



South Placer Wastewater Authority Board Meeting

January 28, 2021



SPWA REGULAR TELECONFERENCE MEETING AGENDA
AMENDED

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 and location:

Thursday, January 28, 2021

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/88170479162>

To Join the Meeting by Phone

Call 1 (669) 900-9128 and enter Meeting ID 881 7047 9162

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 January 27, 2021**. 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.

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.

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: January 18, 2021

FROM: Executive Director's Office

AUTHORITY COMMUNICATION NO.: 21-01

SUBJECT: Election of a New Chairperson and Vice-Chairperson

For SPWA Board Meeting of January 28, 2021

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 30, 2020. Section 3.5 of the 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. Customarily the Board annually appoints a new Chairperson and Vice-Chairperson at its first meeting of the year.

Submitted by:



Kenneth J. Glotzbach
Executive Director

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

**MINUTES OF BOARD OF DIRECTORS' MEETING
June 25, 2020**

The regular teleconference meeting of the South Placer Wastewater Authority Board of Directors was called to order at 9:30 a.m..

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 were in attendance: Shanti Landon and Robert (could not discern last name) from Placer County; Herb Niederberger and Emilie Costan from SPMUD; Dennis Kauffman, Janet Vargas, Jacquelyn Flickinger, Nick Rosas, Jacquie Clarizio, Joe Mandell, Teri Quinlan, and George Hanson from the City of Roseville.

Approval of Minutes, February 18, 2020; March 19, 2020; March 23, 2020

A vote was taken as follows:

MOTION by Director Mitchell, seconded by Director Gore to approve the February 18, 2020, March 19, 2020, and March 23, 2020, meeting minutes.

Vote: Ayes: Gore, Houdesheldt, Mitchell, Roccucci, Weygandt

Nos:

Absent:

Old Business Items

None.

New Business Items

1. Information: General Overview of Long-Term Debt and Bond Closing

Nick Rosas provided a presentation regarding an overview of SPWA's long-term debt and bond closing. He stated, with the issuance of the Series 2020 Wastewater revenue refunding bonds, the Authority no longer has the variable rate or outstanding swaps. 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.

No public comment.

2. Information: Investments Report

Jacque Clarizio reported on the performance of the Authority's investments through May 2020.

No Public Comment.

3. Resolution: Approval of FY20-21 Investment Policy

Jacque Clarizio presented the Investment Policy stating there were some minor language changes and requested Board approval. Legal counsel confirmed these changes track the statutes.

MOTION by Director Gore, seconded by Director Roccuci, requesting the Board adopt a resolution to approve the FY2020-21 Investment Policy (Resolution 2020-07).

Vote: Ayes: Gore, Houdesheldt, Mitchell, Roccucci, Weygandt
 Nos:
 Absent:

No Public Comment.

4. Information: Rate Stabilization Fund Balances and Connection Fee Revenues

Jacquelyn Flickinger presented the Rate Stabilization Fund Balances and Connection Fee Revenues for information.

Director Mitchell asked for clarification regarding the Rate Stabilization Fund (RSF) balances and the obligation of the members of the Authority to support their proportionate balance, specifically if that balance has been in arrears.

Ms. Flickinger explained the balances are percentage-based, split in accordance with the proportionate share. As long as a member's balance is positive and they pay their proportionate share, that member is holding up their obligation and no action is needed. If, however, the balance dips below zero, staff will work with SPWA's Executive Director to determine the next steps to remedy the balance.

Executive Director Glotzbach added, the agreements are meant to be flexible long-term. If a particular partner continues to have a decreasing balance, then that is an indication that the development in that particular partner's area is not happening quickly enough to maintain debt service and that partner probably has a higher level of percentage share than is necessary. In that case, adjustments to the allocation of the agreement would need to be made, amending it so that it is balanced according to the rate of consumption that each partner would be taking in.

No Public Comment

5. Information: Capital Improvement Project Update

Executive Director Glotzbach discussed two main projects that are currently in progress at the Pleasant Grove Wastewater Treatment Plant (PGWWTP). The first is the UV Disinfection Equipment Additions. Staff is presently working to develop procurement agreements and engineering services for the installation of the equipment to the fourth channel. This should be installed within the next year.

Contractors have been on site at Pleasant Grove working on the Expansion and Energy Recovery Projects since February. Executive Director Glotzbach presented a time-lapsed video of the construction work that has been taking place. The state revolving fund (SRF) agreements have been finalized and, with the SRF funding committed, the project is now fully funded.

Director Weygandt asked what interest rate is on the RSF loan and Executive Director Glotzbach responded it is 1.3%

Director Gore asked for a timeline when the Pleasant Grove project would be completed and Executive Director Glotzbach stated completion is expected in approximately 3 years.

No public comment.

6. Resolution: Approval of Annual Operating Budget for FY2020-21

Janet Vargas presented the Authority's operating budget for FY2020-21 and requested Board Approval

MOTION by Director Weygandt, seconded by Director Gore, requesting the Board adopt a resolution to approve the Annual Operating Budget for FY2020-21 (Resolution 2020-08).

Vote: Ayes: Gore, Houdesheldt, Mitchell, Roccucci, Weygandt
 Nos:
 Absent:

No public comment.

Reports/Comments – Board Members/Staff

Director Weygandt asked Executive Director Glotzbach for his perception and personal expectations regarding COVID-19 and its effect on economic activity with regard to SPWA. Executive Director Glotzbach responded, in the City of Roseville, there was an initial feeling there would be a decrease in development; however, construction has continued and they have not seen any real slowing. He added, with regard to each member's organization, a significant impact to the economy could result in a loss of customers, which would mean a decrease in revenue. This would not necessarily affect the JPA, but it could possibly impact the organization's stabilization funds if development and business slowed, and the Authority will keep an eye on this.

Public Comment

None.

Adjournment

The meeting was adjourned at 10:50 a.m.

Bruce Houdesheldt
Chair

Pamela Walsh
Secretary to the Board

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: January 11, 2021

FROM: Kenneth J. Glotzbach, Executive Director

AUTHORITY COMMUNICATION NO.: 21-02

SUBJECT: Board Meeting Schedule for 2021

For SPWA Board Meeting of January 28, 2021

ACTION REQUESTED

Staff recommends that the SPWA Board Adopt the attached resolution updating the Authority's regular meeting dates.

BACKGROUND

This request establishes the Regular Board meeting schedule with two meetings per year to be held on the fourth Thursdays of January and June. By approving this recommendation, the next Board meeting will be held on June 24, 2021.

Submitted by:



Kenneth J. Glotzbach
Executive Director

SOUTH PLACER WASTEWATER AUTHORITY

RESOLUTION NO. 2021-01

**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 as specified by resolution duly adopted by the Board of Directors (“Board”).

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 held at 2005 Hilltop Circle, Roseville, California on the following Dates:

January 28, 2021 at 9:30 a.m.

June 24, 2021 at 9:30 a.m.

PASSED AND ADOPTED this 28th day of January, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson

ATTEST:

Secretary

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: January 12, 2021

FROM: Nick Rosas, Accounting Supervisor

AUTHORITY COMMUNICATION NO: 21-03

SUBJECT: Debt Review – FY2020-2021

For SPWA Board Meeting 1/28/2021

ACTION REQUESTED

None required. This is an informational item.

BACKGROUND

The following report details a review of the Authority's outstanding debt, debt service budget, year-to-date expenses, and remaining forecast for FY2020/2021.

SUMMARY OF OUTSTANDING DEBT

The South Placer Wastewater Authority currently has \$121.7 million of debt outstanding shown in the table below. With the issuance of the 2020 Series Wastewater Refunding Revenue bonds, all Authority debt is fixed rate debt. The final payment on the Series 2011C Wastewater Revenue Bonds was made on 11/1/2020. The State Revolving Fund loan is not listed in the outstanding debt below. As of the time of the preparation of this communication, the Authority had not drawn down funds from that loan. As funds are drawn from the loan, the balance will be added to the table.

Summary of Outstanding Debt						
Series	Type	Issues Size	Outstanding Par	Coupon Range	Final Maturity	% of Total Debt
2017	Fixed	\$74,780,000	\$74,780,000	5.00%	11/1/2037	61.4%
2020	Fixed	\$46,920,000	\$46,920,000	5.00%	11/1/2035	38.6%
Total			\$121,700,000			

BUDGET, ACTUAL, and FORECASTED ESTIMATES

The current projection for all debt service in FY 2020/2021 is estimated to align with the annual budget. Therefore, no budget changes are proposed at this time.

Bond Series	Annual Budget	Debt Service Paid 7/1/20-12/31/20	Estimated Remaining Debt Service	Estimated Year-End Total	Proposed Budget Changes
2011C	\$5,374,583	\$5,374,583	\$0	\$5,374,583	\$0
2017	3,750,000	1,249,281	2,492,667	3,741,948	0
2020	2,506,040	784,964	1,603,100	2,388,064	0
Total	\$11,630,623	\$7,408,828	\$4,095,767	\$11,504,595	\$0

Submitted by:

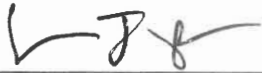


Nick Rosas
Accounting Supervisor

Dennis
Kauffman

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Dennis Kauffman
Assistant City Manager/Chief Financial Officer



Ken Glotzbach
Executive Director

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: January 4, 2021

FROM: Jacquie Clarizio – Financial Analyst

AUTHORITY COMMUNICATION NO: 21-04

SUBJECT: Investment Review

For SPWA Board Meeting 1/28/21

ACTION REQUESTED

None required. This is an information item.

BACKGROUND

The following report details the performance of the Authority's investments through November 30 2020

INVESTMENTS

The Schedule of Investments for November 30 2020 is attached to this report. The yield-to-maturity on the invested funds as of November 2020 was 1.221%.

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
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Dennis Kauffman
Chief Financial Officer



Kenneth J. Glotzbach
Executive Director



**So Placer Wastewater Authority
Portfolio Management
Portfolio Summary
November 30, 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*	3,706,449.71	3,706,449.71	3,706,449.71	3.13	1	1	1.417
Money Market Funds	157,905.10	157,905.10	157,905.10	0.13	1	1	0.006
Local Agency Investment Funds	30,970,880.22	30,970,880.22	30,970,880.22	26.18	1	1	0.576
Corporate Notes	35,246,000.00	36,576,959.48	35,324,187.09	29.86	1,584	836	2.179
Federal Agency Coupon Securities	43,000,000.00	43,069,970.00	43,000,000.00	36.35	1,826	752	0.920
Municipal Bonds	4,895,000.00	5,158,225.95	5,135,973.48	4.34	1,296	1,197	0.942
Investments	117,976,215.03	119,640,370.46	118,295,375.60	100.00%	1,193	575	1.221

Total Earnings	November 30 Month Ending	Fiscal Year To Date
Current Year	129,076.81	735,610.04
Average Daily Balance	119,395,116.56	123,692,429.09
Effective Rate of Return	1.32%	1.42%

*Estimated balance as of 11/30/2020
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

12-16-20

 DATE

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 Date: 2020.12.09 15:24:13 -08'00'
 Dennis Kauffman, Treasurer

Reporting period 11/01/2020-11/30/2020

Run Date: 12/09/2020 - 09:52

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

**So Placer Wastewater Authority
Portfolio Management
Interest Earnings Summary
November 30, 2020**

	November 30 Month Ending	Fiscal Year To Date
CD/Coupon/Discount Investments:		
Interest Collected	165,280.00	516,108.44
Plus Accrued Interest at End of Period	337,864.11	337,864.11
Less Accrued Interest at Beginning of Period	(391,002.18)	(300,118.61)
Less Accrued Interest at Purchase During Period	(0.00)	(0.00)
Interest Earned during Period	112,141.93	553,853.94
Adjusted by Premiums and Discounts	-3,505.88	-12,529.68
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Periods	108,636.05	541,324.26
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	6,945,607.27	6,945,607.27
Less Accrued Interest at Beginning of Period	(6,925,166.51)	(6,751,321.49)
Interest Earned during Period	20,440.76	194,285.78
Total Interest Earned during Period	132,582.69	748,139.72
Total Adjustments from Premiums and Discounts	-3,505.88	-12,529.68
Total Capital Gains or Losses	0.00	0.00
Total Earnings during Period	129,076.81	735,610.04



**So Placer Wastewater Authority
Fund 001 - SPWA
Investments by Fund
November 30, 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 Date	Days To Maturity
City of Roseville Cash Pool*											
SYS10048	10048	City of Roseville Cash Pool	07/01/2020	3,706,449.71	3,706,449.71	3,706,449.71	1.417	1.397	1.417		1
Subtotal and Average				3,706,449.71	3,706,449.71	3,706,449.71		1.398	1.417		1
Money Market Funds											
431114503	10434	US BANK	07/01/2020	157,905.10	157,905.10	157,905.10	0.006	0.005	0.006		1
Subtotal and Average				157,905.10	157,905.10	157,905.10		0.006	0.006		1
Local Agency Investment Funds											
40-31-001	10032	Local Agency Investment Fund	07/01/2020	30,970,860.22	30,970,860.22	30,970,860.22	0.576	0.568	0.576		1
Subtotal and Average				30,970,860.22	30,970,860.22	30,970,860.22		0.568	0.576		1
Corporate Notes											
009158AV8	10667	AIR PROD & CHEM	12/10/2019	2,088,775.81	2,000,000.00	2,184,880.00	3.350	2.042	2.071	07/31/2024	1,338
037833CC2	10637	APPLE INC GLOBAL NOTES	08/17/2016	2,850,460.41	2,850,000.00	2,871,546.00	1.550	1.504	1.525	08/04/2021	246
06048WK41	10690	Bank of America Corp	11/25/2020	2,000,000.00	2,000,000.00	1,989,940.00	0.650	0.712	0.722	11/25/2025	1,820
166764BN9	10660	CHEVRON CORP NOTE	11/07/2018	989,947.16	1,000,000.00	1,025,460.00	2.498	3.304	3.349	03/03/2022	457
29736RAN0	10668	ESTEE LAUDER CO	12/10/2019	3,010,540.70	3,000,000.00	3,172,920.00	2.000	1.870	1.896	12/01/2024	1,461
459200JC6	10655	IBM CORP GLOBAL NOTES	08/23/2018	2,985,634.83	3,000,000.00	3,157,290.00	2.875	2.896	2.936	11/09/2022	708
48128GM49	10666	JP MORGAN CHASE CORP NOTES	11/27/2019	2,000,000.00	2,000,000.00	2,007,540.00	2.300	2.268	2.300	11/27/2021	361
46647PBQ8	10680	JP MORGAN CHASE CORP NOTES	05/27/2020	2,010,680.33	2,000,000.00	2,048,580.00	1.514	1.288	1.306	06/01/2024	1,278
48305QAA1	10670	KAISER FOUN HOSP	04/14/2020	1,269,292.82	1,245,000.00	1,297,202.85	3.500	1.973	2.000	04/01/2022	486
589331AT4	10646	MERCK & CO INC	05/23/2018	2,961,534.28	3,000,000.00	3,097,770.00	2.400	2.441	2.475	09/15/2022	653
69371RP59	10653	PACCAR FINL CORP	08/23/2018	2,008,563.49	2,000,000.00	2,161,100.00	3.400	3.181	3.226	08/09/2023	981
89236TEL5	10656	TOYOTA MOTOR CREDIT CORP COMM	08/23/2018	2,974,180.23	3,000,000.00	3,146,460.00	2.700	2.742	2.780	01/11/2023	771
911312BC9	10664	UNITED PARCEL SERVICE	11/07/2018	986,182.03	1,000,000.00	1,026,000.00	2.350	3.316	3.362	05/18/2022	531
931142DH3	10654	WALMART	08/23/2018	1,978,006.00	2,000,000.00	2,094,700.00	2.550	2.594	2.630	04/11/2023	861
949746SA0	10639	WELLS FARGO & COMPANY	08/05/2016	3,001,724.12	3,000,000.00	3,034,590.00	2.100	1.979	2.006	07/26/2021	237
384802AE4	10672	WW GRAINGER	04/28/2020	2,208,664.88	2,151,000.00	2,260,980.63	1.850	1.183	1.200	02/15/2025	1,537
Subtotal and Average				35,324,167.09	35,248,000.00	36,576,959.48		2.149	2.179		884

Federal Agency Coupon Securities

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

**Fund 001 - SPWA
Investments by Fund
November 30, 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											
31422BA26	10676	FEDERAL AGRIC MTG CORP AGCY	05/19/2020	5,000,000.00	5,000,000.00	5,004,850.00	0.675	0.665	0.675	05/19/2025	1,630
31422BY46	10685	FEDERAL AGRIC MTG CORP AGCY	10/14/2020	3,000,000.00	3,000,000.00	2,994,900.00	0.540	0.532	0.540	10/14/2025	1,778
3133EMHF2	10688	Federal Farm Credit Bank	11/27/2020	2,000,000.00	2,000,000.00	1,998,500.00	0.600	0.591	0.599	11/24/2025	1,819
3130A93A7	10640	Federal Home Loan Bank	08/24/2016	2,000,000.00	2,000,000.00	2,022,320.00	2.000	0.988	1.002	08/24/2021	266
3134G9AD9	10627	Federal Home Loan Mtg Corp	04/28/2016	2,000,000.00	2,000,000.00	2,011,620.00	1.500	1.479	1.500	04/28/2021	148
3134GUD23	10669	Federal Home Loan Mtg Corp	12/23/2019	5,000,000.00	5,000,000.00	5,039,350.00	1.800	1.775	1.800	12/23/2024	1,483
3134GVR26	10684	Federal Home Loan Mtg Corp	06/25/2020	5,000,000.00	5,000,000.00	4,979,350.00	0.700	0.690	0.700	06/25/2025	1,667
3134GWXX9	10686	Federal Home Loan Mtg Corp	10/15/2020	2,000,000.00	2,000,000.00	1,995,060.00	0.550	0.542	0.550	10/15/2025	1,779
3136G3VK8	10636	Federal National Mtg Assn	07/21/2016	2,000,000.00	2,000,000.00	2,017,620.00	1.500	1.479	1.500	07/21/2021	232
3136G4WG4	10682	Federal National Mtg Assn	06/11/2020	5,000,000.00	5,000,000.00	5,002,100.00	0.750	0.739	0.750	06/11/2025	1,653
3136G4WM1	10683	Federal National Mtg Assn	06/24/2020	10,000,000.00	10,000,000.00	10,004,300.00	0.800	0.789	0.800	06/24/2025	1,666
Subtotal and Average				43,000,000.00	43,000,000.00	43,069,970.00		0.907	0.920		1,456
Municipal Bonds											
091608RA9	10687	BISMARCK PUB SD#1	10/22/2020	662,688.77	650,000.00	660,666.50	1.150	0.708	0.718	05/01/2025	1,612
250433QJ1	10677	DESERT SANDS USD-B	05/14/2020	1,010,193.63	1,000,000.00	1,011,790.00	2.852	0.789	0.800	06/01/2021	182
438670Q87	10678	HONOLULU-G-TXBL	05/12/2020	518,948.76	500,000.00	523,785.00	2.812	1.454	1.474	11/01/2023	1,065
586145F74	10689	MEMPHIS-TXBLE-REF-B	11/23/2020	2,200,551.53	2,000,000.00	2,200,140.00	2.980	0.621	0.630	04/01/2025	1,582
64966WEH6	10679	NYC HSG DEV	05/01/2020	743,590.79	745,000.00	761,844.45	1.810	1.862	1.887	02/01/2024	1,157
Subtotal and Average				5,135,973.48	4,895,000.00	5,158,225.95		0.930	0.942		1,188
Total Investments and Average				118,295,375.80	117,976,215.03	119,840,370.48		1.204	1.221		839



**So Placer Wastewater Authority
Sales/Call Report
Sorted by Maturity Date - Fund
November 1, 2020 - November 30, 2020**

City of Roseville CA

CUSIP	Investment #	Fund	Issuer Sec. Type	Purchase Date	Redem. Date Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
11/27/2023												
3130AFE29	10665	001	FHLB FAC	11/27/2018	11/27/2020 11/27/2023	2,000,000.00	3.350	2,000,000.00	2,000,000.00	33,500.00	2,033,500.00	33,500.00
					Subtotal	2,000,000.00		2,000,000.00	2,000,000.00	33,500.00	2,033,500.00	33,500.00
					Total Sales	2,000,000.00		2,000,000.00	2,000,000.00	33,500.00	2,033,500.00	33,500.00



So Placer Wastewater Authority
Purchases Report
Sorted by Fund - Fund
November 1, 2020 - November 30, 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													
586145F74	10689	001	MUN	MEMPHI	2,000,000.00	11/23/2020	04/01 - 10/01	2,201,580.00	8,608.89	2.980	04/01/2025	0.630	2,200,551.53
06048WK41	10690	001	MTN	BAC	2,000,000.00	11/25/2020	05/25 - 11/25	2,000,000.00		0.650	11/25/2025		2,000,000.00
3133EMHF2	10688	001	FAC	FFCB	2,000,000.00	11/27/2020	05/24 - 11/24	2,000,000.00	100.00	0.600	11/24/2021		2,000,000.00
				Subtotal	6,000,000.00			6,201,580.00	8,708.89				6,200,551.53
				Total Purchases	6,000,000.00			6,201,580.00	8,708.89				6,200,551.53



BNY MELLON

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

Account Statement

Statement Period 11/01/2020 Through 11/30/2020

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

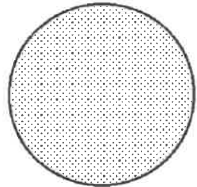
CLIENT SERVICE MANAGER: MILLY CANESSA
BNYM CORPORATE TRUST
100 PINE STREET, SUITE 32
SAN FRANCISCO, CA 94111
415-263-2420
MILLY.CANESSA@BNYMELLON.COM

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Account Overview



Percent of all Investments	Asset Classification	Market Value
100% ☺	CASH AND SHORT TERM	11,806,676.45
100%	TOTAL OF ALL INVESTMENTS	11,806,676.45

Summary of Assets Held by Asset Classification

Asset Classification	Market Value	Cost	Accrued Income	Estimated Annual Income	Market Yield
CASH AND SHORT TERM	11,806,676.45	11,806,676.45	0.00	1,180.79	0.01 %
ACCOUNT TOTALS	11,806,676.45	11,806,676.45	0.00	1,180.79	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	100.38	0.00	0.00	29,249.24	0.00
OTHER CASH ADDITIONS	0.00	0.00	0.00	0.00	2,978,076.15
PURCHASES	100.38-	0.00	0.00	29,249.24 -	2,978,076.15 -



BNY MELLON

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

Statement Period 11/01/2020 Through 11/30/2020
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%
275,361.290	INSTL RES TRE AND AGNY CASH ADV6541 CUSIP: X9USDEFRU	1.00000	275,361.29	275,361.29	1.00000	0.00	27.54	0.01%
Total CASH AND SHORT TERM			11,806,676.45	11,806,676.45		0.00	1,180.79	0.01%
ACCOUNT TOTALS			11,806,676.45	11,806,676.45		0.00	1,180.79	0.01%

Total Market Value Plus Total Accrued Income 11,806,676.45

Statement of Transactions by Transaction Date

Transaction Date	Transaction Description	Income	Principal	Cost	Realized Gains/Losses
11/01/20	ACCOUNT OPENING PERIOD BALANCE	0.00	0.00	11,806,576.07	
11/03/20	Purchase INSTL RES TRE AND AGNY CASH ADV6541 TRADE DATE 11/03/20 SET/DATE 11/03/20 CUSIP X9USDEFRU 100.380 SHARES	100.38-	0.00	100.38	0.00
11/03/20	Dividend DREYFUS INS RES TSY AGY CH ADV 6541 TRADE DATE 11/03/20 SET/DATE 11/03/20 CUSIP X9USDEFRU	100.38	0.00	0.00	0.00
11/03/20	ACCOUNT CLOSING DAILY BALANCE	0.00	0.00	11,806,676.45	0.00
11/30/20	ACCOUNT CLOSING PERIOD BALANCE	0.00	0.00	11,806,676.45	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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AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** January 12, 2021
Board of Directors

FROM: Nick Rosas, Accounting Supervisor

AUTHORITY COMMUNICATION NO: 21-05

SUBJECT: Audited Financial Statements for the fiscal year ended June 30, 2020

For SPWA Board Meeting 1/28/2021

ACTION REQUESTED

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

The attached audited financial statements and the communication to those charged with governance letter are for the fiscal year ended June 30, 2020. SPWA received an unmodified (clean) opinion and no findings were included in the report.

Submitted by:



Nick Rosas
Accounting Supervisor

Dennis Digitally signed by Dennis
Kauffman Kauffman
Date: 2021.01.20 20:00:38
-08'00'

Dennis Kauffman
Chief Financial Officer



Kenneth J. Glotzbach
Executive Director



January 8, 2021

Board of Directors
South Placer Wastewater Authority
Roseville, California

We have audited the financial statements of the South Placer Wastewater Authority (Authority) for the year ended June 30, 2020. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our letter dated April 20, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements and major program compliance does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Authority's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year 2019/20. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. No such significant accounting estimates were identified.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no uncorrected or corrected misstatements identified as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated January 8, 2021.


Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the City, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

This report is intended solely for the information and use of the Board of Directors and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the printed name of the firm.

Sacramento, California



Annual Financial Report
June 30, 2020

South Placer Wastewater Authority
Roseville, California

South Placer Wastewater Authority

Table of Contents

June 30, 2020

Independent Auditor’s Report	1
Basic Financial Statements	
Statement of Net Position	3
Statement of Revenues, Expenses and Changes in Net Position	4
Statement of Cash Flows	5
Notes to Financial Statements	6
Supplementary Information	
Analysis of Rate Stabilization Restricted Net Position	20



Independent Auditor's Report

Members of the Board of Directors of the
South Placer Wastewater Authority
Roseville, California

Report of the Financial Statements

We have audited the accompanying financial statements of the South Placer Wastewater Authority (Authority), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority, as of June 30, 2020, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The analysis of rate stabilization restricted net position (supplementary information) as listed in the table of contents is presented for purpose of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Sacramento, California

January 8, 2021

South Placer Wastewater Authority
Statement of Net Position
June 30, 2020

Assets

Current assets

Cash and investments in City Treasury	\$ 6,388,605
Investments	122,576,788
Restricted investments with fiscal agent	43,162,181
Accounts receivable	335,165
Accrued interest receivable	309,005
	<u>309,005</u>

Total assets	<u>172,771,744</u>
--------------	--------------------

Deferred Outflows of Resources

Loss on refunding	222,966
	<u>222,966</u>

Liabilities

Current Liabilities

Accounts payable and other liabilities	2,295,034
Interest payable	1,077,688
Long-term debt due in one year	5,285,000
	<u>5,285,000</u>

Total current liabilities	<u>8,657,722</u>
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Long-Term Liabilities

Long-term debt due in more than one year	152,526,841
	<u>152,526,841</u>

Total liabilities	<u>161,184,563</u>
-------------------	--------------------

Net Position

Restricted for

Rate stabilization	125,542,264
Debt service	11,806,182

Unrestricted (deficit)	<u>(125,538,299)</u>
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Total net position	<u>\$ 11,810,147</u>
--------------------	----------------------

South Placer Wastewater Authority
Statement of Revenues, Expenses and Changes in Net Position
Year Ended June 30, 2020

Operating Revenues	
Connection fees contributed by members	<u>\$ 17,092,050</u>
Operating Expenses	
Construction costs	9,304,650
Personnel services and administration	<u>109,351</u>
Total operating expenses	<u>9,414,001</u>
Operating income	<u>7,678,049</u>
Non-Operating Revenues (Expenses)	
Interest earned on investments with fiscal agent	4,213,669
Debt service interest, variable bond interest, fiscal agent fees, and amortization	<u>(7,135,134)</u>
Total nonoperating revenues (expenses)	<u>(2,921,465)</u>
Change in Net Position	4,756,584
Net Position - Beginning	<u>7,053,563</u>
Net Position - Ending	<u><u>\$ 11,810,147</u></u>

South Placer Wastewater Authority
Statement of Cash Flows
Year Ended June 30, 2020

Operating Activities	
Receipts from members	\$ 17,296,219
Payments to contractors	(7,136,671)
Payments to the City for personnel services and administration	<u>(109,351)</u>
Net Cash Provided by Operating Activities	<u>10,050,197</u>
Capital and Related Financing Activities:	
Principal payments on capital debt	(64,255,000)
Interest paid on long-term debt	(6,841,002)
Costs of issuance	(603,953)
Proceeds from debt issuance	<u>62,984,362</u>
Net Cash Provided by Capital and Related Financing Activities	<u>(8,715,593)</u>
Investing Activities	
Interest received	<u>4,436,249</u>
Net Cash Provided by Investing Activities	<u>4,436,249</u>
Net Increase in Cash and Cash Equivalents	5,770,853
Cash and Investments at Beginning of Year	<u>166,356,721</u>
Cash and Investments at End of Year	<u>\$ 172,127,574</u>
Reconciliation of Cash and Investments to the Statement of Net Position:	
Cash and Investments in City Treasury	\$ 6,388,605
Investments	122,576,788
Restricted Investments with Fiscal Agent	<u>43,162,181</u>
Total cash and investments	<u>\$ 172,127,574</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 7,678,049
Changes in assets and liabilities	
(Increase)/decrease in accounts receivable	(335,165)
(Increase)/decrease due from other governments	539,334
(Increase)/decrease accounts payable and other liabilities	<u>2,167,979</u>
Net cash provided by operating activities	<u>\$ 10,050,197</u>
Noncash Investing Activities	
Changes in the fair value of derivative	<u>\$ (1,351,294)</u>
Noncash Capital Financing Activities	
Amortization of bond premium	<u>\$ 1,235,947</u>
Amortization of loss on refunding	<u>\$ 668,900</u>

Note 1 - Summary of Significant Accounting Policies

A. Organization and Purpose

The South Placer Wastewater Authority (Authority) is a Joint Powers Agreement created in October 2000 to finance the construction of the Pleasant Grove Wastewater Treatment Plant and improvements to the Dry Creek Wastewater Treatment Plant, referred to collectively as the Regional Wastewater Facilities.

The members of the Authority are the City of Roseville (City), South Placer Municipal Utility District (SPMUD), and the County of Placer (County). The Authority's governing board is comprised of five directors as appointed by the member agencies. Two directors are appointed by the City, one director is appointed by SPMUD, and two directors are appointed by the County. Each representative of the governing board has one vote.

In addition, the members entered into a Funding Agreement and Operations Agreement to provide for the funding and operation of the Regional Wastewater Facilities. Under the Funding Agreement the members agreed that the City will own and operate the Regional Wastewater Facilities and that the other members will have an interest in the capacity of those facilities. Capital construction costs are transferred to the City annually.

The members of the Authority amended the Joint Powers Authority Agreement and also entered into an Amended and Restated Funding Agreement and a Reallocation and Repayment Agreement effective January 31, 2019. The Amended and Restated Funding Agreement retroactively changed the proportionate shares of each member for cost allocations as follows:

1. The City from 61.66% to 64.57%
2. SPMUD from 22.43% to 21.95%
3. The County from 15.91% to 13.48%

The intent of the Amended and Restated Funding Agreement is that, notwithstanding short-term variances in the respective member contributions of Regional Connection Fees or other funds, the members' total respective financial contributions to capital costs (whether financed by Bonds, funded by Regional Connection Fees, or other sources) should be directly proportional to the members' respective actual usage of the wastewater treatment capacity made available by the construction of Regional Wastewater Facilities.

Members contribute connection fees they collect from developers. These connection fees are expected to be sufficient to fund the entire cost of the debt service on the Plant's construction, including principal and interest. These contributions are made monthly.

The Authority may not be terminated, and no member agency may withdraw its membership, until all bonds or other indebtedness issued by the Authority have been paid in full.

The Authority has no employees and substantially all staff services are performed by the City's personnel. Costs incurred by the City to provide such services are reimbursed by the Authority. The accounting records of the Authority are maintained by the City.

The Authority is considered to be a separate legal entity and is not a component unit of the above members.

B. Basis of Presentation

The Authority's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

These Standards require that the financial statements described below be presented.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position display information about the Authority. These statements include the financial activities of the Authority overall. Eliminations have been made to minimize the double counting of internal activities. These statements display the business-type activities of the Authority. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Revenues, Expenses and Changes in Net Position presents operating revenues and expenses and non-operating activities. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the principal ongoing operations. The principal operating revenue for the Authority is connection fees contributed by members. Operating expenses include the costs of personnel services and administration and construction costs of assets contributed to the City. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Basis of Accounting

The Authority is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs and expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

An enterprise fund is used to account for activities similar to those in the private sector, where the proper matching of revenues and costs is important and the full accrual basis of accounting is required. With this measurement focus, all assets, all liabilities and all deferred inflows/outflows of resources of the enterprise are recorded on its statement of net position and, under the full accrual basis of accounting, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

The Authority has only one fund which is the main operating fund of the Authority. It is used to account for all financial resources of the Authority. This fund is used to pay all administrative, operating, construction and other expenses incurred by the Authority, and to account for member contributions and charges.

D. Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Authority has one item that qualifies for reporting in this category. It is the loss on debt refunding reported in the statement of net position. The loss on debt refunding is the difference between the book value and the reacquisition price of the debt that will be amortized over the term of the refunded bonds.

E. Cash and Cash Equivalents

All cash and investments are held either in the City's investment pool or by a fiscal agent. For purposes of the statement of cash flows, the Authority considers the cash and investment balance to be cash and cash equivalents.

F. Interest Income Allocation

Interest income is credited to capital construction costs and member contributions based on the source of the interest earned. Interest earned on restricted investments with fiscal agents is credited to capital construction costs and all other interest is accounted for as interest on contributions.

G. Fair Value Measurement

The Authority categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority does not have any investments that are measured using Level 3 inputs.

The Authority is a participant in the City-wide cash and investment pool (City Pool). The City Pool is an external investment pool, is not rated, and is not registered with the Securities Exchange Commission (SEC). The City's Assistant City Manager/Chief Financial Officer conducts City Pool oversight. Cash on deposit in the City Pool at June 30, 2020, is stated at fair value. The City Pool values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. The fair value adjustment at June 30, 2020 increased the Authority's investment income by \$1,344,173. For further information regarding the City Pool, refer to the City of Roseville Comprehensive Annual Financial Report.

H. Net Position

Net Position is the excess of all the Authority's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources. The Authority's net position is divided into two segments, restricted and unrestricted.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority cannot unilaterally alter. At June 30, 2020, restrictions included:

Restricted for rate stabilization represents the portion of net position restricted for future use in the event development fees are not adequate to meet the required ratio of revenue to expenses required under bond indentures.

Restricted for debt service represents the portion of net position held in reserve in the event other resources of the Authority are not adequate to make required debt service payments.

Unrestricted describes the portion of net position which is not legally or contractually restricted as to use.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, then unrestricted resources as they are needed.

I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows of resources, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Cash and Investments

The Authority pools cash from all sources and all funds except cash with fiscal agents in the City's investment pool. The Authority's cash and investments balance held in the City's investment pool at June 30, 2020 is \$6,388,605. The City's investment pool is not rated and is not registered with the Securities Exchange Commission (SEC). The Authority's position in the City's investment pool at June 30, 2020 is stated at fair value. For further information regarding the City's investment pool, refer to the City of Roseville Comprehensive Annual Financial Report.

A. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of Authority debt instruments or agreements.

Investments in the City's Treasury Investments	\$ 6,388,605
Investments	122,576,788
Restricted investments with fiscal agent	43,162,181
Total investments	\$ 172,127,574

B. Investments Authorized by the California Government Code and the Authority's Investment Policy

The Authority's investment policy and the California Government Code allow the Authority to invest in the following, provided the credit ratings of the issuers are acceptable to the Authority and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the Authority's Investment Policy where the Authority's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 Years	None	No Limit	No Limit
U.S. Agency Securities	5 Years	None	No Limit	No Limit
Mortgage Pass-Through Securities	5 Years	AA	20%	No Limit
Forward Delivery Agreements	N/A	A	None	None
State of California or California Local Agency Bonds	5 Years	One of two highest rating categories	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

(A) 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 with assets under management in excess of \$500,000,000.

C. Investments Authorized by Debt Agreements

The Authority must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if the Authority fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with Authority ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quantity	Maximum Percentage Allowed	Maximum Investment In One Issuer
U.S. Treasury Obligations	N/A	None	None	None
U.S. Agency Securities of Certain Agencies (A) (B)	N/A	None	None	None
Money Market Mutual Funds	N/A	AAA-m-G or AAA-m	None	None
Certificates of Deposit	360 days	A-1	None	None
Savings Accounts Deposit Accounts (fully insured)	N/A	None	None	None
Investment Agreements' including				
Forward Delivery Agreements	N/A	AA	None	None
State or Municipality Bonds/Notes	N/A	One of two highest rating categories	None	None
Federal Funds or Bankers' Acceptances	360 days	A-1	None	None
Commercial Paper	270 days	A-1	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None	LAIF Limit
California Asset Management Program	N/A	None	None	None

(A) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by the Agency, provided they are backed by the full faith and credit of the United States of America, as follows:

- a. Certificates of beneficial ownership of the Farmers Home Administration
- b. Federal Housing Administration debentures
- c. Participations certificates of the General Services Administration
- d. Guaranteed mortgage-backed bonds or guaranteed pass-through obligations of the Government National Mortgage Association
- e. Guaranteed Title XI financings of the U.S. Maritime Administration
- f. Project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development

(B) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit of the U.S. government agencies:

- a. Senior debt obligations of the Federal Home Loan Bank System
- b. Participation certificates and senior debt obligations of the Federal Home Loan Mortgage Corporation
- c. Mortgage-backed securities and senior debt obligations of the Federal National Mortgage Association
- d. Senior debt obligations of the Student Loan Marketing Association
- e. Obligations of the Resolution Funding Corporation
- f. Consolidated system-wide bonds and notes of the Farm Credit System

D. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Authority generally manages its interest rate risk by holding investments to maturity.

Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity or earliest call date:

	Remaining Maturity			Total
	12 Months or Less	13 to 24 Months	25-60 Months	
Corporate notes	\$ -	\$ 14,445,689	\$ 20,218,619	\$ 34,664,308
Federal agency securities	31,148,700	7,031,590	10,001,700	48,181,990
Municipal Bonds	1,020,260	-	1,273,010	2,293,270
Money market mutual funds	43,699,465	-	-	43,699,465
City of Roseville Investment Pool	6,388,605	-	-	6,388,605
Local Agency Investment Fund	36,899,936	-	-	36,899,936
Total Investments	\$ 119,156,966	\$ 21,477,279	\$ 31,493,329	\$ 172,127,574

The Authority is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2020, these investments had an average maturity of 191 days.

Money market mutual funds were available for withdrawal on demand and at June 30, 2020 and had an average maturity of 39 days for the Dreyfus U.S. Treasury Money Market Fund and 43 days for the First American Money Market Fund.

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2020, for each investment type as provided by standard and poor's investment rating system:

	AA+/AA/AA-	A+/A/A-	Total
Investments			
Corporate Notes	\$ 10,464,779	\$ 24,199,529	\$ 34,664,308
Federal Agency Securities	48,181,990	-	48,181,990
Municipal Bonds	2,293,270	-	2,293,270
Totals	\$ 60,940,039	\$ 24,199,529	85,139,568
Not Rated			
City of Roseville Investment Pool			6,388,605
Local Agency Investment Fund			36,899,936
Money Market Mutual Funds			43,699,465
Total Investments			\$ 172,127,574

F. Concentration of Credit Risk

The investment policy of the Authority contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) which represent 5% or more of total investments at June 30, 2020:

Issuer	Investment Type	Amount
Federal Home Loan Mortgage Corporation	Federal Agency Securities	\$ 12,084,400
Federal National Mortgage Association	Federal Agency Securities	17,030,290
Federal Farm Credit Bank	Federal Agency Securities	10,000,250

G. Fair Value Measurements

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In instances where inputs used to measure fair value fall into different levels of the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Authority's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The Authority has the following recurring fair value measurements as of June 30, 2020:

Investments at fair value	Amount	Quoted Prices In Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Federal agency securities	\$ 48,181,990	\$ -	\$ 48,181,990	\$ -
Corporate notes	34,664,308	-	34,664,308	-
Municipal bonds	2,293,270	-	2,293,270	-
Money market mutual funds	43,699,465	43,699,465	-	-
Categorized investments	<u>128,839,033</u>	<u>\$ 43,699,465</u>	<u>\$ 85,139,568</u>	<u>\$ -</u>
Local Agency Investment Fund - uncategorized	36,899,936			
City of Roseville Investment Pool - uncategorized	<u>6,388,605</u>			
Total investments	<u>\$ 172,127,574</u>			

Deposits and withdrawals from the City Pool and LAIF are made on the basis of \$1 and not fair value. Accordingly, the measurement of fair value of the Authority's proportionate share of investments in the City Investment Pool and LAIF are based on uncategorized inputs not defined as Level 1, Level 2, or Level 3.

Note 3 - Capital Assets Contributed to the City of Roseville

Capital construction costs incurred by the Authority are transferred annually, in the form of construction in progress, to the City of Roseville, which owns and operates the Regional Wastewater Facilities. Capital construction costs of the Authority, as defined by the Funding Agreement, include personnel services and administration and construction costs. Construction costs include interest on construction financing costs, net of interest income on unexpended bond proceeds. Since the Regional Wastewater Facilities construction project was accepted as complete at the end of fiscal year 2004-2005, the debt service and interest income on unexpended bond proceeds are no longer a component of the capital construction costs of the Authority.

Costs incurred by the Authority in fiscal year 2020 totaling \$9,296,946 were transferred as construction in progress to the City of Roseville as of June 30, 2020.

Note 4 - Long-Term Debt

A. Current Year Transactions and Balances

	Original Issue Amount	Balance June 30, 2019	Additions	Retirements	Balance June 30, 2020	Current Portion
Revenue Bonds:						
2011 Refunding Wastewater Revenue Bonds, Series C						
5.00%, due 11/1/21	\$ 67,040,000	\$ 10,210,000	\$ -	\$ 4,925,000	\$ 5,285,000	\$ 5,285,000
Add: bond premium	5,240,941	499,891	-	374,918	124,973	-
2017 Wastewater Revenue Bonds						
5%, due 11/1/37	74,780,000	74,780,000	-	-	74,780,000	-
Add: bond premium	17,220,595	15,498,535	-	861,029	14,637,506	-
2020 Wastewater Revenue Bonds						
5%, due 11/1/35	46,920,000	-	46,920,000	-	46,920,000	-
Add: bond premium	16,064,362	-	16,064,362	-	16,064,362	-
Total revenue bonds		<u>100,988,426</u>	<u>62,984,362</u>	<u>6,160,947</u>	<u>157,811,841</u>	<u>5,285,000</u>
Direct Placement Revenue Bonds:						
2013 Variable Rate Demand Refunding Wastewater Revenue Bonds, Series 2013 variable rate, due 11/1/35						
	59,330,000	59,330,000	-	59,330,000	-	-
Direct placement debt total		<u>59,330,000</u>	<u>-</u>	<u>59,330,000</u>	<u>-</u>	<u>-</u>
Total		<u>\$ 160,318,426</u>	<u>\$ 62,984,362</u>	<u>\$ 65,490,947</u>	<u>\$ 157,811,841</u>	<u>\$ 5,285,000</u>

B. Public Debt

2011 South Placer Wastewater Authority Wastewater Refunding Revenue Bonds, Series A, B, C and D

On April 7, 2011, the Authority issued Variable Rate Demand Refunding Wastewater Revenue Bonds Series 2011A and 2011B in the original principal amounts of \$30,165,000 and \$30,160,000, respectively, and Revenue Refunding Bonds Series 2011C and 2011D (SIFMA Index Bonds) in the original principal amounts of \$67,040,000 and \$30,000,000, respectively.

The Series 2011ABCD Bonds were issued to refund the remaining outstanding balance of the 2008 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds Series A and Series B. During fiscal year 2013, the 2011A and 2011B Bonds were refunded by the 2013 South Placer Wastewater Authority Refunding Wastewater Bonds. The 2011D Bonds were refunded in August 2014 by the 2014 Wastewater Revenue Refunding Bonds. In September 2017, the 2011C Bonds were partially refunded by the 2017 South Placer Wastewater Authority Revenue Bonds.

The remaining Series 2011C Bonds bear interest at 5.00% and are due semi-annually on May 1 and November 1 of each year. The Bonds are repayable solely from the Authority Revenues. Principal payments are due annually November 1 through 2020. The balance outstanding as of June 30, 2020 is \$5,285,000.

2017 South Placer Wastewater Authority Refunding Revenue Bonds

On September 28, 2017, the South Placer Wastewater Authority issued the Wastewater Revenue bonds, Series 2017 in the amount of \$74,780,000.

The 2017 Bonds were issued for the purpose of providing funds, together with other available moneys, to (i) finance the Series 2017 Project, (ii) defease and redeem a portion of the Authority's Wastewater Revenue Refunding Bonds, Series 2011C (the "Series 2011C Bonds") and all of the Wastewater Revenue Refunding Bonds, Series 2014 (SIFMA Index Bonds), (iii) fund a deposit to the Parity Reserve Fund, and (iv) pay costs of issuance of the Series 2017 Bonds.

The Revenue Bonds bear interest at 5.00% and are due semi-annually on May 1 and November 1 of each year. Principal payments are due annually on November 1 beginning 2021 through 2037. The balance outstanding as of June 30, 2020 is \$74,780,000.

South Placer Wastewater Authority Refunding Wastewater Revenue Bonds, Series 2020

On April 28, 2020, the South Placer Wastewater Authority issued Revenue Bonds, Series 2020 in the amount of \$46,920,000 to redeem the Authority's Wastewater Revenue Refunding Bonds, Series 2013 outstanding. The Revenue Bonds bear interest at 5.00% and are due semi-annually on May 1 and November 1 of each year. Principal payments are due annually on November 1 beginning 2029 through 2035. The balance outstanding as of June 30, 2020 is \$46,920,000.

As of June 30, 2020, the total principal and interest remaining to be paid on the 2011C Bonds, 2017 Bonds and the 2020 Bonds was \$126,985,000 in principal and \$62,152,425 in interest. As disclosed in the Indenture, net revenues of the respective systems of the members are expected to provide coverage over debt service of 110% over the lives of the Bonds, however the Funding Agreement established a Rate Stabilization Account to be used for the payment of debt service on the Bonds and other costs of the Authority. As discussed in Note 1A, the members' monthly contributions of regional connection fees are deposited into the Rate Stabilization Account, and the Authority pays the debt service and other costs from the Account, based on each member's proportionate share.

C. Direct Placement Debt

2013 South Placer Wastewater Authority Wastewater Refunding Revenue Bonds

On April 1, 2013, the Authority issued Variable Rate Demand Refunding Wastewater Revenue Bonds Series 2013 in the original principal amount of \$59,330,000. The 2013 Bonds were issued to refund the remaining outstanding balance of the 2011 South Placer Wastewater Authority Refunding Wastewater Revenue Bonds, Series A and Series B.

The 2013 Bonds were issued as variable rate securities with interest calculated monthly equal to the LIBOR Index Rate. The LIBOR Index Rate is defined in the Indenture to mean the per annum rate of interest established on each Computation Date (monthly) and effective on each related LIBOR Index Reset Date equal to the sum of the Applicable Spread (initially 0.625%, but adjustable based on the credit rating of the Roseville Finance Authority's long-term unenhanced debt secured or evidenced by a parity obligation) plus the product of the LIBOR Index multiplied by the Applicable Factor (initially 70.5%). The interest rate of the Bonds cannot exceed 12% per year and may be converted by the Authority into a Daily Rate, a Weekly Rate, a Long-Term Rate, a Commercial Paper Rate, or a subsequent Index Rate, subject to certain conditions defined in the Indenture. The bonds were fully defeased during the fiscal year.

D. Debt Service Requirements

Annual debt service requirements, using interest rates as of June 30, 2020, are shown below for all long-term debt:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 5,285,000	\$ 6,236,675
2022	5,400,000	5,950,000
2023	5,790,000	5,670,250
2024	6,195,000	5,370,625
2025	6,635,000	5,049,875
2026-2030	34,930,000	20,015,000
2031-2035	34,345,000	11,641,125
2036-2038	<u>28,405,000</u>	<u>2,218,875</u>
 Total	 126,985,000	 <u>\$ 62,152,425</u>
 Reconciliation of long-term debt Add bond premium	 <u>30,826,841</u>	
 Net long-term debt	 <u>\$ 157,811,841</u>	

Note 5 - Risk Management

The Authority has purchased commercial insurance for general, property and public officials' liability. During the fiscal year ended June 30, 2020, the Authority paid \$19,417 for current year coverage.

The following types of loss risks are covered by the above commercial insurance policies as follows:

<u>Type of Coverage</u>	<u>Coverage Limit</u>	<u>Deductible</u>
Personal Injury, Including Bodily Injury and Property Damage	\$ 1,000,000	\$ 2,500
Automobile Liability	1,000,000	2,500
Public Officials Errors and Omissions	1,000,000	2,500
Employment Practices Liability	1,000,000	10,000
Crime Bond	10,000,000	2,500
Cyber Liability	250,000	10,000

The Authority has not had any claims that exceeded coverage in the past 3 years.

Note 6 - Commitments and Contingent Liabilities

The Authority is subject to litigation arising in the normal course of business. In the opinion of the management, there is no pending litigation which is likely to have a material adverse effect on the financial position of the Authority.



Supplementary Information

June 30, 2020

South Placer Wastewater Authority
Roseville, California

South Placer Wastewater Authority
Analysis of Rate Stabilization Restricted Net Position
Year Ended June 30, 2020

	City of Roseville	South Placer Municipal Utility District	Placer County	Totals
Balance at June 30, 2019	\$ 67,218,265	\$ 57,855,027	\$ 2,070,507	\$ 127,143,799
Changes July 1, 2019 to June 30, 2020				
Regional connection fees	12,137,511	3,571,918	1,382,621	17,092,050
Interest allocation	1,494,341	507,988	311,968	2,314,297
Capital construction costs	(6,008,012)	(2,042,371)	(1,254,267)	(9,304,650)
Debt service	(7,486,329)	(2,544,758)	(1,562,794)	(11,593,881)
Administrative costs	(70,608)	(24,003)	(14,740)	(109,351)
Total	66,903	(531,226)	(1,137,212)	(1,601,535)
Balance at June 30, 2020	<u>\$ 67,285,168</u>	<u>\$ 57,323,801</u>	<u>\$ 933,295</u>	<u>\$ 125,542,264</u>

	Net Position of	
	Bond Proceeds	Member Contributions
Investments in City of Roseville Treasury Investments	\$ -	\$ 6,388,605
Unrealized gains / losses on investments	-	122,576,788
Restricted investments with fiscal agent	1,772,266	(1,772,266)
Accounts receivable	43,162,181	-
Accrued interest receivable	-	335,165
Loss on refunding	-	309,005
Accounts payable and other liabilities	222,966	-
Long-term debt:	(1,077,688)	(2,295,034)
Due in one year	(5,285,000)	-
Due in more than one year	(152,526,841)	-
Net Position (Deficit)	<u>\$ (113,732,116)</u>	<u>\$ 125,542,263</u>

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority **DATE:** January 12, 2021
Board of Directors

FROM: Nick Rosas, Accounting Supervisor

AUTHORITY COMMUNICATION NO.: 21-06

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

For SPWA Board Meeting 1/28/2021

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 2nd Amendment to the 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, 2019 to June 30, 2020:

	<u>City of Roseville</u>	<u>SPMUD</u>	<u>Placer County</u>	<u>Total</u>
Revenues:				
Connection Fees	\$ 12,137,511	\$ 3,571,918	\$ 1,382,621	\$ 17,092,050
Interest	1,494,341	507,988	311,968	2,314,297
Total Revenues	<u>13,631,852</u>	<u>4,079,906</u>	<u>1,694,589</u>	<u>19,406,347</u>
Expenses:				
Capital	6,008,013	2,042,371	1,254,267	9,304,651
Debt Service	7,485,879	2,544,758	1,562,794	11,593,431
Administrative	70,899	24,101	14,801	109,801
Total Expenses	<u>13,564,791</u>	<u>4,611,230</u>	<u>2,831,862</u>	<u>21,007,883</u>
Increase/(Decrease) in RSF Balances	67,061	(531,324)	(1,137,273)	(1,601,536)
Beginning Balance, as of July 1, 2019	67,218,265	57,855,028	2,070,507	127,143,799
Ending Balance, as of June 30, 2020	<u>\$ 67,285,326</u>	<u>\$ 57,323,704</u>	<u>\$ 933,234</u>	<u>\$ 125,542,263</u>

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

	<u>City of Roseville</u>	<u>SPMUD</u>	<u>Placer County</u>	<u>Total</u>
Revenues:				
Connection Fees	\$ 5,083,075	\$ 1,703,500	\$ 130,432	\$ 6,917,007
Interest	429,150	145,886	89,592	664,628
Total Revenues	<u>5,512,225</u>	<u>1,849,386</u>	<u>220,024</u>	<u>7,581,635</u>
Expenses:				
Capital	6,871,081	2,335,763	1,434,446	10,641,290
Debt Service	5,475,338	1,861,293	1,143,063	8,479,694
Administrative	53,160	18,071	11,098	82,329
Total Expenses	<u>12,399,579</u>	<u>4,215,127</u>	<u>2,588,607</u>	<u>19,203,313</u>
Increase/(Decrease) in RSF Balances	(6,887,354)	(2,365,741)	(2,368,583)	(11,621,678)
Beginning Balance, as of July 1, 2020	67,285,326	57,323,704	933,234	125,542,263
Ending Balance, as of November 30, 2020	<u>\$ 60,397,972</u>	<u>\$ 54,957,963</u>	<u>\$ (1,435,349)</u>	<u>\$ 113,920,585</u>

Submitted by:



Nick Rosas
Accounting Supervisor

Approved:

Dennis
Kauffman

Digitally signed by
Dennis Kauffman
Date: 2021.01.21
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Dennis Kauffman
Assistant City Manager/Chief Financial Officer



Ken Glotzbach
Executive Director

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: January 12, 2021

FROM: Nick Rosas, Accounting Supervisor

AUTHORITY COMMUNICATION NO 21-07

SUBJECT: 2019-20 Final Rate Stabilization Fund Summary

For SPWA Board Meeting of 1/28/2021

ACTION REQUESTED

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

BACKGROUND

Attached is the fund summary for the final activity in fiscal year 2019-20.

Final Activity for fiscal year 2019-20:

- Interest was higher than budget by \$389.0 thousand due to rising interest rates and higher than expected returns.
- Connection fees were higher than budget by \$2.4 million due to higher than expected development.
- Operating expenses were lower than budget by \$120.4 thousand as less legal services and financial advisory services were needed than expected.
- Capital expenses were lower than budget by \$101.2 million due to the long-term nature of the Pleasant Grove Wastewater Treatment Plant expansion project. The amount remaining will automatically carryforward to fiscal year 2020-21.
- Debt service payments were higher than budget by \$720.9 thousand due to cost of issuance fees paid as a result of the issuance of the Series 2020 Wastewater Revenue Refunding Bonds.
- As a result of all changes, fund balance decreased by \$1.6 million from \$127.1 million to \$125.5 million.

Submitted by:



Nick Rosas
Accounting Supervisor

Approved:

Dennis
Kauffman

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Dennis Kauffman
Date: 2021.01.20
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Dennis Kauffman
Chief Financial Officer



Kenneth J. Glotzbach
Executive Director

South Placer Wastewater Authority: Final Activity FY 2019-20

Rate Stabilization Fund

	Budget 2019-20	YTD Actual 2019-20	Variance Favorable (Unfavorable)	Percent of Budget
Operating Revenues				
Interest	\$ 1,925,277	2,314,297	389,020	120.21%
Connection Fees	14,648,600	17,092,050	2,443,450	116.68%
Total Operating Revenues	16,573,877	19,406,347	2,832,470	117.09%
Operating Expenses				
JPA Staff	86,431	64,028	22,403	74.08%
Legal Services	40,000	6,080	33,920	15.20%
Financial Advisory Services	50,000	-	50,000	0.00%
Audit Services	25,000	15,890	9,110	63.56%
Insurance	25,000	19,417	5,583	77.67%
Copying/Mailing/Supplies	1,000	3,447	(2,447)	344.68%
Office supplies	1,000	187	813	18.66%
Postage	1,000	752	248	75.20%
Conference Calls	250	-	250	0.00%
Travel/Meetings	500	-	500	0.00%
Total Operating Expenses	230,181	109,801	120,380	47.70%
Capital and Debt Service Expenses				
Capital expenses	110,462,183	9,304,649	101,157,534	8.42%
Debt service payments	10,872,550	11,593,433	(720,883)	106.63%
Total Capital and Debt Service Expenses	121,334,733	20,898,082	100,436,651	17.22%
INCREASE (DECREASE) FROM OPERATIONS	(104,991,037)	(1,601,536)	(97,724,562)	1.53%
FUND BALANCE, BEGINNING OF YEAR	127,143,799	127,143,799		
FUND BALANCE, END OF YEAR	\$ 22,152,762	\$ 125,542,263		

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: January 12, 2021

FROM: Kenneth J. Glotzbach, Executive Director

AUTHORITY COMMUNICATION NO.: 21-08

SUBJECT: Capital Improvement Project Update

For SPWA Board Meeting of January 28, 2021

ACTION REQUESTED

Staff requests authorization to initiate two new projects listed in the following table and approve the recommended budget for each.

Project Name	New Funding Requested
Treatment Plant Capacity Evaluation	\$1,100,000.00
Old Auburn Boulevard Trunk Sewer and Lift Station Improvements	\$1,650,000.00

NEW PROJECT BACKGROUND

Treatment Plant Capacity Analysis

The 2019 SPWA System Evaluation Update (see 'Ongoing Projects Update' section below) identified potential capacity increases needed at both the Dry Creek Wastewater Treatment Plant (DCWWTP) and the Pleasant Grove Wastewater Treatment Plant (PGWWTP). These predictions are based on computer simulation models of the existing process and treatment plant data collected. The PGWWTP is currently undergoing expansion as this need was identified previously due to population growth in that service area.

The DCWWTP was not expected to require expansion for several more years based on past studies. The current study noted that wastewater flows treated by the DCWWTP have not generally increased but that waste loading has increased and is driving the need for capacity improvements. Waste loading is the number of pounds of material removed by the treatment plant from a given volume of water. Increased waste loading without a corresponding increase in flow indicates that a greater population is being served by DCWWTP and that water is being used more efficiently than in the past.

The Treatment Plant Capacity Analysis Project is a field study intended to physically confirm the computer model capacity predictions. DCWWTP has undergone significant process changes for regulatory purposes in the past four years which may have impacted the conclusions of the older study regarding the timing anticipated for capacity

improvements. If the Capacity Evaluation Study confirms the computer model results, an expansion project will be needed at the DCWWTP in the near future.

Because it is undergoing expansion at this time, it is less critical to test the PGWWTP. Once the expansion work is complete capacity analysis will be performed to verify the model results in order to confirm planned capacity project needs and timing.

Old Auburn Boulevard Trunk Sewer and Lift Station Improvements

The 2019 SPWA System Evaluation study also recommended improvements to increase available capacity in the Old Auburn Boulevard Trunk Sewer and associated lift stations. These improvements were predicted by the previous study and are based primarily on computer models of the collection system and verified by observed field conditions. The recommended improvements would increase lift station pumping capacity which will redirect water from the Old Auburn Trunk Sewer to an existing trunk sewer to the north with available capacity. Some sections of pipeline leading to the northern trunk sewer would require replacement with larger pipe to accommodate the extra flow and reduce long-term pumping costs.

ONGOING PROJECT UPDATES

Pleasant Grove WWTP Expansion and Energy Projects

The construction of these two project is well underway and the national COVID crisis has not significantly impacted their schedules. The Energy Project is expected to be completed by February 2022, and the Expansion Project completion is expected by the end of June 2022. Both projects are presently about 40% complete.

For the Expansion Project, the contractor has been paid \$19,356,000 of the \$54,400,000 construction agreement fee. Digester 1 tank construction is complete and Digester 2 is scheduled to be complete by early February 2021. The Digester Control Building's foundation is complete and wall construction has begun. The Thickener building exterior structure is complete. The primary clarifier structure construction continues at this time and is expected to take several more months of work due to its massive size.

On the Energy Project \$9,519,000 of the \$23,394,000 contract fee has been paid. All major structures have been started on this work. All foundations have been placed, the utility trench is installed, the medium pressure storage vessels have been set, and the energy recovery building exterior structure is complete. The compressed natural gas vehicle fueling station is scheduled to be completed for use by the City's Solid Waste Fleet by July 2021. Until the expansion project's digester units are operational, the fueling station can be charged with pipeline natural gas.

The first State Revolving Fund (SRF) disbursement request for more than \$6,450,000 of design work through June 2019 was submitted in October 2020. The City is still awaiting payment for this first disbursement. In April 2020, the City submitted the Final Budget Approval (FBA) Forms following City Council approval of the SRF agreements in March 2020. SRF provided comment on the FBA's and they were revised in July 2020. The City has not yet received approval of the FBAs, and cannot submit additional disbursement requests for the construction costs until these are approved. SRF Staff have indicated that FBA approval timelines has been impacted by the COVID pandemic. The City anticipates FBA approval in the next month based on SRF Staff estimates.

Pleasant Grove WWTP UV Disinfection Equipment

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. This project was planned to purchase the necessary UV disinfection equipment and install it in the spare channel.

As Staff began to plan the work, they learned that a regulatory de-rating (i.e. reduced capacity) of the system would occur when the changes were made and permitted for operation. This de-rating is a result of new requirements for calculating the disinfection dose of UV light the system delivers. The de-rating would result in a much lower capacity increase than expected when the project was initiated. Staff are presently reviewing options for the project as well as the associated cost impacts.

2019 SPWA System Evaluation Study

This project updated the 2009 System Evaluation Study and is essentially complete. The final report document will be used for planning purposes. Future development will be monitored relative to the planning estimates contained in the report to ensure infrastructure is adequate and appropriate. The document also identifies infrastructure project improvements and serves as a guideline for these projects' cost and timing.

Submitted by:



Kenneth J. Glotzbach
Executive Director

SOUTH PLACER WASTEWATER AUTHORITY

RESOLUTION NO. 2021-02

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH PLACER WASTEWATER AUTHORITY AUTHORIZING THE EXECUTIVE
DIRECTOR TO INITIATE CAPACITY EVALUATION AND SEWER AND LIFT
STATION IMPROVEMENT PROJECTS**

BE IT RESOLVED by the Board of Directors of the South Placer Wastewater Authority (the “Authority”) that the Executive Director of the Authority is hereby authorized to initiate the following projects with the approved budget below:

Project Name	Budget
Treatment Plant Capacity Evaluation	\$1,100,000.00
Old Auburn Boulevard Trunk Sewer and Lift Station Improvements	\$1,650,000.00

PASSED AND ADOPTED this 28th day of January 2021, by the following vote
on roll call:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

Chairperson

ATTEST:

Secretary

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: January 6, 2021

FROM: Kenneth Glotzbach / Executive Director

AUTHORITY COMMUNICATION NO.: 21-09

SUBJECT: 2019 SPWA Service Area Boundary Adjustment – Roseville Sierra Vista and Amoruso Ranch Specific Plan Areas

For SPWA Board Meeting January 28, 2019

ACTION REQUESTED

Staff requests that the South Placer Wastewater (SPWA) Authority Board approve Resolution #21-XX to

1. make responsible agency findings regarding: (a) Consideration of the Final EIR (SCH#201310257), Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program prepared for the Amoruso Ranch Specific Plan Final EIR; (b) Consideration of the Final EIR (SCH#2008032115), Findings of Fact, Statement of Overriding Considerations, and Mitigation Monitoring and Reporting Program prepared for the Sierra Vista Specific Plan Final EIR; (c) Modifying the SPWA service area boundary to include the Amoruso Ranch and Sierra Vista Specific Plan Areas; and

2. approve a modification to the Authority's 2019 Service Area Boundary (SAB) to add the Roseville Sierra Vista and Amoruso Ranch Specific Plan Areas.

The Amoruso Ranch Specific Plan EIR is available at the following link:

https://www.roseville.ca.us/government/departments/development_services/planning/specific_plans_planning_areas/amoruso_ranch_specific_plan

The Sierra Vista Specific Plan EIR is available at the following link:

https://www.roseville.ca.us/government/departments/development_services/planning/specific_plans_planning_areas/sierra_vista_specific_plan

BACKGROUND

Since the completion of the 1996 Master Plan and Environmental Impact Report (EIR), several areas have been annexed by SPWA partner agencies. These areas include the West Roseville Specific Plan (WRSP) area, Clover Valley Lakes, Loomis Hills Estate and Sierra College in the SPMUD service area, along with six other small annexations. This service area was originally referred to as the 2005 Regional Service Area and was delineated and adopted by the SPWA board.

The South Placer Wastewater Authority System Evaluation (RMC, 2009) also identified twelve planning areas adjacent to but outside the 2005 Regional Service Area that were referred to as Urban Growth Areas (UGAs). The Creekview Specific Plan was one of these UGAs. In 2019, The SPWA Board approved an adjustment to the 2005 Regional

Service Area to add the Creekview area. Since this addition, the SPWA service area has been identified as the 2019 Service Area Boundary.

Roseville's Sierra Vista and Amoruso Ranch Specific Plan areas identified as UGA's at the time the 2005 Regional Service Area was adopted are now actively developing and should be added to the Authority's service area. They will both be served by the Pleasant Grove Wastewater Treatment Plant.

In order to adjust the SAB, California Environmental Quality Act (CEQA) requirements must be addressed. In general, the CEQA process for UGA projects is initiated by the local jurisdiction with land use authority. This could include any of the following agencies that receive sewer service from SPWA: Placer County, the City of Roseville, the City of Rocklin, and the Town of Loomis. These agencies are collectively referred to as local "Lead Agencies." Local Lead Agencies would be the first agency to take discretionary action relating to the approval of a proposed UGA project. As a result, they would serve as the CEQA Lead Agency and be responsible for the first tier of the CEQA document for the UGA project. SPWA serves as a funding and financing authority for the construction of Regional Wastewater Facilities. In doing so, the SPWA acts as a CEQA "Responsible Agency." As a Responsible Agency, SPWA relies on the UGA project CEQA documentation prepared by the local Lead Agencies when taking discretionary actions related to funding or financing. SPWA does not act as a Lead Agency.

The City of Roseville acted as the local Lead Agency for both the Sierra Vista and Amoruso Ranch Specific Plan Areas. The Sierra Vista Specific Plan EIR (State Clearinghouse #2008032115) was adopted by the Roseville City Council on May 5, 2010. The Amoruso Ranch Specific Plan EIR (State Clearinghouse #2013102057) was adopted by the Roseville City Council on June 15, 2016. These documents fulfill the City's and SPWA's CEQA obligations for the requested SAB modification. As a responsible agency SPWA is to consider the prior EIR documents as complete and adequate and adopt findings of fact, statements of overriding consideration, and the mitigation monitoring and reporting programs. The two new areas to be included in the SAB with this change are shown on Exhibit A. The service area including the Sierra Vista and Amoruso Ranch Areas will be identified as the 2021 Service Area Boundary in the future.

Submitted by:



Kenneth J. Glotzbach
Executive Director

EXHIBIT A

SPWA SERVICE AREA BOUNDARY WITH CREEKVIEW SPECIFIC PLAN AREA

**SOUTH PLACER WASTEWATER AUTHORITY
RESOLUTION NO. 2021-03**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SOUTH PLACER WASTEWATER AUTHORITY TO
CONSIDER THE FINAL ENVIRONMENTAL IMPACT
REPORT**

**(SCH No.01310257) FOR THE AMORUSO RANCH SPECIFIC PLAN
EIR, ADOPTING FINDINGS OF FACT AND A STATEMENT OF
OVERRIDING CONSIDERATIONS, AND A MITIGATION
MONITORING AND REPORTING PROGRAM; AND TO CONSIDER
THE FINAL ENVIRONMENTAL IMPACT REPORT (SCH
No.2008032115) FOR THE SIERRA VISTA SPECIFIC PLAN EIR,
ADOPTING FINDINGS OF FACT AND A STATEMENT OF
OVERRIDING CONSIDERATIONS, AND A MITIGATION
MONITORING AND REPORTING PROGRAM;
AND APPROVE A MODIFICATION TO THE AUTHORITY'S 2019
SERVICE AREA BOUNDARY (SAB) TO ADD THE AMORUSO
RANCH SPECIFIC PLAN AREA AND SIERRA VISTA SPECIFIC
PLAN AREA**

WHEREAS, the City of Roseville (“City”) acting as lead agency pursuant to the California Environmental Quality Act (“CEQA”) (Public Resources Code section 21000 et seq., 14 California Code of Regulations section 1500 et seq. (“CEQA Guidelines”) prepared and certified an environmental impact report for the Amoruso Ranch Specific Plan (SCH No. 201310257) and prepared and certified an environmental impact report for the Sierra Vista Specific Plan (SCH No.2008032115), and

WHEREAS, as a responsible agency under CEQA, the South Placer Wastewater Authority (the “Authority”) is responsible for considering the EIR, making Findings of Fact and Statement of Overriding Considerations and adopting the Mitigation Monitoring and Reporting Program for the Proposed Project; and

WHEREAS, for purposes of CEQA, the Proposed Project consists of the Amoruso Ranch Specific Plan and Sierra Vista Specific Plan areas as identified and evaluated in the Amoruso Ranch Specific Plan EIR and Sierra Vista Specific Plan EIR’s (“Project Approvals”); and

WHEREAS, the Project Approvals constitute a “project” for purposes of CEQA and CEQA Guidelines section 15378 and these determinations of the Authority; and

WHEREAS, the Authority has duly considered the Final EIRs for the Proposed Project, which consists of the Amoruso Ranch Specific Plan Draft EIR and the Final EIR, the appendices and references thereto, the comments of the public, both oral and written, and all written materials in the administrative record connected therewith; and the Sierra Vista Specific Plan Draft EIR and the Final EIR, the appendices and references thereto, the comments of the public, both oral and written, and all written materials in the administrative record connected therewith;

WHEREAS, the Authority has duly considered the Findings of Fact and Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program prepared for certification of the Amoruso Ranch Specific Plan EIR; and the Findings of Fact and Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program prepared for certification of the Sierra Vista Specific Plan EIR.

NOW, THEREFORE, BE IT RESOLVED THAT:

1) The Authority hereby considers the Amoruso Ranch Specific Plan Final EIR as complete, adequate and in full compliance with CEQA and considers such certification as a basis for considering and acting upon the Project Approvals; and the Sierra Vista Specific Plan Final EIR as complete, adequate and in full compliance with CEQA and considers such certification as a basis for considering and acting upon the Project Approvals.

2) The Authority has considered and hereby adopts the “Findings of Fact” for the Amoruso Ranch Specific Plan EIR, as set forth in Attachment A, attached hereto and incorporated herein by reference; and the “Findings of Fact” for the Sierra Vista Specific Plan EIR, as set forth in Attachment B, attached hereto and incorporated herein by reference.

3) The Authority hereby adopts the Amoruso Ranch Specific Plan EIR Mitigation Monitoring and Reporting Program (“MMRP”) prepared for the Project Approvals and as set forth in Attachment A and incorporated herein by reference, and the Sierra Vista Specific Plan EIR Mitigation Monitoring and Reporting Program (“MMRP”) prepared for the Project Approvals and as set forth in Attachment B, and incorporated herein by reference. All mitigation measures proposed in the Amoruso Ranch Specific Plan Final EIR and Sierra Vista Specific Plan Final EIR shall be implemented, and the MMRPs will implement all mitigation measures adopted with respect to the Proposed Project pursuant to all Project Approvals. The Amoruso Ranch Specific Plan MMRP and Sierra Vista Specific Plan MMRP are hereby incorporated into the Proposed Project and thereby become part of and limitations upon the entitlements conferred by the Project Approvals.

BE IT FURTHER RESOLVED: That notwithstanding the imposition of the mitigation measures in the MMRPs as set forth above, not all significant impacts of the Proposed Project have been reduced to a level of insignificance or eliminated by changes in the Proposed Project. The Authority finds that the Proposed Project will bring

substantial benefits to the City, its residents and businesses, and that the Proposed Project's benefits outweigh its significant unmitigated adverse impacts and, pursuant to CEQA Guidelines section 15093, adopts the Amoruso Ranch Specific Plan Final EIR Statement of Overriding Considerations as set forth in Attachment A, and the Sierra Vista Specific Plan Final EIR Statement of Overriding Consideration as set forth in Attachment B, attached hereto and incorporated herein by reference, to explain why the Proposed Project's benefits override its unavoidable impacts. Having carefully considered the Proposed Project, its impacts and the foregoing benefits, the Authority finds, in light of the important social, economic and other benefits that the Proposed Project will bring as set forth in the Statement of Overriding Considerations, the adverse environmental impacts of the Proposed Project that are not fully mitigated are acceptable.

BE IT RESOLVED, that the Board of Directors of the South Placer Wastewater Authority (the "Authority") hereby approves the modification of the Authority's 2019 Services Area Boundary to include the Roseville Sierra Vista Specific Plan Area and the Amoruso Ranch Specific Plan Areas, as depicted in Attachment C of this Resolution.

BE IT FURTHER RESOLVED: That the Authority staff is directed to file a Notice of Determination with the County Clerk-Recorder within five (5) working days in accordance with Public Resources Code section 21152(a) and CEQA Guidelines section 15094.

Passed and Adopted by the Board of the South Placer Wastewater Authority, this 28th day of January 2021, by the following vote on roll call:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chair

ATTEST:

Secretary

ATTACHMENT A

[Attachment A - Amoruso CEQA Findings of Fact and SOC 701 KB \(roseville.ca.us\)](#)

https://www.roseville.ca.us/government/departments/development_services/planning/specific_plans_planning_areas/amoruso_ranch_specific_plan

ATTACHMENT B

[Attachment B -Sierra Vista CEQA Findings of Fact and SOC 701 KB \(roseville.ca.us\)](#)

https://www.roseville.ca.us/government/departments/development_services/planning/specific_plans_planning_areas/sierra_vista_specific_plan

ATTACHMENT C

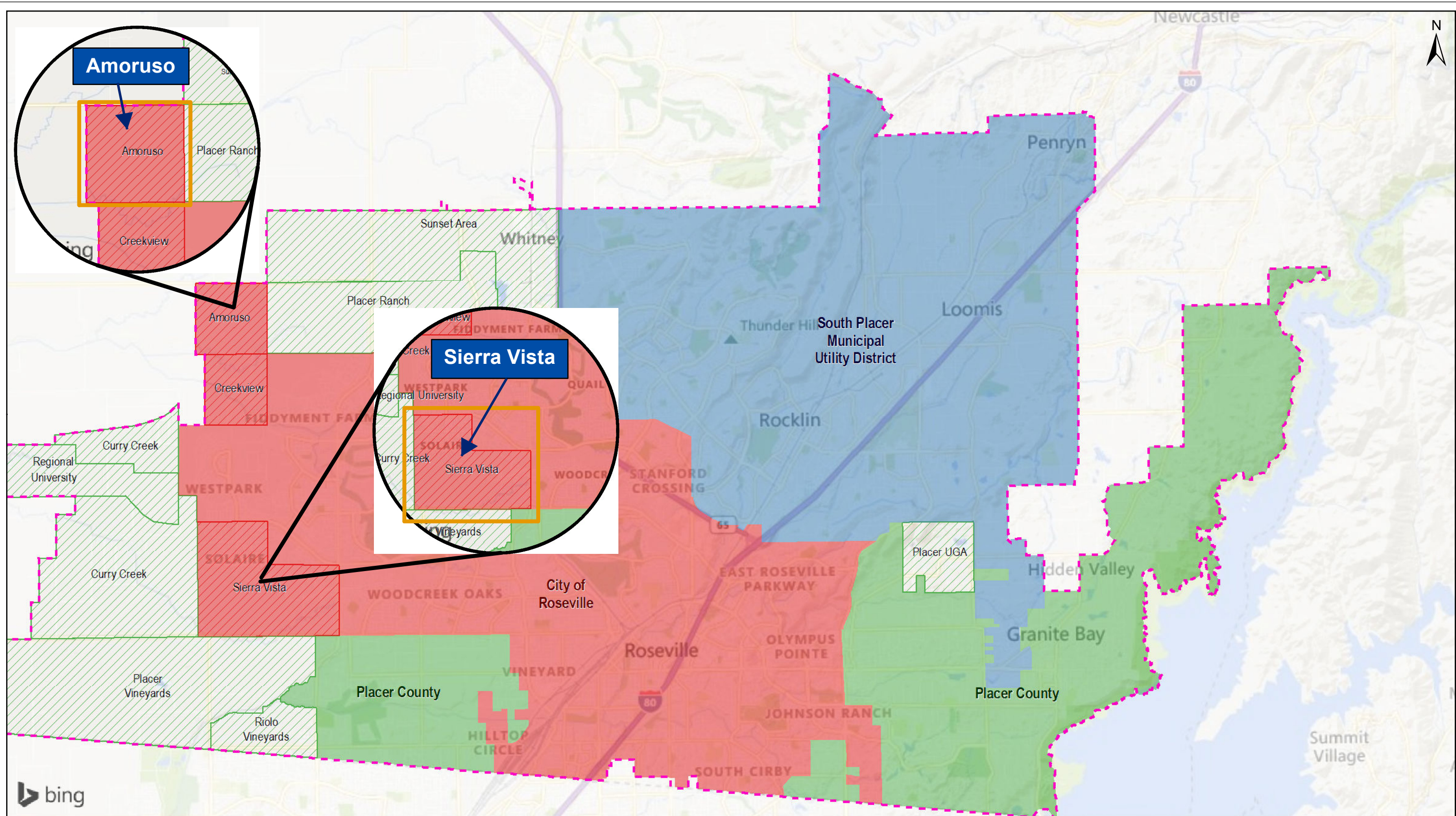


Figure ES-1
2021 Service Area Boundary
 South Placer Wastewater Authority
 2020 Systems Evaluation

0 1/2 1 2 Miles

2021 Partner Agency Service Area		Urban Growth Area	
 City of Roseville	 Placer County	 City of Roseville UGA	 Placer County UGA
 SPMUD		 Ultimate Service Area Boundary	

Project #: 0011183.00
 Map Created: December 2020

Third Party GIS Disclaimer: This map is for reference and graphical purposes only and should not be relied upon by third parties for any legal decisions. Any reliance upon the map or data contained herein shall be at the users' sole risk. **Data Sources:** SPWA Agencies, ESRI, W&C

Placer **CITY OF ROSEVILLE** **WOODARD CURRAN**

Figure Exported: 1/8/2021 By: cvantienden Using: \\woodardcurran.net\shared\Projects\RM\WCR\0091 Roseville_City of 0011183.00 SPWA Systems Evaluation\GIS\3 MXDs\Exhibit A Amoruso Sierra Vista.mxd

AUTHORITY COMMUNICATION

TO: South Placer Wastewater Authority
Board of Directors

DATE: January 12, 2021

FROM: Kenneth Glotzbach / Executive Director

AUTHORITY COMMUNICATION NO.: 21-10

SUBJECT: Authorization to Execute and Deliver a Joint Community Facilities Agreement in Connection with the Bond Opportunities for Land Development Program

For SPWA Board Meeting January 28, 2021

ACTION REQUESTED

Staff requests that the South Placer Wastewater Authority (Authority) Board approve a resolution Authorizing Execution and Delivery of a Joint Community Facilities Agreement in Connection with the Bond Opportunities for Land Development (BOLD) Program.

BACKGROUND

The Bond Opportunities for Land Development (BOLD) program is a program offered by California Municipal Finance Authority (CMFA) to provide its members and other local agencies in California a means to accommodate communities facility district (CFD) formation and financing within their jurisdictions. Formation of each CFD, administration of each CFD and bonding is handled by CMFA.

Mello-Roos Districts. The Mello-Roos Community Facilities Act (Government Code 53311 et seq.), pursuant to which the CFDs would be formed and bonds would be issued, offers financing flexibility commonly used by cities, school districts and other local agencies throughout the State to generate funds for the payment of public facilities, including development fees for facilities. Although CFDs would be located within the Authority's jurisdiction, involvement of the Authority is flexible and is expected to be minimal.

BOLD Program Purpose. The BOLD Program offers developers the opportunity to finance public infrastructure, as well as impact fees associated with new development, through tax-exempt bonds payable from special taxes levied by CMFA on property within the CFD only, a typical financing method for new home developments in California. As noted above, CMFA is responsible for forming and administering the CFD. The program periodically issues bonds by pooling multiple of its CFDs into a single bond offering, affording an opportunity for local agencies to facilitate bond financing for smaller amounts, typically impact fees. than the local agency might typically form its own CFD for. Locally, currently Placer County, Roseville, Lincoln and Rocklin participate in the program.

CMFA and its Non-Profit Foundation. The CMFA is a Joint Powers Authority formed to assist local governments, non-profit organizations and businesses by promoting economic, cultural and community development, with the financing of economic development and charitable activities throughout California. To date, over 300 municipalities have become members of CMFA. The Authority is not required to be

a member to participate, participation occurs via an agreement with the Authority which is required under the Mello Roos Act.

The California Foundation for Stronger Communities, a California non-profit public benefit corporation (the "Foundation"), is a component unit of CMFA established for public and charitable purposes. Through its conduit issuance activities, CMFA shares a portion of the issuance fees it receives with its member communities and donates a portion of these issuance fees to the Foundation for the support of local charities. Over \$20 million has been given back to municipalities and worthy California 501c3 non-profits thanks to CMFA fee sharing. As such, a portion of the CMFA bond issuance fee for each CFD is available for local charitable purposes.

Since its formation in 2004, CMFA has been the issuer of over 900 series of bonds totaling over \$20 Billion.

CMFA Financing Team. The BOLD Program is facilitated through bond professionals chosen by CMFA with specialized expertise in CFD bond issuance and sales – bond counsel, underwriter and other advisors provided as needed, all ranked among the top firms in the field. CMFA authorizes and issues the bonds in its name and awards its sale to the bond underwriter (Piper Sandler & Co.) per the underwriter's credit requirements; CMFA's financing team provides the bond documentation and the Official Statement through its legal counsel, Jones Hall.

General Authority Participation. Bonds are issued through CMFA, with no involvement of the Authority needed other than approving the use of the BOLD Program and, prior to actual issuance of bonds, entering into an agreement to acquire the public facilities or fees to be paid for with the bond proceeds (i.e., a "joint community facilities agreement" or "JCFA").

The Authority is not liable to repay the bonds issued by CMFA or the special taxes imposed on the participating properties and has no contractual relationship with bond owners or the bond trustee.

Upon issuance of the bonds, proceeds are a funding source for direct payment of impact or mitigation fees or to otherwise reimburse developer costs for public facilities associated with new development. Once the bond issuance occurs, bond proceeds are available to be disbursed pursuant to the JCFA between CMFA and the Authority, the form of which is attached to the Resolution. The proceeds are held by a bond trustee or fiscal agent, and available to be disbursed as directed by the Authority for use on public capital improvements to be owned by the Authority.

The decision to participate in the BOLD program to finance fees will be considered on a case by case basis by both the Authority's Executive Director and Treasurer. Consideration will be given to the Authority's ability to use the funds for infrastructure or other allowable expenditures in a timely manner when the Authority's participation in the BOLD program is requested.

Submitted by:



Kenneth J. Glotzbach
Executive Director



To: Board of Directors, South Placer Wastewater Authority (SPWA)
From: The New Home Company
Date: January 19, 2021
Subject: Approval of BOLD Program for the Eureka Grove Project

Dear SPWA Board of Directors,

I am writing to express our support for the adoption of the Bond Opportunities for Land Development (BOLD) program which is going before the SPWA's Board of Directors for consideration on January 30, 2021. The BOLD program is managed by the California Municipal Finance Authority (CMFA) and has already been approved by the Board of Supervisors of Placer County and by the City of Roseville.

The New Home Company is seeking the approval of the BOLD program by SPWA which would allow new development projects to finance development impact fees, typically due at building permit, such as the SPWA wastewater connection fee. There is a mutual benefit to developers and agencies utilizing the program as it allows developments to finance impact fees over time while allowing agencies immediate access to funds for use toward capital improvement projects.

The Eureka Grove project, a 72-unit residential development located at the northeast corner of Sierra College Boulevard and Eureka Road, would be one of the first projects in Placer County to utilize the BOLD program. It is currently anticipated that the BOLD bond issuance would take place in late spring 2021. The New Home Company requests that SPWA Board of Directors approve the use of the BOLD program with the assumption that SPWA staff will allow the Eureka Grove project to utilize the BOLD program to finance SPWA wastewater connection fees.

The sewer connection fees for the Eureka Grove project are estimated to be \$9,505 per residential unit totaling \$684,360 in fees to be paid by the project. The use of the BOLD program would allow SPWA access to the total of these funds after the bond issuance instead of waiting for individual connection fees to be collected with each building permit issued.

Thank you,

A handwritten signature in blue ink, appearing to read "Kevin Carson", written over a vertical line.

Kevin Carson
Northern California President

SOUTH PLACER WASTEWATER AUTHORITY

RESOLUTION NO. 2021-04

RESOLUTION AUTHORIZING EXECUTION AND DELIVERY OF A JOINT COMMUNITY FACILITIES AGREEMENT IN CONNECTION WITH THE BOND OPPORTUNITIES FOR LAND DEVELOPMENT (BOLD) PROGRAM

WHEREAS, the California Municipal Finance Authority (the "CMFA") is a joint exercise of powers authority, the members of which include numerous cities, counties and other local agencies in the State of California (the "State"), including the County of Placer; and

WHEREAS, CMFA has established the Bond Opportunities for Land Development Program (the "BOLD Program") to allow the financing through the levy of special taxes under the Mello-Roos Community Facilities Act of 1982, as amended (the "Act") of certain public facilities and development impact fees that finance public facilities (together, the "Improvements") to be owned by local agencies ("Participating Local Agencies") in the State; and

WHEREAS, under Section 53316.2 of the Act, CMFA may form a community facilities district (a "CFD") to finance facilities to be owned or operated by a public agency other than CMFA pursuant to a joint community facilities agreement; and

WHEREAS, the South Placer Wastewater Authority (the "Authority") may be eligible to receive certain impact fees from development within the territory of the CFDs to be formed by CMFA through the BOLD Program; and

WHEREAS, the Authority desires to enter into a joint community facilities agreement with CMFA in connection with the use by developers of the BOLD Program within the boundaries or service area of the Authority;

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

Section 1. The Board hereby approves the execution and delivery of a joint community facilities agreement (the "JCFA"), substantially in the form presented to the Board of Directors and attached hereto as **Exhibit A**, with such other changes as the Executive Director of the Authority or a designee (each, an "Authorized Officer") may deem appropriate or necessary. Each Authorized Officer is authorized and directed to execute and deliver the JCFA, on behalf of the Authority, as necessary or appropriate in connection with development projects and CFDs formed within the territory of the Authority, and the Board of Directors finds and declares that entrance into the JCFA is beneficial to residents within the Authority. Each Authorized Officer is hereby further authorized and delegated the ability to approve applications submitted by developers to the BOLD Program and evidence the Authority's official intent to reimburse itself for capital projects from tax-exempt bond proceeds issued by CMFA in connection with the BOLD Program.

Section 2. This Resolution shall take effect immediately upon its adoption. The Clerk of the Board is hereby authorized and directed to transmit a certified copy of this resolution to the Secretary of CMFA.

* * * * *

PASSED AND ADOPTED this ____ day of _____, 2021 by the following vote, to
wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Chairperson

ATTEST:

Secretary

EXHIBIT A

CMFA BOLD PROGRAM

Form of Joint Community Facilities Agreement

This Joint Community Facilities Agreement (this "Agreement"), dated as of _____, 20__, by and between the CALIFORNIA MUNICIPAL FINANCE AUTHORITY, a joint exercise of powers authority duly organized and existing under the Constitution and laws of the state of California (the "CMFA"), and South Placer Wastewater Authority, a joint powers authority organized and existing under the laws of the State of California (the "Authority," and together with CMFA, the "Parties").

WITNESSETH:

WHEREAS, CMFA has conducted, or intends to conduct, proceedings under the Mello-Roos Community Facilities Act of 1982 (California Government Code section 53311 et seq.) (the "Act") to form community facilities districts (each, a "CFD") to finance certain public facilities and development impact fees used for public facilities authorized to be financed under the Act (together, the "CFD Improvements") as part of its Bond Opportunities for Land Development ("BOLD") program;

WHEREAS, the CFD Improvements have or will be described in the resolution of formation for each CFD, including the impact fees payable to the Authority for public facilities that are set forth on Exhibit A hereto (the "Authority Improvements");

WHEREAS, CMFA intends to utilize the proceeds of sale of special tax bonds of the CFDs (the "Bonds") to finance some or all of the CFD Improvements, including the Authority Improvements;

WHEREAS, under Section 53316.2 of the Act, CMFA may form a CFD to, among other things, finance the Authority Improvements, provided CMFA and the Authority enter into a joint community facilities agreement such as this Agreement; and

WHEREAS, the Authority is willing to cooperate with CMFA in accomplishing the financing of the Authority Improvements, and to confer upon the CMFA full power to provide financing for the Authority Improvements in the event that proceeds of special taxes and/or bonds in the CFD become available and are utilized for such purpose;

WHEREAS, this Agreement is made under the authority of Section 53316.2 of the Act; and

WHEREAS, in consideration for the mutual undertakings of the Parties stated herein, the Parties agree as follows:

AGREEMENT:

1. Administration of CFD and Issuance of Bonds by CMFA. CMFA shall administer each CFD, including employing and paying all consultants, annually levying the special tax and paying and administering the Bonds, and complying with all state and federal requirements appertaining to the proceedings establishing the CFD and issuing and using the proceeds of the Bonds, including the requirements of the United States Internal Revenue Code of 1986, as amended (the "Code").

2. Agreement to Hold and Disburse Available Amounts. CMFA shall hold or cause to be held the special tax and/or Bond proceeds available for the payment of Authority Improvements ("Available Amounts"). Available Amounts shall be disbursed only in accordance with Section 3 of this Agreement.

3. Disbursements. Available Amounts shall be disbursed pursuant to written requisitions of the Authority, in substantially the form attached hereto as Exhibit B and executed by the Executive Director or a designee (each, an "Authorized Officer"). CMFA and its designees, including any trustee or fiscal agent holding Available Amounts, may conclusively rely on such requisitions for purposes of making such disbursements. All disbursements of Available Amounts to the Authority shall be made by wire transfer of immediately available funds or by check payable to the Authority's bank account number at a bank located within the United States on file with CMFA as part of the BOLD program, unless another method of payment is requested in writing by the Authority.

4. Use of Available Amounts for Public Capital Improvements. The Authority shall utilize Available Amounts for public capital improvements to be owned by the Authority. The public capital improvements to be constructed using Available Amounts will be set forth in requisitions submitted by the Authority in accordance with Section 3 above.

5. Amendments. This Agreement may be amended by a writing signed by the Parties, including to update Exhibit A to reflect additional or different impact fees and public facilities to be financed through the BOLD program.

6. Term of this Agreement. This Agreement shall be in full force and effect from this date to and including its termination by mutual written agreement of the parties hereto. CMFA agrees to terminate this agreement upon request of the Authority upon delivery to CMFA of an opinion Bond Counsel to the effect that the termination of this Agreement will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

7. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

[Signatures on Following Page]

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed by their authorized representatives as of the effective date stated above.

CMFA:

CALIFORNIA MUNICIPAL
FINANCE AUTHORITY

SOUTH PLACER WASTEWATER
AUTHORITY:

By: _____
Authorized Signatory

By: _____
Name: Ken Glotzbach
Title: Executive Director

EXHIBIT A

DESCRIPTION OF AUTHORITY FEES/IMPROVEMENTS

EXHIBIT B

DISBURSEMENT REQUEST FORM

To:

California Municipal Finance Authority
2111 Palomar Airport Road, Suite 320
Carlsbad, California 92011
Email: _____

Re: BOLD Program - Request for Disbursement of Bond Proceeds

The undersigned, a duly authorized officer of the South Placer Wastewater Authority (the "Authority") hereby requests a disbursement from the Project Fund set forth below, and certifies that the amounts of development impact fees and/or capital improvements listed below have been or will be spent by the Authority as of the date indicated below or within 5 days thereafter:

<u>Subaccount(s)</u>	<u>Amount(s)</u>
[example, CMFA CFD No. 20__-__, Special Tax Bonds Series 20__, Project Fund]	\$

Total:

Wiring Instructions: _____

The undersigned hereby additionally certifies as follows:

1. These funds have been or will be used to acquire and/or construct capital improvements, and this disbursement is not being made for the purpose of reinvestment.
2. None of the expenditures for which payment is requested have been reimbursed previously from other sources of funds.

3. If the total amount above is greater than the funds held by CMFA on behalf of the Authority in the Subaccount(s) identified above, CMFA is authorized to amend the amount requested to be equal to the amount of such funds.

4. The amounts being disbursed pursuant to this request are being used to finance or refinance certain public infrastructure and facilities (the "Improvements"). The Authority will own, and for the entire useful life of such Improvements reasonably expects to own, all of such Improvements. The Improvements consist of the following:

[Describe the improvements]

5. To the extent any of such Improvements are sold to an entity that is not a state or local government, the Authority will seek the advice and approval of bond counsel to CMFA for the BOLD program prior to any such sale. The Authority will not allow any of such Improvements to be used (for example, by lease or other contract) in the trade or business of any nongovernmental persons (other than in their roles as members of the general public). All of such Improvements will be used in the performance of essential governmental functions of the Authority or another state or local government agency. The average expected useful life of such Improvements is at least ____ years. The representations and covenants contained in this paragraph are intended to support the conclusion that the interest paid on the bonds issued to finance the Improvements is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code").

Dated: _____

Signature: _____

Print Name: _____