



**PUBLIC COMMENTS**

**REPORTS/COMMENTS – BOARD MEMBERS/STAFF**

**ADJOURNMENT**

Note: The Board may take action on any matter, however listed on this Agenda, and whether or not listed on this Agenda, to the extent permitted by applicable law. Staff Reports are subject to change without prior notice.

Any disclosable public records related to an open session item on a regular meeting agenda and distributed by the Recording Secretary to all or a majority of the SPWA Board less than 72 hours prior to that meeting are available for public inspection during normal business hours at the City of Roseville Corporation Yard, 2005 Hilltop Circle, Roseville California 95747.

## AUTHORITY COMMUNICATION

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**TO:** South Placer Wastewater Authority  
Board of Directors

**DATE:** January 17, 2013

**FROM:** Executive Director's office

**AUTHORITY COMMUNICATION NO.:** 13-01

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**SUBJECT: Election of a New Chairperson and Vice-Chairperson**

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*For SPWA Board Meeting of January 31, 2013*

### **Action Requested**

Staff requests the Board elect a new Chairperson and Vice-Chairperson at this meeting.

### **Discussion**

The current Board Chairperson and Vice-Chairperson were elected at the South Placer Wastewater Authority's regular meeting on January 26, 2012. The Board Bylaws state that the Chairperson and Vice-Chairperson shall serve for a 1-year term or until a new Chairperson and Vice-Chairperson are appointed.

# **SOUTH PLACER WASTEWATER AUTHORITY**

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Pauline Roccucci, Roseville, Chair  
Jack Duran, Placer County, Vice Chair  
Jerry Mitchell, SPMUD  
Susan Rohan, Roseville  
Robert Weygandt, Placer County

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## **MINUTES OF BOARD OF DIRECTORS' MEETING June 28, 2012**

The regular meeting of the South Placer Wastewater Authority Board of Directors was called to order at 9:30 a.m. at the Roseville Corporation Yard, 2005 Hilltop Circle, Roseville, CA.

**Directors Present:**

Jack Duran  
Jerry Mitchell  
Pauline Roccucci  
Susan Rohan  
Robert Weygandt

**Staff Present:**

Paul Chrisman, JPA Counsel  
Derrick Whitehead, Executive Director  
Russ Branson, Treasurer  
Karen Sainsbury, Secretary

### **Roll Call**

All Directors were present

### **Introductions**

The following were in attendance: Bob Schmitt, Ken Glotzbach, Russ Branson, Sandra Ikeda, Vanessa Lieberman, Monty Hanks, and Jacquie Clarizio from the City of Roseville; Richard Stein from SPMUD; Adam Brown from Brown and Associates; and Jim Durfee, Bill Zimmerman and Dave Atkinson from Placer County.

### **Approval of Minutes, April 9, 2012**

Motion by Director Duran seconded by Director Rohan to approve the minutes of April 9, 2012. The vote was unanimous.

### **Business Items**

#### **1. Resolution: Approval of the Funding Agreements for the Reallocation of WWTP Capacity and Debt Obligations:**

Derrick Whitehead provided an overview of the progress made by staff, explained the tables in the staff report and answered questions of the Board.

Paul Chrisman presented the revised agreements and requested the Board's approval.

Motion by Director Rohan seconded by Director Weygandt to adopt Resolution No. 2012-04 approving the Reallocation of WWTP Capacity and Debt Obligation agreements presented. The vote was unanimous.

**New Business Items**

**1. Information: Investment Reports**

Vanessa Lieberman provided an overview of the SPWA investments as of May 31, 2012.

**2. Information : Overview of Swap Performance & Annual Reporting Requirements**

Monty Hanks reported on the Swap performance to date and reviewed the status of all interest rate swap agreements with the Board.

The Board requested an analysis on refunding the variable rate debt to a fixed rate. Derrick Whitehead advised the Board to allow the revised agreements to be finalized before pursuing a refunding. Russ Branson will ask the underwriters to prepare an analysis and will distribute it to the Board via memorandum for discussion at a later date.

**3. Resolution : FY2013 Investment Policy and SWAP Policy**

Vanessa Lieberman presented the changes to the Investment Policy. There were no changes to the SWAP Policy.

Motion by Director Mitchell seconded by Director Weygandt to approve Resolution No. 2012-05 adopting the revised investment policy.

Chair Roccucci requested a roll call vote:

Vote:	Ayes:	Duran, Mitchell, Roccucci, Rohan, Weygandt
	Nos:	None
	Absent:	None

**4. Information : Rate Stabilization Fund Balances & Connection Fee Revenues**

In Janet Vargas' absence, Sandra Ikeda provided an update on the rate stabilization fund balances and connection fee revenues.

**5. Information : Capital Improvement Projects Overview**

Ken Glotzbach provided an overview of the CIP Projects.

**6. Resolution : Annual Operating Budget for FY2012-13 Budget**

Motion by Director Duran seconded by Director Rohan to approve Resolution No. 2012-06 adopting the revised investment policy.

Chair Roccucci requested a roll call vote:

Vote:       Ayes:   Duran, Mitchell, Roccucci, Rohan, Weygandt  
              Nos:   None  
              Absent: None

**Reports/Comments – Board Members/Staff**

Derrick Whitehead reported a kick-off meeting took place last week to begin a regional connection fee analysis. Public Financial Management is under contract to assist with the analyses and staff is planning to present a proposed connection fee to the Board in January.

**Public Comment**

None

**Adjournment**

The meeting was adjourned at 10:30 a.m.

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**Pauline Roccucci**  
**Chair**

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**Karen Sainsbury**  
**Secretary to the Board**

Resolution: 2013-01

Appointment of Interim  
Executive Director  
of the SPWA

# *SOUTH PLACER WASTEWATER AUTHORITY*

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Pauline Roccucci, Roseville, Chair  
Jack Duran, Placer County, Vice Chair

Jerry Mitchell, SPMUD  
Susan Rohan, Roseville  
Robert Weygandt, Placer County

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October 29, 2012

South Placer Wastewater Authority  
Chairperson Roccucci and Members of the Board  
2005 Hilltop Circle  
Roseville, CA 95747

Subject: **Interim Executive Director**

Dear Chairperson Roccucci and Board Members,

As you probably have heard by now, I have submitted my retirement plans to the City. My last day will be November 8<sup>th</sup> approximately two and a half months prior to the next Board Meeting (January 31, 2013). I am writing this letter to the Board to make a recommendation on what to do on an interim basis, pending the City completing the recruitment for a new Environmental Utilities Director.

When the JPA was formed in 2000, one of the actions the Board took at the formation meeting was to appoint Roseville's Environmental Utilities (EU) Director as the Executive Director and it has been an honor to serve as the Executive Director for the past 12 years. The Board took this action because the EU Director oversees the City staff that construct, operate and maintain regional wastewater facilities for all three-partner agencies and also provide support services for the JPA.

On a go-forward basis, I would recommend that the EU Director continue to act in that role. Between the time of my retirement and the Board's meeting in January, Ken Glotzbach (Roseville's Wastewater Utility Manager) will coordinate City staff activities with respect to the JPA. Ken has a good understanding of the workings of the JPA, has been part of the reallocation process and has managed the capital program for the JPA over the last two years. He also has a good working relationship with both District and County staff.

At the Board meeting in January, a resolution will be submitted for Board action that will formally designate Ken Glotzbach as the acting Executive Director pending the selection of a new City EU Director. At present, we do not anticipate that any formal JPA decisions need to be made, or agreements signed, prior to the Board's meeting in January. In the unlikely event that happens, JPA staff will contact the Board's Chairperson to schedule a special meeting of the Board.

Again, thank you for your support over the years and your willingness to move forward on difficult, but exciting issues. Best of luck in the future.

Sincerely,

A handwritten signature in black ink, appearing to read "Derrick Whitehead". The signature is fluid and cursive, with a large initial "D" and "W".

Derrick Whitehead,  
Executive Director

cc: Charles Clark, SPMUD  
Jim Durfee, Placer County  
Paul Chrisman, Miller and Owen  
Ken Glotzbach, City of Roseville  
Rob Jensen, City of Roseville

SOUTH PLACER WASTEWATER AUTHORITY

RESOLUTION NO. 2013-01

RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SOUTH PLACER WASTEWATER AUTHORITY  
APPOINTING EXECUTIVE DIRECTOR AND  
DELEGATING POWERS AND RESPONSIBILITIES

WHEREAS, by Resolution 2000-01, dated October 24, 2000, the Board of Directors for the South Placer Wastewater Authority (“Authority”) appointed Derrick Whitehead, Roseville Environmental Utilities Director, to be the Executive Director for the Authority; and

WHEREAS, effective November 8, 2012, Derrick Whitehead retired from his position as Roseville Environmental Utilities Director and recommended that the Board appoint Ken Glotzbach, Roseville Environmental Utilities Manager, to be the Interim Executive Director for the Authority until the City of Roseville appoints a new Environmental Utilities Director.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Placer Wastewater Authority as follows:

1. Ken Glotzbach, Environmental Utilities Manager for the City of Roseville, is hereby appointed to act as the Interim Executive Director of the Authority until the City of Roseville appoints a new Environmental Utilities Director, whereupon the Environmental Utilities Director shall become the Executive Director of the Authority without further action by the Board.
2. The Executive Director shall be responsible for the management of the day-to-day affairs of the Authority, and shall have the powers delegated to him or her by the Board from time to time, including, without limitation, the following:
  - a. to make and enter into contracts on behalf of the Authority within the limits set forth in the Authority’s Contracting Procedures; and
  - b. to authorize the Authority’s Treasurer to disburse funds from the Rate Stabilization Fund, and any other account held by the Authority, pursuant to the budget duly adopted by the Board.

PASSED AND ADOPTED this 31st day of January 2013, by the following vote on roll call:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
CHAIRPERSON

ATTEST:

\_\_\_\_\_  
Secretary

Information Item:

Status of Reallocation Agreements  
&  
Bank Discussions

(Brian Thomas with PFM)

Information Item:

Presentation of  
Variable to Fixed Rate  
Debt Analysis

(Brian Thomas with PFM)

Resolution: 2013-02

Commendation and Appreciation  
For  
Kirk Trost

# Resolution

OF

## COMMENDATION AND APPRECIATION

**WHEREAS**, Kirk Trost of Miller Owen and Trost, was selected to be the counsel to assist in forming the South Placer Wastewater Authority JPA in 2000; and

**WHEREAS**, Kirk has provided legal counsel for many boards and commissions throughout the region over the years, making recommendations on a variety of local issues; and

**WHEREAS**, Kirk, along with staff from the City of Roseville, the South Placer Municipal Utility District and Placer County and financial advisors to the Authority developed an enduring set of agreements that enabled the construction of over \$258 million in regional infrastructure; and

**WHEREAS**, the JPA had an amazing list of accomplishments during Kirk's tenure as legal counsel for the JPA - having a clear a vision for the future while being fiscally responsible; and

**WHEREAS**, the JPA invested hundreds of millions of dollars in Capital Improvement Projects including the construction of the Pleasant Grove Wastewater Treatment Plant; and

**WHEREAS**, Kirk elected to move on to be the Chief Operation Officer for the Sacramento Area Council of Governments in 2011 but chose to remain on as a facilitator for the Authority, to assist the three agencies finalize negotiations of a detailed reallocation agreement addressing a significant underfunding of one of the agencies.

**WHEREAS**, Kirk supported the South Placer Wastewater Authority from its inception in 2000 to mid-2012 in various roles during which time the Authority issued over \$180 million dollars in revenue bonds to construct regional wastewater infrastructure, the largest being the Pleasant Grove Wastewater Treatment Plant;

**NOW, THEREFORE, I, PAULINE ROCCUCCI, CHAIRMAN OF THE SOUTH PLACER WASTEWATER AUTHORITY, PLACER COUNTY, CALIFORNIA**, and on behalf of the Authority do hereby proclaim that KIRK TROST be commended for his outstanding leadership, years of support as legal counsel and facilitator, and his dedication to the South Placer Wastewater Authority.

\_\_\_\_\_  
PAULINE ROCCUCCI, CHAIRMAN

ATTEST:

\_\_\_\_\_  
KAREN SAINSBURY, SECRETARY  
SOUTH PLACER WASTEWATER AUTHORITY  
PLACER COUNTY, CALIFORNIA

Resolution: 2013-03

Commendation and Appreciation  
For  
Derrick Whitehead

# Resolution

## OF

### COMMENDATION AND APPRECIATION

**WHEREAS**, Derrick Whitehead began his distinguished career with the City of Roseville on November 23, 1987 as an Assistant Civil Engineer with the Public Works Department. He was subsequently promoted to Associate Civil Engineer in 1989, and then Environmental Engineer in 1990. The Environmental Utilities (EU) Department was formed to separate the Water, Wastewater, and Solid Waste Utilities from Public Works in 1990 and Derrick was appointed Interim Director of the organization in 1992 with final assignment as Director in 1994, a position he held through his remaining career at Roseville; and

**WHEREAS**, Derrick was named Executive Director of the South Placer Wastewater Authority JPA (SPWA) upon its formation in 2000 and has held the position through his remaining career at Roseville; and

**WHEREAS**, Derrick along with staff from the City of Roseville, the South Placer Municipal Utility District and Placer County and financial advisors to the Authority developed an enduring set of agreements that enabled the construction of over \$258 million in regional infrastructure; and

**WHEREAS**, Derrick has had an amazing list of accomplishments during his tenure as the Executive Director for the JPA – having a clear vision for the future while being fiscally responsible; and

**WHEREAS**, throughout his career with the City, Derrick has been responsible for and involved in hundreds of millions of dollars of construction projects supporting SPWA. This included multiple expansions of wastewater treatment plants, siting and environmental compliance of the Pleasant Grove Wastewater Treatment Plant and miles of pipeline construction; all of which have been done with a top priority to send every worker home safely to their loved ones at the end of the workday; and

**WHEREAS**, Derrick supported the SPWA from its inception in 2000 to 2012 in various roles during which time the Authority issued over \$180 million dollars in revenue bonds to construct regional wastewater infrastructure, the largest being the Pleasant Grove Wastewater Treatment Plant; and

**WHEREAS**, Derrick has demonstrated leadership in the region through development of innovative approaches in managing common interests of partner agencies, including development of South Placer Wastewater Authority JPA and Regional Water Authority. He has served executive roles in these organizations as well as represented regional interests by leading engagements of State and Federal legislators; and

**WHEREAS**, Derrick has received numerous accolades and awards for his efforts from organizations such as California Senate, California Assembly, United States Congress, Regional Water Authority, Association of California Water Agencies, and the California Water Environment Association. He was even recognized by the City of Roseville for his part in saving the life of an audience member during a City Council Meeting.

**NOW, THEREFORE, I, PAULINE ROCCUCCI, CHAIR OF THE SOUTH PLACER WASTEWATER AUTHORITY, PLACER COUNTY, CALIFORNIA on behalf of the Authority do hereby proclaim that DERRICK WHITEHEAD be commended for his outstanding service and dedication to the Authority, congratulated for his many accomplishments and wished a long, healthy and enjoyable retirement.**

**PROCLAIMED** the 31st day of January, 2013

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**PAULINE ROCCUCCI, CHAIR**

**ATTEST:**

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**KAREN SAINSBURY, RECORDING SECRETARY  
SOUTH PLACER WASTEWATER AUTHORITY,  
PLACER COUNTY, CALIFORNIA**

## AUTHORITY COMMUNICATION

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**TO:** South Placer Wastewater Authority  
Board of Directors

**DATE:** January 21, 2013

**FROM:** Kenneth Glotzbach, Wastewater Utility Manager

**AUTHORITY COMMUNICATION NO.:** 13-06

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**SUBJECT:** Updated Schedule of Authority Regular Meeting Dates

*For SPWA Board Meeting of 1/31/13*

### ACTION REQUESTED

Adopt the attached resolution updating the Authority's regular meeting dates.

### BACKGROUND

The Authority's letters of credit insuring the Series 2011 A&B Bonds will expire in April 2012. The Authority has not yet determined its course of action, which may include extensions of the letters of credit, entering into new letters of credit, or refunding a portion of the Series 2011 Bonds and reissuing new bonds. California Government Code Section 6592.1 requires a joint powers authority board adopting a resolution authorizing bonds to do so at a regular meeting of the board. Under the current Authority Board meeting schedule, this Board of Directors will not meet again until June 2012. Any decision related to the disposition of the Series 2011 Bonds must be made prior to April 2012. Therefore, Authority Staff requests that the Board adopt the updated regular meeting schedule set forth in the attached resolution.

Submitted by:



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Kenneth Glotzbach  
Wastewater Utility Manager

**SOUTH PLACER WASTEWATER AUTHORITY**

**RESOLUTION NO. 2013-04**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
SOUTH PLACER WASTEWATER AUTHORITY APPROVING  
REGULAR MEETING DATES**

WHEREAS, the Bylaws for the South Placer Wastewater Authority (“Authority”) state that the Authority’s Board of Directors shall meet not less than every six (6) months as specified by resolution duly adopted by the Board of Directors (“Board”); and

WHEREAS, the Board currently meets in January and June of each year; and

WHEREAS, the Board desires to add a regular meeting in March of each year,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the South Placer Wastewater Authority that the regular meetings of the Board shall be on the last Thursday of every January and June at 9:30 a.m., and the second Monday of every March at 1:00 p.m., and that said meetings of the Board shall be held at 2005 Hilltop Circle, Roseville, California.

PASSED AND ADOPTED this 31st day of January 2013, by the following vote on roll call:

AYES:

NOES:

ABSENT:

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CHAIRPERSON

ATTEST:

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Secretary

## **AUTHORITY COMMUNICATION**

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**TO:** South Placer Wastewater Authority  
Board of Directors

**DATE:** January 15, 2013

**FROM:** Monty Hanks, Assistant Finance Director  
Vanessa Lieberman, Financial Analyst

**AUTHORITY COMMUNICATION NO:** 13-02

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**SUBJECT: Overview of Debt and Investments**

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*For SPWA Board Meeting 1/31/13*

### **ACTION REQUESTED**

None required. This is an informational item.

### **BACKGROUND**

The following report details the performance of the Authority's debt and investments through December 31, 2012.

### **DEBT**

The Authority has \$154.675 million of outstanding revenue bonds split into four series: 2011 Series A (\$30.165 million), 2011 Series B (\$30.160 million), 2011 Series C (\$61.310 million) and 2011 Series D (\$30.0 million). The Series A & B bonds were issued as variable rate demand bonds with interest rates reset weekly. The Series C bonds were issued as fixed rate bonds and the Series D bonds were issued as SIFMA Index bonds with interest rates reset weekly. The Authority is entered into an interest-rate swap with Morgan Stanley in what is termed a "synthetic" fixed-rate debt. The swap acts as a fixed-rate hedge for the Series A, B and D bonds. The following information details the bonds' performance for the first half of FY13.

The Fed continues to keep the Fed Funds rate at or near zero. The net effect of the Fed's actions has caused short-term rates to remain historically low and this has benefited the reset rates for the Authority's outstanding bonds. The average rate paid on the Series A & B bonds through December 31, 2012 was 0.065% and 0.079% on the Series D bonds. The Authority pays 1.25% for Letter of Credit fees on the Series A & B bonds plus an adjusted rate of 0.832% for the Series D bonds.

As mentioned earlier, the Authority has a swap in place to synthetically fix the interest rates on over 90% of the Series A, B & D bonds. The Authority pays a fixed rate, 3.665%, to Morgan Stanley but receives 62% of 1-month LIBOR plus 26 basis points (bps). The actual net synthetic fixed rate paid the Authority on the swap as of December 31<sup>st</sup> was 3.275%. As a result, the current projection for debt service in FY 2012/13 is around \$10.4 million, approximately \$200k less than the budgeted amount of \$10.626 million.

## **INVESTMENTS**

The \$82.2 million investments for the SPWA's Rate Stabilization Fund (RSF) can be placed in two categories: 1) liquidity for cash-flow requirements and 2) additional accumulated funds. The attached table provides an overview of the SPWA investments as of December 2012.

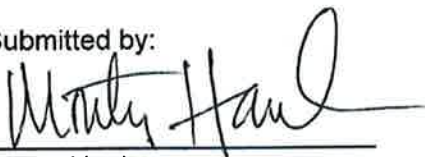
### **Cash-Flow Requirements**

The cash-flow requirements for the RSF include monthly payments for the synthetic fixed-rate refunding (the "swap"), monthly interest payments for the variable-rate bonds, interim construction payments, and various administrative costs included in the Authority's annual budget. The RSF, as of December 2012, includes \$25 million invested in the Local Agency Investment Fund (LAIF) and \$11.8 million of pooled cash as of November 2012. The LAIF account provides the Authority with the liquidity required to fund these costs while earning a reasonable rate of return in today's interest rate environment. The latest LAIF return was 0.324%.

### **Additional Accumulated Funds**

Monies above-and-beyond those in LAIF and the Pooled Fund are invested in a combination of investment instruments that provide required liquidity, meet the provisions of the Authority's investment policy, and provide a reasonable return within the current market. Public Financial Management (PFM) provides investment management services for the Authority's investment portfolio under the direction from the Treasurer. Current investments in this category totaled \$57.0 million as of December 2012. The investments are allocated in Federal Agencies (FNMA, FHLB, etc.) and US Treasuries. The yield-to-market on the invested funds as of December 2012 was 0.439%.

Submitted by:



Monty Hanks  
Assistant Finance Director



Russ Branson  
Treasurer



Vanessa Lieberman  
Financial Analyst

**So Placer Wastewater Authority  
Portfolio Management  
Portfolio Summary  
December 31, 2012**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
City of Roseville Cash Pool*	12,367,379.03	12,367,379.03	12,367,379.03	11.85	1	1	0.607
Money Market Funds	453,513.93	453,513.93	453,513.93	0.43	1	1	0.001
CAMP	4,928,047.27	4,928,047.27	4,928,047.27	4.72	1	1	0.180
Local Agency Investment Funds	25,000,000.00	25,000,000.00	25,000,000.00	23.95	1	1	0.340
Negotiable CDs	4,000,000.00	4,012,845.60	4,000,000.00	3.83	501	265	0.923
Corporate Notes	4,360,000.00	4,410,038.98	4,398,118.96	4.21	1,024	852	0.782
Commercial Paper Disc. -Amortizing	500,000.00	499,532.00	499,112.22	0.48	267	136	0.479
Federal Agency Coupon Securities	21,435,000.00	21,841,711.92	21,736,701.51	20.82	1,020	723	0.628
Treasury Coupon Securities	24,730,000.00	26,033,607.31	26,011,603.65	24.92	824	724	0.322
Forward Delivery Agreement**	4,606,000.00	4,604,618.20	4,601,840.65	4.41	365	120	0.275
Municipal Bonds	395,000.00	399,092.20	398,794.76	0.38	301	170	0.424
<b>Investments</b>	<b>102,774,940.23</b>	<b>104,550,386.44</b>	<b>104,395,111.98</b>	<b>100.00%</b>	<b>499</b>	<b>384</b>	<b>0.457</b>

**Total Earnings** December 31 Month Ending **December 31** Fiscal Year To Date  
 Current Year 39,905.00 239,050.10  
**Average Daily Balance** **103,875,849.63** **101,177,509.32**  
**Effective Rate of Return** **0.45%** **0.47%**

\*Estimated balance as of 12/31/2012

Market values provided by Public Financial Management, Bank of New York Mellon, and LAIF

THIS SCHEDULE OF INVESTMENTS IS IN COMPLIANCE WITH THE INVESTMENT POLICY AS ESTABLISHED AND SUFFICIENT FUNDS WILL BE AVAILABLE TO MEET CASH FLOW REQUIREMENTS FOR THE NEXT SIX MONTHS.

*Ken Glotzbach*  
 Ken Glotzbach  
 DATE 1/18/13  
*Russell Branson*  
 Russell Branson, Treasurer  
 DATE 1/16/13

**So Placer Wastewater Authority**  
**Fund 001 - SPWA**  
**Investments by Fund**  
**December 31, 2012**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
<b>Money Market Funds</b>											
431114503	10434	Union Bank of California	07/01/2012	87,119.64	87,119.64	87,119.64	0.001	0.000	0.001		1
			<b>Subtotal and Average</b>	<b>87,119.64</b>	<b>87,119.64</b>	<b>87,119.64</b>	<b>0.001</b>	<b>0.001</b>	<b>0.001</b>		<b>1</b>
<b>Local Agency Investment Funds</b>											
40-31-001	10032	Local Agency Investment Fund	07/01/2012	25,000,000.00	25,000,000.00	25,000,000.00	0.340	0.335	0.340		1
			<b>Subtotal and Average</b>	<b>25,000,000.00</b>	<b>25,000,000.00</b>	<b>25,000,000.00</b>	<b>0.335</b>	<b>0.335</b>	<b>0.340</b>		<b>1</b>
<b>Negotiable CDs</b>											
06417EYU1	10390	Bank of Nova Scotia	02/10/2012	1,000,000.00	1,000,000.00	1,002,737.00	0.993	0.979	0.993	02/10/2014	405
63253TPX0	10408	NATIONAL AUSTRALIA BANK	06/19/2012	1,000,000.00	1,000,000.00	1,001,347.80	0.600	0.591	0.600	06/19/2013	169
85325BOV9	10428	STANDARD CHARTERED BANK NY CER	09/21/2012	1,000,000.00	1,000,000.00	1,000,750.80	0.650	0.641	0.650	03/18/2013	76
96121TLT3	10394	WESTPAC BANKING	02/16/2012	1,000,000.00	1,000,000.00	1,008,010.00	1.448	1.428	1.447	02/14/2014	409
			<b>Subtotal and Average</b>	<b>4,000,000.00</b>	<b>4,000,000.00</b>	<b>4,012,845.60</b>	<b>0.910</b>	<b>0.910</b>	<b>0.923</b>		<b>264</b>
<b>Corporate Notes</b>											
06406HCC1	10392	Bank of New York Trust Company	02/21/2012	749,317.50	750,000.00	758,052.75	1.200	1.214	1.231	02/20/2015	790
14912L5H0	10435	CATERPILLAR FINANCIAL SE	11/06/2012	609,438.80	610,000.00	608,442.06	0.700	0.721	0.731	11/06/2015	1,039
369604BE2	10431	General Electric Capital Co	10/09/2012	264,928.45	265,000.00	265,934.13	0.850	0.847	0.859	10/09/2015	1,011
369604BE2	10432	General Electric Capital Co	10/09/2012	737,043.30	735,000.00	737,590.88	0.850	0.745	0.756	10/09/2015	1,011
459200HB0	10389	IBM CORP GLOBAL NOTES	02/06/2012	1,049,841.05	1,055,000.00	1,055,196.23	0.550	0.705	0.715	02/06/2015	766
25468PCU8	10445	WALT DISNEY CO GLOBAL NOTES	11/30/2012	193,547.25	195,000.00	194,039.43	0.450	0.691	0.701	12/01/2015	1,064
94974BET3	10433	WELLS FARGO & COMPANY	10/30/2012	796,432.50	750,000.00	790,783.50	3.750	0.497	0.504	10/01/2014	638
			<b>Subtotal and Average</b>	<b>4,400,548.85</b>	<b>4,360,000.00</b>	<b>4,410,038.98</b>	<b>0.772</b>	<b>0.772</b>	<b>0.782</b>		<b>852</b>
<b>Commercial Paper Disc. -Amortizing</b>											
89233GSH0	10426	TOYOTA MOTOR CREDIT CORP COMM	08/23/2012	498,257.08	500,000.00	499,532.00	0.470	0.479	0.486	05/17/2013	136
			<b>Subtotal and Average</b>	<b>498,257.08</b>	<b>500,000.00</b>	<b>499,532.00</b>	<b>0.479</b>	<b>0.479</b>	<b>0.486</b>		<b>136</b>
<b>Federal Agency Coupon Securities</b>											
3134G2WG3	10374	Federal Home Loan Mtg Corp	08/31/2011	3,287,134.80	3,270,000.00	3,296,807.46	0.750	0.568	0.576	09/22/2014	629
3134G2WG3	10376	Federal Home Loan Mtg Corp	09/30/2011	2,670,330.00	2,665,000.00	2,686,847.67	0.750	0.672	0.681	09/22/2014	629
3135GOKM4	10403	FANNIE MAE GLOBAL NOTES	04/19/2012	832,586.85	835,000.00	838,031.05	0.500	0.585	0.594	05/27/2015	876

**Fund 001 - SPWA  
Investments by Fund  
December 31, 2012**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
<b>Federal Agency Coupon Securities</b>											
31359MUT8	10353	Federal National Mtg Assn	04/27/2011	2,534,383.80	2,340,000.00	2,457,278.46	4.125	1.245	1.263	04/15/2014	469
3135GONG4	10422	Federal National Mtg Assn	08/07/2012	1,259,874.00	1,260,000.00	1,260,105.84	0.500	0.496	0.503	08/07/2015	948
3135G0BY8	10429	Federal National Mtg Assn	09/21/2012	1,813,757.75	1,795,000.00	1,813,073.86	0.875	0.328	0.333	08/28/2014	604
31359MUT8	10430	Federal National Mtg Assn	05/03/2011	1,976,647.40	1,820,000.00	1,911,216.58	4.125	1.133	1.149	04/15/2014	469
3135G0FY4	10439	Federal National Mtg Assn	11/06/2012	3,026,340.00	3,000,000.00	3,026,616.00	0.750	0.329	0.333	12/19/2014	717
31398A4M1	10442	Federal National Mtg Assn	11/06/2012	3,106,230.00	3,000,000.00	3,103,533.00	1.625	0.419	0.424	10/26/2015	1,028
3135G0SBO	10444	Federal National Mtg Assn	11/16/2012	1,446,621.50	1,450,000.00	1,448,202.00	0.375	0.444	0.450	12/21/2015	1,084
<b>Subtotal and Average</b>				<b>21,953,906.10</b>	<b>21,435,000.00</b>	<b>21,841,711.92</b>		<b>0.620</b>	<b>0.628</b>		<b>722</b>

<b>Treasury Coupon Securities</b>											
91282LS7	10395	U.S. Treasury	02/23/2012	494,509.77	470,000.00	488,102.52	2.375	0.415	0.421	10/31/2014	668
91282DC1	10404	U.S. Treasury	04/24/2012	2,308,359.38	2,100,000.00	2,255,941.80	4.250	0.345	0.349	11/15/2014	683
91282DC1	10406	U.S. Treasury	05/22/2012	662,782.22	605,000.00	649,926.09	4.250	0.373	0.378	11/15/2014	683
91282MHO	10417	U.S. Treasury	01/26/2012	216,347.07	205,000.00	213,392.29	2.250	0.394	0.400	01/31/2015	760
91282MHO	10418	U.S. Treasury	06/29/2012	1,981,030.08	1,890,000.00	1,967,372.82	2.250	0.372	0.377	01/31/2015	760
91282DV9	10421	U.S. Treasury	07/31/2012	1,713,355.47	1,550,000.00	1,689,378.91	4.125	0.323	0.328	05/15/2015	864
91282NP1	10427	U.S. Treasury	09/10/2012	780,615.23	750,000.00	777,421.50	1.750	0.324	0.328	07/31/2015	941
91282NFP3	10436	U.S. Treasury	11/06/2012	4,181,562.50	4,000,000.00	4,173,436.00	2.125	0.341	0.346	05/31/2015	880
91282NP1	10438	U.S. Treasury	11/06/2012	3,113,789.06	3,000,000.00	3,109,686.00	1.750	0.349	0.354	07/31/2015	941
91282JW1	10440	U.S. Treasury	11/06/2012	3,043,828.13	3,000,000.00	3,039,024.00	1.500	0.223	0.226	12/31/2013	364
91282BH2	10441	U.S. Treasury	11/06/2012	1,134,460.93	1,100,000.00	1,127,800.30	4.250	0.196	0.199	08/15/2013	226
91282CT5	10443	U.S. Treasury	11/07/2012	4,685,573.44	4,380,000.00	4,663,675.08	4.250	0.294	0.298	08/15/2014	591
91282EN6	10446	U.S. Treasury	11/30/2012	1,885,078.13	1,680,000.00	1,878,450.00	4.500	0.344	0.349	11/15/2015	1,048
<b>Subtotal and Average</b>				<b>26,201,291.43</b>	<b>24,730,000.00</b>	<b>26,033,607.31</b>		<b>0.318</b>	<b>0.322</b>		<b>723</b>

<b>Municipal Bonds</b>											
13063BB68	10424	CA ST REV BONDS	08/23/2012	401,718.95	395,000.00	399,092.20	2.500	0.418	0.424	06/20/2013	170
<b>Subtotal and Average</b>				<b>401,718.95</b>	<b>395,000.00</b>	<b>399,092.20</b>		<b>0.418</b>	<b>0.424</b>		<b>170</b>
<b>Total Investments and Average</b>				<b>82,542,842.05</b>	<b>80,507,119.64</b>	<b>82,283,947.65</b>		<b>0.457</b>	<b>0.464</b>		<b>480</b>

Portfolio SPWA  
AP

**So Placer Wastewater Authority**  
**Fund 003 - City of Roseville Cash Pool\***  
**Investments by Fund**  
**December 31, 2012**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
City of Roseville Cash Pool*	10048	City of Roseville Cash Pool	07/01/2012	12,367,379.03	12,367,379.03	12,367,379.03	0.607	0.598	0.607		1
SYS10048			Subtotal and Average	12,367,379.03	12,367,379.03	12,367,379.03	0.599	0.599	0.607		1
			Total Investments and Average	12,367,379.03	12,367,379.03	12,367,379.03	0.599	0.599	0.607		1

**Fund 19 - 2011A SPWA Interest Fund**  
**Investments by Fund**  
**December 31, 2012**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
<b>Money Market Funds</b>											
SYS10356	10356	Dreyfus Inst'l Res Treasury	07/01/2012	1,231.58	1,231.58	1,231.58	0.001	0.000	0.001		1
		<b>Subtotal and Average</b>		<b>1,231.58</b>	<b>1,231.58</b>	<b>1,231.58</b>	<b>0.001</b>	<b>0.001</b>	<b>0.001</b>		<b>1</b>
		<b>Total Investments and Average</b>		<b>1,231.58</b>	<b>1,231.58</b>	<b>1,231.58</b>	<b>0.001</b>	<b>0.001</b>	<b>0.001</b>		<b>1</b>

**Fund 21 - 2011 SPWA Reserve Fund  
Investments by Fund  
December 31, 2012**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
<b>Money Market Funds</b>											
SYS10358	10358	Dreyfus Inst'l Res Treasury	07/01/2012	363,622.48	363,622.48	363,622.48	0.001	0.000	0.001		1
		<b>Subtotal and Average</b>		<b>363,622.48</b>	<b>363,622.48</b>	<b>363,622.48</b>	<b>0.001</b>	<b>0.001</b>	<b>0.001</b>		<b>1</b>
<b>CAMP</b>											
SYS10366	10366	CAMP	07/01/2012	4,928,047.27	4,928,047.27	4,928,047.27	0.180	0.177	0.180		1
		<b>Subtotal and Average</b>		<b>4,928,047.27</b>	<b>4,928,047.27</b>	<b>4,928,047.27</b>	<b>0.178</b>	<b>0.178</b>	<b>0.180</b>		<b>1</b>
<b>Forward Delivery Agreement**</b>											
313588M85	10411	Federal National Mtg Assn	05/01/2012	4,593,348.65	4,606,000.00	4,604,618.20	0.271	0.275	0.279	05/01/2013	120
		<b>Subtotal and Average</b>		<b>4,593,348.65</b>	<b>4,606,000.00</b>	<b>4,604,618.20</b>	<b>0.275</b>	<b>0.275</b>	<b>0.279</b>		<b>120</b>
		<b>Total Investments and Average</b>		<b>9,885,018.40</b>	<b>9,897,669.75</b>	<b>9,896,287.95</b>		<b>0.216</b>	<b>0.219</b>		<b>56</b>

**Fund 23 - 2011B SPWA Interest Fund**  
**Investments by Fund**  
**December 31, 2012**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
<b>Money Market Funds</b>											
SYS10362	10362	Dreyfus Inst'l Res Treasury	07/01/2012	1,540.22	1,540.22	1,540.22	0.001	0.000	0.001		1
		<b>Subtotal and Average</b>		<b>1,540.22</b>	<b>4,540.22</b>	<b>1,540.22</b>		<b>0.001</b>	<b>0.001</b>		<b>1</b>
		<b>Total Investments and Average</b>		<b>1,540.22</b>	<b>1,540.22</b>	<b>1,540.22</b>		<b>0.001</b>	<b>0.001</b>		<b>1</b>

**Fund 26 - 2011C SPWA Interest Fund**  
**Investments by Fund**  
**December 31, 2012**

CUSIP	Investment #	Issuer	Purchase Date	Remaining Cost	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
<b>Money Market Funds</b>											
SYS10402	10402	Dreyfus Inst'l Res Treasury	07/01/2012	0.01	0.01	0.01	0.001	0.000	0.001		1
		<b>Subtotal and Average</b>		<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.001</b>	<b>0.001</b>	<b>0.001</b>		<b>1</b>
		<b>Total Investments and Average</b>		<b>0.01</b>	<b>0.01</b>	<b>0.01</b>	<b>0.001</b>	<b>0.001</b>	<b>0.001</b>		<b>1</b>

**So Placer Wastewater Authority  
Transaction Activity Report  
December 1, 2012 - December 31, 2012  
Sorted by Fund - Transaction Date  
All Funds**

Investment #	Fund	CUSIP	Investment Description	Transaction Type	Transaction Date	Maturity Date	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
10408	001	63253TPX0	NATAUS 0.6% MAT 06/19/2013	Interest	12/19/2012	06/19/2013	NATIIONAL AUSTRALIA			3,000.00	3,000.00
10434	001	431114503	UBOC 0.05%	Purchase	12/31/2012		Union Bank of Califo	48,125.86		22,500.00	-48,125.86
10440	001	912828JW1	USTR 1.5% MAT 12/31/2013	Interest	12/31/2012	12/31/2013	U.S. Treasury		15,774.46	-15,774.46	22,500.00
10440	001	912828JW1	USTR 1.5% MAT 12/31/2013	Accr Int	12/31/2012	12/31/2013	U.S. Treasury				0.00
<b>Totals for SPWA</b>											
10048	003	SYS10048	POOL 2.112%	Purchase	12/31/2012		City of Roseville Ca	523,590.44			-523,590.44
<b>Totals for City of Roseville Cash Pool*</b>											
10366	21	SYS10366	CAMP 0.12%	Purchase	12/31/2012		CAMP	766.66			-766.66
<b>Totals for 2011 SPWA Reserve Fund</b>											
<b>Grand Total</b>								<b>572,482.96</b>	<b>15,774.46</b>	<b>9,725.54</b>	<b>-546,982.96</b>

## AUTHORITY COMMUNICATION

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**TO:** South Placer Wastewater Authority  
Board of Directors **DATE:** January 14, 2013

**FROM:** Kenneth Glotzbach, Wastewater Utility Manager

**AUTHORITY COMMUNICATION NO.:** 13-03

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**SUBJECT:** Capital Improvement Projects (CIP) Budget Adjustment

*For SPWA Board Meeting of 1/31/13*

### ACTION REQUESTED

Adopt the attached resolution approving the midyear budget adjustments for CIPs funded by the SPWA.

### BACKGROUND

The attached list summarizes the midyear budget adjustments for wastewater CIPs funded by the SPWA. This sheet presents midyear adjustments for:

- Reduction in budgets
  - Project 52, Decrease project budget by \$95,000. While reviewing background information, a 2005 document was located that met the goals of the project. Therefore, anticipated consultant services were not required.
- Addition to budgets
  - Project 53, new project in the amount of \$95,000 for the Dry Creek Bank Stabilization Project. Project necessary to repair creek bank erosion that is threatening to expose a 33" trunk line near the Dry Creek WWTP.

Please note that there is no net change in the total program budget of \$261,723,241.

Submitted by:



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Kenneth Glotzbach  
Wastewater Utility Manager

**SPWA WASTEWATER PROJECT SPENDING**

PROJECT TITLE	ACCOUNT NUMBER	Total Approved		Mid Year		Total	
		Project Budget	FY 12-13 Remaining Budget	12-13 Adjustments	FY 12-13 Adjusted Budget	Adjusted Project Budget	Total Budget
1 WWTP LANDSCAPE PROJECT	30950 / 943507	\$1,219,812	\$0	\$0	\$0	\$1,219,812	
2 POTABLE WATER LINE TO THE DCWWTP	30950 / 963502	\$183,838	\$0	\$0	\$0	\$183,838	
3 KASEBERG NORTHEAST TRUNK SEWER LINE	30950 / 963501	\$1,570,936	\$0	\$0	\$0	\$1,570,936	
4 PLEASANT GROVE WASTEWATER TREATMENT PLANT	30950 / 963503	\$123,896,978	\$0	\$0	\$0	\$123,896,978	
5 TRANSMISSION MAIN	30950 / 963504	\$3,525,013	\$0	\$0	\$0	\$3,525,013	
6 PLEASANT GROVE TRUNK SEWER	30950 / 963505	\$11,589,649	\$0	\$0	\$0	\$11,589,649	
7 LIME FEED SYSTEM FOR RECYCLED WATER DIST.	30950 / 983506	\$75,309	\$0	\$0	\$0	\$75,309	
8 EMERGENCY STORAGE POND FLOOD CONTROL 1)	30950 / 983507	\$8,195,151	\$375,264	\$0	\$375,264	\$8,195,151	
9 BOIFILTER ODOR CONTROL SCRUBBING UNIT	30950 / 983508	\$622,995	\$0	\$0	\$0	\$622,995	
10 NPSF 30" RECYCLE LINE	30950 / 983510	\$1,898,988	\$0	\$0	\$0	\$1,898,988	
11 VIBRATION MONITORING AT WWTP	30950 / 983502	\$5,371	\$0	\$0	\$0	\$5,371	
12 RECYCLED WATER PUMPS UPGRADE	30950 / 983503	\$33,312	\$0	\$0	\$0	\$33,312	
13 MODIFY BACKWASH PUMP STATION	30950 / 983504	\$2,703	\$0	\$0	\$0	\$2,703	
14 KASEBERG SOUTHEAST TRUNK SEWER	30950 / 993505	\$613,601	\$0	\$0	\$0	\$613,601	
15 DIAMOND OAKS RECYCLE LINE	30950 / 993506	\$7,106,661	\$0	\$0	\$0	\$7,106,661	
16 WOODCREEK OAKS PRESSURE VALVE	30950 / 003502	\$5,745	\$0	\$0	\$0	\$5,745	
17 UPGRADE AERATION CONTROLS	30950 / 003506	\$124,048	\$0	\$0	\$0	\$124,048	
18 MECHANICAL MAINTENANCE BUILDING UPGRADE	30950 / 013501	\$161,511	\$0	\$0	\$0	\$161,511	
19 UPGRADE RECYCLED WATER SYSTEM	30950 / 013502	\$1,850,037	\$0	\$0	\$0	\$1,850,037	
20 DIAMOND CREEK CASCADE/OUTFALL	30950 / 013503	\$210,531	\$0	\$0	\$0	\$210,531	
21 DCWWTP/WEST DRY CREEK OUTFALL	30950 / 013504	\$153,370	\$0	\$0	\$0	\$153,370	
22 RWOCB BASIN PLAN AMENDMENT	30950 / 013505	\$384,282	\$0	\$0	\$0	\$384,282	
23 DCWWTP COOLING UNITS	30950 / 023501	\$3,139,986	\$0	\$0	\$0	\$3,139,986	
24 DCWWTP CONVERSION TO UV	30950 / 023502	\$37,523,160	\$123,198	\$123,198	\$123,198	\$37,523,160	
25 WEST DRY CREEK OFD RW CONNECTION	30950 / 023504	\$0	\$0	\$0	\$0	\$0	
26 DCWWTP DIGESTER HANDRAIL	30950 / 033502	\$5,760	\$0	\$0	\$0	\$5,760	
27 DCWWTP GATE SECURITY	30950 / 033503	\$47,530	\$0	\$0	\$0	\$47,530	
28 DCWWTP FILTER PLC UPGRADE	30950 / 033504	\$169,217	\$0	\$0	\$0	\$169,217	
29 REGIONAL PARTNER TELEMETRY	30950 / 033505	\$6,909	\$0	\$0	\$0	\$6,909	
30 CIP RESERVE	30950 / 033506	\$0	\$0	\$0	\$0	\$0	
31 DCWWTP FLOW METERS	30950 / 043501	\$522,629	\$0	\$0	\$0	\$522,629	
32 PGWWTP RECYCLED WATER SYSTEM	30950 / 043502	\$0	\$0	\$0	\$0	\$0	
33 PS DECOMMISSIONING	30950 / 043503	\$130,897	\$0	\$0	\$0	\$130,897	
34 WW/RW SYSTEMS EVALUATION	30950 / 043504	\$1,300,000	\$204,423	\$204,423	\$204,423	\$1,300,000	
35 DCWWTP AERATION PLC UPGRADE	30950 / 053501	\$325,000	\$311,942	\$311,942	\$311,942	\$325,000	
36 DCWWTP FILTER BACKWASH RETURN PIPELINE UPGRADE	30950 / 053502	\$0	\$0	\$0	\$0	\$0	
37 DCWWTP OPERATIONS ADMIN BUILDING	30950 / 053503	\$564,636	\$0	\$0	\$0	\$564,636	
38 WATER PURIFICATION PILOT PROJECT	30950 / 053504	\$420,567	\$0	\$0	\$0	\$420,567	
39 RW MODEL DEVELOPMENT	30950 / 053505	\$200,000	\$16,953	\$16,953	\$16,953	\$200,000	
40 NPDES PERMIT RENEWAL	30950 / 053506	\$869,006	\$286,112	\$286,112	\$286,112	\$869,006	
41 PGWWTP CONVERSION TO UV	30950 / 063502	\$0	\$0	\$0	\$0	\$0	
42 DCWWTP MAINTENANCE SHOP	30950 / 063503	\$4,220,075	\$0	\$0	\$0	\$4,220,075	
43 PGWWTP PROCESS IMPROVEMENTS	30950 / 063504	\$3,630,770	\$0	\$0	\$0	\$3,630,770	
44 SIA RW PIPELINE	30950 / 063505	\$0	\$0	\$0	\$0	\$0	
45 WW FORCE MAIN CONVERSION TO RW	30950 / 063506	\$1,200,000	\$246,995	\$246,995	\$246,995	\$1,200,000	
46 RELIABILITY CENTERED MAINTENANCE	30950 / 063507	\$453,548	\$0	\$0	\$0	\$453,548	
47 EXPANSION OF PGWWTP	30950 / 073505	\$41,219,384	\$225,024	\$225,024	\$225,024	\$41,219,384	
48 EXPANSION OF DCWWTP	30950 / 073506	\$874,326	\$0	\$0	\$0	\$874,326	
49 RADIO TELEMETRY	30950 / 073507	\$150,000	\$122,928	\$122,928	\$122,928	\$150,000	
50 PROCESS CONTROL STANDARDS	30950 / 073508	\$90,000	\$13,192	\$13,192	\$13,192	\$90,000	
51 GREASE RECEIVING STATION	30950 / 073509	\$150,000	\$38,503	\$38,503	\$38,503	\$150,000	
52 SERVICE AREA DEQA ANALYSIS	30950 / 123507	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	
53 DRY CREEK BANK STABILIZATION	to be assigned	\$0	\$0	\$0	\$0	\$0	
<b>TOTAL (includes completed projects)</b>		<b>\$261,723,241</b>	<b>\$2,064,534</b>	<b>\$2,064,534</b>	<b>\$2,064,534</b>	<b>\$261,723,241</b>	

1) Includes \$3 million budget increase to be billed and paid from operations/renhab  
 Completed Projects: closed to further spending

# AUTHORITY COMMUNICATION

**TO:** South Placer Wastewater Authority  
Board of Directors

**DATE:** January 17, 2013

**FROM:** Sandra Ikeda, Accounting Manager

**AUTHORITY COMMUNICATION NO.:** 13-06

**SUBJECT:** Rate Stabilization Fund Balances as of November 30, 2012

*For SPWA Board Meeting of 1/31/13*

**ACTION REQUESTED**

This communication is informational only. No action is required of the board.

**BACKGROUND**

With the formation of the JPA and subsequent bond issue, a rate stabilization fund (RSF) was established to collect the participants' connection fees and pay debt service, capital costs, bond redemptions, and administrative costs. Each participant has a sub-account established within the RSF that accounts for its connection fee deposits less proportionate cost shares. The available resources of the RSF are: \$92,596,392 as of June 30, 2012 and \$95,720,750 as of November 30, 2012. (Available resources include receivables and liabilities that are recognized as funds available for use. This results in a slightly larger balance than appears in the SPWA investment total.)

In 2012, the partners entered into several agreements that:

- (i) Eliminated the first-come/first-served rule for treatment capacity in favor of fixed capacity allocations;
- (ii) Reallocated the balances of their respective subaccounts within the RSF effective April 30, 2012; and
- (iii) Changed their respective proportionate shares for cost allocations effective April 30, 2012, as follows: Roseville from 54.17% to 61.66%, South Placer Municipal Utility District from 25.00% to 22.43%, and Placer County from 20.83% to 15.91%. In addition, the County has agreed to pay off their negative RSF balance with an upfront payment of \$5 million and on-going payments of \$500,000 annually.

The individual accounts of the participants are as follows:

**Prior to reallocation:**

<u>7/01/11 - 4/30/12</u>	<u>Beginning Balance</u>	<u>RSF Deposits</u> *	<u>Cost Shares</u>	<u>Ending Balance</u>
City of Roseville	\$79,375,374	\$4,618,140	\$(4,854,001)	\$79,139,513
SPMUD	34,802,440	1,733,434	(2,240,173)	34,295,701
Placer County	<u>(20,139,876)</u>	<u>675,282</u>	<u>(1,866,510)</u>	<u>(21,331,104)</u>
<b>Total as of 4/30/12</b>	<b>\$94,037,938</b>	<b>\$7,026,856</b>	<b>\$(8,960,684)</b>	<b>\$92,104,110</b>

**Reallocated balances:**

<u>7/01/11 - 4/30/12</u>	<u>Beginning Balance</u>	<u>RSF Deposits</u> *	<u>Cost Shares</u>	<u>Ending Balance</u>
City of Roseville	\$64,980,522	\$4,524,059	\$(5,525,150)	\$63,979,431
SPMUD	39,741,681	1,765,715	(2,009,879)	39,497,517
Placer County	<u>(10,684,275)</u>	<u>737,081</u>	<u>(1,425,644)</u>	<u>(11,372,838)</u>
<b>Total as of 4/30/12</b>	<b>\$94,037,928</b>	<b>\$7,026,855</b>	<b>\$(8,960,673)</b>	<b>\$92,104,110</b>

<u>7/01/11 - 6/30/12</u>	<u>Beginning Balance</u>	<u>RSF Deposits</u> *	<u>Cost Shares</u>	<u>Ending Balance</u>
City of Roseville	\$64,980,522	\$6,251,265	\$(6,578,375)	\$64,653,412
SPMUD	39,741,681	2,138,235	(2,393,011)	39,486,905
Placer County	<u>(10,684,275)</u>	<u>837,757</u>	<u>(1,697,407)</u>	<u>(11,543,925)</u>
<b>Total as of 6/30/12</b>	<b>\$94,037,928</b>	<b>\$9,227,257</b>	<b>\$(10,668,793)</b>	<b>\$92,596,392</b>

<u>7/01/12 - 11/30/12</u>	<u>Beginning Balance</u>	<u>RSF Deposits</u> *	<u>Cost Shares</u>	<u>Ending Balance</u>
City of Roseville	\$64,653,412	\$2,242,287	\$(3,548,429)	\$63,347,270
SPMUD	39,486,905	326,591	(1,290,809)	38,522,687
Placer County	<u>(11,543,925)</u>	<u>6,310,312</u> **	<u>(915,591)</u>	<u>(6,149,204)</u>
<b>Total as of 11/30/12</b>	<b>\$92,596,392</b>	<b>\$8,879,190</b>	<b>\$(5,754,829)</b>	<b>\$95,720,753</b>

\* RSF Deposits include connection fees, reimbursements, and interest revenue.

\*\* Includes County repayment in November 2012 of \$5 million, 2 payments totaling \$250,000, and an additional reimbursement of \$987,163 (which is a return of the true-up of operating cost reimbursement from the City) for a total of \$6,237,163.

Capital costs are allocated based on the participants' respective reallocated Proportionate Shares, defined in the revised Funding Agreement as follows: Roseville—61.66%, South Placer Municipal Utility District—22.43% and Placer County—15.91%.

A detailed breakdown will be provided to the participants for their review.

In addition, the table below breaks down the connection fees received by participant:

<u>Participant</u>	<u>7/11-6/12</u>	<u>7/12-11/12</u>	
City of Roseville	\$4,123,195	\$2,102,027	***
SPMUD	1,083,339	241,666	***
Placer County	<u>294,032</u>	<u>96,273</u>	***
<b>TOTAL</b>	<b>\$5,500,566</b>	<b>\$2,439,966</b>	

\*\*\*Connection fees received through October 2012

Submitted by:

  
 Sandra Ikeda  
 Accounting Manager

Approved:

  
 Russ Branson  
 Treasurer

## AUTHORITY COMMUNICATION

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**TO:** South Placer Wastewater Authority  
Board of Directors

**DATE:** January 17, 2013

**FROM:** Sandra Ikeda, Accounting Manager

**AUTHORITY COMMUNICATION NO.:** 13-05

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**SUBJECT:** Rate Stabilization Fund Summary/Available Resources as of June 30, 2012 and Rate Stabilization Fund Summary/Available Resources Estimated for June 30, 2013

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*For SPWA Board Meeting of 1/31/13*

### **ACTION REQUESTED**

This communication is informational only. No action is required of the board.

### **BACKGROUND**

The attached are fund summaries for: 1) the activity and available resources for the fiscal year 2011-12, and 2) the estimated activity and available resources for the fiscal year 2012-13.

On June 28, 2012 the Board approved the annual operations budget for fiscal year 2012-13. A comparison of the annual budget with projected revenues and expenditures is conducted at midyear to determine if the projected actual results are in line with the adopted budget.

### Revenues

Connection Fees and interest revenue are expected to come in at budget for fiscal year 2012-13.

### Expenditures

Overall, operating expenditures are projected to be at budget. Debt Service is expected to be slightly lower than budgeted by \$200,000, as interest rates have continued to be historically low and the bond market has reacted favorably to SPWA's bonds.

### **RECOMMENDATION**

No action is required of the board.

Submitted by:



Sandra Ikeda  
Accounting Manager

Approved:



Russ Branson  
Treasurer