

# **CONTINUING DISCLOSURE ANNUAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2021**

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**WATEREUSE FINANCE AUTHORITY  
REFUNDING REVENUE BONDS  
2011 SERIES A  
(VALLEJO SANITATION AND FLOOD  
CONTROL DISTRICT REFUNDING  
PROGRAM) (BANK QUALIFIED)**

**WATEREUSE FINANCE AUTHORITY  
REFUNDING REVENUE BONDS  
2014 SERIES A  
(VALLEJO SANITATION AND FLOOD  
CONTROL DISTRICT REFUNDING  
PROGRAM)**

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**VALLEJO FLOOD &  
WASTEWATER DISTRICT  
450 RYDER STREET  
VALLEJO, CALIFORNIA 94590**

**WATEREUSE FINANCE AUTHORITY  
REFUNDING REVENUE BONDS  
2011 SERIES A  
(VALLEJO SANITATION AND FLOOD CONTROL DISTRICT  
REFUNDING PROGRAM) (BANK QUALIFIED)**

***MATURITY DATE  
(May 1)***

***CUSIP\****

2021	941325 AM4
2025	941325 AR3

**WATEREUSE FINANCE AUTHORITY  
REFUNDING REVENUE BONDS  
2014 SERIES A  
(VALLEJO SANITATION AND FLOOD CONTROL DISTRICT  
REFUNDING PROGRAM)**

***MATURITY DATE  
(May 1)***

***CUSIP\****

2021	941325 AZ5
2022	941325 BA9
2023	941325 BB7
2024	941325 BC5
2025	941325 BD3
2026	941325 BE1
2027	941325 BF8
2028	941325 BG6
2036	941325 BN1

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## **INTRODUCTION**

THIS CONTINUING DISCLOSURE ANNUAL REPORT, dated February 25, 2022 (the “Report”) has been prepared to satisfy the obligations of the Vallejo Flood & Wastewater District, formerly the Vallejo Sanitation & Flood Control District, a water district duly organized and existing under the laws of the State of California (the “District”), with respect to the WateReuse Finance Authority Refunding Revenue Bonds, 2011 Series A and the WateReuse Finance Authority Refunding Revenue Bonds, 2014 Series A (together, the “Bonds”).

### **Terms and Requirements**

The District has agreed under the Disclosure Certificates and pursuant to Rule 15c2-12 of the Securities Exchange Act of 1934 (the “Rule”) to provide certain annual financial information and operating data and notices of certain events. These covenants have been made in order to comply with the Rule. As provided in that certain Continuing Disclosure Certificate, dated March 5, 2011 and that certain Continuing Disclosure Certificate, dated June 17, 2014, executed by the District in connection with the issuance of the Bonds (the “Disclosure Certificates”), this Report is being prepared for publication with the Electronic Municipal Market Access, a service of the Municipal Securities Rulemaking Board (“EMMA”) for the benefit of the owners of the Bonds and the participating underwriters. Capitalized terms used herein which are not otherwise defined shall have the respective meaning specified in the Disclosure Certificate.

The information herein is being provided as required under Section 4 of the Disclosure Certificates.

## **AUDITED FINANCIAL STATEMENTS**

The audited financial statements of the District for the Fiscal Year ended June 30, 2021 is attached hereto as Appendix A.

## **FINANCIAL INFORMATION**

Pursuant to the Disclosure Certificates, the Financial Information herein consists of updated versions of the financial information and operating data contained in certain tables within the Official Statements.

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## Outstanding Principal Amounts

	<b>Principal Outstanding as of June 30, 2021</b>
<b>2011 Series A Bonds</b>	\$1,165,456
<b>2014 Series A Bonds</b>	\$26,380,300

## Reserve Fund Balance and Reserve Requirement

Pursuant to the Trust Agreement of the 2011 Series A Bonds, the District is required to establish a Reserve Fund in an amount equal to the least of the following: (i) 10% of the original principal amount of the Bonds, (ii) an amount equal to the maximum annual Debt Service on the Bonds payable by the WaterReuse Finance Authority (the "Authority") between the date of such calculation and the final maturity of the Bonds, or (iii) 125% of the average annual Debt Service on the Bonds payable hereunder (the "Reserve Fund Requirement").

Pursuant to the Trust Agreement of the 2014 Series A Bonds, the District is required to establish a Reserve Fund in an amount equal to the least of the following: (i) 10% of the original principal amount of the Bonds, (ii) an amount equal to 50% of the maximum annual Debt Service on the Bonds payable by the Authority between the date of such calculation and the final maturity of the Bonds, or (iii) 125% of the average annual Debt Service on the Bonds payable hereunder (the "Reserve Fund Requirement").

The current Reserve Fund Requirements and Reserve Fund balances of the Bonds as of June 30 of the preceding Fiscal Year are detailed in the table below.

<b>As of June 31, 2021</b>	<b>2011 Series A Bonds</b>	<b>2014 Series A Bonds</b>
Reserve Fund Balance	\$328,486	\$1,157,750
Reserve Fund Requirement	\$327,750	\$1,157,713

## Sewer Service Accounts

Set forth below in the form of Table 3 of the Official Statements is the total number of sewer service accounts in the District for the most recently completed fiscal year.

**TABLE 3  
VALLEJO FLOOD & WASTEWATER DISTRICT  
SEWER SERVICE ACCOUNT TOTALS  
Fiscal Year Ended June 30, 2020**

<u><b>Total Accounts</b></u>
38,239

Source: Vallejo Flood & Wastewater District Comprehensive Annual Financial Report for Year Ended June 30, 2021.

## Service Charges and Billing Rates

The following table sets forth the service charges and billing rates for the preceding fiscal year.

### VALLEJO FLOOD & WASTEWATER DISTRICT BASIC SERVICE CHARGES AND BILLING RATES Fiscal Year Ended June 30, 2021

Base Monthly WW Rate	Percent Increase (Decrease)	Base Monthly SW Rate	Percent Increase (Decrease)	Base Monthly UL Rate	Percent Increase (Decrease)	Combined Monthly Rate
\$59.56	9.0%	\$1.97	0.0%	\$1.38	0.0%	\$62.91

Source: Vallejo Flood & Wastewater District Comprehensive Annual Financial Report for Year Ended June 30, 2021.

## Operating Results

Set forth below is a table showing Net Revenues and actual debt service for the most recently completed Fiscal Year.

### TABLE 13 VALLEJO FLOOD & WASTEWATER DISTRICT WASTEWATER ENTERPRISE FUND NET REVENUES AND DEBT SERVICE COVERAGE Fiscal Year Ended June 30, 2021

#### REVENUES

Service charges	\$36,616,703
Other operating revenues	40,657
Property taxes	106,784
Connection fees	92,690
Interest and other investment income	29,791
Other nonoperating revenue	391,708
<b>TOTAL REVENUES</b>	<b><u>\$37,278,333</u></b>

#### MAINTENANCE AND OPERATING COSTS

Salary and benefits	\$16,560,511
Operations materials, supplies	4,888,628
Utilities and telephone	1,556,955
General and administrative	1,720,012
<b>TOTAL M&amp;O COSTS</b>	<b><u>\$24,726,106</u></b>

**NET REVENUES** \$12,552,227

#### DEBT SERVICE

2004 SRF Loan	907,072
2008 SRF Loan	317,450
2011 Series A Bonds	328,475
2014 Series B Bonds	2,311,925
<b>TOTAL DEBT SERVICE</b>	<b><u>\$3,864,922</u></b>

**DEBT SERVICE COVERAGE** 3.25x

Source: Vallejo Flood & Wastewater District Comprehensive Annual Financial Report for Year Ended June 30, 2021.

## **Parity Obligations**

The District has not issued any additional Parity Obligations during the preceding fiscal year.

## **Account Delinquencies/Teeter Plan**

The District continues to participate in the Teeter Plan and does not report information regarding the real property tax charges and delinquencies within the District or Solano County.

## **INSURANCE CERTIFICATE OF COMPLIANCE**

### **Refunding Revenue Bonds 2011 Series A**

Section 5.10 (“Insurance”) of the Installment Purchase Contract by and between the Vallejo Sanitation and Flood Control District (now, Vallejo Flood and Wastewater District) and WateReuse Finance Authority Dated as of March 1, 2011 (“Agreement”), requires the District to maintain certain property, liability and workers’ compensation insurance coverages. Section 5.11 (“Books and Accounts; Financial Statements”) of the Agreement requires the District to issue a certified statement that all insurance required by this Agreement to be carried by the District with respect to the Enterprise is in full force and effect and complies with the terms thereof.

### **Refunding Revenue Bonds 2014 Series A**

The First Supplement to Installment Purchase Contract by and between the Vallejo Sanitation and Flood Control District (now, Vallejo Flood and Wastewater District) and WateReuse Finance Authority Dated as of June 1, 2014, amended the March 1, 2011 Agreement, but did not alter the insurance coverage requirements or the certification requirements.

### **Certification**

By signing this document following the Concluding Statement, I certify that, to the best of my knowledge, the District maintained the required insurance coverages stated above for the fiscal year being reported, and intends to maintain that coverage through the life of the outstanding bonds.

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## **CERTAIN DISCLAIMERS**

The information contained in this Annual Report expresses only the views of the applicable party. An explanation of the significance of any such information may be obtained from the applicable party. The District undertakes no responsibility to oppose any revision or withdrawal of such information contained in this Annual Report.

To the extent the District provides information in this Annual Report, the District is not obligated to present or update information in future Annual Reports. Investors are advised to refer to the applicable Official Statement for the Debt Obligations for information concerning the initial issuance of and security for the Debt Obligations.

By providing the information in this Annual Report, the District does not imply or represent (a) that all information provided in this Annual Report is material to investors' decisions regarding investment in the Debt Obligations, (b) the completeness or accuracy of any financial, operational or other information not included herein or in the Official Statements, (c) that no changes, circumstances or events have occurred since the date of this Annual Report (other than as contained herein), or (d) that no other information exists which may have a bearing on the District's financial condition, the security for the Debt Obligations or an investor's decision to buy, sell or hold the Debt Obligations.

The information set forth in this Annual Report or incorporated in this Annual Report has been furnished by the District and is believed to be accurate and reliable but is not guaranteed as to accuracy or completeness. Statements contained in or incorporated by this Annual Report which involves estimates, forecasts or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, expressions of opinion contained in this Annual Report or incorporated in this Annual Report are subject to change without notice and the delivery of this Annual Report will not, under any circumstances, create any implication that there has been no change in the affairs of the District. The District is relying upon, and has not independently confirmed or verified, the accuracy or completeness of information provided by the others or other information incorporated by reference therein.

No statement contained in this Annual Report should be construed as a prediction or representation about future financial performance of the District. Historical results presented herein may not be indicative of future operating results.



**CONCLUDING STATEMENT**

The information set forth herein has been obtained from sources believed by the District to be reliable and is fairly presented.

VALLEJO FLOOD & WASTEWATER DISTRICT



2/25/2022

Jeffery Tucker, Director of Finance/Treasurer

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**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

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