

CDIAC

GALIFORNIA  
DEBT AND  
INVESTMENT  
ADVISORY  
COMMISSION

# SB 1029 PHASE II: MODIFICATIONS TO THE ANNUAL DEBT TRANSPARENCY REPORT (ADTR)

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February 12-14, 2019 Riverside, CA

November 1, 2018

10:00 AM – 11:30 AM



**CDIAC**

**CALIFORNIA  
DEBT AND  
INVESTMENT  
ADVISORY  
COMMISSION**

**SB 1029 PHASE II:  
MODIFICATIONS TO  
THE ANNUAL DEBT TRANSPARENCY REPORT  
(ADTR)**

**ROBERT BERRY DEPUTY EXECUTIVE DIRECTOR**

**JOYCE WARD MANAGER, TECHNICAL ASSISTANCE SECTION**

**USHA PATEL MANAGER, DATA COLLECTION AND ANALYSIS UNIT**



**November 1, 2018**

**10:00 AM – 11:30 AM**

# SB 1029 PHASE II MODIFICATIONS

3

## Agenda

- Overview: Phase II Modifications
  - ▣ Why Change
  - ▣ Review: Modifications to the RPDI & RFS
  - ▣ Summary: Modifications to ADTR
- Walk Through New ADTR Submission Process
- Questions

# SB 1029 PHASE II MODIFICATIONS

4

## POLLING QUESTION?

Did you participate in last week's webinar on the modifications to the RPDl and RFS?

Yes or No

# SB 1029 PHASE II MODIFICATIONS

5

## Reasons for Modifications

- SB 1029 [Gov. Code Section 8855(k)] uses the issue as the foundational reporting data element
- CDIAC database is issue-centric
- Tracking authorization activity and balance on the ADTR was cumbersome and prone to error
- Increased volume of reporting required ability to pre-populate certain fields
- Multi-Year tracking of authorization, principal outstanding and use of proceeds needed to reduce possibility of errors

# SB 1029 PHASE II MODIFICATIONS

## Review: Modifications to the RPDI/RFS

| 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                  |

# SB 1029 PHASE II MODIFICATIONS

7

## Summary of Modifications to the ADTR

| BEFORE                                                                                      | NOW                                                                                                                    |
|---------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| All Original Authorization information was provided by submitter                            | Original Authorization information is pre-populated from data submitted on the RPDI/RFS                                |
| Beginning Reporting Period Balances – Authorization(s) was provided by the submitter        | Beginning Reporting Period Authorization(s) Balance is prepopulated for prior filers                                   |
| Beginning Reporting Period Balance - Principal Outstanding – were provided by the submitter | Beginning Principal Outstanding Balance are pre-populated with either the prior year’s ending balance or amount issued |
| Only proceeds spent in the current period were accounted for                                | Proceeds spent in prior periods are tracked and remaining balances provided                                            |

# SB 1029 PHASE II MODIFICATIONS

8

## POLLING QUESTION?

Are you a first-time submitter?

Yes, this is my first time submitting the ADTR.

or

No, I have previously submitted an ADTR.



# SB 1029 PHASE II MODIFICATIONS

9

## Walk Through Modified Submission Process Annual Debt Transparency Report

- Initial Reporting
- Issue With a Prior Report

# SB 1029 PHASE II MODIFICATIONS

## Scenario I: Initial Report

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.

# SB 1029 PHASE II MODIFICATIONS

## Scenario I: Initial Report (Cont.)

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.

On April 1, 2018, the district issued \$11.5 million in public enterprise revenue bonds. The used \$6 million of the proceeds to pay-down their outstanding CP balance. The remaining \$5.5 was used to pay cost of issuance and fund a construction fund.

# SB 1029 PHASE II MODIFICATIONS

12

## Senario I: Initial Report (Cont.)

ISSUER NAME: Cartwright Water District

ISSUE NAME: 2018 Revenue Bonds, Series A

PROJECT NAME: Water System Improvement Project

### ISSUANCE AUTHORIZATION 1

### ISSUANCE AUTHORIZATION 2

ORIGINAL AUTHORIZED AMOUNT: \$ 12,000,000.00

ORIGINAL AUTHORIZED AMOUNT: \$ 25,000,000.00

AUTHORIZATION DATE: 03/01/2018

AUTHORIZATION DATE: 09/01/2017

AUTHORIZATION NAME: Resolution No 20180401

AUTHORIZATION NAME: Cartwright Water District CP Program

AMOUNT AUTHORITY REDUCED (By this Issue): \$ 11,500,000.00

AMOUNT AUTHORITY REDUCED (By this Issue): \$ 0.00

AMOUNT AUTHORITY REPLENISHED (By this Issue): \$ 0.00

AMOUNT AUTHORITY REPLENISHED (By this Issue): \$ 6,000,000.00

NET (REDUCTION) INCREASE (By this Issue): \$ -11,500,000.00

NET (REDUCTION) INCREASE (By this Issue): \$ 6,000,000.00

STATUTORY CODE UNDER WHICH THIS DEBT WILL BE ISSUED (1): Revenue Bond Law of 1941

STATUTORY CODE UNDER WHICH THIS DEBT WILL BE ISSUED (2) (If necessary): Prepopulated with data from RPDI. Pick list to update

ACTUAL SALE DATE: 04/01/2018

(Date debt contract is signed)

PRINCIPAL SOLD: \$11,500,000.00

DATED DATE: 04/01/2018

(Date interest begins to accrue)

SETTLEMENT DATE: 04/01/2018

(Date assets or rights to use are transferred)

# SB 1029 PHASE II MODIFICATIONS

## Scenario II: 2<sup>nd</sup> Reporting Cycle

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.

# SB 1029 PHASE II MODIFICATIONS

## Scenario II: 2<sup>nd</sup> Reporting Cycle (Cont.)

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. They submitted an initial ADTR for this issue in January 2018. We will be submitting a 2<sup>nd</sup> report for this issue during this webinar.

On December 15, 2017, the district issued Series D in the amount of \$22 million. The initial ADTR for this financing is due on later than January 31, 2019.

# SB 1029 PHASE II MODIFICATIONS

15

## ISSUANCE AUTHORIZATION I

|                                                                        |                 |
|------------------------------------------------------------------------|-----------------|
| A. Original Authorized Amount                                          | \$93,000,000.00 |
| B. Authorization Date                                                  | 11/04/2008      |
| C. Authorization Name (Measure/Resolution ID, Name or Number)          | Measure E       |
| D. Amount Authorized - Begin Rptg. Per.                                | \$78,000,000.00 |
| E. Amount Authorized - During Rptg. Per.                               | \$0.00          |
| F. Total Debt Authorized                                               | \$78,000,000.00 |
| G. Issuance Reported to CDIAC - During Rptg. Per. (Auth. Reduction)    | \$13,676,447.85 |
| H. Replenishment Reported to CDIAC - During Rptg. Per.(Auth. Increase) | \$0.00          |
| I. Debt Authorized but Unissued - During Rptg. Per.                    | \$64,323,552.15 |
| J. Authorization Lapsed - During Rptg. Per.                            | \$0.00          |
| K. Total Authorization Remaining - End Rptg. Per.                      | \$64,323,552.15 |

## III. PRINCIPAL OUTSTANDING

|                                                                    |                 |
|--------------------------------------------------------------------|-----------------|
| Principal Balance - Begin Rptg. Per.                               | \$13,676,447.85 |
| Accreted Interest - During Rptg. Per.                              | \$0.00          |
| Total Principal and Accreted Interest                              | \$0.00          |
| Principal Paid with Proceeds from other Issues - During Rptg. Per. | \$0.00          |
| Principal payments (not reported in III.D.) - During Rptg. Per.    | \$1,000,000.00  |
| Principal Outstanding at the End of the Reporting Per.             | \$12,676,447.85 |

# SB 1029 PHASE II MODIFICATIONS

## VB. PROCEEDS SPENT/UNSPENT

| Fund Category               | Total Reportable Proceeds Available | Proceeds Spent Current Reporting Period | Proceeds Spent Prior Reporting Periods | Proceeds Unspent/Remaining |
|-----------------------------|-------------------------------------|-----------------------------------------|----------------------------------------|----------------------------|
| Facilities Improvement Fund | \$5,236,631.90                      | \$0.00                                  | \$0.00                                 | \$5,236,631.90             |
| Cost of Issuance            | \$205,831.95                        | \$205,831.95                            | \$0.00                                 | \$0.00                     |
| Capitalized Interest        | \$500,000.00                        | \$0.00                                  | \$0.00                                 | \$500,000.00               |
| Construction Fund           | \$8,000,000.00                      | \$50,000.00                             | \$0.00                                 | \$7,950,000.00             |
| <b>TOTALS</b>               | <b>\$13,942,463.85</b>              | <b>\$255,831.95</b>                     | <b>\$0.00</b>                          | <b>\$13,686,631.90</b>     |



# SB 1029 PHASE II MODIFICATIONS

# QUESTIONS?

# SB 1029 PHASE II MODIFICATIONS

18

## CDIAC Contacts

- Jeff Field  
ADTR Notifications and Submittals  
[jfield@treasurer.ca.gov](mailto:jfield@treasurer.ca.gov)  
916-653-5937
- Usha Patel  
Manager, Data Unit  
[upatel@treasurer.ca.gov](mailto:upatel@treasurer.ca.gov)  
916-651-3800
- Joyce Ward  
Manager, Technical Asst. Section  
[jward@treasurer.ca.gov](mailto:jward@treasurer.ca.gov)  
916-651-7377
- Robert Berry  
Deputy Executive Director  
[rberry@treasurer.ca.gov](mailto:rberry@treasurer.ca.gov)  
916-653-5167

Data Unit

[CDIAC\\_Issuance@treasurer.ca.gov](mailto:CDIAC_Issuance@treasurer.ca.gov)

916-653-3269