AGENDA STAFF REPORT

MEETING NAME: REGULAR BOARD MEETING

MEETING DATE: JULY 16, 2026

FROM: SKYLER AUBREY, ACCOUNTING MANAGER

FOR: ACTION

RESOLUTION 2026-15: AUTHORIZING REVENUE CERTIFICATES OF PARTICIPATION NOT TO EXCEED $28,500,000 AND RELATED ACTIONS

STAFF RECOMMENDATION

It is recommended that the Board of Directors of the Mission Springs Water District adopt Resolution No. 2026-15, authorizing the issuance and sale of not-to-exceed $28,500,000 Revenue Certificates of Participation ("2026 COPs"). It is recommended that the Board approve a budget adjustment of $350,000 for bond issuance costs and $40,000 for municipal financial advisory services related to the debt issuance. It is recommended that the Board approve a budget adjustment of $603,450 related to interest expense for the first year of debt service. It is also recommended that the District transfer $350,000 and $150,000 into the Water and Wastewater Rate Stabilization Funds, respectively, which are being established under the Installment Purchase Agreement. The initial deposit amounts are equal to roughly 30% of annual debt service on the 2026 COPs.

SUMMARY

Based on market conditions as of July 6, 2026, the issuance of the 2026 COPs to fund $28 million in net proceeds would result in estimated average debt service payments of approximately $1.72 million per year over a 30-year period with an approximate true interest cost of 4.51%. The final true interest cost will be determined when the 2026 COPs are priced and sold, which is scheduled to occur in early August 2026. The estimated issuance costs will be paid from the proceeds of the 2026 COPs and have been included in the calculation of the debt service. The source of repayment for the debt service on the 2026 COPs is net revenues of the District's Water and Wastewater system.

ANALYSIS AND FISCAL IMPACT

See attached.

BUDGET INFORMATION & STRATEGIC PLAN IMPLEMENTATION

Action Cost:	Current FY Cost:	Future FY Cost:	Funding Source	Acct/Project No.
$24,745,950	$993,450	$23,752,500	Operations	Multiple
Covered in current FY budget?		**Adjustment Needed?**	**Current Balance:**	**Balance if Approved:**
No		Yes	Multiple	Multiple
Strategic Plan Goal Alignment:				
SMART Goal 3.2 - Control costs and manage debt responsibly.				

ATTACHMENTS

Attachment 1 - Analysis, Attachment 2 - Resoution 2026-15, Attachment 3 - Trust Agreement, Attachment 4 - Installment Purchase Agreement, Attachment 5 - Assignment Agreement, Attachment 6 - Purchase Contract, Attachment 7 - Preliminary Official Statement, Attachment 8 - Continuing Disclosure Certificate