



Proposed 2024 Water Refunding Bonds

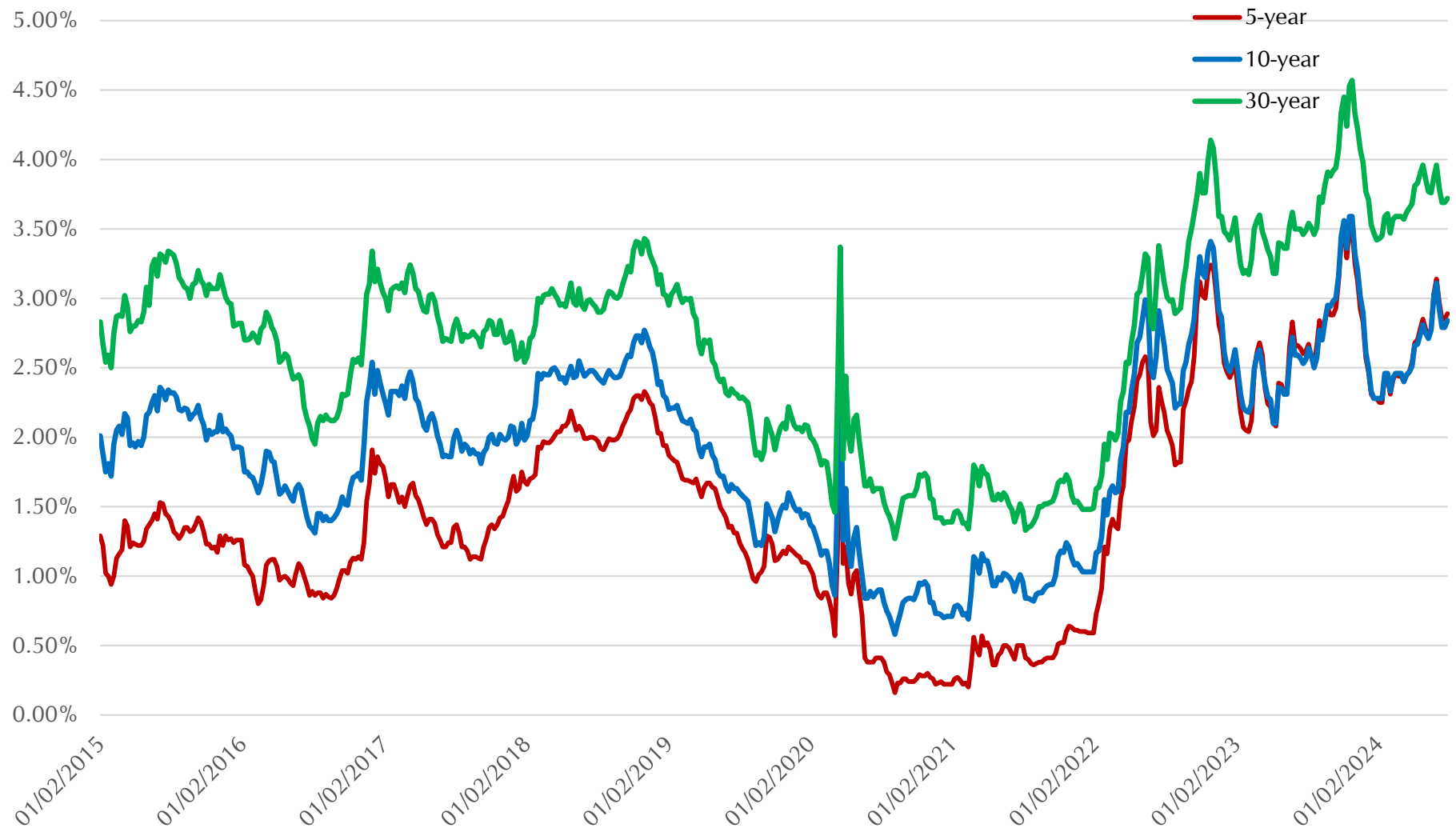
July 16, 2024

Refunding Transactions

- A portion of the 2015 Bonds can be redeemed (paid off) early
- In a refunding transaction bond proceeds are placed in an escrow account and used to pay interest until the redemption date (2/1/25) and the redeemed principal
- Ability to refinance bonds was severely restricted in December 2017
- Tax-exempt refundings can only be done within 90 days of the redemption date



Interest Rate History 2015-Current



2015 Bond Bank Refunding Bonds

- In 2015, a refunding was done through the State of Nevada Bond Bank to:

Maturities Prepayable February 1, 2025

- Refinance debt
- Fund system improvements

- Bonds in the amount of \$7,285,000 were issued
- Debt service is ~\$550,000 annually
- 2015 Bond Average Coupon: 4.01%
- Refundable amount: \$4,5200,000
- Call date: February 1, 2025

| Date | Maturity Amount | Existing Rate | Market Rate |
|----------|-----------------|---------------|-------------|
| 02/01/25 | \$365,000 | 5.000% | 3.150% |
| 02/01/26 | 375,000 | 5.000% | 3.030% |
| 02/01/27 | 395,000 | 4.000% | 3.000% |
| 02/01/28 | 410,000 | 4.000% | 2.960% |
| 02/01/29 | 430,000 | 3.000% | 2.940% |
| 02/01/30 | 445,000 | 3.125% | 2.930% |
| 02/01/31 | 460,000 | 3.250% | 2.940% |
| 02/01/32 | 475,000 | 4.000% | 2.940% |
| 02/01/33 | 490,000 | 4.000% | 2.940% |
| 02/01/34 | 510,000 | 4.000% | 2.950% |
| 02/01/35 | 530,000 | 3.500% | 3.010% |



Issue Summary

GO/Rev Refunding Bonds, Series 2024 (2015 Bonds)
Summary of Refunding Bonds

➤ Refunding bonds to be issued through State Bond Bank

➤ Proposed issuance in October 2024

➤ Estimated savings of ~\$150,000

➤ Savings are net of all costs

➤ Bond term not extended

| Fiscal Year | 2015 MBB Bonds | | | Proposed Refunding Bonds | | | Estimated Savings |
|-------------|----------------|-----------|-----------|--------------------------|-----------|-----------|-------------------|
| | Principal | Interest | Total | Principal | Interest* | Total | |
| 2025 | | 88,231 | 88,231 | 0 | 92,932 | 92,932 | (4,700) |
| 2026 | 375,000 | 176,463 | 551,463 | 330,000 | 206,750 | 536,750 | 14,713 |
| 2027 | 395,000 | 157,713 | 552,713 | 345,000 | 190,250 | 535,250 | 17,463 |
| 2028 | 410,000 | 137,963 | 547,963 | 360,000 | 173,000 | 533,000 | 14,963 |
| 2029 | 430,000 | 121,563 | 551,563 | 380,000 | 155,000 | 535,000 | 16,563 |
| 2030 | 445,000 | 104,363 | 549,363 | 400,000 | 136,000 | 536,000 | 13,363 |
| 2031 | 460,000 | 91,013 | 551,013 | 420,000 | 116,000 | 536,000 | 15,013 |
| 2032 | 475,000 | 76,638 | 551,638 | 440,000 | 95,000 | 535,000 | 16,638 |
| 2033 | 490,000 | 61,200 | 551,200 | 465,000 | 73,000 | 538,000 | 13,200 |
| 2034 | 510,000 | 41,600 | 551,600 | 485,000 | 49,750 | 534,750 | 16,850 |
| 2035 | 530,000 | 21,200 | 551,200 | 510,000 | 25,500 | 535,500 | 15,700 |
| | 4,520,000 | 1,077,944 | 5,597,944 | 4,135,000 | 1,313,182 | 5,448,182 | 149,762 |
| | Effective Rate | 3.904% | | | 2.993% | | |

*Includes accrued interest on 2015 Bonds to closing date used in the refunding

| | | | |
|----------------------------|-----------------|--------------------------|---------|
| Escrow Cost | 4,549,297 | Present Value Savings \$ | 124,476 |
| Transaction Costs | 90,012 | Present Value Savings % | 2.75% |
| Issue Premium | (460,194) | | |
| Accrued 2015 Bond Interest | <u>(44,116)</u> | | |
| Required Par Amount | 4,135,000 | | |



Schedule

- City determines desired structure (July)
- State handles disclosure, ratings, sale (Aug/Sept)
- Interest rate passed on to city (October 16th)
- New 2024 Bond replaces most of 2015 Bond at closing

| Date | Action |
|-------|-------------------------------------|
| 7/17 | City Council adopts sale resolution |
| 8/8 | State approves bond documents |
| 9/18 | City Council adopts bond ordinance |
| 10/16 | Bond Pricing |
| 11/5 | Bond Closing |

