

## AUTHORITY COMMUNICATION

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**TO:** South Placer Wastewater Authority      **DATE:** January 25, 2022  
Board of Directors

**FROM:** Nick Rosas, Accounting Manager

**AUTHORITY COMMUNICATION NO.:** 22-06

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**SUBJECT:** Rate Stabilization Fund Balances as of November 30, 2021

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*For SPWA Board Meeting 1/27/2022*

### **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 issues, 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 are available for use.

Expenses and grant revenue are allocated based on the participants' respective reallocated Proportionate Shares, defined in the 2<sup>nd</sup> Amendment to the Funding Agreement as follows: Roseville—64.57%, South Placer Municipal Utility District—21.95% and Placer County—13.48%. Interest revenue is allocated to each participant based on their respective rate stabilization fund balance. Connection Fees and Reimbursements are recorded directly in each partners sub-account.

Changes in RSF Balances from July 1, 2020 to June 30, 2021

	<u>City of Roseville</u>	<u>SPMUD</u>	<u>Placer County</u>	<u>Total</u>
Connection Fees	\$ 16,601,916	\$ 4,850,731	\$ 1,137,625	\$ 22,590,272
Grants	1,458,369	495,760	304,457	2,258,586
Capital	(34,117,690)	(11,598,007)	(7,122,603)	(52,838,300)
Debt Service	(4,649,363)	(1,580,511)	(970,627)	(7,200,501)
Administrative	(116,522)	(39,611)	(24,326)	(180,459)
Increase/(Decrease) in RSF Balances	<u>(20,823,290)</u>	<u>(7,871,638)</u>	<u>(6,675,474)</u>	<u>(35,370,402)</u>
Beginning Balance, as of July 1, 2020	<u>67,026,579</u>	<u>57,882,750</u>	<u>632,934</u>	<u>125,542,263</u>
Ending Balance Before Interest Allocation	<u>46,203,289</u>	<u>50,011,112</u>	<u>(6,042,540)</u>	<u>90,171,861</u>
Interest Allocation	701,113	758,895	(91,693)	1,368,315
Ending Balance, as of June 30, 2021	<u>\$ 46,904,402</u>	<u>\$ 50,770,007</u>	<u>\$ (6,134,233)</u>	<u>\$ 91,540,176</u>

Changes in RSF Balances from July 1, 2021 to November 30, 2021:

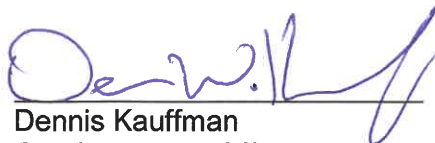
	<u>City of Roseville</u>	<u>SPMUD</u>	<u>Placer County</u>	<u>Total</u>
Revenues:				
Connection Fees	\$ 4,889,205	\$ 2,644,756	\$ 1,854,985	\$ 9,388,946
Capital	(10,527,788)	(3,578,828)	(2,197,841)	(16,304,457)
Debt Service	(5,456,580)	(1,854,916)	(1,139,147)	(8,450,643)
Administrative	(33,468)	(11,377)	(6,987)	(51,832)
Increase/(Decrease) in RSF Balances	<u>(11,128,631)</u>	<u>(2,800,365)</u>	<u>(1,488,990)</u>	<u>(15,417,986)</u>
Beginning Balance, as of July 1, 2020	<u>46,904,402</u>	<u>50,770,007</u>	<u>(6,134,233)</u>	<u>91,540,176</u>
Ending Balance Before Interest Allocation	<u>35,775,771</u>	<u>47,969,642</u>	<u>(7,623,223)</u>	<u>76,122,190</u>
Interest Allocation	51,438	68,971	(10,961)	109,448
Ending Balance, as of June 30, 2021	<u>\$ 35,827,209</u>	<u>\$ 48,038,613</u>	<u>\$ (7,634,184)</u>	<u>\$ 76,231,638</u>

Submitted by:



Nick Rosas  
Accounting Manager

Approved:



Dennis Kauffman  
Chief Financial Officer



Richard Plecker  
Acting Executive Director