



California State Treasurer Fiona Ma, CPA

News Release

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State Treasurer Fiona Ma Announces the Sale of \$83.9 Million in Green Bonds for the Drinking Water State Revolving Fund Program

SACRAMENTO – California State Treasurer Fiona Ma announced the sale today of \$83.9 million in revenue bonds on behalf of the State Water Resources Control Board (State Water Board) to provide financial assistance to local governments for safe drinking water projects. The sale represents the inaugural issuance of bonds by the California Infrastructure and Economic Development Bank (IBank) for the Drinking Water State Revolving Fund (DWSRF) Program.

The State Water Board's Safe Drinking Water Program, which includes the DWSRF as one of its main funding sources, is responsible for the regulatory oversight of about 8,000 public water systems throughout the state.

"When Governor Gavin Newsom released his budget in January, he said access to safe and affordable drinking water should be a fundamental right," according to State Treasurer Fiona Ma. "Our action today helps bring affordable financing to communities seeking to maintain or improve the quality of their service to their ratepayers."

State Water Board Chair E. Joaquin Esquivel said, "As California's water infrastructure continues to age, suffer from under investment, adapt to the challenges of a changing climate, and we endeavor to ensure clean, secure and affordable drinking water for all Californians, the demand for financial tools like the Water Board's revolving loan programs will continue to grow. This sale, and the eight projects it encompasses, are reflective of the commitment of the Water Board to innovate and expand the financial tools and resources key to meeting California's 21st century water challenges."

The DWSRF Program provides low-cost financing for planning, design, construction and implementation of critical drinking water infrastructure improvements necessary to mitigate drinking water risks to human health throughout the State. As of June 30, 2018, the State Water Board had provided \$3.0 billion from the DWSRF program to 296 recipients for 455 eligible projects.

Millions of dollars have already been pledged by the State Water Board to eight recipients for current or recently completed water projects. For example, the City of Fresno, in an attempt to decrease reliance on groundwater, is constructing the Southeast Surface Water Treatment Facility – a water treatment facility that can manage up to 80 million gallons per day. The City also needed a 13-mile pipeline to bring water from the Southeast Surface Water Treatment Facility to its transmission and distribution system.

The City of Los Angeles, acting through the Department of Water & Power, has several projects including constructing a 650 million gallon per day ultraviolet disinfection facility to treat water from the Los Angeles Reservoir, removing the uncovered Silver Lake and Ivanhoe Reservoirs from service and constructing a new 54 million gallon, buried concrete Headworks West Reservoir to replace the lost capacity.

The eight recipients of funds for major projects that affect Californians' access to safe and affordable drinking water are from the following cities:

- City of Fresno (3 projects)
- City of Los Angeles (2 projects)
- City of South Pasadena (1 project)
- City of San Diego (1 project)
- City of Sacramento (1 project)

[\(See a complete list of projects receiving funding from today's sale\).](#)

The joint senior managers on the sale were Piper Jaffray & Co. and Morgan Stanley & Co. LLC, and the co-senior managers were Backstrom McCarley Berry & Co, LLC and George K. Baum & Company. The bonds are rated AAA by Standard & Poor's and Fitch Ratings and Aaa by Moody's Investors Service. The bonds have a 2035 final maturity and a true interest cost of 2.02%.

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. She also invests and provides oversight for the state's surplus funds. Treasurer Ma oversees an investment portfolio of more than \$100 billion, approximately \$20 billion of which are local government funds. She is responsible for \$82 billion in outstanding general obligation and lease revenue bonds of the state.

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