

CDIAC

CALIFORNIA
DEBT AND
INVESTMENT
ADVISORY
COMMISSION

SB 1029 PHASE II: MODIFICATIONS TO THE REPORT OF PROPOSED DEBT ISSUANCE AND THE REPORT OF FINAL SALE

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- **Upcoming CDIAC Education:**
 - **Webinar** – [Modifications to the Annual Debt Transparency Report](#)
November 1, 2018 10:00 AM
 - **Seminar** – [Fundamentals of Public Funds Investing](#)
January 23-24, 2019 Riverside, CA
 - **Seminar** – [Municipal Debt Essentials](#)
February 12-14, 2019 Riverside, CA

October 26, 2018

10:00 AM – 11:30 AM



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**SB 1029 PHASE II:
MODIFICATIONS TO
THE REPORT OF PROPOSED DEBT ISSUANCE
AND THE REPORT OF FINAL SALE**

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October 26, 2018

10:00 AM – 11:30 AM

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Agenda

- Reasons for Modifications
- Modifications Overview: What's Changed
- Walk Through Modified Submission Process
 - Report of Proposed Debt Issuance (RPDI)
 - Report of Final Sale (RFS)
- Questions

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Reasons for Modifications

- SB 1029 [Gov. Code Section 8855(k)] uses the issue as the foundational reporting data element
- CDIAC database is issue-centric
- Debt authorizations are not issue specific
- Authorizations and issues have one-to-many relationships
- Tracking authorization activity and balance on the ADTR was cumbersome and prone to error
- ADTR filing experience and data validity enhanced by collecting authorization data at issuance
- Effect of an issuance is not always a reduction of a debt authorization – flexibility to maintain accurate balance

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What's Changed

BEFORE	NOW
Only voter approved authorizations were required on the RPDI/RFS	All debt issuance must enter at least one authorization on the RPDI/RFS
Only the amount that an issuance reduced an authorization could be submitted	Reductions and replenishments can be provided for each authorization (2) affected by an issuance
Only one authorization could be provided	Two authorizations may be associated with any issue
Authorization activity and balances had to be submitted and resubmitted on the ADTR	Authorization activity is submitted at issuance and carried forward to the ADTR

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Walk Through Modified Submission Process

Report of Proposed Debt Issuance

Report of Final Sale

- Issue Affecting One Authorization

- Issue Affecting Two Authorizations

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Scenario I: One Authorization

On November 2008, the voters of the Big Valley School Unified School District approved general obligation bond Measure E authorizing the issuance of \$93 million for the improvement of school facilities and the construction of arts center.

In January 2009, Big Valley USD issued Series A in the amount \$10 million and submitted their report of final sale.

In January 2012, the district issued Series B in the amount of \$5 million and submitted their report of final sale.

On December 15, 2016, the district issued Series C in the amount of \$13,676,448. The report of final sale was not received by CDIAC until January 24, 2017. \$12 million were current interest bonds and \$1,676,448 were capital appreciation bonds.

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On December 15, 2017, the district proposed to issue Series D in the amount of \$22 million and submitted their report of proposed debt issuance. Here is what the Authorization Section of the report should look like.

Issuance Authorization 1	
Original Authorized Amount:	Amount Authority Replenished (By this Issue):
<input type="text" value="93,000,000.00"/>	<input type="text" value="0.00"/>
Authorization Date: (MM/DD/YYYY) :	Amount Authority Reduced (By this Issue):
<input type="text" value="11/04/2008"/>	<input type="text" value="22,000,000.00"/>
Authorization Name:	Net Reduction or Increase (By this Issue):
<input type="text" value="Measure E"/>	<input type="text" value="-22000000.00"/>
Issuance Authorization 2	
Original Authorized Amount #2:	Amount Authority Replenished (By this Issue) #2:
<input type="text" value="0.00"/>	<input type="text" value="0.00"/>
Authorization Date #2: (MM/DD/YYYY) :	Amount Authority Reduced (By this issue) #2:
<input type="text"/>	<input type="text" value="0.00"/>
Authorization Name #2:	Net Reduction or Increase (by this Issue) #2:
<input type="text"/>	<input type="text" value="0.00"/>
Statutory code under which this debt will be issued (1):	

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Scenario II: Two Authorizations

On September 1, 2017, the board of directors of the Cartwright Water District approved the establishment of a commercial paper (CP) program to provide short-term funding for the implementation of its water system improvement project.

The CP program allows the district to have no more than \$25 million in CP notes outstanding at any time. The notes will be repaid with proceeds from the issuance of public enterprise revenue bonds.

On October 1, 2017, the district issued \$5 million CP notes. On January 15, 2018, the district issued an additional \$10 million in CP notes.

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On April 1, 2018, the district proposed to issue \$12 million in public enterprise revenue bonds. They plan to use a portion of the proceeds from the bond issue to repay CP.

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https://cdiacforms.treasurer.ca.gov/(S(mp00t2ya0lqa1prkhqmqwxn1))/Report_Proposed_Debt_Issuance.aspx

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Proposed Sale Date (MM/DD/YYYY):

Principal to be Sold:

Will a Validation Action be Pursued: No Yes Unknown

Is debt repayable in non-US currency: No Yes Unknown

Issuance Authorization 1

Original Authorized Amount:

Amount Authority Replenished (By this Issue):

Authorization Date: (MM/DD/YYYY) :

Amount Authority Reduced (By this Issue):

Authorization Name:

Net Reduction or Increase (By this Issue):

Issuance Authorization 2

Original Authorized Amount #2:

Amount Authority Replenished (By this Issue) #2:

Authorization Date #2: (MM/DD/YYYY) :

Amount Authority Reduced (By this issue) #2:

Authorization Name #2:

Net Reduction or Increase (by this Issue) #2:

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Review

- Must enter at least Authorization I
 - “Authorization Name” conventions:
 - “Measure” and “Resolution” fully spelled-out
 - “Proposition” abbreviate to “Prop”
 - If you don’t conform the name, CDIAC will.
 - The “Amount Authority Reduced (By this Issue)” is a required field.

- If Authorization is not final for the Report of Proposed (i.e. resolution not passed, yet), insert “dummy” data using the following naming convention.
 - Original Authorized Amount = Principal of Issue
 - Authorization Date = Date of report filing
 - Authorization Name = “Authorization TBD”

- If a “dummy” Authorization I was entered on the Report of Proposed, you must update it on the Report of Final by using the “Other” procedure to make the revision.

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QUESTIONS?

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