



# **COUNTY** *of* **VENTURA**

## **Financial Planning Committee**

**March 26, 2024 at 4:00 pm or Soon Thereafter**

**County Government Center  
Hall of Administration  
Channel Islands Conference Room – 4<sup>th</sup> Floor**

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## **AGENDA**

1. Public Comment
2. Minutes of the February 6, 2024 Financial Planning Committee Meeting
3. Approval of a three-year amended and restated \$51 million Revolving Credit Facility (RCF) with Wells Fargo
4. Committee Member Comments on Any Other Items



**COUNTY of VENTURA**  
**County Executive Office**  
**MEMORANDUM**

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DATE: March 26, 2024  
TO: Financial Planning Committee  
FROM: Bryan Friedman, County Executive Office

**SUBJECT: February 6, 2024 Financial Planning Committee Meeting Minutes**

**Attendance:**

Committee Members Present:

Kelly Long, Board of Supervisors  
Janice Parvin, Board of Supervisors  
Sevet Johnson, Chair, County Executive Office  
Jeff Burgh, Auditor-Controller  
Tiffany North, County Counsel  
Sue Horgan, Treasurer-Tax Collector

County Staff

Scott Powers, County Executive Office  
Clay McCarter, County Executive Office  
Bryan Friedman, County Executive Office  
Joe Pope, Public Works Department  
Joan Araujo, Public Works Department  
Kathleen O'Keefe, Auditor-Controller's Office  
Cynthia Spensieri, Auditor-Controller's Office

Chair Sevet Johnson called the meeting to order at 5:33 p.m. on February 6, 2024.

**1. Public Comment**

No Public Comments were submitted.

**2. Approval of Minutes of the April 11, 2023 Financial Planning Committee Meeting**

Supervisor Long made a motion to approve the minutes and Mr. Burgh seconded the motion. The motion passed.

**3. County Service Area No. 29 North Coast Request for \$1.5 Million Loan from General Fund**

Mr. Pope introduced the \$1.5M CSA 29 North Coast Loan and indicated it would be utilized for 3 distinct purposes: Reimbursement of the CSA 30 and CSA 34 Loans; Payment of the Caltrans Pipeline Project; and Funding for the design costs of a Sewer Modernization Project. Ms. Araujo mentioned that it would also assist with the timing of payment because CSA 29 collects sewer fees via the property tax rolls. Mr. Pope noted that the loan would be up to \$1.5M and would only be drawn on as necessary. Supervisor Parvin inquired if she should have concerns with the disclosure of the Prop 218 protest provisions and if that posed any risk to the rates increases that would be necessary for repayment. Mr. Pope indicated that CSA 29 had no history of rate protests, and that the community was informed about the need for sewer system improvement.

Mr. Burgh made a motion to approve the recommendation and Supervisor Parvin seconded the motion. There was no opposition and the motion passed.

**4. Waterworks District No. 16 Piru Wastewater Treatment Plant Request to Apply for \$812,889 Loan from the California Energy Commission and Approval of a \$1,354,815 Million Cash Flow Loan from Waterworks District No. 38 Lake Sherwood**

Mr. Pope introduced the Waterworks District 16 loan with the California Energy Commission and cash flow loan with Waterworks District Lake Sherwood. He indicated that with recent construction of the Piru Tertiary Treatment facility had increased the energy utilization of Waterworks 16. To reduce that overall impact Public Works is proposing the installation of a solar panel system that will integrate with the existing Telsa Battery Storage already at the facility. This solar installation is eligible for a low interest loan from the California Energy Commission Energy Conservation Assistance Act Loan Program as well as a tax credit under the Inflation Reduction Act. Mr. Pope continued to discuss that the District would not have sufficient funds to cover this project and would need to take out a loan with Waterworks District Lake Sherwood until funds were received.

Supervisor Long inquired to what would occur with the electricity generated if it were in excess of the battery's capacity. Mr. Pope indicated the District was grandfathered in under net metering 2.0, meaning that the District could sell any excess energy generated.

Ms. Horgan inquired to why Lake Sherwood would provide the loan, as opposed to the General Fund. Mr. Pope indicated that Lake Sherwood Waterworks District had a substantial cash balance available, with no intended projects over the next 5 years, so the impact to Lake Sherwood would be neutral. Mr. Powers noted that it was common practice for different water and sanitation districts to provide cash flow loans between each other. Mr. Pope stated that he was only familiar with Intra-District Loans occurring between Community Services Areas (CSAs), and didn't recall any that had occurred between Waterworks Districts.

Mr. Burgh stated that the cash flow loan from Lake Sherwood Waterworks District would be more favorable than a General Fund loan, given the current impact of the Ventura County Medical Center's Interest Free Cash Flow loan has on the overall cash available. He further commented that all of these loans are fully documented and disclosed in the Annual Financial Statements produced by his office.

Mr. Pope noted that, if approved at the Financial Planning Committee, this item would be presented to the Board of Supervisors on February 27<sup>th</sup> for final approval and public notification.

Supervisor Long made a motion to approve and Mr. Burgh seconded the motion. There was no opposition and the motion passed.

**5. Waterworks District No. 1 Moorpark Water Reclamation Facility Request to Apply for a \$1,028,942 Loan from the California Energy Commission**

Mr. Pope introduced the Waterworks District 1 loan request item. He indicated it was of like kind to the previous item discussed in that the District would obtain a loan from the California Energy Commission and Inflation Reduction Act tax credits to install additional solar panels. He clarified that the major difference here is that the District would not require a cash flow loan for purposes of payment and there was sufficient cash available for coverage.

Supervisor Long made a motion to approve the recommendation and Supervisor Parvin seconded the motion. There was no opposition and the motion passed.

**6. Committee Member Comments on Any Other Items**

Ms. Johnson asked the committee if there were any additional comments, and none were noted.

The meeting was adjourned at 5:45 p.m.



## County of Ventura County Executive Office MEMORANDUM

**DATE:** March 26, 2024

**TO:** Financial Planning Committee

**FROM:** Scott Powers, County Executive Office

**SUBJECT:** Approval of a three-year amended and restated \$51 million Revolving Credit Facility (RCF) with Wells Fargo

**Background:** The County has maintained a \$51 million financing program since 1998 to provide flexibility in funding various capital projects. The program is currently administered by Wells Fargo Bank via a Revolving Credit Facility (RCF). This agreement is set to expire on April 16, 2024.

### 1. Extension of the Revolving Credit Facility Agreement with Wells Fargo Bank

**Recommendation:** Approve a three-year amended and restated Revolving Credit Facility Agreement with Wells Fargo Bank with annual interest cost at 80% of Daily Simple Secured Overnight Financing Rate (SOFR) plus the applicable spread of 0.70%. The fee for amounts not drawn is 0.28%.

**Discussion:** To ensure the renewal reflected competitive rates, in February 2024 our Financial Advisor, KNN, conducted a Request for Proposal from a variety of financial institutions. Five entities responded to the Tax-Exempt Revolving Credit Agreement portion of our solicitation. Wells Fargo, the incumbent provider, came forward with the lowest combined applicable spread and undrawn fee. There was a response that was lower in overall cost but came with the caveat of establishing a banking relationship.

Below is a comparative table of current and proposed terms with Wells Fargo Bank:

	Current (Wells Fargo)	Recommended (Wells Fargo)
<b>Amount</b>	\$51,000,000	\$51,000,000
<b>Term</b>	3 Years	3 Years
<b>Index</b>	80% of Daily SOFR	80% of Daily SOFR
<b>Spread to Index</b>	0.42%	0.70%
<b>Utilized Fee</b>	Index + Spread	Index + Spread
<b>Unutilized Fee</b>	0.22%	0.28%

The RFP proposals included a wide range of offers; proposed Indexes range from 79% - 80% SOFR, the applicable spread ranged from 0.41% to 1.72%, and the Unutilized Fee ranged from 0.15% to 0.38%.

## **2. Other Expenditures**

**Recommendation:** Approve estimated expenditures related to the renewal of the Revolving Credit Facility as follows:

- A. Bond Counsel - \$35,000 for legal services
- B. Financial Advisor - \$35,000 for financial advisory services
- C. Other - \$30,000 including, but not limited to, Bank Counsel, fees and other charges