



South Placer Wastewater Authority Board Meeting

June 25, 2020



REGULAR TELECONFERENCE MEETING AGENDA

In accordance with the requirements of California Government Code section 54950 *et seq.*, notice is hereby given of the regular teleconference meeting of the Board of Directors of the South Placer Wastewater Authority at the following time:

Thursday, June 25, 2020

9:30 a.m.

City of Roseville

Teleconference

This meeting will be held via teleconference in accordance with the Brown Act and Executive Order N-29-20. Members of the public may observe the meeting and offer public comment by utilizing the following information:

To Join the Meeting on your computer:

<https://us02web.zoom.us/j/89475010030>.

To Join the Meeting by phone:

Call 1 (669) 900-9128 and enter ID 894 7501 0030.

Public Comment:

Members of the public may comment on any item of interest to the public within subject matter jurisdiction of the South Placer Wastewater Authority. Please note that all public participants will be muted by default during the meeting. Members of the public who wish to address a specific agenda item are requested to offer their comments during consideration of that item.

Written Comments: You are welcome to submit written comments to the Board via email. Please send your written comments to pwalsh@roseville.ca.us by **3:00 p.m. on June 24, 2020**. Please include the words Public Comment in the subject line and the meeting date and a brief title and/or agenda item number that your comments relate to. Comments will be read aloud at the meeting.

Oral Comments: Public comment will be opened during the public comment time and for each agenda item. Please use the Zoom "Raise Hand" feature when the Board Chair announces the agenda item. The Chair may limit any individual to 3 minutes of comment. Time to address the Board will be allocated based on the number of requests received. Phone attendees press *9 to utilize the "Raise Hand" Feature.

If you need a disability-related modification or accommodation to participate in this meeting, please contact Voice: (916) 774-5770, TDD: (916) 774-5220. Requests must be made as early as possible.

AGENDA

CALL MEETING TO ORDER

ROLL CALL

Directors: Bonnie Gore
Bruce Houdesheldt (Chair)
Jerry Mitchell (Vice Chair)
Pauline Roccucci
Robert Weygandt

INTRODUCTIONS

APPROVAL OF MINUTES, February 18, 2020; March 19, 2020; March 23, 2020

OLD BUSINESS ITEMS

NEW BUSINESS ITEMS

1. Information: General Overview of Long-Term Debt and Bond Closing (*Nick Rosas*)
2. Information: Investments Report (*Jacquie Clarizio*)
3. Resolution: Approval of FY2020 Investment Policy (*Jacquie Clarizio*)
4. Information: Rate Stabilization Fund Balances & Connection Fee Revenues (*Jacquelyn Flickinger*)
5. Information: Capital Improvement Project Update FY19-20 (*Ken Glotzbach*)
6. Resolution: Approval of Annual Operating Budget for FY2019-20 Budget (*Janet Vargas*)

PUBLIC COMMENT ON NON-AGENDA ITEMS

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.

The meeting is accessible to the disabled. In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact Voice:(916) 774-5770, TDD: (916) 774-5220. Requests must be made as early as possible.

Bonnie Gore – Placer County
Bruce Houdesheldt – Roseville (*Chair*)
Jerry Mitchell – SPMUD (*Vice Chair*)
Pauline Roccucci – Roseville
Robert Weygandt – Placer County

MINUTES OF BOARD OF DIRECTORS' MEETING February 18, 2020

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:

Bonnie Gore
Bruce Houdesheldt
Jerry Mitchell
Pauline Roccucci
Robert Weygandt

Staff Present:

Osman Mufti, JPA Counsel
Ken Glotzbach, Executive Director
Dennis Kauffman, Treasurer
Pam Walsh, Secretary

Roll Call

All Directors were present.

Introductions

The following were in attendance: Teri Quinlan, Jacquelyn Flickinger, Jacquie Clarizio, Nick Rosas, Janet Vargas, Jeannine Thrash, Marisa Tricas, and Joe Mandell from the City of Roseville; Herb Niederberger from SPMUD; Kevin Bell and Shanti Landon, from Placer County; Phillip Curls from Hilltop Securities, Inc.; Dave Fama and James Wawrzyniak from Jones Hall; and John Sheldon from Morgan Stanley.

Approval of Minutes, January 30, 2020

A vote was taken as follows:

MOTION by Director Roccucci, seconded by Director Weygandt to approve the January 30, 2020, minutes. The vote was unanimous.

New Business Items

1. Information: Debt Review

Teri Quinlan reported on the Authority's outstanding debt, market commentary, and debt service budget, actual and remaining forecast for FY2019-20. Teri brought with her a chart, which showed the history of SPWA's debt and distributed this to the Board Members. Additional copies were available for attendees of the meeting.

No Public Comment.

2. Information: Investment Review

Jacque Clarizio reported on the performance of the Authority's investments through December 31, 2019. Jacque explained the portfolio demonstrates less earnings due to it being kept a bit more liquid, so that funds are readily available for the Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery Projects.

No Public Comment.

3. Information: Financial Audit

Nick Rosas reported on the Audited Financial Statement for the fiscal year ended June 30, 2019. On page 3 of the letter from Eide Bailly, there was a misstatement that was identified as a result of the audit procedures and this was brought to management's attention. This was revenue that was received after year-end, but related to 2019. The adjustment was approved by management and had no impact on the financial statements.

No Public Comment.

4. Resolution: Connection Fee Programs

Janet Vargas presented the Connection Fee Programs from July 2018 through June 2019. Based on a previous study, equivalent dwelling units (EDUs) were estimated to be 1,901. Actual EDUS for FY 2018-19 was 1,885.

Director Mitchell asked if there was anticipation that there would be a change in the number of connections in the service area. Janet replied that she believes an internal study had recently been completed and is hoping to incorporate those results in the EDU estimates for next year.

MOTION by Director Roccucci, seconded by Director Gore to adopt the independent accountants report on applying agreed-upon procedures (Resolution 2020-03).

Vote:	Ayes:	Gore, Houdesheldt, Mitchell, Roccucci, Weygandt
	Nos:	None
	Absent:	None

No Public Comment.

5. Information: Rate Stabilization Fund Balances

Jacquelyn Flickinger provided an update on the Rate Stabilization Fund Balances as of December 31, 2019. Overall, there has been good growth, strong connection fees, and less expenses. Rate stabilization fund balances will more than likely decrease over the next few years once the Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery projects begin and more capital dollars are spent for these projects.

No Public Comment.

6. Information: 2018-19 Final Rate Stabilization Fund Summary

Jacquelyn Flickinger provided an update on the Fund Summaries for the final activity in fiscal year 2018-2019. Interest and connection fees were both higher than budgeted; however, the repayment from the County was less than budgeted. The reason for this is, when the reallocation was completed, quarterly payments were no longer required; therefore, this will no longer be included in the budget going forward. Operating expenses were less than budgeted.

No Public Comment.

7. Resolution: Refinancing of the Authority's Wastewater Revenue Refunding Bonds, Series 2013 (2016 Direct Placement) and Termination of Interest Rate Swap

Phillip Curls from Hilltop Securities, Inc. gave an update to the Board regarding the options facing the Authority with regard to the 2016 Direct Placement upcoming expiration on April 1, 2020. Representatives from Jones Hall and Morgan Stanley were also present to answer any questions.

As discussed at the previous SPWA meeting of January 30, 2020, three financing scenarios were presented to the board members:

1. Procure an extension from US Bank for an additional 3.5 years with no modifications to the outstanding interest rate swap (after the January 30th SPWA meeting, US Bank proposed to keep the existing terms in place for six months, giving them time to roll out another variable rate product that the Authority might be interested in).
2. Partial fixed rate refunding (\$20.4 million) and a variable rate refunding, that removes the outstanding swap, but leaves a balance still on a variable rate (approximately \$40 million).
3. Refinance all of the 2016 Direct Placement on a fixed rate (\$59.330 million) and fund the termination of the Authority's outstanding interest rate swap.

Pending approval today of the 2020 fixed rate issuance, the proposed Finance schedule would include the following: a tentative rating conference call scheduled for February 24th; receipt of the credit rating on March 5th; posting the preliminary official statement on March 6th; selling the bonds in mid-March; and close a couple of days before the expiration of the Direct Placement.

Director Roccucci asked how would the coupons and the above options be affected if the economy took a turn downward. Phillip responded that the difference in the scenarios are based on the interest rate the Authority will be projected to pay and the risks involved. With the fixed rate bond, the interest rates are set in stone. There will be an option to restructure the Authority's debt in 2027 as the 2017 bond becomes callable so, if there was anything that needed to be changed about the debt payments, it could be done at that time or even a couple of years prior to that.

Director Mitchell asked if there would still be enough money to proceed with the Pleasant Grove Wastewater Treatment Plant Expansion and Energy Recovery projects and Ken Glotzbach assured him there was. Director Mitchell asked if the agreements for the project were complete, and Ken replied they are currently in draft form and the Authority should be getting those anytime. Essentially, there will be a low-interest, long-term loan to help spread the cost of the contract over time.

Chair Houdesheldt added that this appears to be an opportune time to take advantage of historically low interest rates to avoid the risk of some unforeseen situation in the global economy that might drive interest rates higher.

MOTION by Director Weygandt, seconded by Director Roccucci to adopt the Resolution approving refinancing of Wastewater revenue bonds, authorizing execution of a supplemental indenture of trust therefor and other documents, and related matters (Resolution 2020-04).

Vote: Ayes: Gore, Houdesheldt, Mitchell, Roccucci, Weygandt
 Nos: None
 Absent: None

No Public Comment.

Reports/Comments – Board Members/Staff

None.

Public Comment

None.

Adjournment

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

Bruce Houdesheldt
Chair

Pamela Walsh
Secretary to the Board



Bonnie Gore – Placer County
Bruce Houdesheldt – Roseville (Chair)
Jerry Mitchell – SPMUD (Vice Chair)
Pauline Roccucci – Roseville
Robert Weygandt – Placer County

**MINUTES OF BOARD OF DIRECTORS' MEETING
March 19, 2020**

The special meeting of the South Placer Wastewater Authority Board of Directors was called to order at 3:00 p.m. by teleconference.

Directors Present:

Bonnie Gore
Bruce Houdesheldt
Jerry Mitchell
Pauline Roccucci
Robert Weygandt

Staff Present:

Osman Mufti, JPA Counsel
Ken Glotzbach, Executive Director
Pam Walsh, Board Secretary

Roll Call

Present: Gore, Houdesheldt, Mitchell, Roccucci, Weygandt
Absent:

Introductions

The following individuals identified themselves as being present on the teleconference line: Phillip Curls from Hilltop Securities, Inc., Kevin Bell and Shanti Landon from Placer County, Dennis Kauffman and Marisa Tricas from City of Roseville, David Fama from Jones Hall. Others may have been present on the call.

Old Business Items

None

New Business Items

1. Informational Item: Update on Market Conditions and Status of Bond Sale

Phillip Curls from Hilltop Securities, Inc. provided an update on the market disruption due to COVID-19 and how this will affect the status of SPWA's bond sale. The Authority's 2016 Direct Placement with U.S. Bank expires on April 1, 2020, and the Authority will need to determine whether to procure a six-month extension with US Bank.

Ken Glotzbach explained that the Authority is attempting to keep the same structure in place during this six-month extension. The cost of extending the Direct Placement would be slightly higher; however, if the Authority were to proceed with the Bond sale now as originally planned, it would be paying a much higher interest rate on the bond than was originally expected. Over a long period, this could dramatically add up, especially given the amount of money involved. With the extension, the hope is that the market settles down and allows the Authority some time to work towards another opportunity to obtain a long-term fixed interest rate loan, as well as eliminate the swap with the variable interest rate.

Chair Houdesheldt questioned, if the market conditions were to be more favorable prior to the six-month extension deadline date, would there be any flexibility to sell. Phillip answered that the preference is to have the most flexibility without additional costs to the Authority, and that the details of flexibility and/or any costs associated with it would be provided at the subsequent board meeting on March 23, 2020.

No Public Comment was received on this item.

2. Resolution: Approval of 2020 SPWA Regular Meeting Schedule

The Authority's bylaws state that financial transactions can only be decided at regularly scheduled meetings and there cannot be any resolution made at a special or emergency board meeting; therefore, there is a request to approve the addition of a regularly scheduled meeting to the authority's 2020 meeting calendar.

Director Mitchell questioned if extending the number of regularly scheduled meetings was in violation of the Authority's bylaws and Counsel Osman Mufti responded that the Authority is allowed to add any number of regular meetings to address items as needed.

Ken Glotzbach recommended that the South Placer Wastewater Authority (SPWA) Board add March 23, 2020, as a regular meeting date. A final determination to proceed with the extension with US Bank will be made by the Board at the next SPWA meeting on March 23, 2020. All Board members (or their alternates) need to be present for this decision and the decision needs to be unanimous according to SPWA bylaws.

MOTION by Director Roccucci, seconded by Director Gore to add an additional board meeting on March 23, 2020 (Resolution 2020-05).

Vote: Ayes: Gore, Houdesheldt, Mitchell, Roccucci, Weygandt
 Nos: None
 Absent: None

No Public Comment was received on this item.

Reports/Comments – Board Members/Staff

Director Gore stated that Placer County issued a directive for people to stay at home other than taking care of essential activities, which will go into effect tomorrow, March 20, 2020 at 12:01 a.m.

She clarified that Sacramento County was an order, Placer County is a directive, and so Placer County is not mandating it.

Public Comment

None.

Adjournment

The meeting was adjourned at 3:30 p.m.

Bruce Houdesheldt
Chair

Pamela Walsh
Secretary to the Board

Bonnie Gore – Placer County
Bruce Houdesheldt – Roseville (Chair)
Jerry Mitchell – SPMUD (Vice Chair)
Pauline Rocucci – Roseville
Robert Weygandt – Placer County

**MINUTES OF BOARD OF DIRECTORS' MEETING
March 23, 2020**

The regular meeting of the South Placer Wastewater Authority Board of Directors was called to order at 4:00 p.m. via teleconference.

Directors Present:

Bonnie Gore
Bruce Houdesheldt
Jerry Mitchell
Pauline Rocucci
Robert Weygandt

Staff Present:

Osman Mufti, JPA Counsel
Ken Glotzbach, Executive Director
Pam Walsh, Board Secretary

Roll Call

Present: Gore, Houdesheldt, Mitchell, Rocucci, Weygandt
Absent:

Introductions

The following individuals identified themselves as being present on the teleconference line: Kevin Bell and Shanti Landon from Placer County, Phillip Curls from Hilltop Securities, David Fama from Jones Hall, Ryan Devore, Jacquelyn Flickinger, George Hanson, Dennis Kauffman, Joe Mandell, Jeannine Thrash, and Janet Vargas from City of Roseville, Dan Kurz and John Sheldon from Morgan Stanley, and Herb Niederberger from SPMUD. Others may have been present on the call.

Old Business Items

None

New Business Items

- 1. Resolution: Approval of the following agreements, certificates, and any other documents relating to the extension of the Authority's Wastewater Revenue Refunding Bonds, Series 2013 (Variable Rate Demand Bonds):**

Ken Glotzbach stated the Authority has been holding off on selling the long-term fixed rate bonds due to the market's instability since the COVID-19 pandemic. There have been discussions with U.S. Bank to secure a six-month extension for the Direct Placement (previous due date was April 1, 2020). U.S. Bank has been very willing to work with the Authority and has offered some very good terms for a six-month period.

Phillip Curls informed the Authority of the details of the proposal. The extension will cost approximately \$60,000 for the six-month period but, given the situation, the extension is still appropriate and it does allow the Authority to have the flexibility to prepay this transaction on the first of every month without penalty.

The new maturity date is September 25, 2020.

Director Mitchell asked, if the LIBOR index were terminated, would there be another standard index. David Fama, with Jones Hall, answered that they have spoken with U.S. Bank about the possibility of LIBOR being terminated and there is a provision built into the Third Supplement to the Indenture that states, if LIBOR were eliminated, there will be a standard that banks will be using and US Bank will be consistent with that standard.

Director Mitchell also asked if the Authority is confident that everything has been done to ensure that the extension with U.S Bank is the Authority's best financial option at this time, and Phillip Curls replied yes.

Director Roccucci questioned if there would be an option for another extension after the September 25, 2020, maturity date, and Phillip replied that there will more than likely be a number of options available, including continuing the variable rate, obtaining a lower interest rate, better terms, or a fixed rate with U.S. Bank or another bank, all of which will need to be assessed by the Finance team when the time arrives.

Ken Glotzbach requested approval of the following agreements, certificates, and any other documents relating to the extension of the Authority's Wastewater Revenue Refunding Bonds, Series 2013 (Variable Rate Demand Bonds):

- a. Third Supplement to the Wastewater Revenue Bond Indenture, by and between the Authority and the Bank of New York Mellon Trust Company, N.A., dated as of March 31, 2020;
- b. Second Amendment to Continuing Covenant Agreement, by and between the Authority and U.S. Bank, NA, dated as of March 31, 2020;
- c. Any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which an Authorized Officer, or any of them, may deem necessary or advisable in order to consummate any of the transactions contemplated by the foregoing documents.

MOTION by Director Gore, seconded by Director Roccucci requesting the Board adopt Resolution 2020-06.

Vote:	Ayes:	Gore, Houdesheldt, Mitchell, Roccucci, Weygant
	Nos:	None
	Absent:	None

No public comment was received on this item.

Reports/Comments – Board Members/Staff

None.

Public Comment

None.

Adjournment

Motion by Director Mitchell, seconded by Director Rocucci to adjourn the meeting at 4:20 p. m. The Motion Passed. The Motion was unanimous.

Bruce Houdesheldt
Chair

Pamela Walsh
Secretary to the Board

Tab
1

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority Board of Directors

DATE: June 25, 2020

FROM: Nick Rosas, Accounting Supervisor

AUTHORITY COMMUNICATION NO.: 20-13

SUBJECT: General Overview of Long-Term Debt and Bond Closing

ACTION REQUESTED

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

The attached presentation provides information on the Authority's outstanding debt prior to the issuance of the SPWA Revenue Refunding Bonds, Series 2020, debt-related activity since June 30, 2019, and on the current outstanding debt of the Authority.

Submitted by:




Nick Rosas, CPA
Accounting Supervisor

Approved:

Dennis
Kauffman

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Dennis Kauffman
Date: 2020.06.12 14:37:17
-07'00'

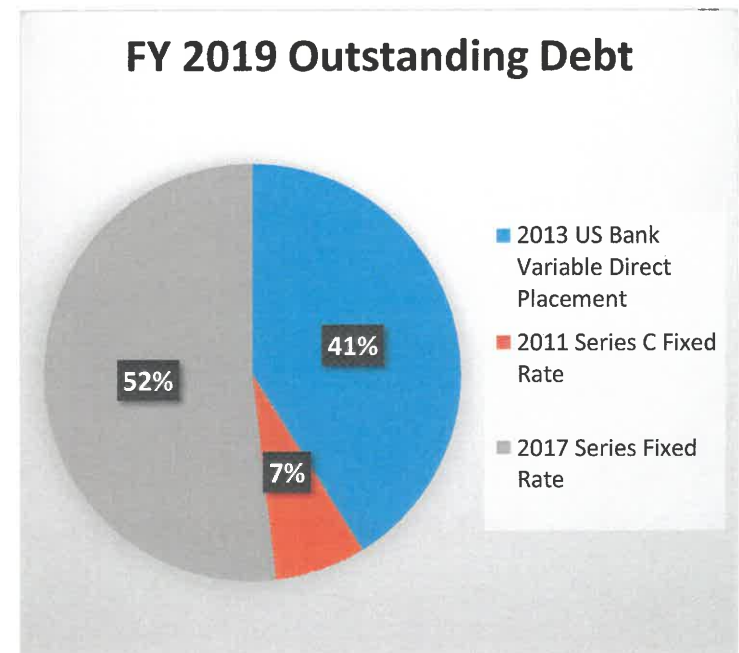
Dennis Kauffman
Chief Financial Officer



Kenneth J. Glotzbach
Executive Director

SPWA Debt As of June 30, 2019

- \$144,320,000 in outstanding debt
- 41% Variable Rate Debt
- 59% Fixed Rate Debt
- Interest Rate Swap with Morgan Stanley with notional value of \$25,680,000
- Total Debt Service \$10,278,889

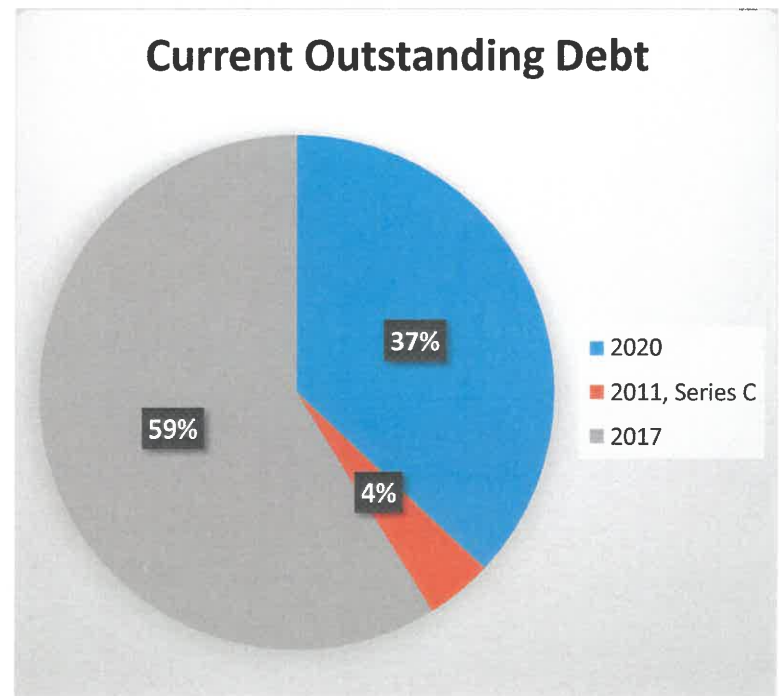


Activity since June 30, 2019

- The Authority issued the Series 2020 Wastewater Revenue Refunding Bonds
 - Par Value: \$46,920,000
 - Funds were used for the redemption of the 2013 Series Bonds, and for debt service reserve.
 - The Authority paid \$1,267,000 from available cash to terminate the interest rate swap with Morgan Stanley, making the entire debt portfolio of the Authority fixed rate debt.

Current Debt Portfolio

- Total principal outstanding: \$126,985,000
 - 2011 Refunding Wastewater Revenue Bonds, Series C. Outstanding principal of \$5,285,000
 - 2017 Wastewater Revenue Bonds. Outstanding principal of \$74,780,000
 - 2020 Wastewater Revenue Refunding Bonds. Outstanding principal of \$46,920,000



Tab
2

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: June 4, 2020

FROM: Jacquie Clarizio – Financial Analyst

AUTHORITY COMMUNICATION NO: 20-14

SUBJECT: Investment Review

For SPWA Board Meeting 6/25/2020

ACTION REQUESTED

None required. This is an information item.

BACKGROUND

The following report details the performance of the Authority's investments through May 2020.

INVESTMENTS

The Schedule of Investments for May 2020 is attached to this report. The yield-to-market on the invested funds as of May 2020 was 1.627%.

Additional Accumulated Funds

The remaining funds, \$11.8m, are the Authority's bond reserve funds held by the fiscal agent.

Submitted by:

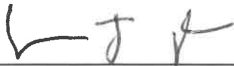


Jacquie Clarizio
Financial Analyst

Dennis
Kauffman

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Kauffman
Date: 2020.06.12 15:08:29
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Dennis Kauffman
Chief Financial Officer



Kenneth J. Glotzbach
Executive Director



BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

Account Statement

Statement Period 05/01/2020 Through 05/31/2020

Account 322068 Base Currency = USD
SO PLACER 2011 AND 2017 PARITY RES

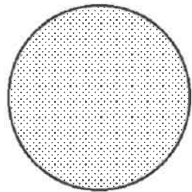
CLIENT SERVICE MANAGER: MILLY CANESSA
BNYM CORPORATE TRUST
100 PINE STREET, SUITE 32
SAN FRANCISCO, CA 94111
415-263-2420
MILLY.CANESSA@BNYMELLON.COM

Go Paperless.

Securely access your accounts online to view your statements. Ask your BNY Mellon contact how we can help you access your account balances and activity in real time, receive your reports, enter your own transactions or submit an audit confirmation online. Also be sure to ask how NEXEN(SM) Gateway, our new cloud-based ecosystem, can help you.

Visit us at www.bnymellon.com

Account Overview



Percent of all Investments	Asset Classification	Market Value
100%	CASH AND SHORT TERM	11,806,081.63
100%	TOTAL OF ALL INVESTMENTS	11,806,081.63

Summary of Assets Held by Asset Classification

Asset Classification	Market Value	Cost	Accrued Income	Estimated Annual Income	Market Yield
CASH AND SHORT TERM	11,806,081.63	11,806,081.63	0.00	1,180.73	0.01 %
ACCOUNT TOTALS	11,806,081.63	11,806,081.63	0.00	1,180.73	0.01 %

Summary of Cash Transactions by Transaction Category

Transaction Category	Current Period			Year-to-Date	
	Income	Principal	Realized Gains/Losses	Income	Principal
OPENING BALANCE	0.00	0.00		0.00	0.00
DIVIDENDS	75.03	0.00	0.00	28,654.42	0.00
OTHER CASH ADDITIONS	0.00	0.00	0.00	0.00	2,978,076.15
PURCHASES	75.03-	0.00	0.00	28,654.42-	2,978,076.15-

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BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2020 Through 05/31/2020
Account 322068 Base Currency = USD
SO PLACER 2011 AND 2017 PARITY RES

Summary of Cash Transactions by Transaction Category - Continued

Transaction Category	Current Period			Year-to-Date	
	Income	Principal	Realized Gains/Losses	Income	Principal
CLOSING BALANCE	0.00	0.00	0.00	0.00	0.00

The above cash transactions summary is provided for information purposes only and may not reflect actual taxable income or deductible expenses as reportable under the Internal Revenue Code.

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BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2020 Through 05/31/2020
Account 322068 Base Currency = USD
SO PLACER 2011 AND 2017 PARITY RES

Statement of Assets Held by Asset Classification

Shares/Par Value	Asset Description	Market Price	Market Value	Cost	Average Cost	Accrued Income	Estimated Income	Market Yield
CASH AND SHORT TERM								
11,531,315.160	DREYFUS INS RES TSY AGY CH ADV 6541 CUSIP: X9USDEFRU	1.00000	11,531,315.16	11,531,315.16	1.00000	0.00	1,153.25	0.01%
274,766.470	INSTL RES TRE AND AGNY CASH ADV6541 CUSIP: X9USDEFRU	1.00000	274,766.47	274,766.47	1.00000	0.00	27.48	0.01%
Total CASH AND SHORT TERM			11,806,081.63	11,806,081.63		0.00	1,180.73	0.01%
ACCOUNT TOTALS			11,806,081.63	11,806,081.63		0.00	1,180.73	0.01%

Total Market Value Plus Total Accrued Income 11,806,081.63

Statement of Transactions by Transaction Date

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
05/01/20	ACCOUNT OPENING PERIOD BALANCE	0.00	0.00	11,806,006.60	
05/04/20	Purchase INSTL RES TRE AND AGNY CASH ADV6541 TRADE DATE 05/04/20 SET/DATE 05/04/20 CUSIP X9USDEFRU 75.030 SHARES	75.03-	0.00	75.03	0.00
05/04/20	Dividend DREYFUS INS RES TSY AGY CH ADV 6541 TRADE DATE 05/04/20 SET/DATE 05/04/20 CUSIP X9USDEFRU	75.03	0.00	0.00	0.00
05/04/20	ACCOUNT CLOSING DAILY BALANCE	0.00	0.00	11,806,081.63	0.00
05/31/20	ACCOUNT CLOSING PERIOD BALANCE	0.00	0.00	11,806,081.63	0.00

Cumulative realized capital gain and loss position from 12/31/2019 for securities held in principal of account:

Short Term: 0.00 * Long Term: 0.00 *

* The above gain and loss position does not include transactions where tax cost information is incomplete or unavailable.

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BNY MELLON

The Bank of New York Mellon Trust Company, N.A.

Statement Period 05/01/2020 Through 05/31/2020
Account 322068 Base Currency = USD
SO PLACER 2011 AND 2017 PARITY RES

Cash and securities set forth on this Account Statement are held by The Bank of New York Mellon, an affiliate of The Bank of New York Mellon Trust Company, N.A. In addition, The Bank of New York Mellon Trust Company, N.A. may utilize subsidiaries and affiliates to provide services and certain products to the Account. Subsidiaries and affiliates may be compensated for their services and products.

The value of securities set forth on this Account Statement are obtained by The Bank of New York Mellon Trust Company, N.A., from its affiliate, The Bank of New York Mellon which determines such values for Corporate Trust on the basis of market prices and information obtained by The Bank of New York Mellon from unaffiliated third parties (including independent pricing vendors) ("third party pricing services"). The Bank of New York Mellon has not verified such market values or information and makes no assurances as to the accuracy or correctness of such market values or information or that the market values set forth on this Account Statement reflect the value of the securities that can be realized upon the sale of such securities. In addition, the market values for the securities set forth in this Account Statement may differ from the market prices and information for the same securities used by other business units of The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon or their respective subsidiaries or affiliates based upon market prices and information received from other third party pricing services utilized by such other business units. Corporate Trust does not compare its market values with those used by, or reconcile different market values used by, other business units of The Bank of New York Mellon Trust Company, N.A., The Bank of New York Mellon or their respective subsidiaries or affiliates. Neither The Bank of New York Mellon Trust Company, N.A. nor The Bank of New York Mellon shall be liable for any loss, damage or expense incurred as a result of or arising from or related to the market values or information provided by third party pricing services or the differences in market prices or information provided by other third party pricing services.



**So Placer Wastewater Authority
Portfolio Management
Portfolio Summary
May 31, 2020**

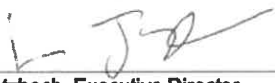
City of Roseville CA

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM/C
City of Roseville Cash Pool*	7,478,701.77	7,478,701.77	7,478,701.77	5.83	1	1	1.871
Money Market Funds	7,610,289.33	7,610,289.33	7,610,289.33	5.94	1	1	0.006
Local Agency Investment Funds	44,519,540.91	44,519,540.91	44,519,540.91	34.72	1	1	1.648
Corporate Notes	33,246,000.00	34,533,069.76	33,324,395.56	25.99	1,570	961	2.265
Federal Agency Coupon Securities	33,000,000.00	33,201,160.00	33,000,000.00	25.74	1,743	529	1.386
Municipal Bonds	2,245,000.00	2,290,763.55	2,285,952.67	1.78	906	884	1.308
Investments	128,099,532.01	129,633,525.32	128,218,880.24	100.00%	873	402	1.650

Total Earnings	May 31 Month Ending	Fiscal Year To Date
Current Year	186,355.37	2,366,821.68
Average Daily Balance	131,963,907.55	126,794,562.45
Effective Rate of Return	1.66%	2.03%

*Estimated balance as of 05/31/2020
Market values provided by US BANK, 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, Executive Director

 DATE

6-3-20

 DATE

Digitally signed by Dennis Kauffman
 Date: 2020.06.03 11:20:10 -0700
 Dennis Kauffman, Treasurer

Reporting period 05/01/2020-05/31/2020

Run Date: 06/02/2020 - 16:39

Portfolio SPWA
AP
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.6.1

**So Placer Wastewater Authority
Portfolio Management
Interest Earnings Summary
May 31, 2020**

	May 31Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	155,395.77	1,256,161.89
Plus Accrued Interest at End of Period	271,376.60	271,376.60
Less Accrued Interest at Beginning of Period	(319,669.34)	(351,914.89)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	107,103.03	1,175,623.60
Adjusted by Premiums and Discounts	-1,157.72	52,954.57
Adjusted by Capital Gains or Losses	0.00	27,280.09
Earnings during Periods	105,945.31	1,255,858.26
Pass Through Securities:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	(0.00)	(0.00)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	0.00	0.00
Cash/Checking Accounts:		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	6,680,524.84	6,680,524.84
Less Accrued Interest at Beginning of Period	(6,600,114.78)	(5,569,561.42)
Interest Earned during Period	80,410.06	1,110,963.42
Total Interest Earned during Period	187,513.09	2,286,587.02
Total Adjustments from Premiums and Discounts	-1,157.72	52,954.57
Total Capital Gains or Losses	0.00	27,280.09
Total Earnings during Period	186,355.37	2,366,821.68



So Placer Wastewater Authority
Fund 001 - SPWA
Investments by Fund
May 31, 2020

City of Roseville CA

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM/C 360	YTM/C 365	Maturity Days To Date Maturity
City of Roseville Cash Pool*										
SYS10048	10048	City of Roseville Cash Pool	07/01/2019	7,478,701.77	7,478,701.77	7,478,701.77	1.859	1.833	1.859	1
Subtotal and Average				7,478,701.77	7,478,701.77	7,478,701.77		1.834	1.859	1
Money Market Funds										
431114503	10434	US BANK	07/01/2019	7,610,289.33	7,610,289.33	7,610,289.33	0.006	0.005	0.005	1
Subtotal and Average				7,610,289.33	7,610,289.33	7,610,289.33		0.006	0.006	1
Local Agency Investment Funds										
40-31-001	10032	Local Agency Investment Fund	07/01/2019	44,519,540.91	44,519,540.91	44,519,540.91	1.648	1.625	1.648	1
Subtotal and Average				44,519,540.91	44,519,540.91	44,519,540.91		1.625	1.648	1
Corporate Notes										
009158AV8	10667	AIR PROD & CHEM	12/10/2019	2,100,890.78	2,000,000.00	2,173,840.00	3.350	2.042	2.071	07/31/2024 1,521
037833CC2	10637	APPLE INC GLOBAL NOTES	08/17/2016	2,850,801.45	2,850,000.00	2,886,366.00	1.550	1.504	1.525	08/04/2021 429
166764BN9	10660	CHEVRON CORP NOTE	11/07/2018	985,943.81	1,000,000.00	1,034,860.00	2.498	3.304	3.349	03/03/2022 640
29736RAN0	10668	ESTEE LAUDER CO	12/10/2019	3,011,858.29	3,000,000.00	3,157,260.00	2.000	1.870	1.896	12/01/2024 1,644
459200JC6	10655	IBM CORP GLOBAL NOTES	08/23/2018	2,981,930.34	3,000,000.00	3,176,670.00	2.875	2.896	2.936	11/09/2022 891
48128GM49	10666	JP MORGAN CHASE CORP NOTES	11/27/2019	2,000,000.00	2,000,000.00	1,986,520.00	2.300	2.268	2.300	11/27/2021 544
46647PBQ8	10680	JP MORGAN CHASE CORP NOTES	05/27/2020	2,012,206.09	2,000,000.00	2,015,700.00	1.514	1.288	1.306	06/01/2024 1,461
48305QAA1	10670	KAISER FOUN HOSP	04/14/2020	1,278,402.63	1,245,000.00	1,307,959.65	3.500	1.973	2.000	04/01/2022 669
589331AT4	10646	MERCK & CO INC	05/23/2018	2,950,782.99	3,000,000.00	3,124,200.00	2.400	2.441	2.475	09/15/2022 836
69371RP59	10653	PACCAR FINL CORP	08/23/2018	2,010,155.88	2,000,000.00	2,139,140.00	3.400	3.181	3.226	08/09/2023 1,164
89236TEL5	10656	TOYOTA MOTOR CREDIT CORP COMM	08/23/2018	2,968,065.02	3,000,000.00	3,122,610.00	2.700	2.742	2.780	01/11/2023 954
911312BC9	10664	UNITED PARCEL SERVICE	11/07/2018	981,444.44	1,000,000.00	1,031,300.00	2.350	3.316	3.362	05/16/2022 714
931142DH3	10654	WALMART	08/23/2018	1,973,348.44	2,000,000.00	2,107,140.00	2.550	2.594	2.630	04/11/2023 1,044
949746SA0	10639	WELLS FARGO & COMPANY	08/05/2016	3,003,044.72	3,000,000.00	3,048,360.00	2.100	1.979	2.006	07/26/2021 420
384802AE4	10672	WW GRAINGER	04/28/2020	2,215,520.68	2,151,000.00	2,221,144.11	1.850	1.183	1.200	02/15/2025 1,720
Subtotal and Average				33,324,395.56	33,246,000.00	34,533,069.76		2.234	2.265	990
Federal Agency Coupon Securities										
31422BA26	10676	FEDERAL AGRIC MTG CORP AGCY	05/19/2020	5,000,000.00	5,000,000.00	5,002,250.00	0.675	0.665	0.675	05/19/2025 1,813

Portfolio SPWA
AP
FI (PRF_FI) 7.1.1
Report Ver. 7.3.6.1

**Fund 001 - SPWA
Investments by Fund
May 31, 2020**

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM/C 360	YTM/C 365	Maturity Date	Days To Maturity
Federal Agency Coupon Securities											
3133ELWT7	10671	Federal Farm Credit Bank	04/21/2020	5,000,000.00	5,000,000.00	5,000,050.00	1.150	1.255	1.273	10/21/2024	1,603
3133ELXV1	10673	Federal Farm Credit Bank	04/28/2020	5,000,000.00	5,000,000.00	5,000,050.00	1.010	0.996	1.010	04/28/2025	1,792
3130A93A7	10640	Federal Home Loan Bank	08/24/2016	2,000,000.00	2,000,000.00	2,044,460.00	2.000	0.988	1.002	08/24/2021	449
3130AFE29	10665	Federal Home Loan Bank	11/27/2018	2,000,000.00	2,000,000.00	2,026,540.00	3.350	3.304	3.350	11/27/2023	1,274
3134G9AD9	10627	Federal Home Loan Mtg Corp	04/28/2016	2,000,000.00	2,000,000.00	2,023,300.00	1.500	1.479	1.500	04/28/2021	331
3134G9QV2	10633	Federal Home Loan Mtg Corp	06/15/2016	5,000,000.00	5,000,000.00	5,002,450.00	1.450	1.430	1.450	06/15/2020	14
3134GUD23	10669	Federal Home Loan Mtg Corp	12/23/2019	5,000,000.00	5,000,000.00	5,071,900.00	1.800	1.775	1.800	12/23/2024	1,666
3136G3VK8	10636	Federal National Mtg Assn	07/21/2016	2,000,000.00	2,000,000.00	2,030,160.00	1.500	1.479	1.500	07/21/2021	415
Subtotal and Average				33,000,000.00	33,000,000.00	33,201,160.00		1.367	1.386		1,193
Municipal Bonds											
250433QJ1	10677	DESERT SANDS USD-B	05/14/2020	1,020,387.27	1,000,000.00	1,020,580.00	2.852	0.789	0.800	06/01/2021	365
438670Q87	10678	HONOLULU-G-TXBL	05/12/2020	522,197.12	500,000.00	520,870.00	2.812	1.454	1.474	11/01/2023	1,248
64966WEH6	10679	NYC HSG DEV	05/01/2020	743,368.28	745,000.00	749,313.55	1.810	1.862	1.887	02/01/2024	1,340
Subtotal and Average				2,285,952.67	2,245,000.00	2,290,763.55		1.290	1.308		883
Total Investments and Average				128,218,880.24	128,099,532.01	129,633,525.32		1.627	1.650		580



**So Placer Wastewater Authority
Maturity Report
Sorted by Maturity Date
Amounts due during May 1, 2020 - May 31, 2020**

CUSIP	Investment #	Fund	Sec. Type	Issuer	Par Value	Maturity Date	Purchase Date at Maturity	Rate	Book Value at Maturity	Interest	Maturity Proceeds	Net Income
747525AD5	10619	001	MTN	QUALCO	1,500,000.00	05/20/2020	10/09/2015	2.250	1,500,000.00	16,875.00	1,516,875.00	16,875.00
Total Maturities					1,500,000.00				1,500,000.00	16,875.00	1,516,875.00	16,875.00



So Placer Wastewater Authority
Purchases Report
Sorted by Fund - Fund
May 1, 2020 - May 31, 2020

CUSIP	Investment #	Fund	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity/Call Date	YTM	Ending Book Value
SPWA													
64966WEH6	10679	001	MUN	NYC HS	745,000.00	05/01/2020	08/12 - 02/12	743,331.20	2,959.10	1.810	02/01/2024	1.888	743,368.28
438670Q87	10678	001	MUN	HONOLU	500,000.00	05/12/2020	05/20 - 11/20	522,540.00	Received	2.812	11/01/2023		522,197.12
250433QJ1	10677	001	MUN	DESERT	1,000,000.00	05/14/2020	06/05 - 12/05	1,021,350.00	12,596.33	2.852	06/01/2021	0.800	1,020,387.27
31422BA26	10676	001	FAC	FAMCA	5,000,000.00	05/19/2020	11/19 - 05/19	5,000,000.00		0.675	05/19/2022	0.675	5,000,000.00
46647PBQ8	10680	001	MTN	JP MOR	2,000,000.00	05/27/2020	12/01 - 06/01	2,012,240.00		1.514	06/01/2023	1.306	2,012,206.09
				Subtotal	9,245,000.00			9,299,461.20	15,555.43				9,298,158.76
				Total Purchases	9,245,000.00			9,299,461.20	15,555.43				9,298,158.76

Received = Accrued Interest at Purchase was received by report ending date.

Tab
3

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** June 2, 2020
Board of Directors

FROM: Jacquie Clarizio – Financial Analyst

AUTHORITY COMMUNICATION NO: 20-15

SUBJECT: Investment Policy

For SPWA Board Meeting 6/25/2020

ACTION REQUESTED

It is recommended that the Board adopt the Investment Policy for the South Placer Wastewater Authority.

BACKGROUND

Every year the investment are reviewed by staff to ensure the policy complies with the California Government Code.

INVESTMENTS

The purpose of the Investment Policy is to establish cash management and investment guidelines for the Treasurer, who is responsible for the stewardship of the SPWA investment program. Each transaction and the entire portfolio must comply with the California Government Code Sections 53600 and 53635 et seq. and the Investment Policy. The Investment Policy conforms to the customary standards of prudent investment management and any changes to the policy must be adopted by the Board of Directors.

There were two small changes to the investment policy for FY20-21. They were changed to reflect the changes in Government code and guidelines from California Debt and Investment Advisory Commission (CDIAC).

1. Section 8(d), "Obligations of the State of California", was revised to remove the rating from the policy to reflect changes in Government Code section 53601 (d).
2. The table in Section 8(r), "Summary of Maximum Percentage Limitations of Investments by Investment Type", was updated to reflect a rating change and LAIF limit increases in the table.

Submitted by:



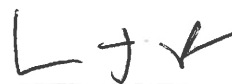
Jacquie Clarizio
Financial Analyst

Approved by:

Dennis
Kauffman

Digitally signed by Dennis
Kauffman
Date: 2020.06.12 15:09:46
-07'00'

Dennis Kauffman
Chief Financial Officer



Kenneth J. Glotzbach
Executive Director

SOUTH PLACER WASTEWATER AUTHORITY

RESOLUTION NO. 2020-07

**RESOLUTION OF THE BOARD OF DIRECTORS
OF THE SOUTH PLACER WASTEWATER AUTHORITY
ADOPTING THE SOUTH PLACER WASTEWATER AUTHORITY
INVESTMENT POLICY FOR FY 2020-2021**

WHEREAS, the South Placer Wastewater Authority Investment Policy was adopted by the Board of Directors of the South Placer Wastewater Authority ("Authority") at the Board's meeting on February 13, 2001, and amended periodically thereafter (as amended, the "Investment Policy"); and

WHEREAS, the Authority desires to update the Investment Policy to incorporate certain changes that the Board deems necessary.

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

The South Placer Wastewater Authority Investment Policy for Fiscal Year 2020-2021 is hereby adopted in the form presented at this meeting and attached hereto.

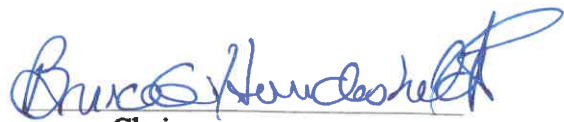
PASSED AND ADOPTED this 25th day of June, 2020, by the following vote on roll call:

AYES: Gore, Houdesheldt, Mitchell, Roccaucci, Weygardt

NOES:

ABSENT:

ABSTENTIONS:


Chairperson

ATTEST:


Secretary

South Placer Wastewater Authority Investment Policy



Effective July 1, 2020

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South Placer Wastewater Authority

Investment Policy

Effective July 1, 2020

1. **Introduction**

The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities.

The investment policies and practices of the South Placer Wastewater Authority (SPWA) are based on state law and prudent money management. All funds will be invested in accordance with this investment policy and Article 2 of Chapter 4 of the California Government Code. This policy is in compliance with the provisions of the California Government Code, Sections 53600 through 53659, and the authority governing investments for municipal governments.

2. **Scope**

It is intended that this policy covers all funds and proceeds of debt issues and investment activities under SPWA's direction.

3. **Prudence**

The standard of care to be used by investment officials shall be the "prudent investor" standard and shall be applied in the context of managing an overall portfolio. The "prudent investor" standard states that:

When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

Investment officers acting in accordance with written procedures and the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

4. **Objectives**

The primary objectives, in priority order, of the investment activities of SPWA shall be:

- a) **Safety**. Safety of principal is the foremost objective of the investment program. SPWA investments shall be undertaken in a manner that seeks to ensure preservation of capital in the portfolio. To further achieve the safety objective, the amount invested in all investment categories is limited to a percentage of the portfolio as defined in section 8“Permitted Investment Instruments”.
- b) **Liquidity**. The investment portfolio of SPWA will remain sufficiently liquid to enable SPWA to meet its cash flow requirements.
- c) **Return on Investment**. The investment portfolio of SPWA shall be designed with the objective of attaining a market rate of return on its investments consistent with the constraints imposed by its safety objective and cash flow considerations.

5. **Delegation of Authority**

The Board hereby delegates management responsibility of the investment program to the Treasurer and/or his/her designee. Treasurer and/or his/her designee are hereby authorized and directed in the name and on behalf of SPWA to invest the Authority’s monies, and to make and execute any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which he or she might deem necessary or appropriate in order to accomplish the purposes of this policy. No person may engage in an investment transaction except as provided under the limits of this policy unless specifically exempted by statute or ordinance.

6. **Ethics and Conflict of Interest**

Officers and employees involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program, or which could impair their ability to make impartial decisions.

7. **Authorized Financial Dealers and Institutions**

The Treasurer and/or his/her designee will maintain a list of approved financial institutions authorized to provide investment services to the SPWA. These may include “primary” dealers or regional dealers that qualify under Securities & Exchange Commission Rule 15C3-1. A determination should be made to insure that all approved Broker/dealer firms, and individuals covering the public agency, are reputable and trustworthy. In addition, the broker/dealer firms should have the ability to meet all of their financial obligations in dealing with the Public Agency. The firms, and individuals covering the agency, should be knowledgeable and experienced in Public Agency investing and the investment products involved. No public deposit shall be made except in a qualified public depository as established by the established state laws. All financial institutions and broker/dealers who desire to conduct investment transactions with the public agency must supply the Treasurer with the following: completed broker/dealer questionnaire, and certification of having read the SPWA investment policy.

8. **Permitted Investment Instruments**

The Authority shall limit investments in any one non-government issuer, except investment pools, to no more than 5% regardless of security type.

- a) **U.S. Treasury obligations** for which the full faith and credit of the United States are pledged for the payment of principal and interest. Up to 100 percent of SPWA's investment portfolio may be invested in government obligations.
- b) **Federal agency or United States government-sponsored enterprise** obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises. Up to 100 percent of SPWA's investment portfolio may be invested in federal agency or United States government-sponsored enterprise obligations.
- c) **Mortgage pass through security** issued and guaranteed by a Federal Agency Securities eligible for investment under this category of "AA" or its equivalent or better for an NRSRO and have a maximum remaining maturity of five years or less. Purchase of securities authorized by this subdivision may not exceed 20 percent of SPWA's surplus money.
- d) **Obligations of the State of California** or any local agency within the state, including bonds payable solely out of revenues from a revenue producing property owned, controlled or operated by the state or any local agency or by a department, board, agency or authority of the state or any local agency. Up to 100 percent of SPWA's investment portfolio may be invested in California municipal obligations.
- e) **Registered treasury notes or bonds of any of the other 49 states** in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of these states.
- f) **Repurchase Agreements** used solely as short-term investments not to exceed 30 days. Up to 100 percent of SPWA's investment portfolio may be invested in repurchase agreements.
- g) **Bankers' Acceptances**, otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank.

Purchases of Banker's Acceptances may not exceed 180 days maturity or 40 percent of SPWA's investment portfolio.
- h) **Commercial paper** of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a NRSRO. The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (8h1) or paragraph (8h2):

- 1) The entity meets the following criteria:
 - a. Is organized and operating in the United States as a general corporation.
 - b. Has total assets in excess of five hundred million dollars (\$500,000,000).
 - c. Has debt other than commercial paper, if any, that is rated “A” or higher by a NRSRO.

- 2) The entity meets the following criteria:
 - a. Is organized within the United States as a special purpose corporation, trust, or limited liability company.
 - b. Has program wide credit enhancements including, but not limited to, over collateralizations, letters of credit, or surety bond.
 - c. Has commercial paper that is rated “A-1” or higher, or the equivalent, by a NRSRO.

Purchases of eligible commercial paper may not exceed 270 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation.

Purchases of commercial paper may not exceed 25 percent of the City’s investment portfolio.

- i) **Medium-term corporate notes** issued by corporations organized and operating within the United States or by depository institutions licensed by the U.S. or any state and operating within the U.S. Medium-term corporate notes shall be rated in a rating category "A" or its equivalent or better by a nationally recognized rating service.

Purchase of medium-term corporate notes may not exceed 30 percent of SPWA’s investment portfolio.

- j) **FDIC insured or fully collateralized time certificates of deposit.** Purchases of time certificates of deposit in combination with negotiable certificates of deposit may not exceed 30 percent of SPWA’s investment portfolio.

- k) **Negotiable certificates of deposit or deposit notes** issued by a nationally or state-chartered bank, a state or federal savings and loan association, state or federal credit union, or a federally-licensed or state-licensed branch of a foreign bank provided that the senior debt obligations of the issuing institution are rated "A" or better as provided for by an NRSRO.

Purchase of time certificates of deposit in combination with negotiable certificates of deposit may not exceed 30 percent of SPWA’s investment portfolio.

- l) **State of California's Local Agency Investment Fund**

The Local Agency Investment Fund (LAIF) portfolio should be reviewed periodically. Investment in LAIF may not exceed the legally authorized limits.

- m) **Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission** under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1, et seq.). To be eligible for investment pursuant to this subdivision these companies shall either: (1) have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations or (2) have an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds and with assets under management in excess of \$500,000,000.

The purchase price of shares of beneficial interest purchased shall not include any commission that the companies may charge and shall not exceed 20 percent of SPWA's investment portfolio. Further, no more than 10 percent of SPWA's investment portfolio may be invested in shares of beneficial interest of any one money market fund.

- n) **Shares in a California common law trust** established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53635 of Title 5, Division 2, Chapter 4 of the Government Code of the State of California, as it may be amended.
- o) **City of Roseville's Pooled Investment Fund.**
- p) **Supranationals** are United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA-", its equivalent, or better by an NRSRO.

Purchases of supranationals shall not exceed 30 percent of the investment portfolio of the Authority. Supranationals will be permitted by California Government Code §53601 (q) and this Policy effective January 1, 2015.

- q) **A mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-back certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond.** Securities eligible for investment under this subdivision shall be rated in a rating category of "AA" or its equivalent or better by an NRSRO and have a maximum remaining maturity of five years or less. No more than 20% of the Authority's surplus funds may be invested in this type of security.

Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only on the date of purchase. Credit criteria listed in this section refers to the credit of the issuing organization at the time the security is purchased. If an investment falls below the minimum purchase rating, the Treasurer will perform a timely review and, following notification of the Board Chairman, decide whether to sell or hold the investment.

r) Prohibited Investments

For purposes of this policy, a derivative is defined as any security where the value is linked to or derived from an underlying asset or benchmark. Any security type or structure not specifically approved by this policy is hereby specifically prohibited. SPWA will not use such derivatives as range notes, dual index notes, inverse floating rate notes, deleveraged notes, or notes linked to lagging indices or to long term indices, nor will SPWA invest in reverse repurchase agreements, interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity. This policy does not preclude the use of repurchase agreements and callable securities, as they do not fall within the definition of a derivative as described herein.

Summary of Maximum Percentage Limitations of Investments by Investment Type

SPWA Pool:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality at Time of Purchase</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment In One Issuer</u>
U.S. Treasury Obligations (A)	5 Years	None	No Limit	No Limit
U.S. Agency Securities (A)	5 Years	None	No Limit	No Limit
Forward Delivery Agreements	N/A	A	None	None
State of California or California Local Agency Bonds	5 Years	None	No Limit	No Limit
Registered State Treasury Notes or Bonds of the other 49 States	5 Years	None	No Limit	No Limit
Repurchase Agreements	30 days	None	No Limit	No Limit
Bankers' Acceptances	180 days	None	40%	30%
Commercial Paper	270 days	A-1	25%	No Limit
Medium-Term Notes	5 Years	A	30%	No Limit
Collateralized Time Deposits	5 Years	None	30%	No Limit

Negotiable Certificates of Deposit	5 Years	A	30%	No Limit
Local Agency Investment Fund (LAIF)	N/A	None	No Limit	LAIF Limit
Insured Saving Accounts	N/A	None	No Limit	No Limit
Money Market Mutual Funds	N/A	(A)	20%	10%
Shares in a California Common Law Trust	N/A	None	No Limit	No Limit
Interest Rate Swaps	N/A	None	No Limit	No Limit
City of Roseville Pooled Investment Fund	N/A	None	No Limit	No Limit
Supranationals	5 Years	AA-	30%	No Limit
Mortgage Pass-Through Securities	5 Years	AA	20%	No Limit

9. Review of Investment Portfolio

The securities held by the SPWA must be in compliance with Permitted Investments at the time of purchase. Because some securities may not comply subsequent to the date of purchase, the Treasurer shall at least annually review the portfolio to identify those securities that do not comply. The Treasurer shall report major and critical incidences of noncompliance identified through the review of the portfolio.

10. Investment Pools

A thorough investigation of any investment pool is required prior to investing and should be monitored on an ongoing basis. The following information should be obtained and analyzed.

- a) A description of eligible of investment securities
- b) A written statement of investment policies and objectives.
- c) A description of interest calculations and their distribution, and the treatment of gains and losses.
- d) A description of how the securities are safeguarded (including the settlement processes), and how often the securities are priced and the program audited.
- e) A description of who may invest in the program, how often, and what size of deposits and withdraws are allowed.

11. Collateralization

Collateral for Non-negotiable Certificates of Deposit and Negotiable Certificates of Deposit must comply with California Government Code section 53652. In addition, if the Certificate of Deposit is not FDIC insured, collateral is required equal to 110 percent of principal.

The following collateral restrictions will be observed:

- Only U.S. Treasury securities or Federal Agency securities, as described in Number 8 will be acceptable collateral. All securities underlying Repurchase Agreements must be delivered to SPWA’s custodian bank by book entry, physical delivery, or

by a third party custodial agreement. The total of all collateral for each Repurchase Agreement must equal or exceed, on the basis of market value, 102 percent of the funds borrowed against those securities. For any Repurchase Agreement with a term of more than one day, the value of the underlying securities must be reviewed on a weekly basis and the value of the underlying securities brought back up to 102 percent no later than the next business day.

- Market value must be calculated each time there is a substitution of collateral.
- SPWA or its trustee shall have a perfected first security interest under the Uniform Commercial Code in all securities subject to Repurchase Agreement.
- SPWA may enter into Repurchase Agreements only with primary dealers of the Federal Reserve Bank of New York.
- SPWA will have specific written agreements with each firm with which it enters into Repurchase Agreements.
- Reverse repurchase agreements will not be allowed.

12. **Safekeeping and Custody**

The assets of SPWA shall be secured through the third-party custody and safekeeping procedures. Bearer instruments shall be held only through third-party institutions. Collateralized securities such as repurchase agreements shall be purchased using the delivery versus payment procedure.

13. **Diversification**

The SPWA's investment pool will be diversified to avoid incurring unreasonable and avoidable risks. The investments will be diversified by security type, maturities of those investments, and institutions in which those investments are made.

14. **Maximum Maturity**

Investment maturities shall be based on a review of cash flow forecasts. Maturities will be scheduled so as to permit SPWA to meet all projected obligations. The maximum maturity will be no more than five years from purchase date to maturity date.

15. **Internal Control**

The Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, fraud or misuse. An analysis by an external independent accounting firm shall be conducted annually to review internal controls, account activity, and compliance with the investment policies.

16. **Performance Benchmark**

The investment portfolio will be designed to obtain a market rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs. The Investment Review Committee has elected to use for its performance standard the Constant Maturity Treasury (CMT) Index. For the SPWA Portfolio the 12 month moving average yield on 2Yr CMT will be used.

17. **Reporting Requirements**

The Treasurer shall make available investment reports to SPWA's Board. The reports shall include, at a minimum, the following information for each individual investment:

- Description of investment instrument
- Issuer name
- Yield on cost
- Purchase date
- Maturity date
- Book Value
- Par Value
- Current market value
- Transaction Activity
- Interest Earnings Summary

The monthly report shall also (i) state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance, (ii) include a description of any of SPWA's funds, investments or programs that are under the management of contracted parties, including lending programs, and (iii) include a statement denoting the ability of SPWA to meet its expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

18. **Investment Policy Adoption**

The Treasurer shall annually submit to the Board a statement of the investment policy, which the Board shall consider at a public meeting. Any change in the policy shall be reviewed by the Board at a public meeting.

19. Glossary

Broker-Dealer – a person or a firm who can act as a broker or a dealer depending on the transaction. A broker brings buyers and sellers together for a commission. They do not take a position. A dealer acts as a principal in all transactions, buying and selling for his own account.

Certificate of Deposit (CD) – A time deposit with a specific maturity evidenced by a Certificate. Large-denomination CDs are typically negotiable.

Collateral – Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

Custody – Safekeeping services offered by a bank, financial institution or trust company, referred to as the “custodian.” Service normally includes the holding and reporting of the customer’s securities, the collection and disbursement of income, securities settlement and market values.

Delivery Versus Payment –A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or custodian. It ensures that securities are deposited in an eligible financial institution prior to the release of funds. Securities should be held by a third-party custodian as evidenced by safekeeping receipts.

Diversification – Dividing investment funds among a variety of securities offering independent returns.

Federal Agency Obligation – A debt instrument issued by one of the federal agencies. Federal agencies are considered second in credit quality and liquidity only to U.S. Treasuries.

Liquidity – An investment that can be converted easily and rapidly into cash without a substantial loss of value.

Local Agency Investment Fund (LAIF) – The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

Market Value – The price at which a security is trading and could presumably be purchased or sold on a specific date.

Maturity – The date upon which the principal or stated value of an investment becomes due and payable.

Money Market Fund – a type of safe investment comprising a variety of short-term securities with high quality and high liquidity. The fund provides interest to shareholders and must maintain a stable net asset value (NAV) of \$1 per share.

Portfolio – Collection of securities held by an investor.

Principal – the original cost of a security. It represents the amount of capital or money that the investor pays for the investment.

Prudent Investor Standard – An investment standard that all investments should be made with care, skill, prudence and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.

U.S. Treasury – Government debt issued by the United States Department of the Treasury through the Bureau of the Public Debt. Treasury securities are the debt financing instruments of the United States federal government, and they are often referred to simply as Treasuries. There are four types of marketable treasury securities: Treasury bills, Treasury notes, Treasury bonds, and Treasury Inflation Protected Securities (TIPS). All of the marketable Treasury securities are very liquid and are heavily traded on the secondary market.

Tab
4

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** June 8, 2020
Board of Directors

FROM: Jacquelyn Flickinger, Controller

AUTHORITY COMMUNICATION NO.: 20-16

SUBJECT: Rate Stabilization Fund Balances as of April 30, 2020

For SPWA Board Meeting 6/25/2020

ACTION REQUESTED

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

BACKGROUND

With the formation of the Joint Powers Authority 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 deposits less proportionate cost shares. Available resources include receivables and liabilities that are recognized as funds available for use.

Expenses and interest are allocated based on the participants' respective reallocated Proportionate Shares, defined in the Second Amended and Restated Funding Agreement as follows: Roseville—64.57%, South Placer Municipal Utility District—21.95% and Placer County—13.48%. Connection Fees and Reimbursements are recorded directly in each partners sub-account.

Changes in RSF Balances from July 1, 2018 to June 30, 2019:


	City of Roseville	SPMUD	Placer County	Total
Revenues:				
Connection Fees	\$ 9,015,259	\$ 5,289,129	\$ 565,834	\$ 14,870,222
Reimbursements	-	-	250,000	250,000
Interest	1,150,853	982,467	36,755	2,170,075
Total Revenues	10,166,112	6,271,596	852,589	17,290,297
Expenses:				
Capital	667,351	226,860	139,322	1,033,533
Debt Service	6,447,773	2,191,864	1,346,074	9,985,711
Administrative	77,843	26,463	16,251	120,557
Total Expenses	7,192,967	2,445,187	1,501,647	11,139,801
Increase/(Decrease) in RSF Balances	2,973,145	3,826,409	(649,058)	6,150,496
Beginning Balance, as of July 1, 2018, restated	64,245,120	54,028,619	2,719,565	120,993,303
Ending Balance, as of June 30, 2019	\$ 67,218,265	\$ 57,855,028	\$ 2,070,507	\$ 127,143,799

Changes in RSF Balances from July 1, 2019 to Apr 30, 2020:

	City of Roseville	SPMUD	Placer County	Total
Revenues:				
Connection Fees	\$ 9,169,650	\$ 2,802,054	\$ 1,204,007	\$ 13,175,711
Interest	1,310,253	445,409	273,535	2,029,197
Total Revenues	10,479,903	3,247,463	1,477,542	15,204,908
Expenses:				
Capital	2,884,250	980,475	602,132	4,466,857
Debt Service	6,277,345	2,133,928	1,310,494	9,721,767
Administrative	67,472	22,937	14,086	104,495
Total Expenses	9,229,067	3,137,340	1,926,712	14,293,119
Increase/(Decrease) in RSF Balances	1,250,836	110,123	(449,170)	911,789
Beginning Balance, as of July 1, 2019	67,218,265	57,855,028	2,070,507	127,143,799
Ending Balance, as of April 30, 2020	\$ 68,469,101	\$ 57,965,151	\$ 1,621,337	\$ 128,055,588

*Connection fees are reported through March 2020.

Submitted by:



Jacquelyn Flickinger, CPA
Controller

Approved:

Dennis
Kauffman

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Dennis Kauffman
Chief Financial Officer



Kenneth J. Glotzbach
Executive Director

Tab
5

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: June 9, 2020

FROM: Kenneth J. Glotzbach, Executive Director

AUTHORITY COMMUNICATION NO.: 20-17

SUBJECT: Capital Improvement Project Update

For SPWA Board Meeting of June 25, 2020

ACTION REQUESTED

No action is requested. This item is for information only.

BACKGROUND AND PROJECT UPDATES

UV Disinfection Equipment Additions

The UV disinfection system at the Pleasant Grove WWTP was constructed with four treatment channels to convey treated water for disinfection with the UV equipment installed in the channels. When constructed, three of the four channels were fitted with the equipment. The fourth channel was built for system expansion and was to be equipped when the treatment flow approached the capacity of the first three channels. Growth in the Pleasant Grove WWTP service area is now generating sufficient flow to justify equipping the fourth channel.

Staff are presently developing equipment purchase specifications and should have the equipment delivered and installed within the next year.

Pleasant Grove WWTP Expansion and Energy Projects

Staff completed construction services procurement and the Roseville City Council awarded two construction contracts to W.M. Lyles Company for \$54.4 million (Expansion) and \$23.4 million (Energy) on November 6, 2019.

The contractor began onsite construction work in February and has made steady progress since then. The national COVID crisis has not impacted the project schedule so far.

State Revolving Fund (SRF) funding agreements were approved by the Roseville City Council and executed in May 2020. With SRF funding committed, the project is now fully funded for the anticipated cost through completion.

Submitted by:



Kenneth J. Glotzbach
Executive Director

Tab
6

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: June 9, 2020

FROM: Janet Vargas, Business Services Administrator

AUTHORITY COMMUNICATION NO.: 20-18

SUBJECT: Annual Operating Budget for Fiscal Year 2020-2021

For SPWA Board Meeting 6/25/20

ACTION REQUESTED

Adopt the annual operating budget for fiscal year 2020-2021.

BACKGROUND

Section 7d, subsection (4) of the Joint Exercise of Powers Agreement provides that the Board shall adopt a budget for the following fiscal year no later than June 30th of each year.

The attached budget for the South Placer Wastewater Authority (Authority) represents the estimates of revenues and expenses for the Authority for fiscal year 2020-2021 (FY21). The Board will have an opportunity to review, and adjust as necessary, the annual budget at mid-year.

2019-2020 (FY20) Estimated Revenues and Operating Expenses (Current Year)

Included in the budget is an estimate of revenues and operating expenses for the current fiscal year.

- Interest earnings, net of amortized premiums and unrealized gains/losses are lower than FY19 due to declining interest rates in FY20.
- Connection fees are also a bit lower than FY19 due to uncertainties in the market.

2020-2021 Estimated Revenues

Connection fees have been projected at \$16,592,600 (\$1,654,000 for the County, \$2,480,000 for the District, and \$12,458,000 for Roseville). This reflects a level of anticipated development from the prior year, however, this will be watched closely as there are still uncertainties in the market due to COVID-19. Interest income, net of amortized premiums and unrealized gains/losses is also estimated to be higher than what was budgeted in FY20 as we are planning to obtain approximately \$25 million from State Revolving Fund reimbursements in FY21.

2020-2021 Estimated Operating Expenses

Total operating expenses for FY21 are estimated to be higher than FY20. This is due to increased indirect costs related to administration of the Authority by the city attorney, city manager, and finance departments.

No additional Capital Improvement Project costs are budgeted for in FY21.

Debt service payments for FY21 are higher than FY20 due to the way bond debt service is structured.

Submitted by:




Janet Vargas
Business Services Administrator

Approved by:

Dennis
Kauffman

Dennis Kauffman
Chief Financial Officer

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Kenneth J. Glotzbach
Executive Director

SOUTH PLACER WASTEWATER AUTHORITY

RESOLUTION NO. 2020-08

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH PLACER WASTEWATER AUTHORITY APPROVING THE
OPERATING BUDGET FOR FY 2020-21**

BE IT RESOLVED by the Board of Directors of the South Placer Wastewater Authority that the Operating Budget for FY 2020-21 is hereby approved as presented to the Board at this meeting; and

BE IT FURTHER RESOLVED, that the Executive Director is hereby authorized to reallocate budgeted amounts among the line-items in the approved Operating Budget, as he may deem necessary or desirable; provided, however, that the total amount budgeted for FY 2020-21 shall not be increased without the Board's prior approval.

PASSED AND ADOPTED this 25th day of June, 2020, by the following vote on roll call:

AYES: Gore, Houdesheldt, Mitchell, Roccurci, Weygardt

NOES: —

ABSENT: —

ABSTENTIONS: —


Chairperson

ATTEST:


Secretary

South Placer Wastewater Authority: FY 2020-21 Budget

	Actual 2018-19	Amended Budget 2019-20	Budget 2020-21
ESTIMATED REVENUES			
Interest	\$ 2,170,075	\$ 1,925,277	\$ 2,537,897
Connection Fees	14,870,223	14,648,600	16,592,000
Repayment from County	250,000	-	-
Reimbursement from State Revolving Fund Project	-	-	25,000,000
Total Estimated Revenues	17,290,298	16,573,877	44,129,897
ESTIMATED OPERATING EXPENSES			
JPA Staff	75,471	88,431	127,616
Legal Services	6,687	40,000	40,000
Financial Advisory Services	-	50,000	50,000
Audit Services	19,481	25,000	25,000
Insurance	18,262	23,000	23,000
Copying/Mailing/Supplies	-	1,000	1,000
Office supplies	150	1,000	1,000
Postage	465	1,000	1,000
Conference calls	-	250	250
Travel/Meetings	42	500	500
Miscellaneous	-	-	-
Total Estimated Operating Expenses	120,557	230,181	269,366
ESTIMATED NON-OPERATING REVENUES, TRANSFERS IN, AND CARRYOVER			
Prior Year CIP Carryover*	-	83,386,161	-
Total Estimated Non-Operating Revenues, Transfers In, and Carryover	-	83,386,161	-
LESS CAPITAL AND DEBT EXPENSES			
UV Disinfection Equipment		2,520,000	
PG Expansion / ERP	927,809	19,500,000	
Carryover Projects	105,724	83,386,161	
Debt service payments	9,985,711	10,872,550	11,630,623
Total Estimated Capital and Debt Related Expenses	11,019,244	116,278,711	11,630,623
INCREASE (DECREASE) FROM OPERATIONS	6,150,496	(16,548,854)	32,229,908
Estimated Adjusted Beginning Fund Balance	120,993,303	43,757,638	27,208,784
Increase (Decrease) from Operations	6,150,496	(16,548,854)	32,229,908
Less Encumbrance Carryover Reserve	-		
Less CIP Carryover Reserve	(83,386,161)		
Estimated Ending Fund Balance	\$ 43,757,638	\$ 27,208,784	\$ 59,438,692