



Orange County Sanitation District

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BOARD OF DIRECTORS

Agenda Report

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Agenda Item No: FC-2

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

ANNUAL STATUS REPORT OF THE ORANGE COUNTY SANITATION DISTRICT FINANCING CORPORATION

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Receive and file the Annual Status Report of the Orange County Sanitation District Financing Corporation.

BACKGROUND

Per Section 2.05 of the Orange County Sanitation District (Sanitation District) Financing Corporation, the Board of Directors will conduct at least one annual meeting where staff shall provide an activity report and conduct other business as necessary.

As of June 30, 2020, the Sanitation District has approximately \$940 million in outstanding debt that is scheduled to be paid off prior to June 30, 2044.

The Sanitation District did not issue any new money debt during the 2019-20 Fiscal Year and no new money debt issuances are planned for the 2020-21 Fiscal Year.

A summary of the Sanitation District debt history is provided later in this agenda report.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Ensure that investment proposals and decisions are based on clearly defined standards
- Sound engineering and accounting practices, complying with local, state and federal laws
- Produce appropriate financial reporting

ADDITIONAL INFORMATION

The Sanitation District began issuing Certificates of Participation (COPs) in 1990. These COPs were part of the long-term financing plan that included both variable interest rate and traditional fixed rate borrowing. Following are the current outstanding debt issues of the Sanitation District:

Outstanding Debt History

In May 2010, the Sanitation District issued \$80 million of fixed rate Build America Bonds (BABs), Series 2010A at a true interest cost of 3.68 percent for the issue. \$80 Million Outstanding

In December 2010, the Sanitation District issued \$157 million of fixed rate BABs, Series 2010C at a true interest cost of 4.11 percent for the issue. \$157 Million Outstanding

In October 2011, the Sanitation District issued \$148 million of fixed rate COPs, Series 2011A refunding a portion of the Series 2000 variable rate debt and a portion of the Series 2003 fixed rate debt. The true interest cost for the issue is 2.61 percent. \$75 Million Outstanding

In March 2012, the Sanitation District issued \$101 million of fixed rate COPs, Series 2012A refunding the Series 2003 fixed rate debt. The true interest cost for the issue is 3.54 percent. \$101 Million Outstanding

In August 2012, the Sanitation District issued \$66 million of fixed rate COPs, Series 2012B refunding the Series 2000 variable rate debt. The true interest cost for the issue is 1.50 percent. \$26 Million Outstanding. With the issuance of Series 2012B, there remains no variable interest rate COPs at the Sanitation District.

In August 2014, the Sanitation District issued \$85 million of fixed rate COPs, Series 2014A, refunding a portion of Series 2007B debt. The true interest cost for the issue is 2.34 percent. \$64 Million Outstanding

In February 2015, the Sanitation District issued \$128 million of fixed rate COPs, Series 2015A, refunding \$152,990,000 of the Series 2007B debt. The true interest cost for the issue is 3.30 percent. \$128 Million Outstanding

In March 2016, the Sanitation District issued \$146 million of fixed rate certificate anticipation notes (CANs), Series 2016A, refunding a portion of the Series 2009A. The true interest cost for the issue is 3.02 percent. \$141 Million Outstanding

In February 2017, the Sanitation District issued \$66 million of fixed rate COPs, Series 2017A, refunding \$92 million of the Series 2007A debt. The true interest cost for this issue is 2.55 percent. \$66 Million Outstanding

In November 2018, the Sanitation District issued \$102 million of fixed rate CANs, Series 2018A, refunding the Series 2016B CANs. The true interest cost for the issue is 2.02 percent. \$102 Million Outstanding

ATTACHMENT

The following attachment(s) may be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

N/A