



California State Treasurer Fiona Ma, CPA

News Release

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State Treasurer Fiona Ma Announces \$2.4 Billion General Obligation Bond Sale that will Save Taxpayers \$690 Million and Fund K-12 School Facilities

Taxpayer savings since January 2019 through refunded bonds total \$2.1 billion

SACRAMENTO – California State Treasurer Fiona Ma announced the sale today of \$2.405 billion of tax-exempt general obligation bonds, including \$664 million earmarked for the funding of K-12 school facility projects.

The bond sale included \$1.741 billion of refunding bonds to refinance previously issued bonds under 24 different bond acts for debt service savings, and converts \$250 million of variable rate bonds to a fixed rate.

The refunding is expected to save taxpayers \$690 million over the next 20 years (or \$588 million on a present value basis). Since her election in January, \$6.1 billion of general obligation bonds have been refunded under Treasurer Ma, saving taxpayers a total of more than \$2.1 billion in the coming decades (or \$1.69 billion on a present value basis).

“With this bond sale we are taking advantage of historically low interest rates to finance assets that benefit Californians and save taxpayers money over the long term,” said Treasurer Ma. “We are also following through on our state’s commitment to serve California’s schools and students.”

The bonds for K-12 school facility projects were authorized by the Kindergarten Through Community College Public Education Facilities Bond Act of 2016. The State Allocation Board is expected to apportion the funds to school districts at a meeting on September 25.

Some key statistics from the sale:

- Final size: \$2,405,320,000
- Final yields to investors: Ranged from a low of 1.07% for a 2020 maturity with a 3% coupon to a high of 2.72% and 2.07% for 2049 maturities with 3% and 5% coupons, respectively.
- All-in true interest cost: 2.54%.

The joint senior managers for the sale were Jefferies LLC and Stifel, Nicolaus & Company, Inc. Ramirez & Co., Inc. served as co-senior manager. There was also a large syndicate of co-managers and selling group members.

The calendar of all upcoming state bond sales is available at BuyCaliforniaBonds.com.

Fiona Ma is California's 34th State Treasurer. She was elected on November 6, 2018 with more votes (7,825,587) than any other candidate for treasurer in the state's history. She is the first woman of color and the first woman Certified Public Accountant (CPA) elected to the position. The State Treasurer's Office was created in the California Constitution in 1849. It provides financing for schools, roads, housing, recycling and waste management, hospitals, public facilities, and other crucial infrastructure projects that better the lives of residents. California is the world's fifth-largest economy and Treasurer Ma is the state's primary banker. Her office processes more than \$2 trillion in payments within a typical year. She provides transparency and oversight for the government's investment portfolio and accounts, as well as for the state's surplus funds. Treasurer Ma oversees an investment portfolio of more than \$102 billion, approximately \$20 billion of which are local government funds. She serves as agent for sale for all State bonds, and is trustee on over \$100 billion of outstanding debt.

For more news about the State Treasurer's Office, please follow Treasurer Ma on Twitter at [@CalTreasurer](https://twitter.com/CalTreasurer), Instagram at [caltreasurer](https://www.instagram.com/caltreasurer), and on Facebook at [California State Treasurer's Office](https://www.facebook.com/CaliforniaStateTreasurersOffice).

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APPENDIX I

SERIES 2019 (GREEN BONDS) PROJECT DESCRIPTIONS

Project Number	Party	DWSRF Financing Amount ¹	Project Description	Anticipated Amount to be Reimbursed from Series 2019 Bonds	Anticipated Future Disbursements from Series 2019 Bonds	Anticipated Percentage of Series 2019 Bonds Disbursed at Closing	Construction Completion Date
1010007-028C	City of Fresno	\$195,489,000	In order to decrease reliance on groundwater, address declining groundwater levels, and create a more sustainable water supply, the City is constructing the Southeast Surface Water Treatment Facility. The new facility is an 80 million gallon per day surface water treatment facility that includes conventional pre-treatment using plate settlers, intermediate ozone treatment, and filtration. In addition, the City is constructing two cast-in-place treated water reservoirs, a pump station, lagoons for handling residuals, an operations building, and a chemical building.	\$1,514,823	\$524,911	74%	1/1/2019
1010007-030C	City of Fresno	\$75,900,000	The project includes approximately 13 miles of 16-inch to 66-inch diameter pipelines, designated as Regional Transmission Mains, to convey potable water from the new Southeast Surface Water Treatment Facility to the City's transmission and distribution system.	\$622,775	\$796,747	44%	1/30/2019
1010007-031C	City of Fresno	\$65,875,669	The City will construct a new check structure and diversion along the Fresno No. 3 Canal and a 13-mile 72-inch raw water pipeline to bring water to the Southeast Surface Water Treatment Facility.	\$2,241,340	\$1,091,359	67%	9/1/2018
1910067-048C	Los Angeles, City of Acting by and through the Department of Water & Power	\$158,190,000	To comply with the Long Term 2 Enhanced Surface Water Treatment Rule, the City will remove the uncovered Silver Lake and Ivanhoe Reservoirs from service. The City will construct the new 54 million gallon, buried concrete Headworks West Reservoir to replace the lost capacity.	\$75,000,000	\$513,830	99%	8/31/2021
1910067-049C	Los Angeles, City of Acting by and through the Department of Water & Power	\$102,797,875	The Department of Water and Power will construct a 650 million gallon per day ultraviolet disinfection facility to treat water from the Los Angeles Reservoir. This will allow the Department to comply with the Long Term 2 Enhanced Surface Water Treatment Rule, which requires public water systems to either cover or treat water stored in open reservoirs. The Department chose treatment due to the size of the Reservoir.	\$8,464,495	\$381,418	96%	2/28/2020

¹ The DWSRF financing amount includes anticipated Series 2019 Bond proceeds as well as other DWSRF funding sources.