

# Presentation to the URAC



**June 25, 2025**

# Agenda

- Divisions of the City Treasurer's Office
- Overview of the Debt Management Division
- Primary advisory services provided to DOU
- Ad hoc advisory services provided to DOU

# **Divisions of the City Treasurer's Office**

- Banking
- Debt Management
- Investments and Cash Management

# Overview of the Debt Management Division

- Manage all aspects of pre-debt issuance, debt issuance, and post-debt issuance matters for:
  - the City,
  - the Sacramento City Financing Authority,
  - the Sacramento Public Financing Authority, and
  - the Redevelopment Agency Successor Agency of the City
- Manage all communication and deliverables with bond credit rating agencies, bond investors, bond insurers, and other stakeholders
- Complete and ensure compliance with all bond covenants and tax-exempt debt requirements
- Perform financial and feasibility analyses and provide guidance to the City Manager's Office and City departments on special projects

# **Primary Advisory Services Provided to DOU**

- Long-term debt financing & refinancing / interim debt financing
- Management of outstanding Water/Wastewater/Drainage System debt
- Helped develop the financial policy / preliminary framework of the Long-Range Financial Plan

# **Water System**

# Credit Ratings / Ratings Surveillances

## INITIAL (circa 2013)

- Standard & Poor's = AA-
- Fitch Ratings = AA-

## CURRENT (2025)

- Standard & Poor's = AA
- Fitch Ratings = AA

# **Sample** Water-related Debt Financings

Issuance Date	Description	Par Amount	Total Cashflow Savings (if applicable)
May 2010	SWRCB Loan No. AR09FP22	\$10,000,000	New Money Purpose
March 2013	Water Revenue Bonds, Series 2013	\$215,195,000	New Money Purpose
June 2017	Water Revenue Bonds, Series 2017	\$52,610,000	New Money Purpose
January 2018	SWRCB Loan No. D17-020556	\$139,170,107	New Money Purpose
May 2020	Water Revenue <b>Refunding</b> Bonds, Series 2020 (Taxable)	\$188,390,000	<b>\$30,307,486</b>
December 2023	Water Revenue <b>Refunding</b> Bonds, Series 2023	\$20,985,000	<b>\$3,989,578</b>



# Continuing Disclosure

- Various reports completed and submitted to the:
  - California Debt and Investment Advisory Commission
  - Municipal Securities Rulemaking Board
  - State Water Resources Control Board

# Wastewater System

# Credit Ratings / Ratings Surveillances

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## CURRENT (2025)

- Standard & Poor's = AA
- Fitch Ratings = AA

# **Sample Wastewater-related Debt Financings**

Issuance Date	Description	Par Amount	Total Cashflow Savings (if applicable)
June 2013	Wastewater Revenue Bonds, Series 2013	\$30,855,000	New Money Purpose
April 2019	Wastewater Revenue Bonds, Series 2019	\$25,960,000	New Money Purpose
July 2020	Wastewater Revenue <b>Refunding</b> Bonds, Series 2020 (Taxable)	\$27,970,000	<b>\$4,765,840</b>

# Continuing Disclosure

- Various reports completed and submitted to the:
  - California Debt and Investment Advisory Commission
  - Municipal Securities Rulemaking Board

## **Ad hoc Advisory Provided to DOU**

- Reviewed and provided edits to the draft reports prepared by Raftelis in connection with the reviews of the Water Fund and the Wastewater Fund
- Provided limited guidance in the development of utility rate adjustments for the Water and Wastewater Systems; may provided guidance in future utility rate adjustment considerations

# **Financial Policy / Preliminary Long-Range Financial Plan**

- Designated Reserve Policy (Policy)
  - Policy was formally developed in late-2022; approved by the City Council in January 2023
  - Policy was amended in 2024 and approved by the City Council in June 2024
- Worked with the City's primary municipal advisor and DOU staff to develop the preliminary Long-Range Financial Plan in accordance with Environmental Protection Agency best practices that could be implemented for the Water, Wastewater, and Drainage Systems

**Questions ?**