

**CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY**

**\$17,795,000
WATER AND WASTEWATER REVENUE BONDS
(POOLED FINANCING PROGRAM)
SERIES 2005D**

**City of South San Francisco (Program Participant)
San Mateo County, California
Dated: November 8, 2005
Base CUSIP⁺: 13078A**



**2023 ANNUAL CONTINUING DISCLOSURE
INFORMATION STATEMENT**

As of January 12, 2024



LIST OF PARTICIPANTS

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* In its role as Disclosure Consultant and Dissemination Agent, Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.

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I. INTRODUCTION

The California Statewide Communities Development Authority (the “Authority”) issued \$17,795,000 Water and Wastewater Revenue Bonds, Series 2005D (the “Bonds”). The Bonds were issued to finance and refinance certain public capital improvements of certain local public agencies (the “Program Participants”). A portion of the Bonds in the amount of \$6,000,000 was used to acquire and construct certain public capital improvements within the City of South San Francisco (the “City”) related to the Wet Weather Program.

The City covers approximately 9.5 square miles and is located in northern San Mateo County, 10 miles south of San Francisco and 2 miles north of the San Francisco International Airport.

The Bonds were issued and secured pursuant to the terms of an Indenture, dated as of November 1, 2005 (the “Indenture”). The Bonds are special obligations of the Authority payable solely from Revenues consisting generally of the Installment Payments to be made by the Program Participants, as described in the Official Statement dated October 25, 2005 (the “Official Statement”), and from amounts on deposit in certain funds and accounts held under the Indenture. No other funds of the Authority are pledged to or available for payment of the principal of or interest on the Bonds.

The Installment Payments securing the Bonds are special obligations of the Program Participants under the respective Installment Purchase Agreements secured by pledges of the Wastewater System (the “System”) Net Revenues of the respective Program Participant. The pledge of System Net Revenues under each Installment Purchase Agreement secures only the obligation to pay Installment Payments and other obligations under that particular Installment Purchase Agreement. Individual Program Participants may have outstanding obligations secured by System Revenues on parity with the Installment Payments subject to certain conditions under their Installment Purchase Agreements.

This Annual Continuing Disclosure Information Statement (the “Report”) is being provided pursuant to a covenant made by the City for the benefit of the holders of the Bonds and includes the information specified in a Continuing Disclosure Certificate. For further information and a more complete description of the City and the Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by the City and by other sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Report that involve 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, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Report will not, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described herein.

THIS REPORT IS OF A FACTUAL NATURE WITHOUT SUBJECTIVE ASSUMPTIONS, OPINIONS, OR VIEWS AND MAY NOT BE RELIED UPON AS ADVICE OR RECOMMENDATION TO PURCHASE OR SELL ANY PRODUCT OR UTILIZE ANY PARTICULAR STRATEGY RELATING TO THE ISSUANCE OF MUNICIPAL SECURITIES OR PURCHASE OF FINANCIAL PRODUCTS. IN PROVIDING THIS REPORT, WILLDAN FINANCIAL SERVICES AND ITS EMPLOYEES (COLLECTIVELY "WILLDAN") DO NOT RECOMMEND ANY ACTIONS AND ARE NOT ACTING AS AN ADVISOR TO ANY MUNICIPAL ENTITY, BOARD, OFFICER, AGENT, EMPLOYEE OR OBLIGATED PERSON PURSUANT TO SECTION 15B OF THE EXCHANGE ACT UNLESS SPECIFICALLY AGREED TO IN A SEPARATE WRITING WITH THE RECIPIENT. PRIOR TO ACTING ON ANY INFORMATION OR MATERIAL CONTAINED IN THIS REPORT, YOU SHOULD DISCUSS IT WITH APPROPRIATE INTERNAL OR EXTERNAL ADVISORS AND EXPERTS AND ONLY RELY UPON THEIR ADVICE.

II. REFERENCE TO PREVIOUSLY FILED INFORMATION

For historical information, reference is made to the Reports previously filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA").

III. BOND INFORMATION

A. PRINCIPAL OUTSTANDING ⁽¹⁾

Bond Issue	As of June 30, 2023
Water and Wastewater Revenue Bonds, Series 2005D	\$1,620,000

(1) City of South San Francisco portion.

B. RESERVE FUND ⁽¹⁾

Fund	As of June 30, 2023
Reserve Fund	N/A ⁽²⁾
Reserve Requirement	\$460,369

(1) City of South San Francisco portion.

(2) The Reserve Fund is funded by a Reserve Account Surety Bond issued by Assured Guaranty Municipal Corp. (formerly, Financial Security Assurance Inc.).

IV. FINANCIAL INFORMATION

A. AUDITED FINANCIAL STATEMENTS

The City's audited financial statements for the fiscal year ended June 30, 2023 have been separately filed on EMMA and are hereby incorporated by reference into this Report.

V. OPERATING INFORMATION - WASTEWATER SYSTEM

A. NUMBER OF CONNECTIONS BY CLASSIFICATION OF USER

The table below shows the number of connections of the System by classification of user for the previous five fiscal years.

User Type	Connections per Fiscal Year Ended				
	2019	2020	2021	2022	2023
Single Family Residential	10,785	10,760	10,767	10,769	10,767
Multiple Family Residential	5,346	5,701	6,200	6,301	6,632
Commercial/Industrial	1,576	1,582	1,575	1,523	1,508
Other/Trailer	356	356	356	356	356
Total All Users	18,063	18,399	18,898	18,949	19,263

B. WASTEWATER REVENUES BY CLASSIFICATION OF USER

The tables below show the revenues of the System by classification of user for the previous five fiscal years. Figures do not include accounts billed directly by the City, which often range \$350K - \$450K per year, or refunds and/or changes processed during the fiscal year, depending on time frame of changes.

User Class	2018/19	
	Fiscal Year Revenue	Percentage
Single Family Residential	\$7,905,901	33.9%
Multiple Family Residential	3,544,398	15.2%
Commercial/Institutional	11,666,579	50.0%
Other/Trailer	236,028	1.0%
Total	\$23,352,906	100.0%

User Class	2019/20	
	Fiscal Year Revenue	Percentage
Single Family Residential	\$7,939,077	33.1%
Multiple Family Residential	3,779,763	15.8%
Commercial/Institutional	12,009,347	50.1%
Other/Trailer	236,028	1.0%
Total	\$23,964,215	100.0%

User Class	2020/21	
	Fiscal Year Revenue	Percentage
Single Family Residential	\$8,092,491	36.8%
Multiple Family Residential	4,191,200	19.0%
Commercial/Institutional	9,490,324	43.1%
Other/Trailer	240,656	1.1%
Total	\$22,014,671	100.0%

User Class	2021/22	
	Fiscal Year Revenue	Percentage
Single Family Residential	\$8,256,768	36.7%
Multiple Family Residential	4,353,991	19.4%
Commercial/Institutional	9,639,656	42.8%
Other/Trailer	245,996	1.1%
Total	\$22,496,411	100.0%

User Class	2022/23	
	Fiscal Year Revenue	Percentage
Single Family Residential	\$8,504,041	34.5%
Multiple Family Residential	4,721,984	19.2%
Commercial/Institutional	11,172,564	45.3%
Other/Trailer	253,472	1.0%
Total	\$24,652,061	100.0%

C. LARGEST USERS

The tables below show the five largest users of the System based on revenues for the last five fiscal years.

User	Type of Business	2018/19 System Revenue	Percentage of Total ⁽¹⁾
Genentech	Biotech	\$2,641,803	11.31%
Edwards Kenn T.	Industrial Laundry	343,810	1.47%
Maryatt Investments Inc.	Industrial Laundry	339,759	1.45%
See's Candies Inc.	Candy Manufacturer	294,836	1.26%
ASN Solaire LLC	Mixed-Use Property	243,845	1.04%
Total		\$3,864,053	16.55%

(1) Total System revenue for fiscal year 2018/19: \$23,352,906.

User	Type of Business	2019/20 System Revenue	Percentage of Total ⁽¹⁾
Genentech	Biotech	\$2,656,236	11.08%
See's Candies	Candy Manufacturer	375,702	1.57%
Maryatt Investments Inc.	Industrial Laundry	368,243	1.54%
Edwards Kenn T.	Industrial Laundry	344,395	1.44%
ASN Solaire LLC	Mixed-Use Property	243,845	1.02%
Total		\$3,988,421	16.65%

(1) Total System revenue for fiscal year 2019/20: \$23,964,215.

User	Type of Business	2020/21 System Revenue	Percentage of Total ⁽¹⁾
Genentech	Biotech	\$2,422,981	11.01%
See's Candies	Candy Manufacturer	255,184	1.16%
ASN Solaire LLC	Mixed-Use Property	248,628	1.13%
Hamlin Properties	Mixed-Use Property	240,656	1.09%
Maryatt Investments	Industrial Laundry	225,012	1.02%
Total		\$3,392,461	15.41%

(1) Total System revenue for fiscal year 2020/21: \$22,014,671.

User	Type of Business	2021/22 System Revenue	Percentage of Total ⁽¹⁾
Genentech	Biotech	\$2,117,157	9.41%
See's Candies	Candy Manufacturer	407,263	1.81%
Maryatt Investments	Industrial Laundry	345,784	1.54%
ASN Solaire LLC	Mixed-Use Property	254,135	1.13%
Hamlin Properties	Mixed-Use Property	245,996	1.09%
Total		\$3,370,335	14.98%

(1) Total System revenue for fiscal year 2021/22: \$22,496,411.

User	Type of Business	2022/23 System Revenue	Percentage of Total ⁽¹⁾
Genentech	Biotech	\$2,442,483	9.91%
See's Candies	Candy Manufacturer	499,741	2.03%
Maryatt Investments	Industrial Laundry	480,483	1.95%
ASN Solaire LLC	Mixed-Use Property	261,857	1.06%
Hamlin Properties	Mixed-Use Property	253,472	1.03%
Total		\$3,938,035	15.97%

(1) Total System revenue for fiscal year 2022/23: \$24,652,061.

D. SUMMARY OF HISTORIC OPERATING RESULTS

The following table is a summary of consolidated operating results of the enterprise funds related to the System.

	Fiscal Year				
	2018/19	2019/20	2020/21	2021/22	2022/23
Revenues					
Charges for Services	\$23,556,871	\$24,150,139	\$24,526,952	\$22,567,226	\$23,180,130
Connection and Other Fees	521,205	146,672	178,092	210,980	710,915
Interest Income	488,437	623,256	41,888	(652,348)	215,397
Other Cities' Participation ⁽¹⁾	5,827,480	6,887,043	9,138,461	5,663,695	6,237,114
Total Revenues	\$30,393,993	\$31,807,110	\$33,885,393	\$27,789,553	\$30,343,556
Operating Expenses ⁽²⁾	\$20,398,147	\$21,064,167	\$21,401,332	\$21,049,553	\$22,399,721
System Net Revenues	\$9,995,846	\$10,742,943	\$12,484,061	\$6,740,000	\$7,943,835
Parity Debt Service ⁽³⁾					
State Water Resources Control Board Loans	\$5,477,075	\$5,485,587	\$5,497,048	\$5,510,447	\$6,088,369
CSCDA Series 2005D Bonds	143,608	130,815	117,175	102,716	85,562
Total Parity Debt Service	\$5,620,683	\$5,616,402	\$5,614,223	\$5,613,163	\$6,173,931
Debt Service Coverage	1.78	1.91	2.22	1.20	1.29

(1) Primarily consists of payments from the City of San Bruno. The City of San Bruno is a co-owner of the Plant and pays the City in advance on a quarterly basis for the City of San Bruno's share of operating costs.

(2) Excludes depreciation, capital expenditures and debt service.

(3) Includes the Bonds and State Water Loan payments.

VI. SUBSEQUENT EVENTS

2008 State Water Resources Control Board Loan (the “2008 Loan”) – In November 2007, the City approved the \$11.8 million loan agreement with California State Water Resources Control Board (the “SWRCB”) to finance the City’s Wet Weather Program project. Under the terms of the contract, the City has agreed to repay \$11.8 million to the State in exchange for receiving \$9.2 million in proceeds to be used to fund the Project. The difference between the repayment obligation and proceeds amounted to \$2.6 million and represents in-substance interest on the outstanding balance. Debt service payments commenced on August 15, 2009.

2018 State Water Resources Control Board Loan (the “2018 Loan”) – In September 2018, the City entered into a \$53.4 million loan agreement with the SWRCB to finance the South San Francisco/San Bruno’s Water Quality Control Plant Wet Weather and Digester Project. A portion of this amount, \$4 million, is anticipated to be forgiven on the date of completion of construction. For the remaining \$49.4 million, under the terms of the loan agreement the City has agreed to repay \$59.2 million to the State. The difference between the repayment obligation and proceeds amounted to \$9.8 million and represents in-substance interest on the outstanding balance.

As of June 30, 2023, the City has completed the drawn down from SWRCB. There was no debt service payment required in fiscal year 2023, with the first debt service payment due in fiscal year ending 2024. Future debt service is expected to average \$3 million per year through fiscal year 2043.

In the event default has occurred, the City shall, upon demand, immediately accelerate the payment of all principal owed under this loan agreement, if any, which shall be immediately due and payable; pay interest at the highest legal rate on all amounts owed; and pay any additional payments as defined in the loan agreement.

The 2008 Loan and 2018 Loan are secured by a pledge of sewer service charge revenues of the City’s Sewer Enterprise Fund. Sewer service charge revenues available for debt service amounted to \$23.2 million which represented coverage of 43 over the \$543,443 in debt service.

VII. SIGNIFICANT EVENTS

The Continuing Disclosure Covenants outline the Significant Events that must be reported, if deemed material. The City has no knowledge that any of the events listed below have occurred that have not been previously reported during the fiscal year ended June 30, 2023.

1. Principal and interest payment delinquencies on the Bonds.
2. Non-payment related defaults.
3. Adverse tax opinions or events affecting the tax status of the Bonds.

Appendix

CUSIP⁺ Numbers

Maturity Date	CUSIP⁺
10/1/2006	13078ARK5
10/1/2007	13078ARL3
10/1/2008	13078ARM1
10/1/2009	13078ARN9
10/1/2010	13078ARP4
10/1/2011	13078ARQ2
10/1/2012	13078ARR0
10/1/2013	13078ARS8
10/1/2014	13078ART6
10/1/2015	13078ARU3
10/1/2016	13078ARV1
10/1/2017	13078ARW9
10/1/2018	13078ARX7
10/1/2019	13078ARY5
10/1/2020	13078ARZ2
10/1/2021	13078ASA6
10/1/2026	13078ASB4
10/1/2030	13078ASC2
10/1/2036	13078ASD0

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