

02/05/19
City Council Meeting

**Handouts received after
agenda posted**



WHCL
STUDENT GOVERNMENT

Join us for a

FOOD DAY

Special Thanks:

Central California Food Bank

CalFresh

WHCL Financial Aid-Financial Literacy

Family Health Care Network

211

WHCL Healthy Bodies, Healthy Minds Initiative

Student Government

Lemoore Middle College High School

~1/23, 2/27, 3/18, 4/24, 5/20, 6/17, No July~

10 AM - until food resources last

West Hills College Lemoore Parking Lot G



WEST HILLS COLLEGE LEMOORE



WEST HILLS COLLEGE LEMOORE

FOOD RESOURCES

For WHCL Students, Staff, and Faculty

Bread Distribution: Every **Tuesday & Thursday** in the
Student Union from 11:30-1p

Short-Term Food: Contact Monica Reynoso at
monicareynoso@whccd.edu

Food Day Check-ins with CalFresh, 211, and Financial
Wellness

~1/23, 2/27, 3/18, 4/24, 5/20~

11 AM -1p in the Student Union

Other Local Food Sources:

<http://www.211kingscounty.org/food-distributions/>

Open to the Community and WHCL:

~1/23, 2/27, 3/18, 4/24, 5/20, 6/17, No July~

10 AM - until supplies last

West Hills College Lemoore Parking Lot G

For more information please contact Monica Reynoso
at monicareynoso@whccd.edu



WEST HILLS
COMMUNITY COLLEGE DISTRICT



HIGH SCHOOL EQUIVALENCY PROGRAM

WHCCD HEP Requirements

Minimum HEP Eligibility Criteria

The High School Equivalency Program helps migrant and seasonal farmworkers and their immediate family members who are 18 years of age or older and not currently enrolled in school to obtain the equivalent of a high school diploma and subsequently to gain employment or begin postsecondary education or training.

A migrant or seasonally employed agricultural worker or their children are eligible for HEP if they meet the following criteria:

Within the past 24 months has worked a minimum of 75 days in migrant or seasonal farmwork;

- a. or has been eligible for, or has participated in a migrant education program;
- b. or in a Work Force Investment Act program for migrant or seasonal farmworkers;

Is at least 18 years of age or over;

Is not currently enrolled in an elementary or secondary school;

Has not earned a secondary school diploma or its equivalency;

Immediate family member means one or more of the following:

(i) A spouse. (Marriage certificate required)

(ii) A parent, step-parent, adoptive parent, foster parent, or anyone with guardianship.

(iii) Any person who--

(A) Claims the individual as a dependent on a Federal income tax return for either of the previous two years, or

(B) Resides in the same household as the individual, supports that individual financially, and is a relative of that individual.

Seasonal farmworker means a person who, within the past 24 months, was employed for at least 75 days in farmwork, and whose primary employment was in farmwork on a temporary or seasonal basis (that is, not a constant year-round activity).

Migrant farmworker means a seasonal farmworker whose employment required travel that precluded the farmworker from returning to his or her domicile (permanent place of residence) within the same day.

Farmwork means any agricultural activity, performed for either wages or personal subsistence, on a farm, ranch, or similar establishment.

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you can go anywhere™***

DISTRICT 9900 Cody Street, Coalinga, CA 93210 (800) 266-1114 www.westhillscollege.com

COALINGA 300 Cherry Lane, Coalinga, CA 93210 (559) 934-2000 www.westhillscollege.com/coalinga

LEMOORE 555 College Ave., Lemoore, CA 93245 (559) 925-3000 www.westhillscollege.com/lemore



West Hills College Huron CDC
WEST HILLS COLLEGE
36602 Central Ave



Huron, CA 93254

Beatriz Torres

HEP Tutor

North District Center

1511 Ninth Street

Firebaugh, CA 93622

Jessica Torres

HEP Tutor

North District Center

1511 Ninth Street

Firebaugh, CA 93622

Get Started

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559-925-3000

WHC Coalinga

myWestHills

WHC Lemoore

Help Desk

Firebaugh NDC

Contact Us

West Hills Foundation

Employment

Accreditation

Disclosures

Board of Trustees Agenda

APPLY TODAY





WEST HILLS COLLEGE

Students interested in applying to HEP may contact any of the following staff



members:

Javier Cazares

HEP Director

javiercazares@whccd.edu

West Hills Community College District

9900 Cody St

Coalinga, CA 93210

Office: (559) 934-2176

Olivia Vega

HEP Advising Specialist

oliviavega2@whccd.edu

North District Center

1511 Ninth Street

Firebaugh, CA 93622

Office: (559) 934-2981

Adriana Flores

HEP Instructor

adrianaflores@whccd.edu

West Hills College Coalinga

300 Cherry Ln

Coalinga, CA 93210

Marcelo Aguilar

HEP Instructor

marceloaguilar@my.whccd.edu

West Hills College Huron CDC

36602 Central Ave

Huron, CA 93234

Lila Duran

HEP Instructor's Aide

dellaniraduran@whccd.edu

HEP recruiter/camp recruiter
559-934-2902

Jesús delgadillo @whccd.edu

Whccd HEP

APPLY NOW



[Home](#) / [Lemoore](#) / [Resources](#) / [Student Support](#) / [High School Equivalency](#)

High School Equivalency

The High School Equivalency Program (HEP) helps migrant and seasonal farmworkers and their immediate family members who are 18 years of age or older and not currently enrolled in school to obtain the equivalent of a high school diploma. HEP also provides assistance to participants to further their education and knowledge so they may qualify for more rewarding employment, enroll in vocational or technical schools, two-year community colleges, four-year universities or military services.

El Programa Equivalente a la Escuela Secundaria (HEP)

El Programa Equivalente a la Escuela Secundaria (HEP) ayuda a migrantes y a trabajadores del campo temporales y a sus miembros de familia más cercanos de la edad de 18 años o mayores los cuales no están actualmente matriculados en la escuela a obtener lo que es equivalente a un diploma de Secundaria. HEP también proporciona asistencia a participantes para que avancen en su educación y conocimiento, para que de esa manera puedan calificar a empleos más gratificantes, puedan matricularse en escuelas profesionales o técnicas, colegios comunitarios de 2 años, universidades de 4 años o ingresar al servicio militar.

HEP is funded through a grant from the U.S. Department of Education, Office of Migrant Education.

Eligibility Criteria



The High School Equivalency Program helps migrant and seasonal farmworkers and their immediate family members who are 18 years of age or older and not currently enrolled in school to obtain the equivalent of a high school diploma

and provides assistance to participants to help them gain employment or to begin postsecondary education or training.

APPLY NOW



A migrant or seasonally employed agricultural worker or their immediate family members are eligible for HEP if they meet the following criteria:



1. Within the past 24 months has worked or has an immediate family member who has worked a minimum of 75 days in migrant or seasonal farmwork; this includes any activity directly related to the production of crops, dairy products, poultry, livestock, cultivation or harvesting of trees and fishery.
2. OR has been eligible for or has participated in a high school Migrant Education Program and obtained a Certificate of Eligibility (COE);
3. OR has participated in or is eligible for programs under the Workforce Investment Act for migrant and seasonal farm workers (WIA Section 167);
4. Is at least 18 years of age or over;
5. Is not currently enrolled in an elementary or secondary school;
6. Has not earned a U.S. secondary school diploma or its equivalency.

Application Forms



- HEP Grant WHCCD Application
- Eligibility Requirements (English)
- Eligibility Requirements (Spanish)
- Student Orientation Contract
- Autobiographical Statement/Autobiografia
- Field Trip/Excursion Notice And Medical Authorization
- Media Release Form
- HEP Applicant Interview
- Certification Form
- High School Release Form (Students Under 18 Years of Age)
- Eligibility Verification Form
- Educational Plan Form
- Advising Record Form
- HEP Medical Form

Staff Members



APPLY NOW



WEST HILLS
COMMUNITY COLLEGE DISTRICT



HIGH SCHOOL EQUIVALENCY PROGRAM

Instructions for HEP Admission Consideration

1. Complete an Application Packet for Admission

- ✓ Include copy of valid ID (U.S. or foreign ID is acceptable)

2. Write an autobiography (1 page minimum)

Include:

- ✓ Your family background;
- ✓ Type of farm work you and/or your parents performed;
- ✓ Why you want to be a HEP student;
- ✓ Goals you want to achieve after you receive your GED, include your interests & career expectations;
- ✓ Any other information about yourself or your family that you believe is important for the admissions committee to know.

3. Provide ONE form of documentation of you or your family's migrant or seasonal farm worker status.

- ✓ Check stubs that prove you or your parent/guardian have spent a minimum of 75 days during the past 24 months as a migrant or seasonal farm worker. (Include any work directly related to the production of crops, dairy products, poultry, fish, plants, livestock, cultivation/harvesting of trees.) YTD on check stubs must be \$7000 minimum.
- ✓ Tax returns within the past 24 months. Earnings must be \$7000 minimum.
- ✓ COE: Certificate of Eligibility (migrant status in high school)
- ✓ WIA 167 Program (JTPA 402)
- ✓ Employment Verification Form

4. Schedule an eligibility testing session with HEP staff as soon as the required documentation has been submitted.

If you have any questions, please call West Hills College HEP Program

Javier Cazares—HEP Director
JavierCazares@whccd.edu
559-934-2176

Olivia Vega—HEP Advisor
Oliviavega2@whccd.edu
559-934-2981

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LEMOORE 555 College Ave., Lemoore, CA 93245 (559) 925-3000 www.westhillscollge.com/lemore



High School Equivalency Program
Eligibility Verification Form

HEP STUDENT INFORMATION

Completed by HEP Staff Only

Name: _____
Student ID or SSN _____
E-mail: _____

Grant Year: _____
Date of Birth: _____
HSE Completion Date _____
HSE Certificate Number _____

Student Contact Info:

Address: _____ City: _____ Zip: _____
Home Phone: _____ Cell Phone: _____

Gender: ☐ Male ☐ Female

Entrance/Official Test Scores/Date:

Reading: _____ / _____ Writing: _____ / _____ Math: _____ / _____
Science: _____ / _____ Social Studies: _____ / _____

Qualified under:

- ☐ Migrant/Seasonal Farmworker
- ☐ Applicant
 - ☐ Parents or legal guardian
 - ☐ Spouse/Partner/Dependent
 - ☐ Immediate Family Member - Relationship: _____
- ☐ Title 1C Migrant Education Program
- ☐ Workforce Investment Act 167 Program (WIA 167)

Applicant must submit all items before being selected:

Submitted

1. HEP Application ☐
2. Proof of Eligibility i.e. Check Stubs, W-2 forms, Certification Form, MEP Certificate of Eligibility, WIA etc. ☐
3. Picture ID ☐
4. Media Release Form/Medical Authorization Form ☐
5. FERPA Release Form ☐
6. Student Orientation Contract/Interview ☐
7. 12 Hours of Classroom HSE Instruction – Date of Completion _____ ☐

Additional comments: _____

Candidate Approved

Completed by HEP Director

☐ Yes ☐ No

Signature: _____ Date: _____

Water and Wastewater Master Plans Update

February 5, 2019

WATER
OUR FOCUS
OUR BUSINESS
OUR PASSION



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Engineers...Working Wonders With Water®

Agenda

- Goals and objectives
 - Master Plans
 - Tonight's Meeting
- Results
 - Water
 - Collection System
 - Wastewater Treatment
- Capital improvement plans

Goals and objectives – Master Plans

- Determine the necessary capital and maintenance improvements for the water and sewer systems
- Evaluate discharge alternatives for the wastewater treatment plant effluent
- Determine potential recycled water demands
- Evaluate treatment alternatives for a new wastewater treatment plant

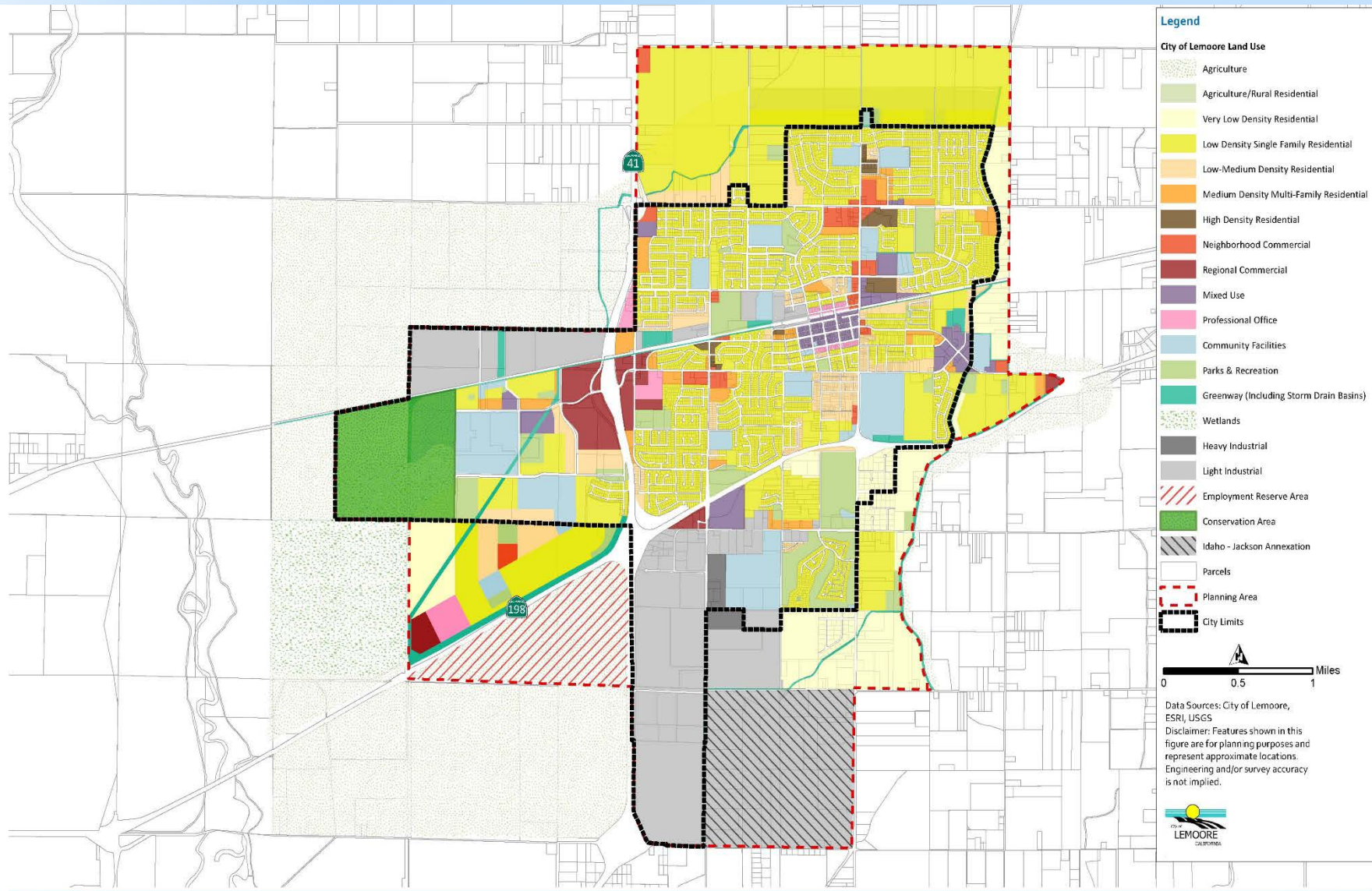
Goals and objectives – Meeting

- Review the results of the master planning effort
 - Water
 - Collection system
 - Wastewater Treatment
- Review the prioritized capital improvement plans

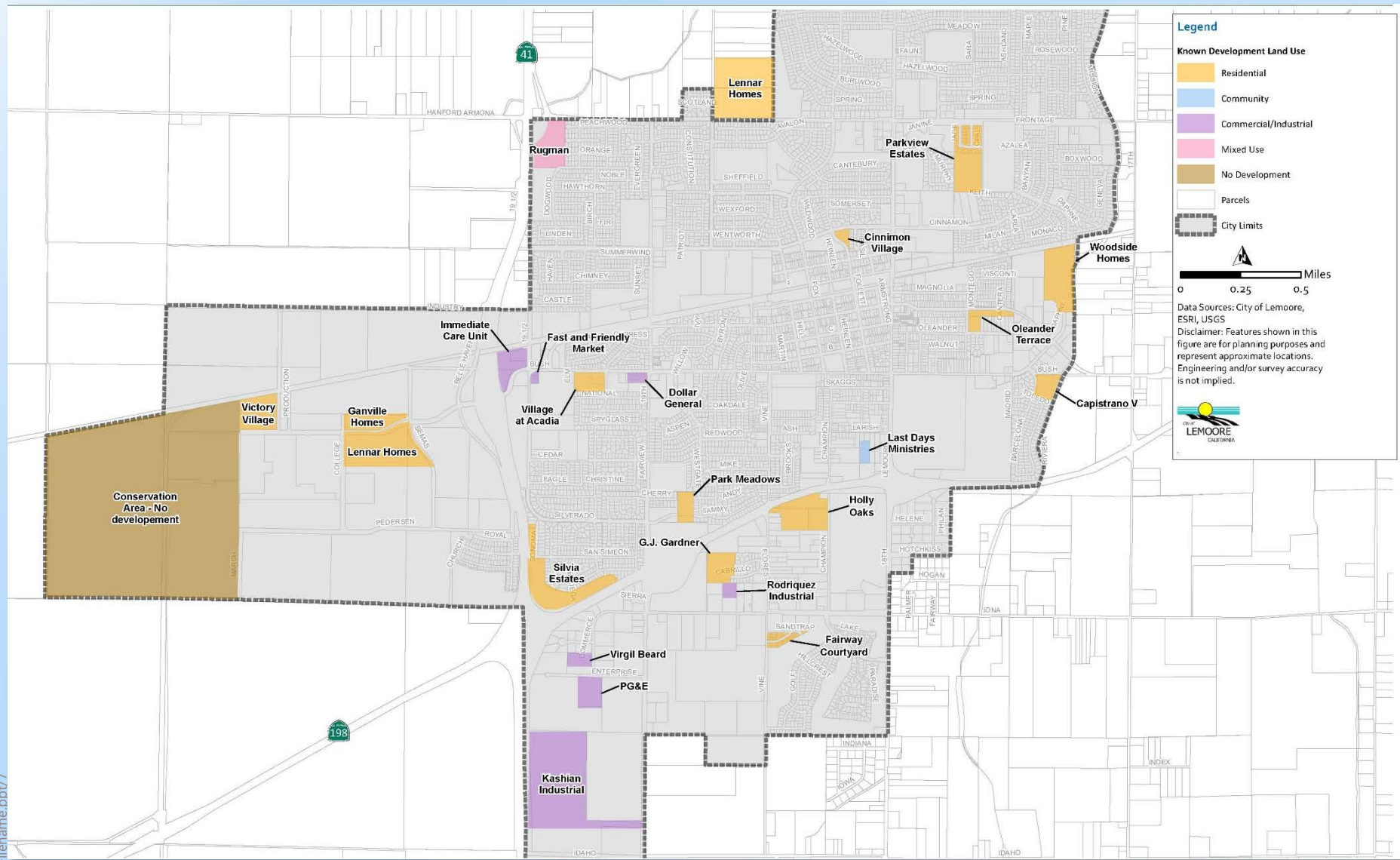


Water Master Plan

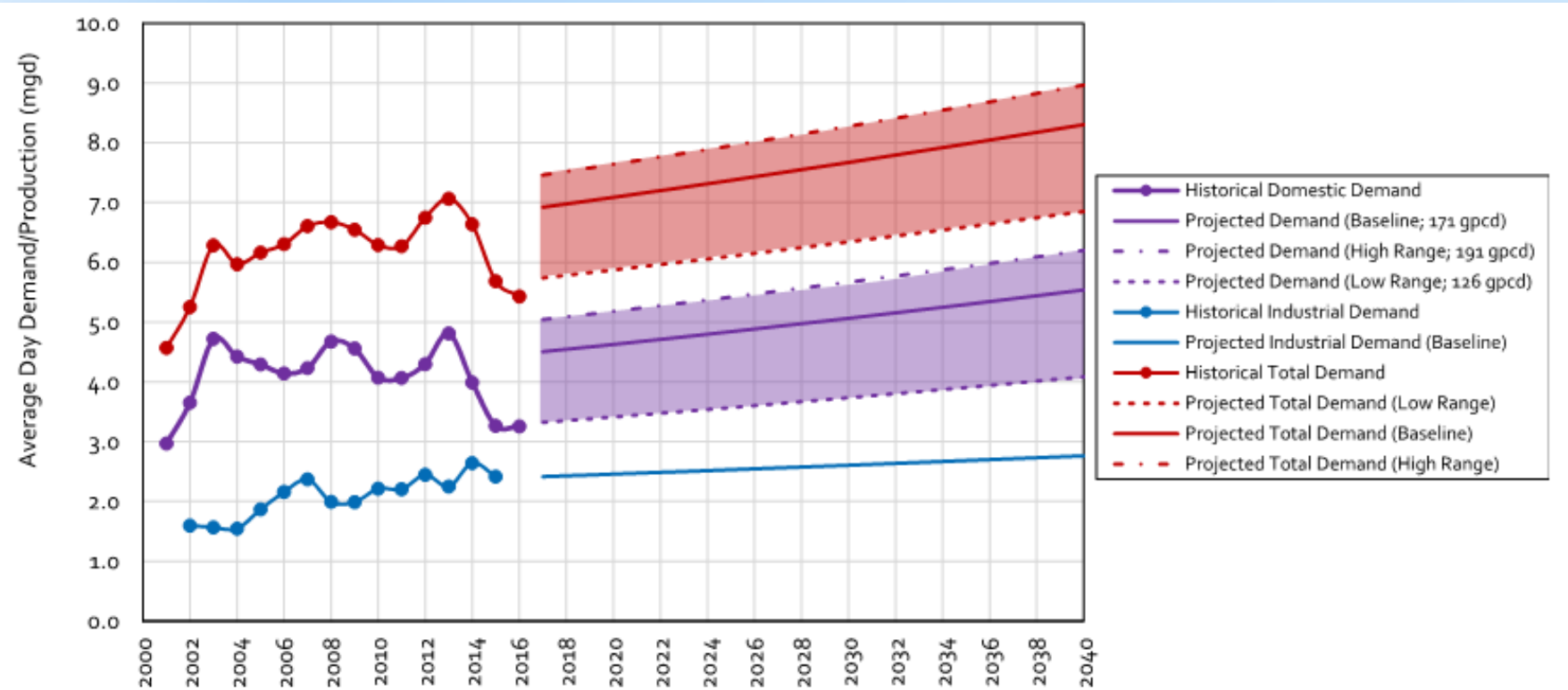
Work consistent with other planning efforts



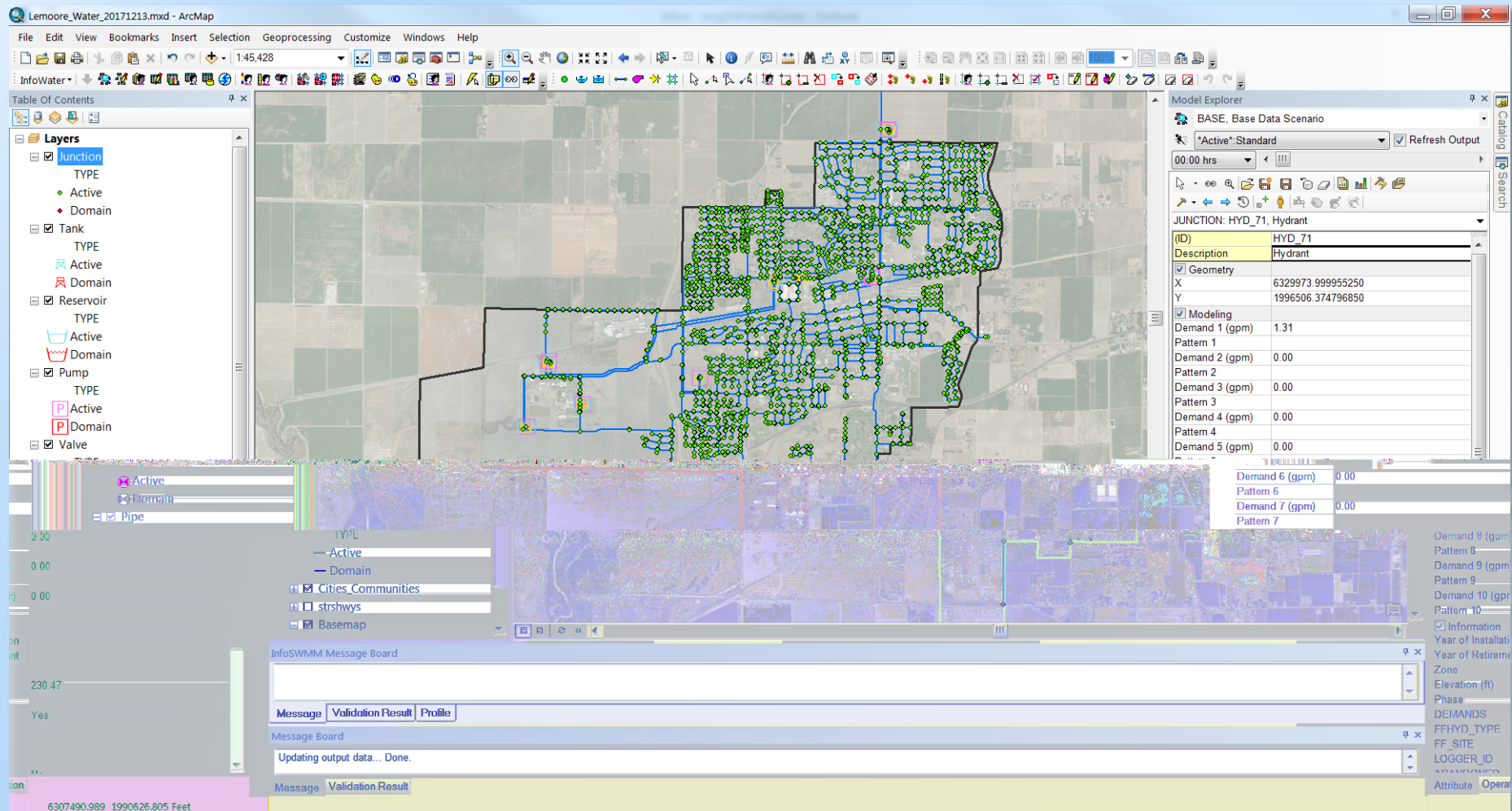
Worked with staff to identify specific growth areas



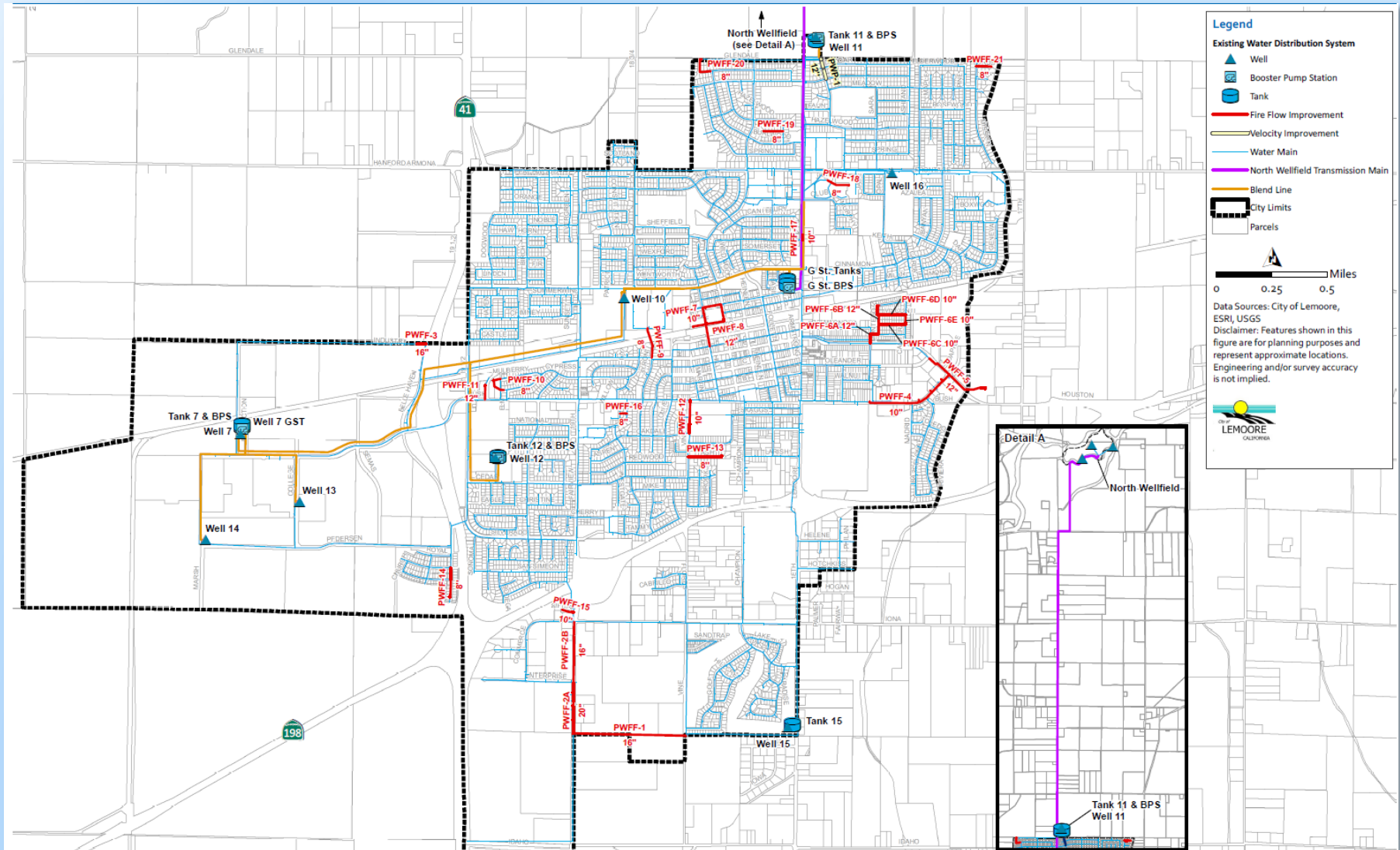
A range of future water demands for the City was determined



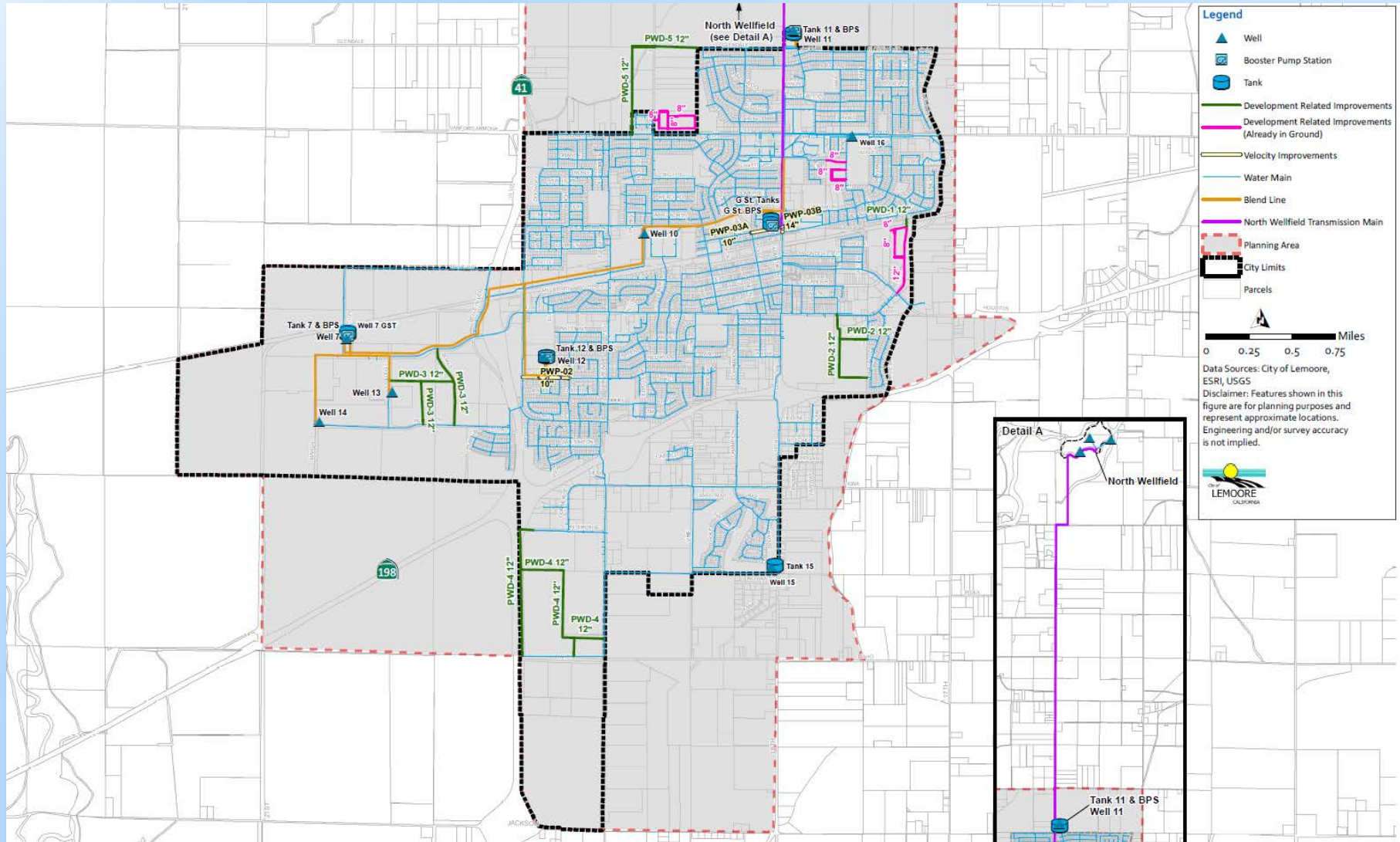
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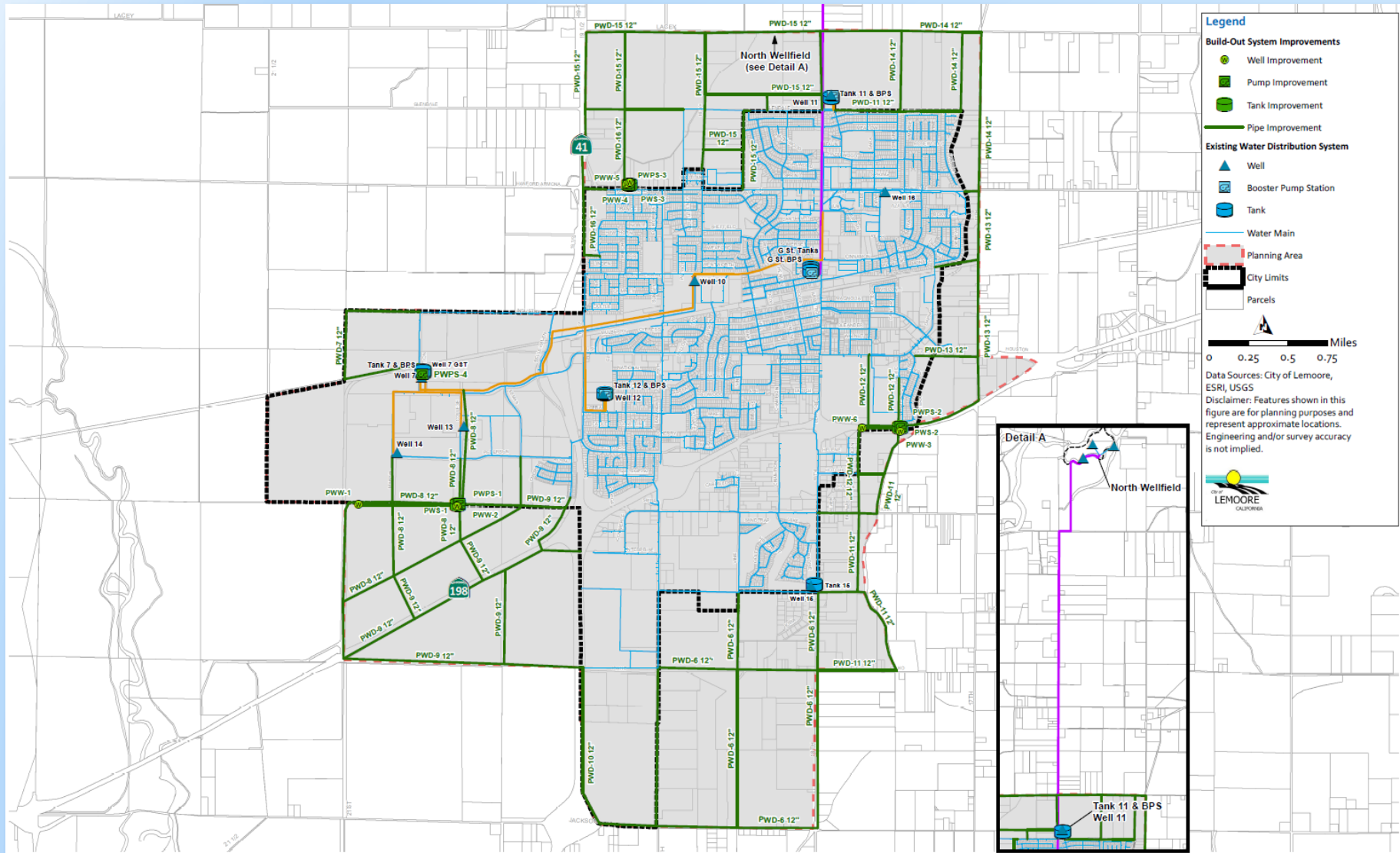
Planned projects were included in the existing system evaluation



Improvements through 2040 driven by development



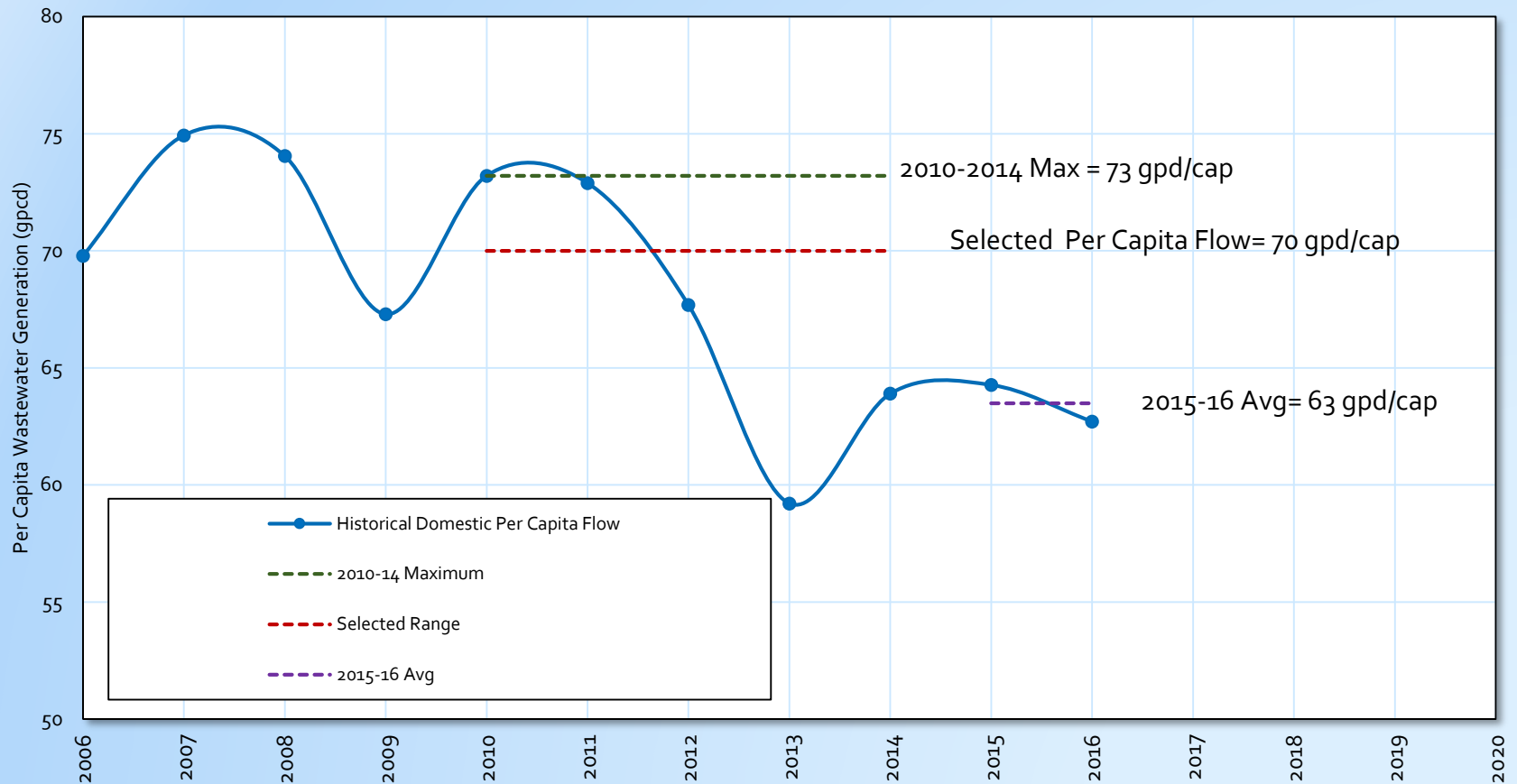
Storage and supply improvements needed at build-out



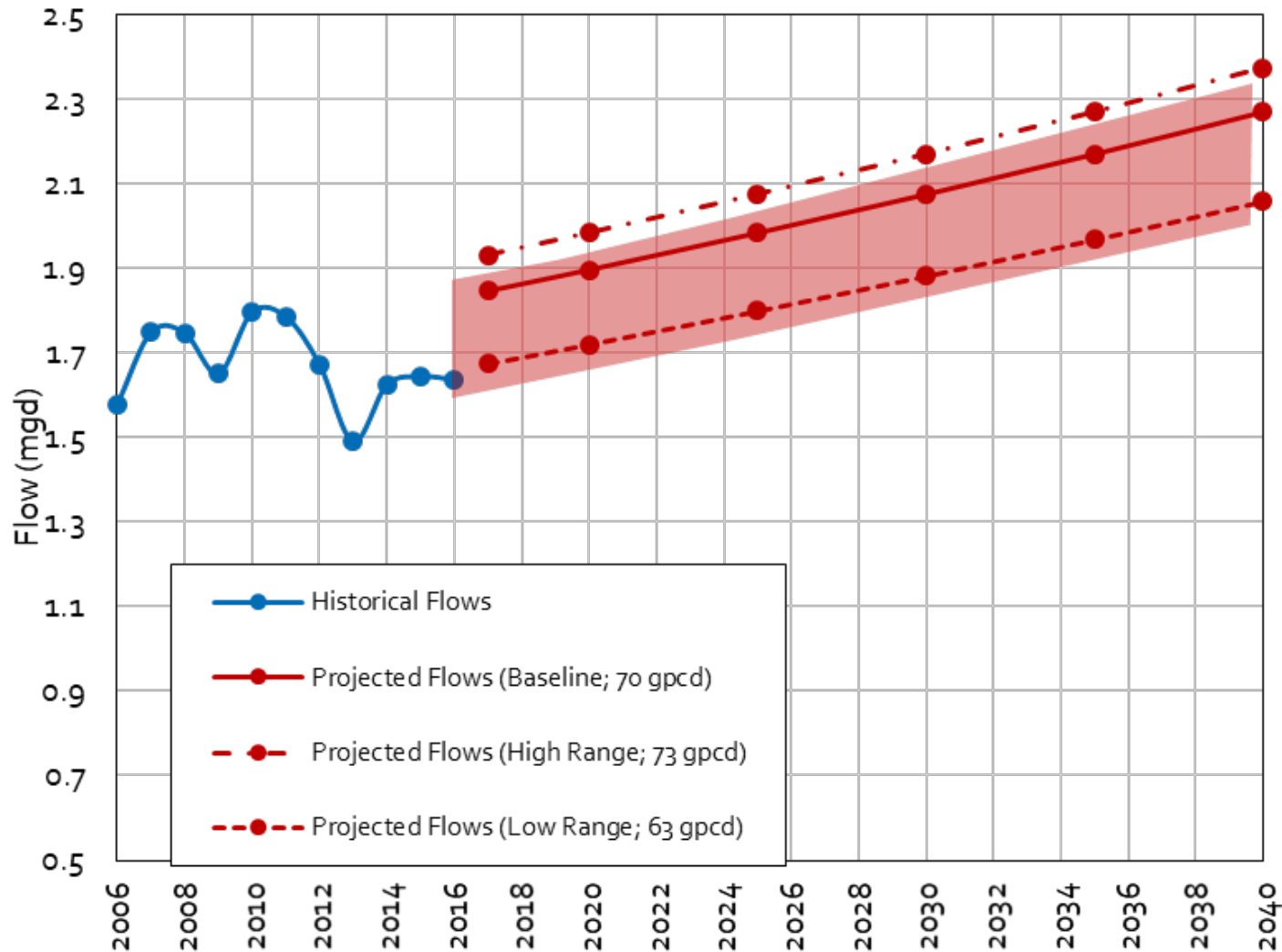


Collection System Master Plan

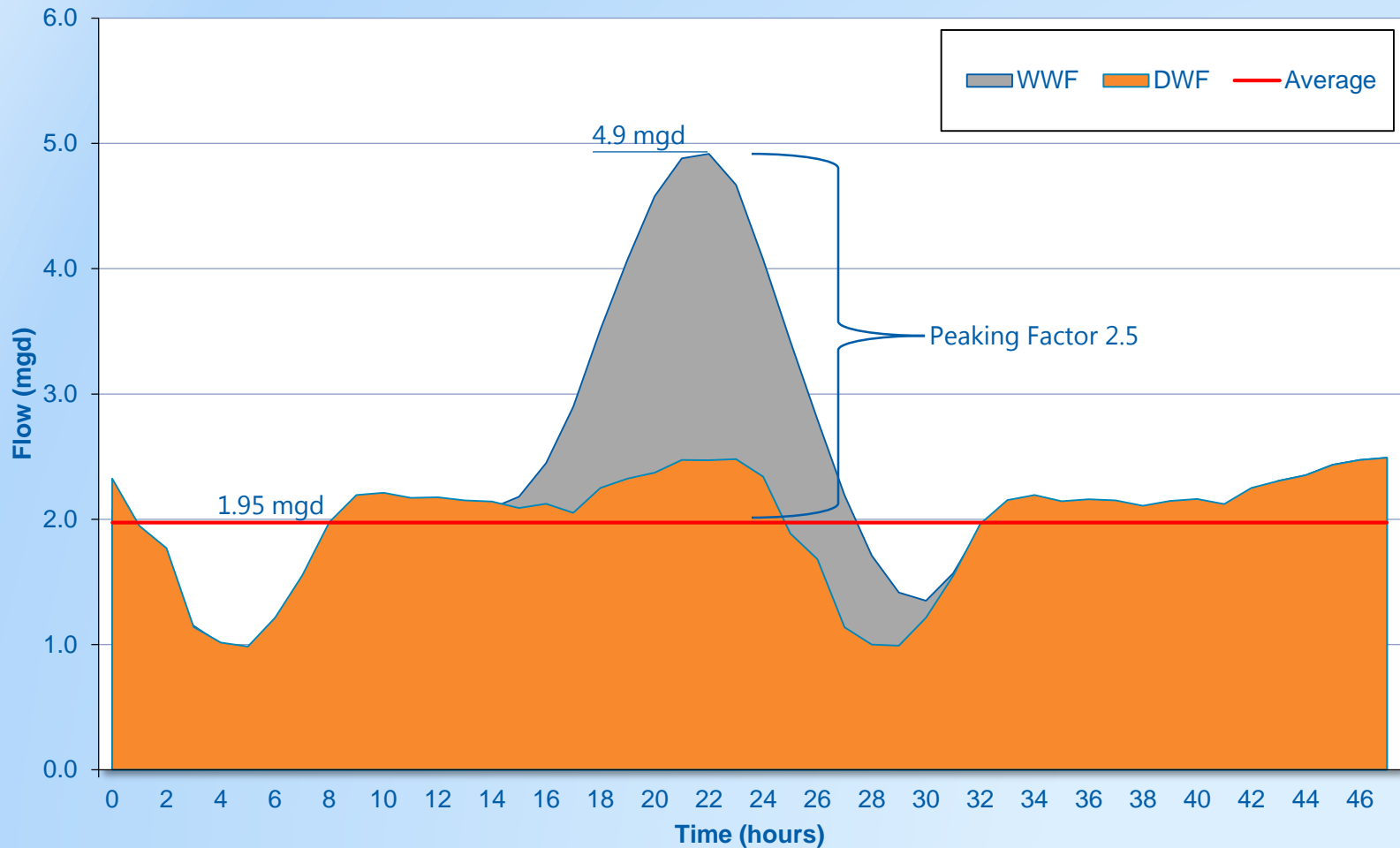
Declining wastewater flows consistent with water usage



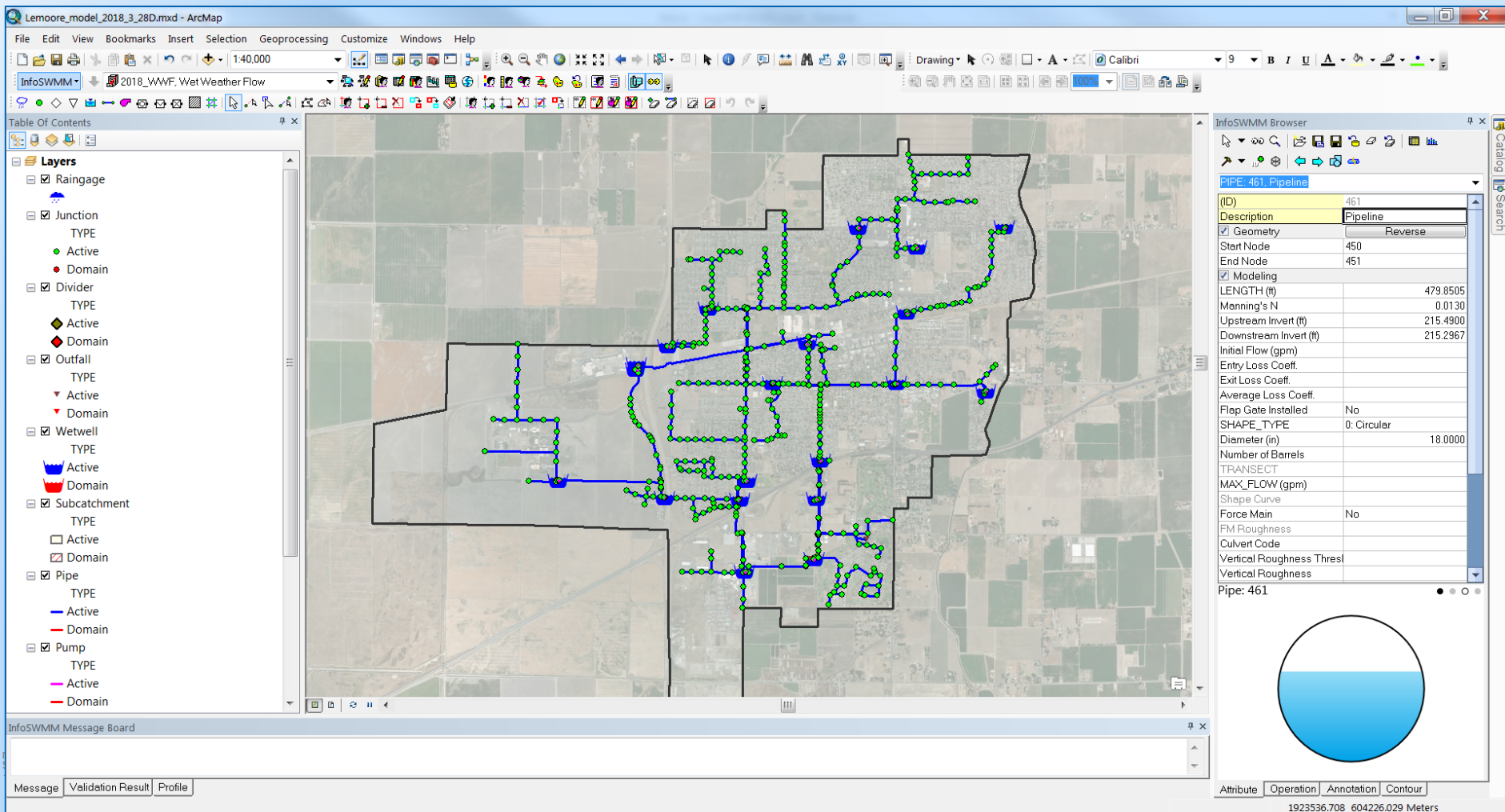
Future wastewater flows were also based on historical trends



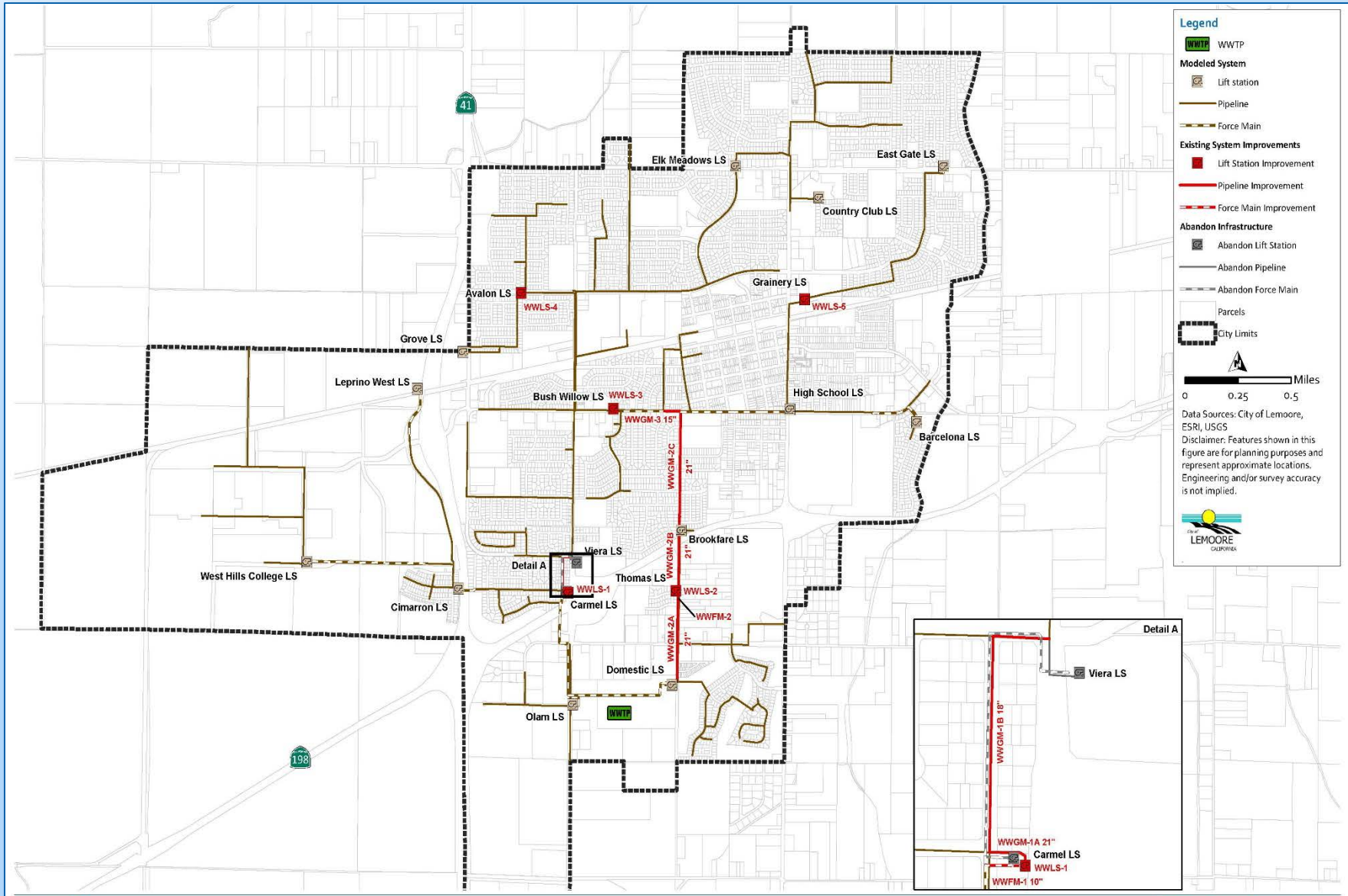
Infrastructure capacity determined using future peak hour flows



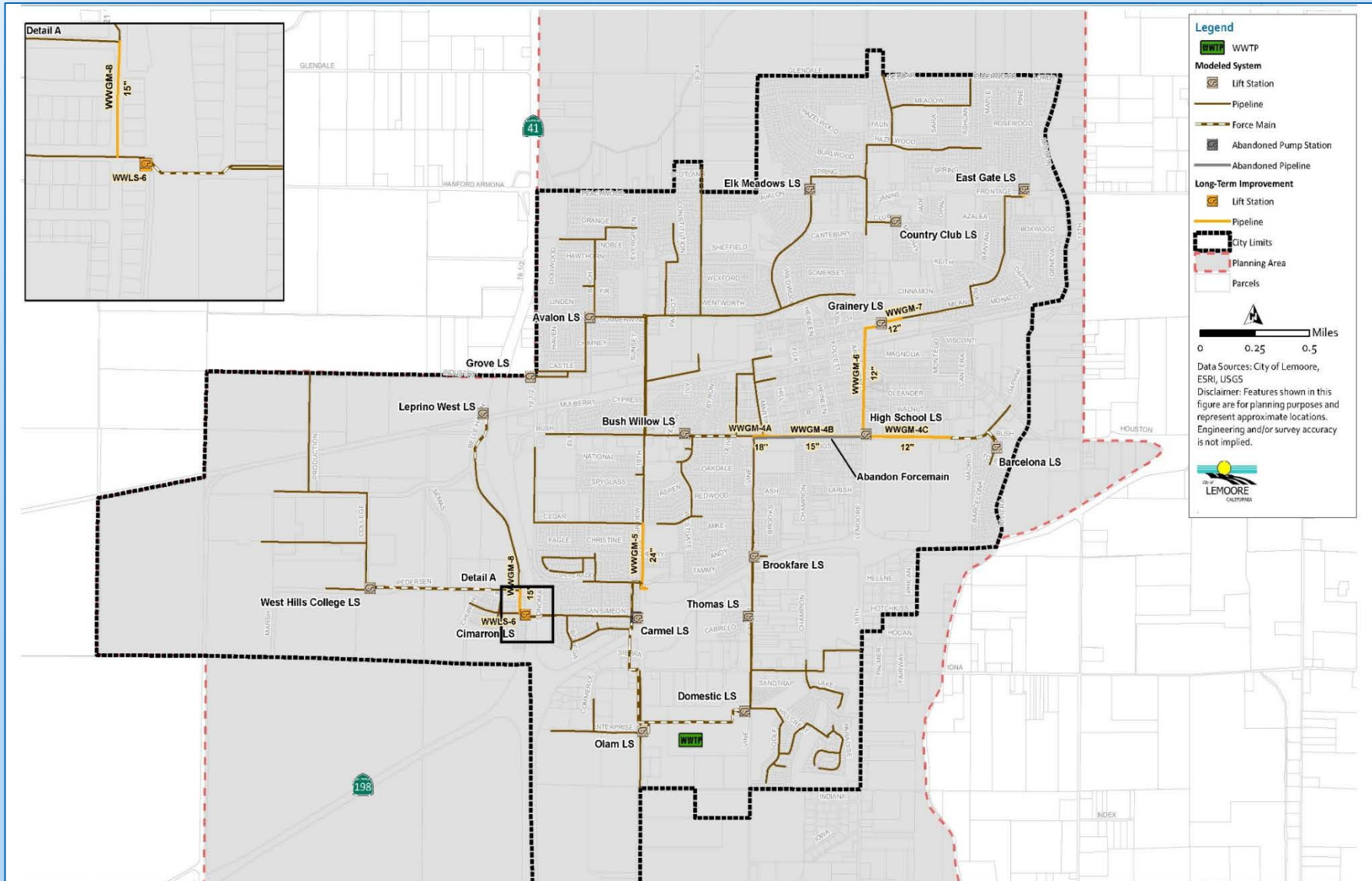
Peak flows were applied to the collection system model to identify deficiencies



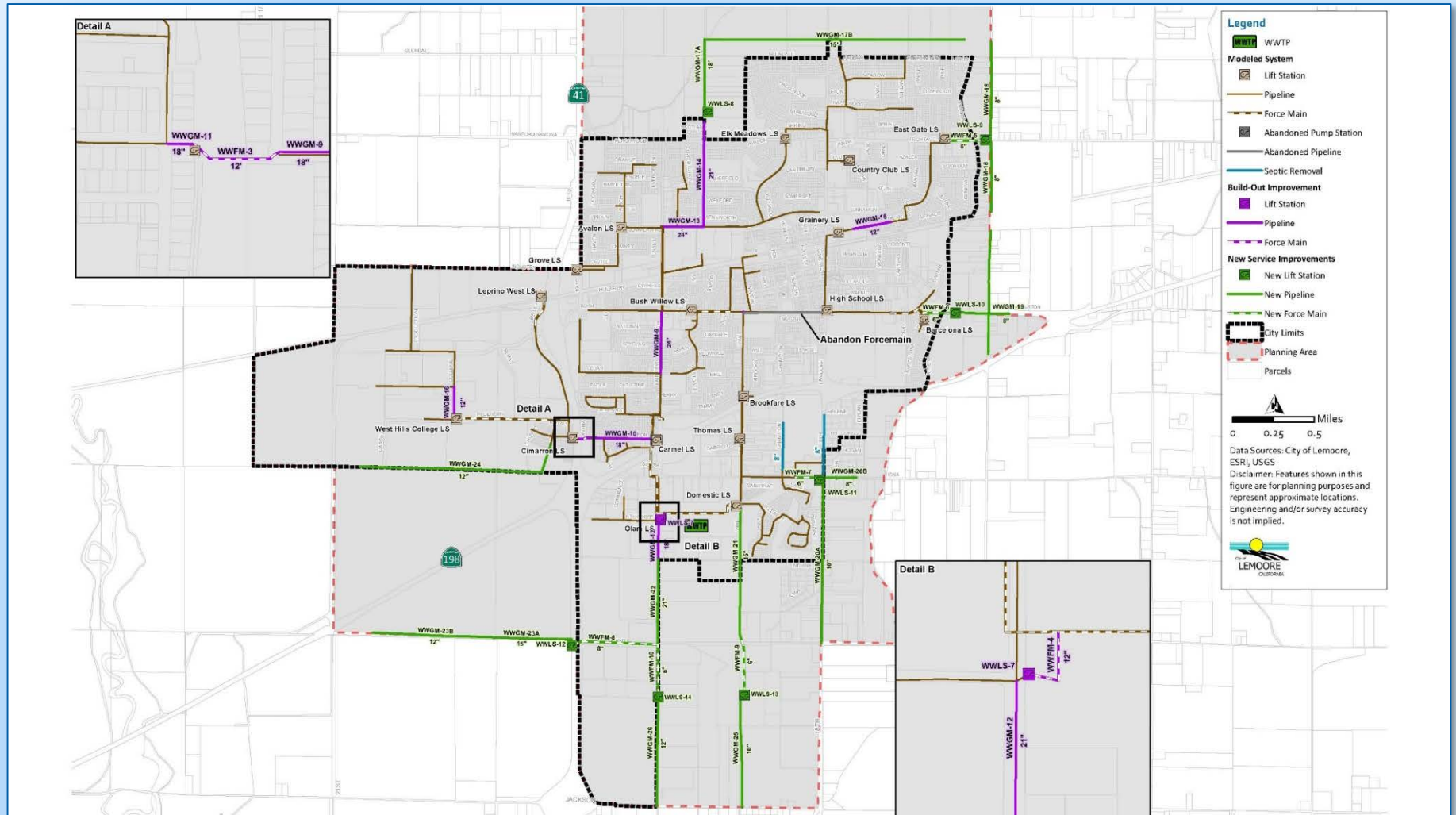
Deficiencies under existing conditions were found system wide



Improvements to gravity mains through 2040



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Wastewater Treatment Evaluation

Current regulatory drivers

- Wastewater Pollutants (State)

- Solids
 - Organics
 - Nutrients (N)
 - Salinity
- } Stricter Limits
- } New
- } Historical



Solids Disposal

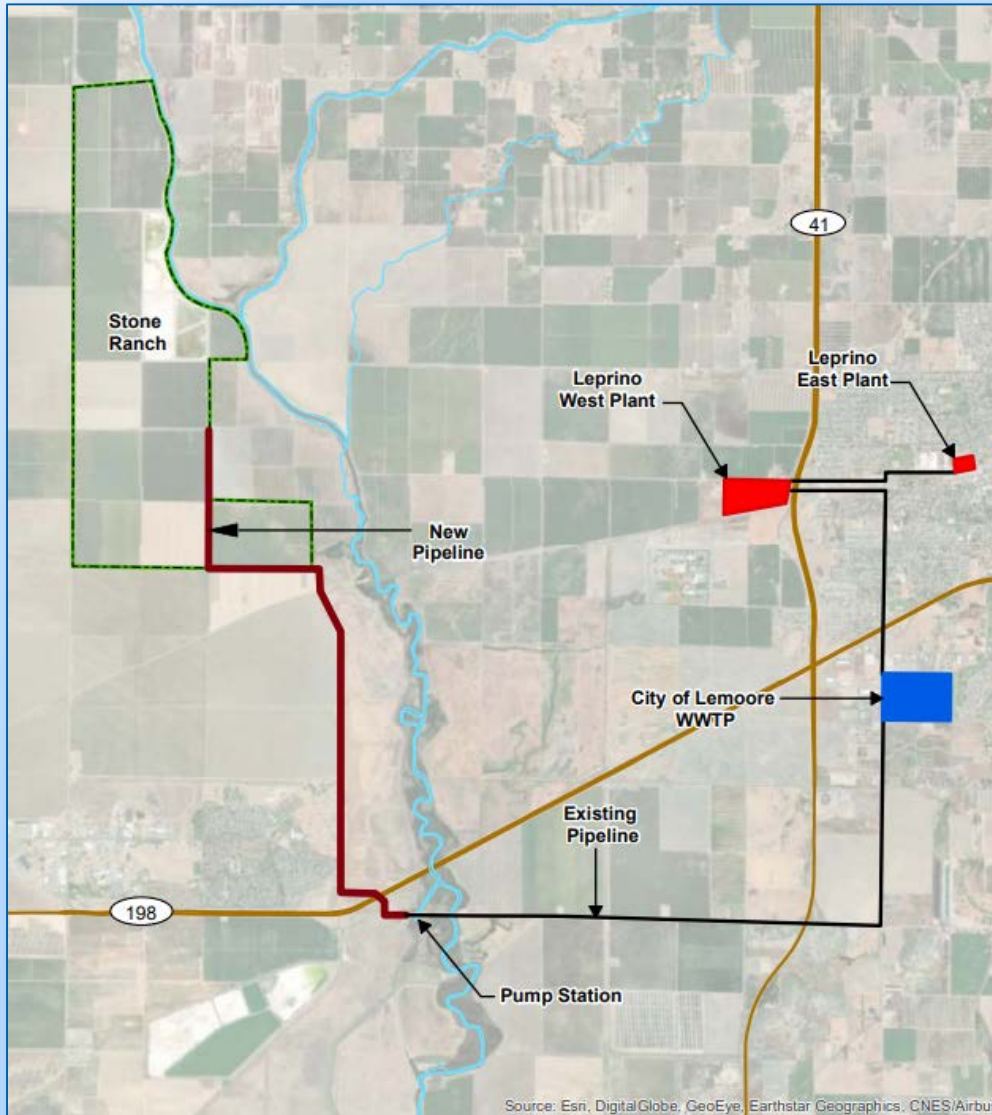
- Stricter requirements

Recycled Water

- Drought
- Recycled water policy

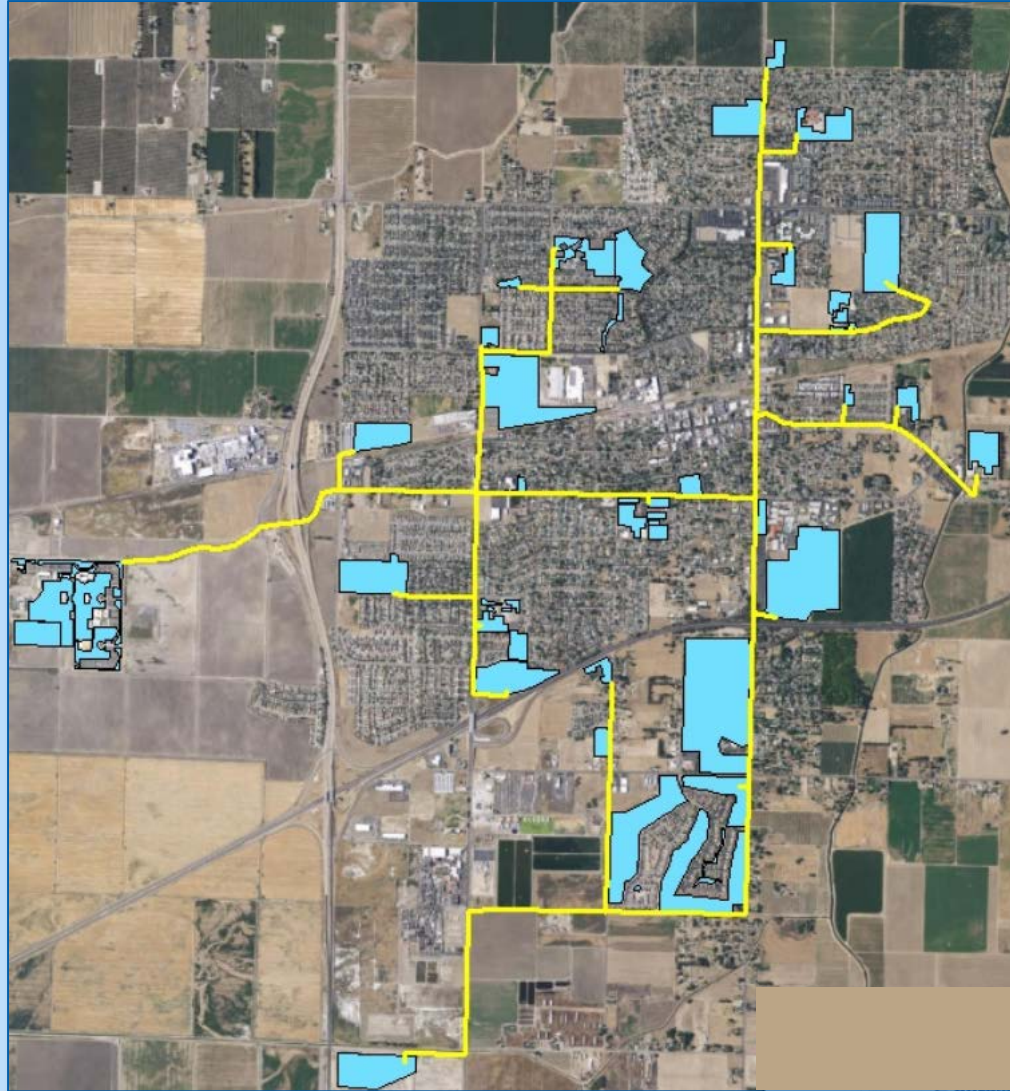


New discharge location provides the City flexibility and time for a long-term strategy



- Previous WDR set discharge limits for EC leading to TSO
- City committed to current effluent quality

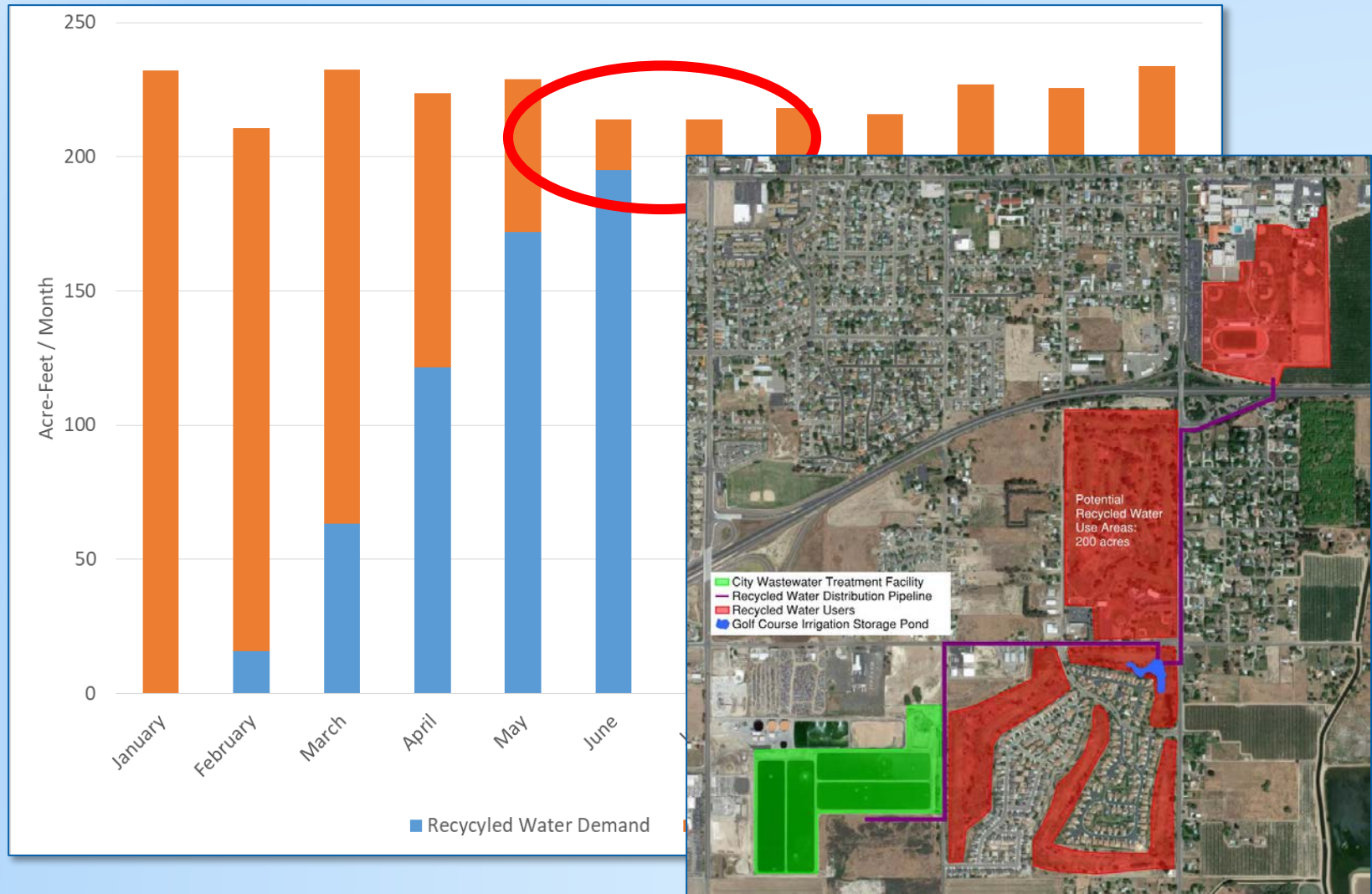
Potential recycled water users and conceptual pipeline routing was determined



Recycled water demands were identified throughout the City

- 23 potential users
 - Parks
 - Schools
 - Golf course
- Demand
 - 427 acres (2,640 AFY)
 - 100 percent of future wastewater generation (2040)
- Largest demands
 - Golf course (900 AFY, 145 acres)
 - West Hills College (310 AFY, 50 acres)

Users limited based on recycled water availability and proximity



Water quality poses challenges for recycled water implementation

Parameter	Units	Degree of Use Restriction ^(1, 2)			City Effluent ⁽³⁾
		None	Slight	Severe	
Salinity					
Electrical Conductance	ds/m	<0.7	0.7-3.0	>3.0	1.2
Total Dissolved Solids (TDS)	mg/L	<450	450-2000	>2000	710
Permeability					
aSAR = 0 - 3 and EC		>0.7	0.7-0.2	<0.2	
= 3 - 6 and EC		>1.2	1.2-0.3	<0.3	
= 6 - 12 and EC		>1.9	1.9-.5	<0.5	
= 12 - 20 and EC		>2.9	2.9-1.9	<1.9	
= 20 - 40 and EC		>5.0	5.0-2.9	<2.9	aSAR=22; EC=1.2
Sodium					
Root Absorption	SAR	<3	3-9	>9	16.3
Foliar Absorption	mg/L	<70	>70		210
Chloride					
Root Absorption	mg/L	<140	140-355	>365	117
Foliar Absorption	mg/L	<100	>100		117
Boron	mg/L	<0.7	0.7-3.0	>3.0	0.82
pH	–	6.5-8.4 (normal range)			7.7
Total Nitrogen (N) ⁽⁴⁾	mg/L	<5	5-30	>30	8
Bicarbonate (HCO ₃) ⁽⁵⁾	mg/L	<90	90-500	>500	450

Need for demineralization makes recycled water cost prohibitive

- **Alternative 1**

- Mineral content not detrimental (no RO required)

- **Alternative 2**

- Demineralization required and brine discharged to Stone Ranch (permitting challenges)

- **Alternative 3**

- Demineralization with brine disposal (i.e., evaporation ponds)

Parameter	Alternative 1		Alternative 2		Alternative 3	
	Process	Construction Cost	Process	Construction Cost	Process	Construction Cost
Filtration	Cloth Media	\$1,980,000	MF/UF	Included with RO	MF/UF	Included with RO
Demineralization	--	--	RO	\$16,400,000	RO	\$16,400,000
Disinfection	UV	\$3,820,000	UV	\$3,820,000	UV	\$3,820,000
Brine Disposal	N/A	--	To Stone Ranch	--	Evap. ponds	\$45,170,000
Total		\$5,800,000		\$20,220,000		\$65,390,000

Secondary treatment process is the heart of the new WWTP

Parameter	CAS with MLE	Oxidation Ditch	MBR
Capital Construction Costs ⁽¹⁾	\$24,580,000	\$22,650,000	\$29,560,000
Comparative Annual O&M Costs ⁽²⁾	\$235,400	\$206,000	\$468,100
Present Worth of Comparative 20-year O&M Cost ⁽³⁾	\$3,334,000	\$2,835,000	\$6,629,000
Present Worth of Comparative Life-Cycle Cost ⁽⁴⁾	\$27,914,000	\$25,485,000	\$36,189,000

Parameter	CAS with MLE	Oxidation Ditch	MBR
Safety	2	2	1
Meets Permit	3	3	3
Ease of O&M	2	3	1
Constructability	2	2	3
Reliability	3	3	3
Ammonia Removal	3	3	3
Odor	2	2	3
Total	17	18	17

Notes:

(1) Criteria Scale: 1 (Least Favorable) to 3 (Most Favorable)

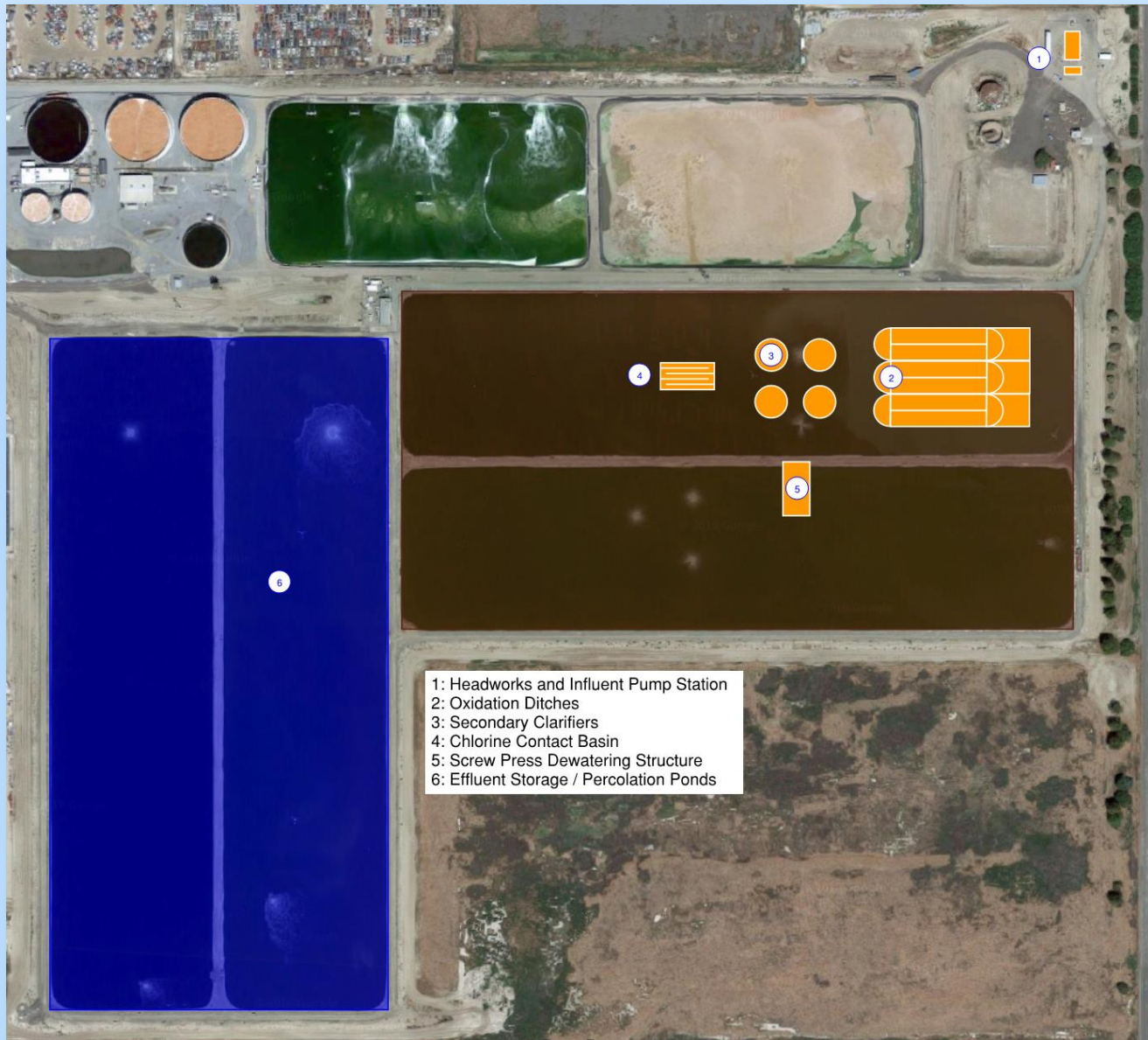
Recommended project construction costs for a new secondary facility

Process	Capital Construction Cost ⁽¹⁾	Annual O&M Cost ⁽²⁾	Present Worth 20-year O&M Cost ⁽³⁾	Present Worth Life Cycle Cost ⁽⁴⁾
Headworks	\$6,010,000	\$58,600	\$807,000	\$6,817,000
Oxidation Ditch with Secondary Clarifiers	\$22,650,000	\$206,000	\$2,835,000	\$25,485,000
Chlorine Contact Basin	\$4,970,000	\$108,600	\$1,495,000	\$6,465,000
Screw Press	\$4,410,000	\$239,200	\$3,292,000	\$7,702,000
Pond Demolition	\$2,710,000	--	--	\$2,710,000
Effluent Pump Station	\$740,000	\$47,100	\$649,000	\$1,389,000
Total	\$41,490,000	\$659,500	\$9,078,000	\$50,568,000

Notes:

- (1) Cost estimate is based on 2018 costs and includes 30 percent estimating contingency. See Appendix S for capital cost item details for each alternative.
- (2) Annual Operation & Maintenance costs unique to each alternative were developed. See Appendix S for a summary of O&M cost details.
- (3) Present worth is based on a 20-year life, a discount rate of 6 percent, and an inflation rate of 3 percent.
- (4) Present worth of life cycle cost is equal to the sum of capital costs and present worth of 20-year O&M cost.

Recommended facility layout



- 1: Headworks and Influent Pump Station
- 2: Oxidation Ditches
- 3: Secondary Clarifiers
- 4: Chlorine Contact Basin
- 5: Screw Press Dewatering Structure
- 6: Effluent Storage / Percolation Ponds



Capital Improvement Plan

Project Prioritization

- Factors Based on:
 - Upgrade existing facilities to mitigate current capacity deficiencies.
 - Upgrade existing facilities to accommodate increased water demands or wastewater flows associated with long term planning (2040)
- *Project Phasing*
 - *Phase 1 (2019-2023)*: This phase includes projects that are targeted as highest priority existing improvements.
 - *Phase 2 (2024-2028)*: This phase includes medium priority existing improvements.
 - *Phase 3 (2029-2040)*: This phase includes low priority existing improvements, as well as projects triggered by growth that is expected to occur by the year 2040.
 - *Phase 4 (2041 and beyond)*: This phase includes improvements related to ultimate buildout of the City.

Capital Improvement Plan-Water Distribution

Project Type	Project Cost Phasing		
	(2019–2023) (\$M)	(2024–2028) (\$M)	(2029–2040) (\$M)
Waster Distribution System			
Capacity Related	4.5	1.7	7.8
Rehab and Replacement Program	0.5	0.5	1.2
Miscellaneous Projects	0.15	0.15	0.3
Total	5.2	2.4	9.3
Annual Cost	1.0	0.5	0.8

Capital Improvement Plan-Collection System

Project Type	Project Cost Phasing		
	(2019–2023) (\$M)	(2024–2028) (\$M)	(2029–2040) (\$M)
Wastewater Collection System			
Conveyance Capacity	12.2	2.5	10.6
Annual Sewer Replacement Program	0.5	0.5	1.2
Miscellaneous Projects	0.15	0.15	1.3
Total	12.8	3.2	13.1
Annual Cost	3.2	0.8	1.2

Capital Improvement Plan-Collection System

Project Type	Project Cost Phasing		
	(2019–2023) (\$M)	(2024–2028) (\$M)	(2029–2040) (\$M)
Wastewater Treatment			
Design	0.0	5.1	0.0
Construction	0.0	0.0	45.5
Total	0.0	5.1	45.5
Annual Cost	0.0	1.0	3.8



Next Steps

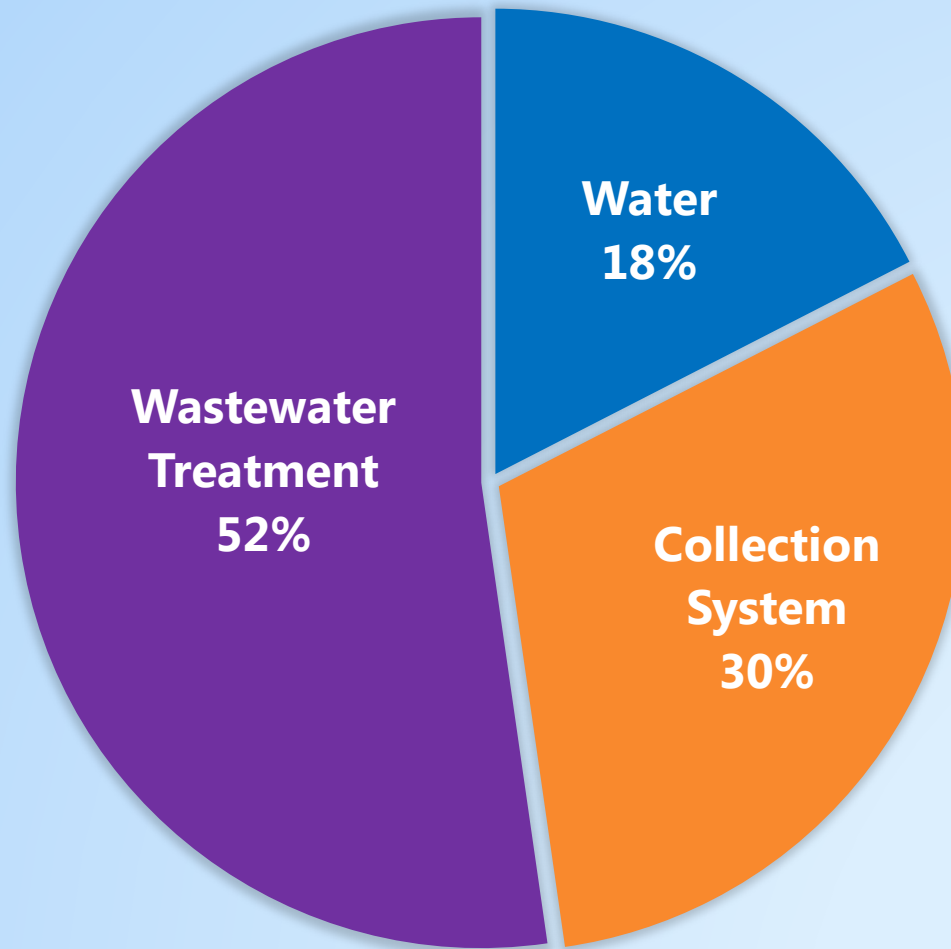


Questions



Bullpen

Capital Improvement Plan-Combined



New WDR for Stone Ranch brings City and Leprino into compliance

Table 1 - Lemoore WWTF & Leprino Effluent Water Quality

<u>Constituents</u>	<u>Units¹</u>	<u>WWTF Effluent</u>	<u>Leprino Effluent</u>	<u>Combined Effluent</u>
Electrical Conductivity	umhos/cm	1,190 (994 – 1,616)	2,691 (1,886 – 3,960)	2,133 (1,140 – 2,702)
Biochemical Oxygen Demand	mg/L	28 (5.4 – 73)	11 (1 – 45)	12 (1.3 – 38)
Total Suspended Solids	mg/L	42 (1 – 160)	15 (1 – 98)	24 (6.6 – 120)

¹ umhos/cm = micromhos per centimeter, mg/L = milligrams per liter.

Table 12 – FDS:TDS Ratios

<u>Wastewater Source</u>	<u>EC (µmho/cm)</u>	<u>TDS (mg/L)</u>	<u>FDS (mg/L)</u>	<u>FDS:TDS Ratio</u>
Combined Effluent	2,063	1,405	1,093	0.77
Leprino Effluent	2,670	1,736	1,331	0.77

B. Effluent Limitations

<u>Constituent</u>	<u>Units</u>	<u>Annual Average</u>	<u>Monthly Average</u>	<u>Daily Maximum</u>
BOD ₅ ¹	mg/L	---	40	80
TSS ²	mg/L	---	40	80
FDS ³	mg/L	1,400	---	---

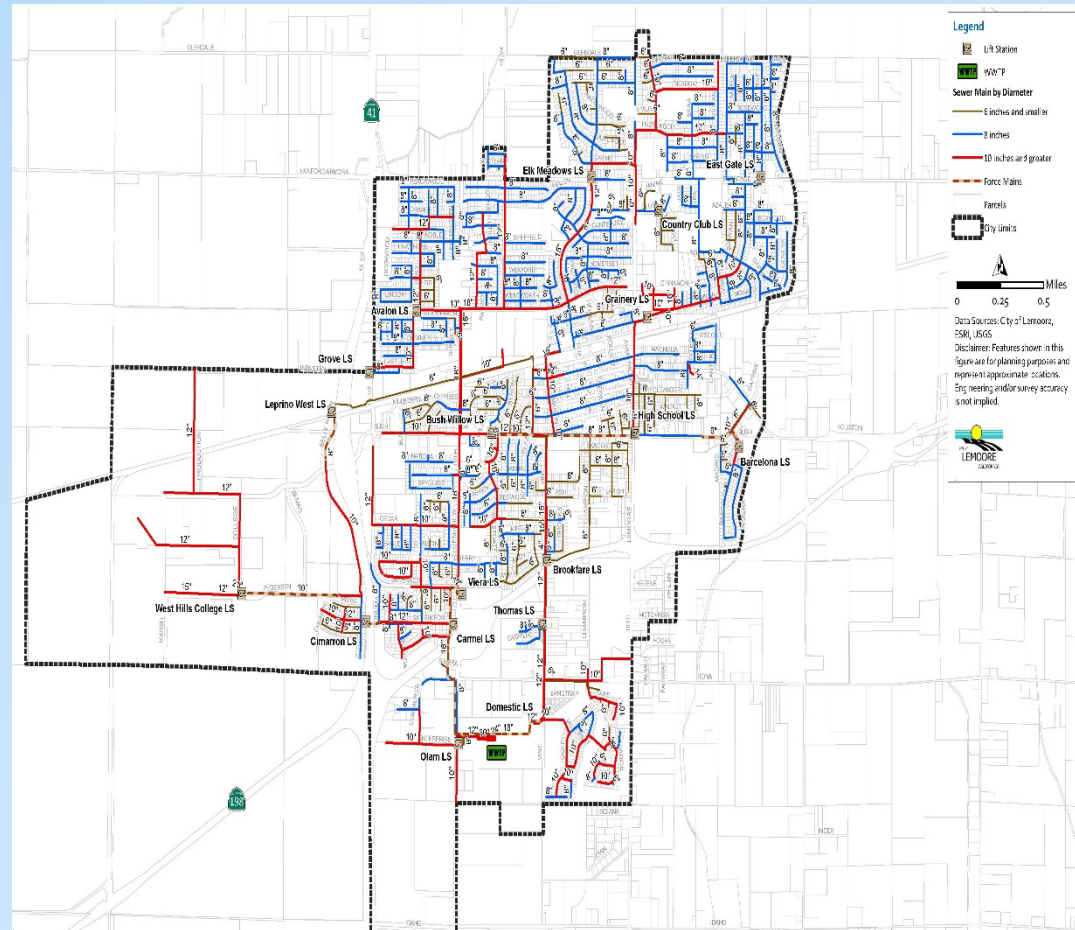
¹ Five-day biochemical oxygen demand at 20°C.

² Total suspended solids

³ Fixed Dissolved Solids

Summary of Wastewater Collection System Infrastructure

- 81 miles of pipelines
- 4-inches to 21-inches
- 17 Active Lift Stations





\$27,670,000^(*)

**Water Revenue Bonds, Series 2019
(Kings County, California)**

**City Council Work Session
February 5, 2019**

(*) Estimated Amount, Subject to Change

Financing Team

- City Staff
- Bond and Disclosure Counsel: Richards, Watson & Gershon
- Underwriter: Stifel, Nicolaus & Company, Incorporated
- Municipal Advisor: Del Rio Advisors, LLC
- Trustee: U.S. Bank National Association

Financing Considerations and Terms

- Inefficient to fund large capital projects on a Pay-As-You-Go (“PAYGO”) basis
 - Would need to increase water rates to much higher levels
 - Would need to wait a sufficient amount of time for cash balances to grow
- Legal Covenants for Consideration
 - Rate Covenant
 - Additional Bonds Test (“ABT”)
 - Rate Stabilization Fund (“RSF”)
- Components of a Bond
 - Project Fund
 - Reserve Fund / Reserve Fund Surety
 - Bond Insurance
 - Cost of Issuance
 - Underwriter’s Discount
 - Original Issue Premium / Discount

Credit Considerations and Bond Sizing Assumptions

- Credit considerations:
 - Legal covenants (Rate Covenant, ABT and RSF)
 - Projected cash flow and debt service coverage
 - Other system indebtedness
 - Customer count and customer type
 - Top ten customers
 - Comparative rates and charges
 - Management
 - Reserve and investment policies
- Bond sizing assumptions include:
 - \$30 million for water projects
 - “A-” rating from Standard & Poor’s Corporation (“S&P”)
 - Purchase of bond insurance (S&P “AA”)
 - Purchase of reserve fund surety

Primary S&P Bond Rating Categories

AAA - Bonds rated AAA are judged to be of the best quality and carry the smallest degree of investment risk. Interest payments are protected by an exceptionally stable margin and principal is secure.

AA - Bonds rated AA are judged to be high quality by all standards. They are rated lower than the best bonds because margins of protection may not be as large as in AAA securities.

A - Bonds rated A possess many favorable investment attributes and are to be considered upper medium grade obligations. Elements may be present which suggest a susceptibility to adverse changes in the future.

BBB - Bonds rated BBB are considered medium grade obligations, i.e., they are neither highly protected nor poorly secured. These bonds have speculative characteristics.

BB - Bonds rated BB are judged to have speculative elements and uncertainty of position. Often the protection of interest and principal payments may be very moderate.

Note

Standard & Poor's applies a (+) or (-) modifier in each rating category with + reflecting the highest credit level.

Proposed Series 2019 (Subordinate)

\$27,670,000^(*)

City of Lemoore

Water Revenue Bonds, Series 2019

- Credit: Subordinate to 2013 Water Revenue Loan
- Purpose: Provides \$30.0 million of new money for three new treatment plants, new well and a 1 mg water storage tank
- Sale type: Negotiated public offering
- Reserve fund: Surety
- Final maturity: June 1, 2049
- “All-in” interest rate: 4.37% (rates as of January 2, 2019)
- Rate covenant / ABT: 1.25x / 1.25x (Maximum Annual Fiscal DS)
- Rate Stabilization Fund: \$525,000

(*) Estimated amount, subject to change

Estimated Sources and Uses of Funds

Sources:

Bond Proceeds:

Par Amount	27,670,000.00
Premium	3,087,139.60
	<u>30,757,139.60</u>

Uses:

Project Fund Deposits:

Project Fund	30,000,000.00
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Delivery Date Expenses:

Cost of Issuance	200,000.00
Underwriter's Discount	207,525.00
Bond Insurance (50 bp)	286,429.63
Reserve Surety (3%)	62,790.00
	<u>756,744.63</u>

Other Uses of Funds:

Contingency	394.97
	<u>\$30,757,139.60</u>

Assumed interest rates as of January 2, 2019 plus 0.25% (25 basis points)

Estimated Cost of Issuance

Role	Company	Total
Bond / Disclosure Counsel	Richards Watson Gershon	85,000.00
Bond Counsel Expenses	Richards Watson Gershon	2,000.00
Municipal Advisor	Del Rio Advisors, LLC	62,500.00
Municipal Advisor Expenses	Del Rio Advisors, LLC	500.00
Rating Fee	Standard & Poor's	35,000.00
Trustee Acceptance	U.S. Bank National Association	1,000.00
Trustee Annual Administration	U.S. Bank National Association	2,000.00
Printing of Official Statement	TBD	10,000.00
Miscellaneous	Rounding Adjustment	2,000.00
Total Estimated Costs		\$200,000.00

Estimated Bond Pricing

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bond:							
	6/1/2021	135,000	4.000%	2.150%	103.976		5,367.60
	6/1/2022	140,000	5.000%	2.240%	108.509		11,912.60
	6/1/2023	145,000	5.000%	2.330%	110.653		15,446.85
	6/1/2024	155,000	5.000%	2.430%	112.510		19,390.50
	6/1/2025	160,000	5.000%	2.510%	114.240		22,784.00
	6/1/2026	170,000	5.000%	2.620%	115.547		26,429.90
	6/1/2027	180,000	5.000%	2.720%	116.677		30,018.60
	6/1/2028	190,000	5.000%	2.820%	117.576		33,394.40
	6/1/2029	340,000	5.000%	2.940%	116.517 C	3.100%	56,157.80
	6/1/2030	790,000	5.000%	3.060%	115.469 C	3.335%	122,205.10
	6/1/2031	825,000	5.000%	3.150%	114.690 C	3.510%	121,192.50
	6/1/2032	870,000	5.000%	3.220%	114.089 C	3.646%	122,574.30
	6/1/2033	910,000	5.000%	3.280%	113.577 C	3.758%	123,550.70
	6/1/2034	960,000	5.000%	3.340%	113.067 C	3.856%	125,443.20
	6/1/2035	1,005,000	5.000%	3.400%	112.560 C	3.944%	126,228.00
	6/1/2036	1,055,000	5.000%	3.450%	112.140 C	4.016%	128,077.00
	6/1/2037	1,110,000	5.000%	3.500%	111.721 C	4.081%	130,103.10
	6/1/2038	1,165,000	5.000%	3.550%	111.305 C	4.141%	131,703.25
	6/1/2039	1,220,000	5.000%	3.590%	110.973 C	4.189%	133,870.60
		11,525,000					1,485,850.00
2044 Term Bond:							
	6/1/2044	7,095,000	5.000%	3.690%	110.148 C	4.334%	720,000.60
2049 Term Bond:							
	6/1/2049	9,050,000	5.000%	3.740%	109.738 C	4.413%	881,289.00
Total:		\$27,670,000.00					\$3,087,139.60

Assumed interest rates as of January 2, 2019 plus 0.25% (25 basis points)

Estimated Series 2019 Debt Service

Period Ending	Principal	Coupon	Interest	Debt Service
6/1/2020	0.00		1,677,776.53	1,677,776.53
6/1/2021	135,000.00	4.000%	1,382,150.00	1,517,150.00
6/1/2022	140,000.00	5.000%	1,376,750.00	1,516,750.00
6/1/2023	145,000.00	5.000%	1,369,750.00	1,514,750.00
6/1/2024	155,000.00	5.000%	1,362,500.00	1,517,500.00
6/1/2025	160,000.00	5.000%	1,354,750.00	1,514,750.00
6/1/2026	170,000.00	5.000%	1,346,750.00	1,516,750.00
6/1/2027	180,000.00	5.000%	1,338,250.00	1,518,250.00
6/1/2028	190,000.00	5.000%	1,329,250.00	1,519,250.00
6/1/2029	340,000.00	5.000%	1,319,750.00	1,659,750.00
6/1/2030	790,000.00	5.000%	1,302,750.00	2,092,750.00
6/1/2031	825,000.00	5.000%	1,263,250.00	2,088,250.00
6/1/2032	870,000.00	5.000%	1,222,000.00	2,092,000.00
6/1/2033	910,000.00	5.000%	1,178,500.00	2,088,500.00
6/1/2034	960,000.00	5.000%	1,133,000.00	2,093,000.00
6/1/2035	1,005,000.00	5.000%	1,085,000.00	2,090,000.00
6/1/2036	1,055,000.00	5.000%	1,034,750.00	2,089,750.00
6/1/2037	1,110,000.00	5.000%	982,000.00	2,092,000.00
6/1/2038	1,165,000.00	5.000%	926,500.00	2,091,500.00
6/1/2039	1,220,000.00	5.000%	868,250.00	2,088,250.00
6/1/2040	1,285,000.00	5.000%	807,250.00	2,092,250.00
6/1/2041	1,350,000.00	5.000%	743,000.00	2,093,000.00
6/1/2042	1,415,000.00	5.000%	675,500.00	2,090,500.00
6/1/2043	1,485,000.00	5.000%	604,750.00	2,089,750.00
6/1/2044	1,560,000.00	5.000%	530,500.00	2,090,500.00
6/1/2045	1,640,000.00	5.000%	452,500.00	2,092,500.00
6/1/2046	1,720,000.00	5.000%	370,500.00	2,090,500.00
6/1/2047	1,805,000.00	5.000%	284,500.00	2,089,500.00
6/1/2048	1,895,000.00	5.000%	194,250.00	2,089,250.00
6/1/2049	1,990,000.00	5.000%	99,500.00	2,089,500.00
\$27,670,000.00			\$29,615,926.53	\$57,285,926.53

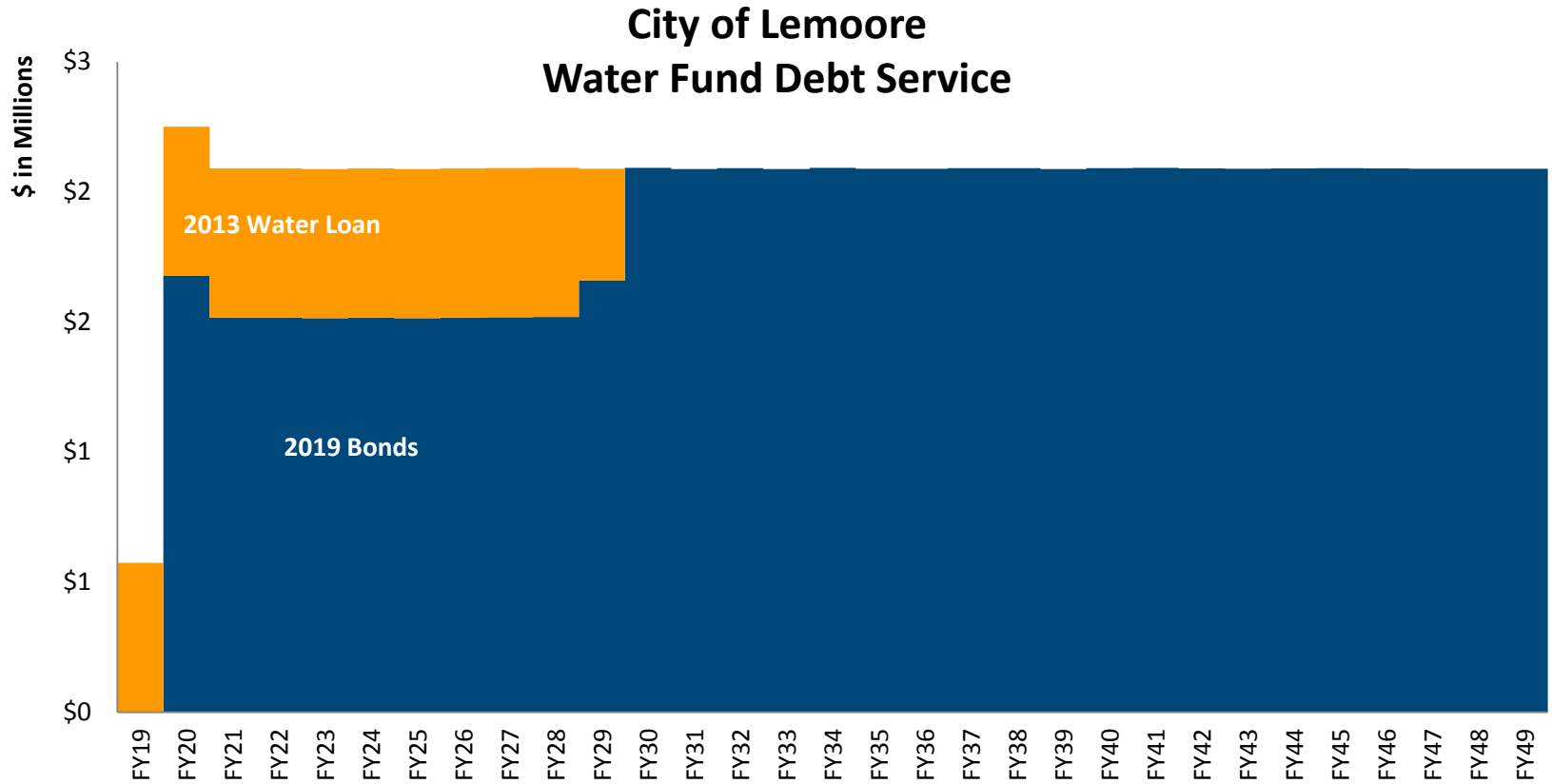
Assumed interest rates as of January 2, 2019 plus 0.25% (25 basis points)

Estimated Water Fund Aggregate Debt Service

Fiscal Year	2013 Water Loan	2019 Water Bonds	Fiscal Total
2019	573,628.64		573,628.64
2020	573,628.64	1,677,776.53	2,251,405.17
2021	573,628.64	1,517,150.00	2,090,778.64
2022	573,628.64	1,516,750.00	2,090,378.64
2023	573,628.64	1,514,750.00	2,088,378.64
2024	573,628.64	1,517,500.00	2,091,128.64
2025	573,628.64	1,514,750.00	2,088,378.64
2026	573,628.63	1,516,750.00	2,090,378.63
2027	573,628.63	1,518,250.00	2,091,878.63
2028	573,628.63	1,519,250.00	2,092,878.63
2029	430,221.48	1,659,750.00	2,089,971.48
2030		2,092,750.00	2,092,750.00
2031		2,088,250.00	2,088,250.00
2032		2,092,000.00	2,092,000.00
2033		2,088,500.00	2,088,500.00
2034		2,093,000.00	2,093,000.00
2035		2,090,000.00	2,090,000.00
2036		2,089,750.00	2,089,750.00
2037		2,092,000.00	2,092,000.00
2038		2,091,500.00	2,091,500.00
2039		2,088,250.00	2,088,250.00
2040		2,092,250.00	2,092,250.00
2041		2,093,000.00	2,093,000.00
2042		2,090,500.00	2,090,500.00
2043		2,089,750.00	2,089,750.00
2044		2,090,500.00	2,090,500.00
2045		2,092,500.00	2,092,500.00
2046		2,090,500.00	2,090,500.00
2047		2,089,500.00	2,089,500.00
2048		2,089,250.00	2,089,250.00
2049		2,089,500.00	2,089,500.00
	\$6,166,507.85	\$57,285,926.53	\$63,452,434.38

Assumed interest rates as of January 2, 2019 plus 0.25%(25 basis points)

Graph of Estimated Aggregate Debt Service



Assumed interest rates as of January 2, 2019 plus 0.25% (25 basis points)

Pro Forma Debt Service Coverage and Projected Fund Balance

Fiscal Year	2019	2020	2021	2022	2023
Total Revenue	7,359,267	9,526,312	9,516,607	9,515,815	9,522,703
Less: O&M	(3,748,190)	(5,634,510)	(5,860,218)	(6,096,710)	(6,344,587)
Less: Series 2013 Debt Service	(573,629)	(573,629)	(573,629)	(573,629)	(573,629)
Net Revenue	3,037,448	3,318,173	3,082,761	2,845,476	2,604,488
Less: Series 2019 Debt Service	(0)	(1,677,777)	(1,517,750)	(1,516,750)	(1,514,750)
Net Revenue (Capital and Other)	3,037,448	1,640,397	1,565,611	1,328,726	1,089,738
<i>Debt Service Coverage</i>	<i>n/a</i>	<i>1.98x</i>	<i>2.03x</i>	<i>1.88x</i>	<i>1.72x</i>
<i>"All-In" Debt Service Coverage</i>	<i>6.30x</i>	<i>1.73x</i>	<i>1.75x</i>	<i>1.64x</i>	<i>1.52x</i>
Unrestricted Fund Balance	6,621,962	6,012,358	5,327,969	5,906,695	6,246,432
<i>Percent of Annual O&M</i>	<i>177%</i>	<i>107%</i>	<i>91%</i>	<i>97%</i>	<i>98%</i>

Assumed interest rates as of January 2, 2019 plus 0.25% (25 basis points)

Proposed Schedule

Schedule	Item
Tuesday February 5, 2019	City Council Work Session and Consideration
Week of February 4, 2019	<ul style="list-style-type: none">• Rating Released• Insurance / Surety Commitments
Week of February 11, 2019	<ul style="list-style-type: none">• Due Diligence Call• Print and Post POS
Tuesday February 26, 2019	Pre-Pricing
Wednesday February 27, 2019	Pricing
Week of March 4, 2019	Print and Post FOS Documents Executed
Tuesday March 12, 2019	Pre-Closing
Wednesday March 13, 2019	Closing and Transfer of Funds

City Council Consideration

Items for consideration at the City Council meeting later this evening:

- Adopt a Resolution, authorizing the issuance, sale and delivery of water revenue bonds, the execution and delivery of an indenture and other documents in connection with such bonds and taking related actions
- Adopt a Resolution authorizing establishment of a Rate Stabilization Fund (RSF) with an initial deposit of \$525,000
- Adopt a Resolution approving post-issuance tax and continuing disclosure compliance procedures

Discussion / Questions?

Glossary

- **Arbitrage:** (1) Generally, transactions by which securities are bought and sold in different markets at the same time for the sake of the profit arising from a difference in prices in the two markets. (2) With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher-yielding securities. Internal Revenue Service regulations govern arbitrage on the proceeds from issuance of municipal securities.
- **Authorizing Ordinance:** A law that when enacted allows the unit of government to sell a specific bond issue or finance a specific project.
- **Bond:** Evidence of the issuer's obligation to repay a specified principal amount on date certain (maturity date), together with interest at a stated rate, or according to a formula for determining that rate. Bonds are distinguishable from notes, which usually mature in a much shorter period time. Bonds may be classified according to maturity structure (serial vs. term), source of payment (general obligations vs. revenue), method of transfer (bearer vs. registered), issuer (state vs. municipality vs. special district) or price (discount vs. premium).
- **Bond Counsel:** An attorney (or firm of attorneys) retained by the issuer to give a legal opinion that the issuer is authorized to issue proposed securities, the issuer has met all legal requirements necessary for issuance, and interest on the proposed securities will be exempt from federal income taxation and, where applicable, from state and local taxation. Typically, bond counsel may prepare, or review and advise the issuer regarding authorizing resolutions or ordinances, trust indenture, official statements, validation proceeding and litigation. The bond counsel may also be referred to as the "bond attorney," the "bond approving attorney" or the "bond" approving counsel.
- **Bond Insurance:** Insurance issued by a private insurance company for either an entire issue or specific maturities that guarantees to pay principal and interest when due. This will provide a credit rating of triple-A and thus a lower borrowing cost for the issuer.
- **Bond Resolution or Indenture:** The document or documents in which the issuer authorizes the issuance and sale of municipal securities. Issuance of the securities is usually approved in the authorizing resolution or ordinance, and sale is usually authorized in a separate document known as the "sale" or "award" resolution. All such resolutions, read together, constitute the bond resolution, which describes the nature of the obligations and the issuer's duties to the bondholders. State law or local ordinances may prescribe whether a bond issue may be authorized by resolution, or whether the more formal procedure of adopting an ordinance is required. The Bond Resolution or a separate Trust Indenture may constitute the contract between the Issuer and a Trustee for bondholders, and set out the security for the bondholder and remedies in case of a default.
- **Bond Transcript:** All legal documents, including minutes of appropriate meetings of the issuer, associated with the offering of a new issue of municipal securities. Bond counsel's opinion is given after a review of the transcript and becomes a part thereof.
- **Cost of Issuance:** The expenses associated with the sale of a new issue of municipal securities, including such items as printing, legal and rating agency fees, underwriters' discount and others.
- **Covenant:** A legally binding commitment by the issuer of municipal bonds to the bondholder. An impairment of a covenant can lead to a Technical Default.
- **Coverage:** This is the margin of safety for payment of debt service on a revenue bond that reflects the number of times the actual and/or estimated project earnings or income for a 12-month period of time exceeds debt service that is payable.
- **Credit Enhancers:** Additional sources of security for municipal obligations such as bond insurance, letter of credit or guarantees.
- **Disclosure Counsel:** An attorney (or firm of attorneys) retained by the issuer to prepare the preliminary (POS) and final official statement (OS).

Glossary (Continued)

- **Fiscal Agent:** Also known as the Paying Agent, the bank, designated by the issuer, to pay interest and principal to the bondholder.
- **Fiscal Year:** A 12-month time horizon by which state and local governments annually budget their respective revenues and expenditures. Usually not the calendar year, January to December, but often July to June.
- **Gross Revenues:** Generally, all annual receipts of a revenue bond issuer prior to the payment of all expenses. Normally only Net Revenues are pledged to the repayment of bonds.
- **Indenture of Trust:** A legal document describing in specific detail the terms and conditions of a bond offering, the rights of the bondholder, and the obligations of the issuer to the bondholder; such document is alternatively referred to as a bond resolution.
- **Indenture:** Sets out the structure and mechanics of the financing. It established the project funds, reserve funds and outlines the manner in which the borrower/sponsor will pay debt service and the bondholders, in turn, receive interest income.
- **Legal Opinion or Approving Opinion:** The written conclusions of bond counsel that the issuance of municipal securities and the proceedings taken in connection therewith comply with applicable laws, and that interest on the securities will be exempt from federal income taxation and where applicable from state and local taxation. The legal opinion is generally printed on the securities.
- **Level Debt Service:** Principal and interest payments that, together, represent more or less equal annual payments over the life of the loan. Principal may be serial maturities or sinking fund installments.
- **Maximum Annual Debt Service:** The maximum amount of principal and interest due by a revenue bond issuer on its outstanding bonds in any future fiscal year. This is sometimes the amount to be maintained in the Debt Service Reserve Fund.
- **Municipal Advisor:** Generally a bank, investment-banking company or independent consulting firm that advises the issuer on all financial matters pertaining to a proposed issue and is not part of the underwriting syndicate.
- **Net Revenue Available for Debt Service:** Usually, gross operating revenues of an enterprise less operating and maintenance expenses but exclusive of depreciation and bond principal and interest. Net revenue as thus defined is used to determine coverage on revenue bond issues.
- **Negotiated Sale:** The sale of a new issue of municipal securities by an issuer through an exclusive agreement with an underwriter or underwriting syndicate selected by the issuer. A negotiated sale should be distinguished from a competitive sale, which require public bidding by the underwriters. The primary points of negotiation for an issuer are the interest rate and purchase price on the issue. The sale of a new issue of securities in this manner is also known as a negotiated underwriting.
- **Official Statement or Final Official Statement (O.S.):** Statement prepared by the issuer to inform the public about the security of a particular issue. A document published by the issuer which generally discloses material information on a new issue of municipal securities including the purposes of the issue, how the securities will be repaid and the financial economic and social characteristics of the borrower. Investors may use this information to evaluate the credit quality of the securities.
- **Parity Bonds:** Revenue bonds that have an equal lien on the revenues of the issuer.

Glossary (Continued)

- **Ratings:** Evaluations of the credit quality of notes and bonds usually made by independent rating services. Ratings are intended to measure the probability of the timely repayment of principal of an interest on municipal securities. Ratings are initially made before issuance and are periodically reviewed and may be amended to reflect changes in the issuer's credit position. The information required by the rating agencies varies with each issue, but generally includes information regarding the issuer's demographics, debt burden, finances, and management structure. Many financial institutions also assign their own individual ratings to securities.
- **Reserve Fund:** The fund which may be used to pay debt service if the sources of the pledged revenues do not generate sufficient funds to satisfy the debt service requirements. The reserve fund is either funded in whole or in part from the proceeds of the bonds or is allowed to gradually accumulate over a period of years through required payments from the pledged revenues. If the reserve fund is used in whole or part to pay debt service, the issuer usually is required to replenish the reserve fund from the first available funds or revenues. A typical reserve requirement might be the maximum aggregate annual debt service requirement for any year remaining until the bonds reach maturity. The size and investment of the reserve may be subject to arbitrage regulations.
- **Revenue Bonds:** A bond that is secured by revenues produced by the facility for which the bond was issued.
- **Scale:** Public offering prices or yields of a new issue in maturity order.
- **Underwriter:** A dealer which purchases a new issue of municipal securities for resale. The underwriter may acquire the securities either by negotiation with the issuer or by award on the basis of competitive bidding.
- **Underwriter's Counsel:** A law firm selected by the underwriter drafts the preliminary and official statement and bond purchase agreement. Underwriter's counsel negotiates on behalf of the underwriter and ensures that proper disclosure is provided in the official statement.