

RESOLUTION NO. 2019-0072

Adopted by the Sacramento City Council

March 5, 2019

Approving the Revenue and Expenditure Budgets for the City's Wastewater Revenue Bonds, Series 2018

BACKGROUND

- A. On March 29, 2016, the City Council approved wastewater-rate adjustments for FY2016/17 through FY2019/20. The 9% increase in wastewater rates each year through FY2019/20 will provide the revenue needed to complete critical replacement and improvement projects to keep the City's wastewater system safe, reliable, and financially stable.
- B. Over the next five years, the focus of the wastewater system capital-improvement program (the "Project") will be on rehabilitating or replacing aging infrastructure, primarily pipes and sump stations, and on complying with regulatory mandates.
- C. The cost of the Project through FY2022/23 is estimated to be \$59 million. A portion of the cost will be funded with the City of Sacramento Wastewater Revenue Bonds, Series 2019 (the "Series 2019 Bonds"). Other funding sources for the remaining portion of the Project may include revenues from rates, fees, and charges collected for wastewater service (i.e., pay-as-you-go funding).
- D. To provide funds for the Project, the City Council will adopt a separate resolution that authorizes the Series 2019 Bonds.
- E. To implement the Project and properly account for proceeds from the Series 2019 Bonds, the City Council must approve various financial and accounting authorizations and transactions.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The City Treasurer and the City Manager, and their respective designees, are hereby authorized to do the following after final pricing and sale of the Series 2019 Bonds: approve all financial transactions, budgets, and appropriations needed to carry out the financing of the Project in accordance with the law and City policy.

- Section 2. City staff is authorized to establish and implement the financial transactions needed to record, track, and report the receipts, expenditures, and deposits of related transactions, including (a) the establishment of funds and investment portfolios and (b) the simultaneous funding of a special account from current Wastewater Fund assets, known as the “Rate Stabilization Fund,” in an amount equal to 25% of total annual debt service of the Series 2019 Bonds, other parity obligations, subordinate obligations, and unsecured obligations. On the date of issuance of the Series 2019 Bonds, anticipated to be in April 2019, approximately \$2.5 million will be on deposit in the Rate Stabilization Fund.
- Section 3. The City Manager is authorized to establish revenue and expenditure budgets in the Wastewater Revenue Bond, Series 2019 Fund for the net proceeds of the Series 2019 Bonds, and the FY2018/19 Capital Improvement Program budget is hereby amended to reflect the expenditure budgets outlined in Exhibit A to this resolution, which will be supported by the proceeds from the sale of the Series 2019 Bonds (fund balance).
- Section 4. The City Treasurer’s Office, the City Attorney’s Office, the City’s Department of Finance, and the City’s Department of Utilities are each authorized to be reimbursed from proceeds of the Series 2019 Bonds for reasonable costs incurred, including staff time, in connection with the issuance and sale of the Series 2019 Bonds. Cost-of-issuance expenditures in connection with the Series 2019 Bonds may not be paid unless the City Treasurer’s Office has approved the expenditures in writing.

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Exhibit A – Budget for Wastewater Revenue Bonds, Series 2019.

Adopted by the City of Sacramento City Council on March 5, 2019, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, Schenirer, Warren and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:

Mindy Cuppy Digitally signed by Mindy Cuppy
Date: 2019.03.07 11:57:11
-08'00'

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

EXHIBIT A

Resolution Approving the Revenue and Expenditure Budgets for the City's Wastewater Revenue Bonds, Series 2019

Budget for Wastewater Revenue Bonds, Series 2019

CIP Number	Project Description	Expenditure Budget
X14010000	CSS Capital	\$9,669,686
X14160500	Separated Pipe Rehabilitation and Replacement Program	\$6,750,000
X14170100	CSS Rehabilitation and Replacement Program	\$4,500,000
X14002300	Pocket AD 2 Sewer Improvement	\$3,534,444
Z14170100	Utility Billing Replacement	\$2,592,000
X14130900	Wastewater Sump Rehabilitation and Replacement Program	\$2,317,822
X14120300	Sewer Repair Program	\$1,000,000
X14131500	Facility Electrical Rehabilitation Program	\$750,000
X14000500	CIP Base Contingency - Wastewater	\$500,000
X14130400	Wastewater Flow Meter Program	\$242,318
X14131300	Pioneer River Intake Rehabilitation	\$143,730
		\$32,000,000