matter on a future agenda for action.

All questions should be transmitted in writing via email to the MPWD General Manager, Tammy Rudock, at tammyr@midpeninsulawater.org.

KEY DATES

Notice of Vacancy Posted by MPWD.....	<u>July 24</u> <u>September 25</u> , 2020
Due Date for Applications to MPWD.....	By 12:00PM on <u>August 21</u> <u>October 30</u> , 2020
Board Meeting Presentation by Applicants.....	<u>September 24</u> <u>November 18</u> , 2020



FINANCE COMMITTEE MEETING

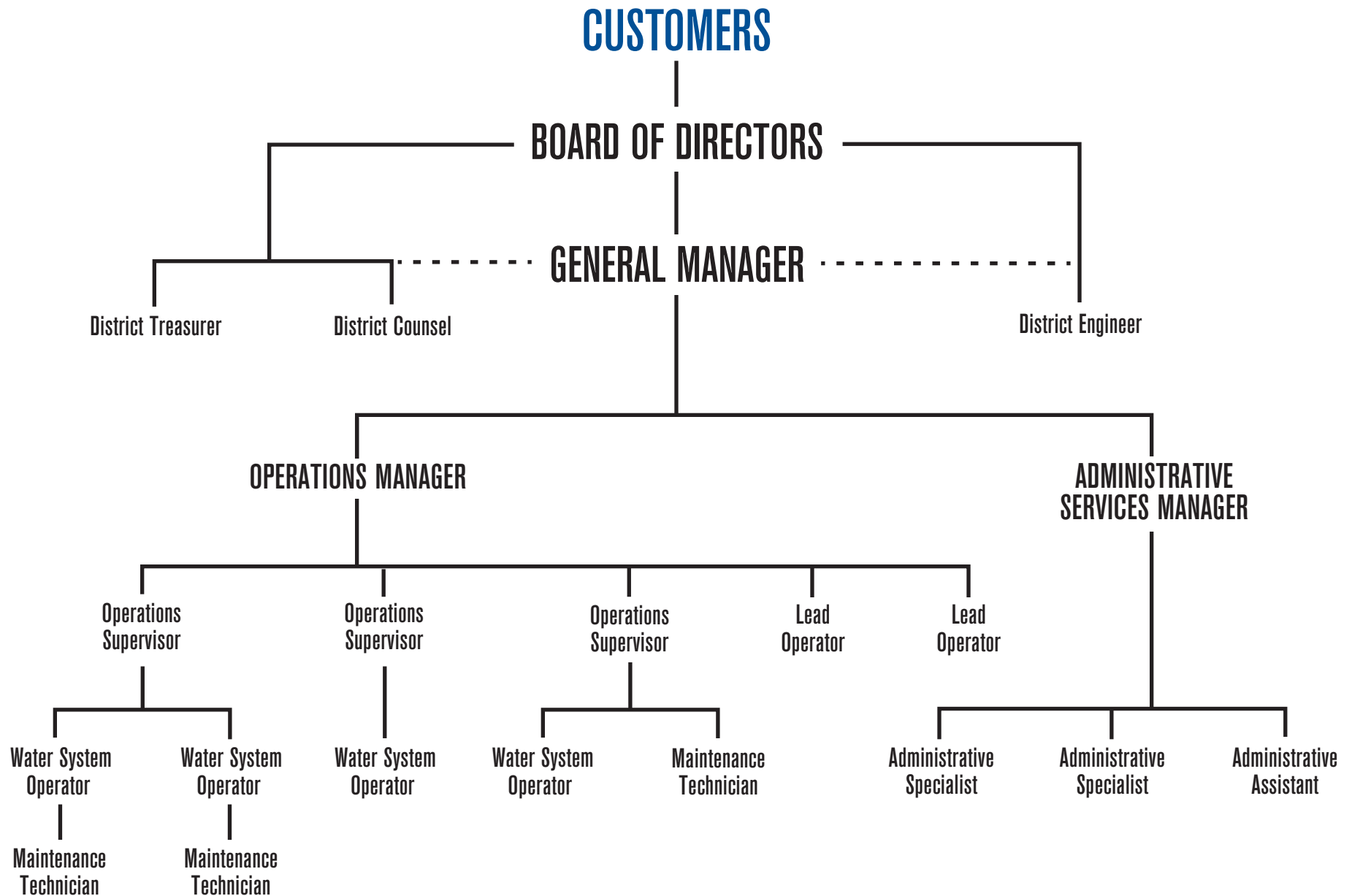
September 9, 2020

AGENDA ITEM NO. 7

Review Proposed MPWD Reorganization Plan

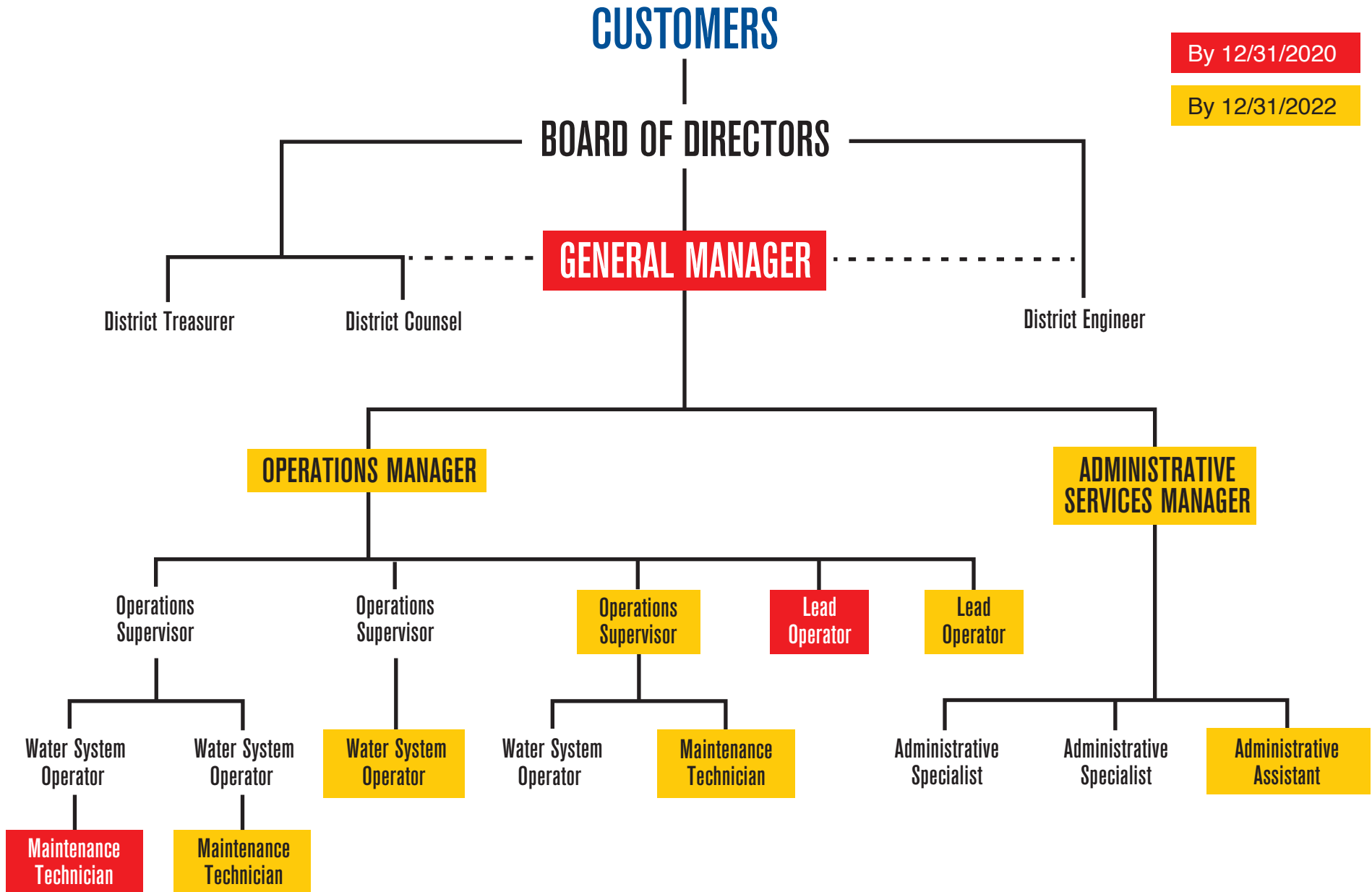


MPWD ORGANIZATIONAL CHART





MPWD ORGANIZATIONAL CHART

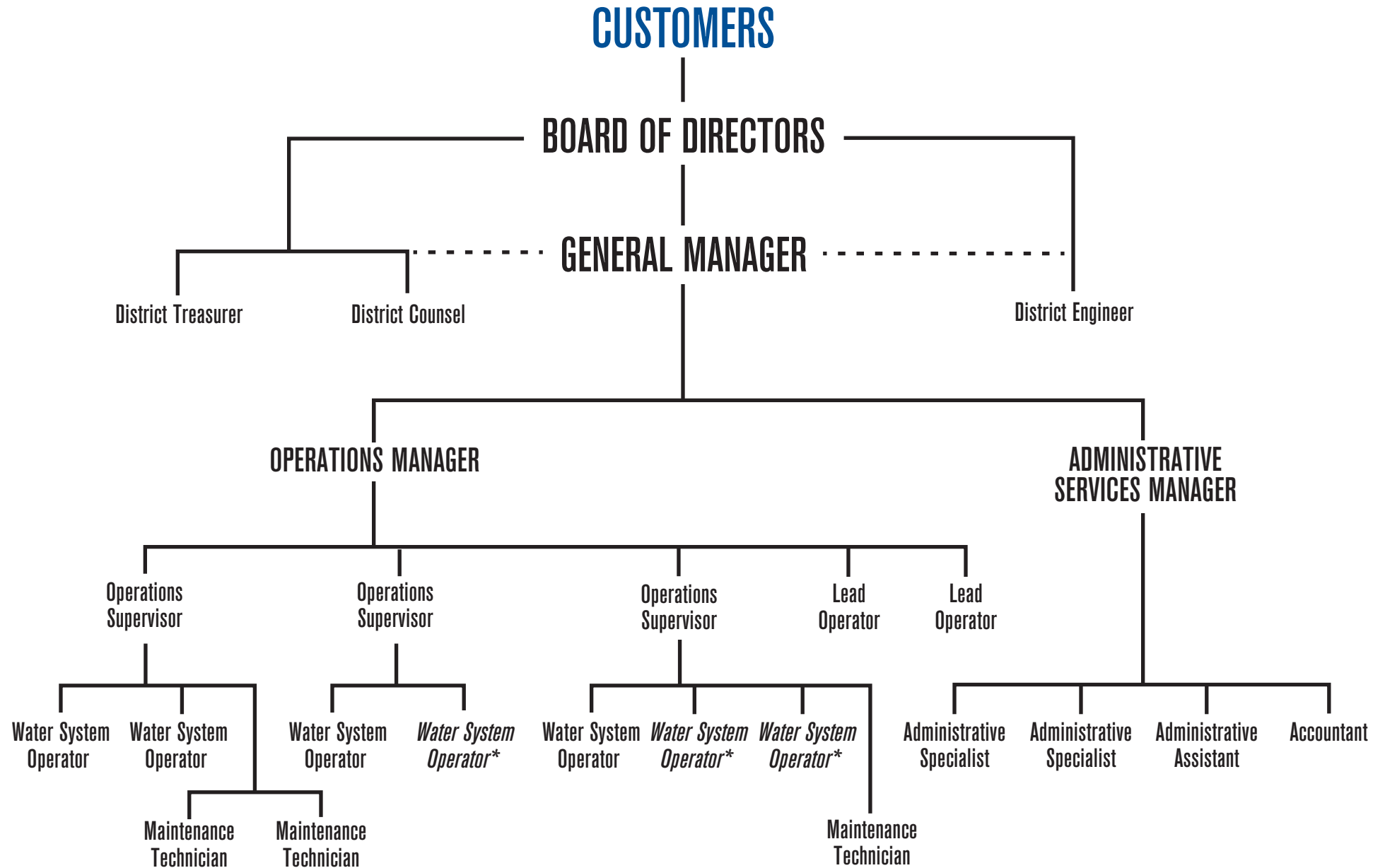


By 12/31/2020

By 12/31/2022



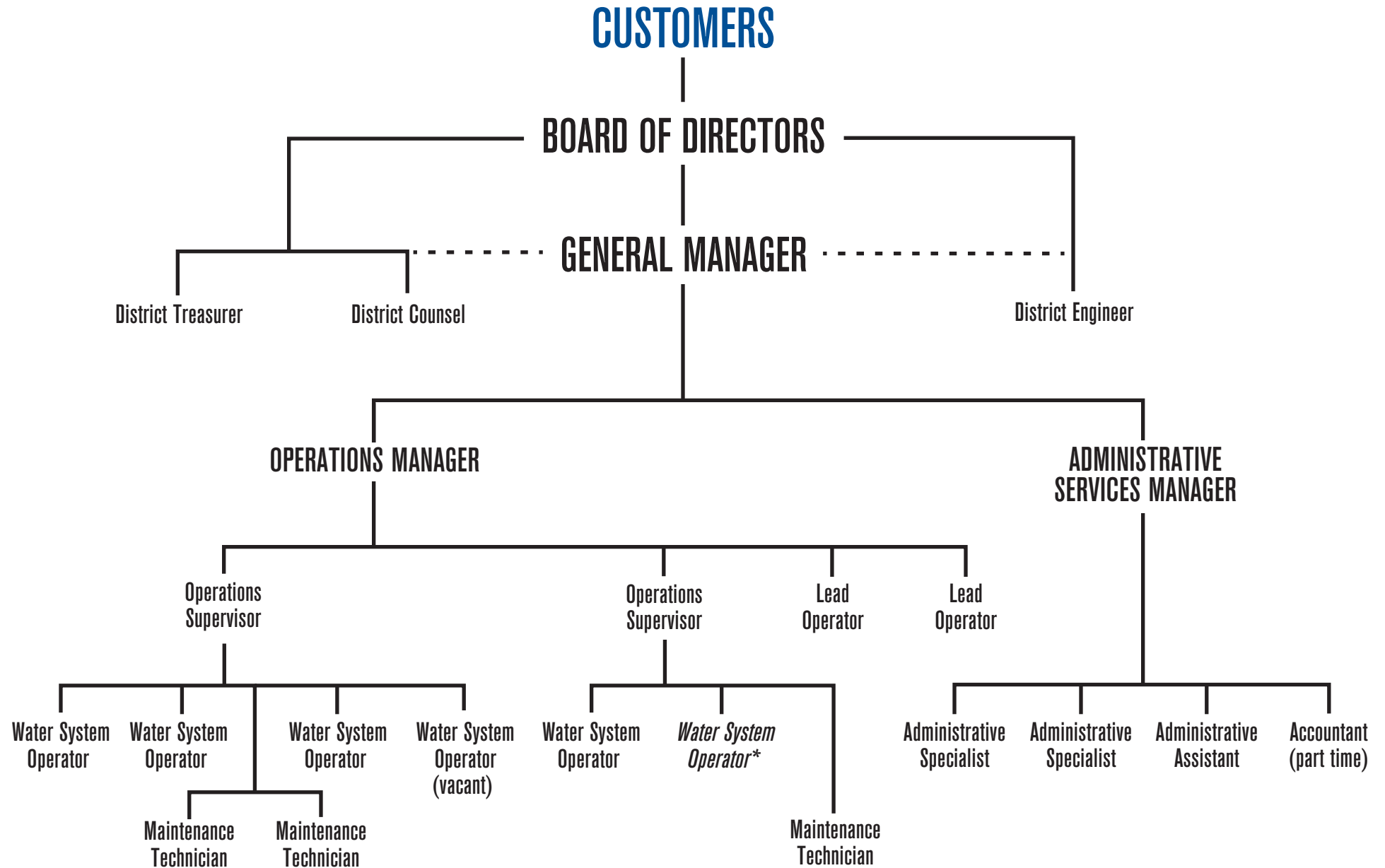
MPWD ORGANIZATIONAL CHART



* These positions are for succession planning.



MPWD ORGANIZATIONAL CHART



* This position is for succession planning.



MPWD
Organizational Chart

CUSTOMERS

BOARD OF DIRECTORS

GENERAL MANAGER

District Treasurer

District Counsel

Management Analyst *VACANT*
(Temporary Part-Time)

District Engineer

ASSISTANT GENERAL MANAGER (Reclassified Operations Manager for Succession Planning)

OPERATIONS MANAGER *VACANT*

Management Analyst (Reclassified Admin Specialist)

Operations Supervisor

Lead Operator

Water System Operator

Water System Operator

Water System Operator

Maintenance Technician

Maintenance Technician

Operations Supervisor

Lead Operator

Water System Operator

Maintenance Technician

Maintenance Technician

ADMINISTRATIVE SERVICES MANAGER

Administrative Supervisor

(Reclassified Admin Specialist)

Administrative Assistant

Administrative Assistant



MPWD
Organizational Chart

CUSTOMERS

BOARD OF DIRECTORS

GENERAL MANAGER

District Treasurer

District Counsel

Management Analyst *VACANT*
(Temporary Part-Time)

District Engineer

ASSISTANT GENERAL MANAGER

OPERATIONS MANAGER *VACANT*

Management Analyst

Operations Supervisor

Operations Supervisor

Lead Operator

Lead Operator

Water System Operator

Water System Operator

Water System Operator

Maintenance Technician

Maintenance Technician

Water System Operator

Maintenance Technician

Maintenance Technician

ADMINISTRATIVE SERVICES MANAGER

Administrative Supervisor

Administrative Assistant

Administrative Assistant

Eligible for retirement now.



MPWD
Organizational Chart

CUSTOMERS

BOARD OF DIRECTORS

GENERAL MANAGER

District Treasurer

District Counsel

Management Analyst *VACANT*
(Temporary Part-Time)

District Engineer

ASSISTANT GENERAL MANAGER

OPERATIONS MANAGER *VACANT*

Management Analyst

Operations Supervisor

Operations Supervisor

Lead Operator

Lead Operator

Water System Operator

Water System Operator

Water System Operator

Maintenance Technician

Maintenance Technician

Water System Operator

Maintenance Technician

Maintenance Technician

ADMINISTRATIVE SERVICES MANAGER

Administrative Supervisor

Administrative Assistant

Administrative Assistant

Projected to retire within 5 years.

Projected to retire within 10 years.



FINANCE COMMITTEE MEETING

September 9, 2020

AGENDA ITEM NO. 8

Discuss Schedule for Future MPWD Finance Committee Meetings



DATE: September 6, 2020

TO: MPWD Finance Committee

FROM: Tammy Rudock, General Manager

RE: Proposed Schedule for Virtual Finance Committee Meetings

MEMORANDUM

Staff proposes the following available dates/times for upcoming virtual committee meetings and proposed topics for discussion:

October 1st @ 2:00PM or October 8th @ 11:00AM or 2:00PM:

- Financial Audit Exit Conference for FYE June 30, 2020
- 2016 COPs Refunding
- New Debt Issuance for CIP
- Miscellaneous Fees Schedule?

November 9th, 10th, or 12th @ Anytime:

- Preliminary Review – Water Rates Study & Financial Plan
- Preliminary Review – Water Capacity Charges
- New Debt Issuance for CIP

December 16th @ Anytime:

- Water Rates Study & Financial Plan
- Water Capacity Charges
- Preliminary Review – DRAFT MPWD Financial Control Policy

January 13th @ 2:00PM or January 14th @ 11:00AM:

- FY 2020/2021 Mid-Year Budget Review