

SAWS Financing Transactions

San Antonio City Council
October 21, 2021



MAKING SAN ANTONIO
WATERFUL



Capital Improvement Projects Funding

Target of 50% Cash Funding

- Cash Funding Transferred from R&R
 - Operating Revenues in Excess of O&M, Debt Service and Transfer to COSA
 - Impact Fees
 - Non-Operating Revenues (Primarily Interest Income)
- Debt
 - Tax-Exempt Revenue Bonds
 - Issued Directly in the Capital Markets
 - Issued through the Texas Water Development Board (TWDB)
 - Tax-Exempt Commercial Paper (Temporary Funding Source)



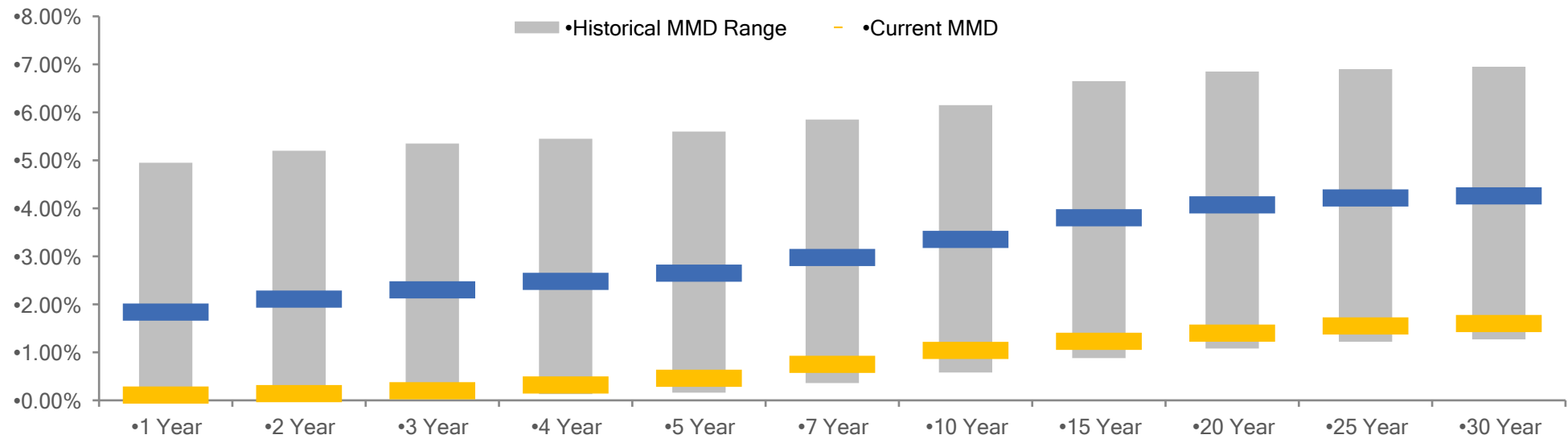
Uses of Debt

- Finance Capital Improvement Projects
- Refinance Outstanding Debt for Savings
- Refund Tax-Exempt Commercial Paper Notes
 - Converting Interim Financing to Permanent Financing



AAA MMD Rate Position – 30 Year History

AAA MMD Rate Position
(September 27, 1991 to September 27, 2021)



Summary of September 27, 2021 vs. Historical (30yr Avg) MMD Rates											
Statistic	1 Year	2 Year	3 Year	4 Year	5 Year	7 Year	10 Year	15 Year	20 Year	25 Year	30 Year
9/27/2021	0.11%	0.14%	0.20%	0.32%	0.46%	0.75%	1.04%	1.23%	1.40%	1.55%	1.60%
Average	1.84%	2.11%	2.30%	2.48%	2.65%	2.98%	3.35%	3.80%	4.07%	4.22%	4.26%
Spread to Average	-1.73%	-1.97%	-2.10%	-2.16%	-2.19%	-2.23%	-2.31%	-2.57%	-2.67%	-2.67%	-2.66%
Minimum	0.05%	0.05%	0.10%	0.13%	0.16%	0.36%	0.58%	0.88%	1.08%	1.22%	1.27%
Maximum	4.95%	5.20%	5.35%	5.45%	5.60%	5.85%	6.15%	6.65%	6.85%	6.90%	6.95%
% of Time Lower	1.95%	1.98%	2.69%	3.18%	3.63%	4.16%	4.27%	3.46%	3.23%	3.23%	3.23%

•Source: Thomson Reuters



Defeasance Candidates - Considerations

- Interest/debt service savings potential
- Timing of the call date
- Structure of existing debt service



Defeasance Candidates

Maturities Between 2023 and 2028

Description	Maturity	Par	Rate	Call Date
Series 2012				
Serial Bonds	5/15/2023	\$ 6,160,000.00	5.000%	5/15/2022
	5/15/2024	6,465,000.00	5.000%	5/15/2022
	5/15/2025	6,785,000.00	5.000%	5/15/2022
	5/15/2026	7,115,000.00	5.000%	5/15/2022
	5/15/2027	14,400,000.00	5.000%	5/15/2022
	5/15/2028	15,100,000.00	4.000%	5/15/2022
		\$ 56,025,000.00		
Series 2012A				
Serial Bonds	5/15/2023	\$ 1,480,000.00	5.000%	5/15/2022
	5/15/2024	1,555,000.00	5.000%	5/15/2022
	5/15/2025	1,635,000.00	5.000%	5/15/2022
	5/15/2026	1,720,000.00	5.000%	5/15/2022
	5/15/2027	1,810,000.00	5.000%	5/15/2022
	5/15/2028	1,900,000.00	5.000%	5/15/2022
		\$ 10,100,000.00		
Grand Total		\$ 66,125,000.00		

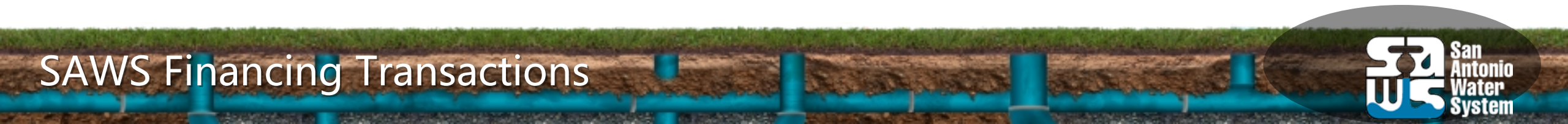
- Defeasance Par Amount - \$66,125,000
- Deposit in Escrow – Not to Exceed \$70,000,000
 - Par Amount plus Accrued Interest
- Cash Savings from 2022 – 2028
 - ~\$80.2 million



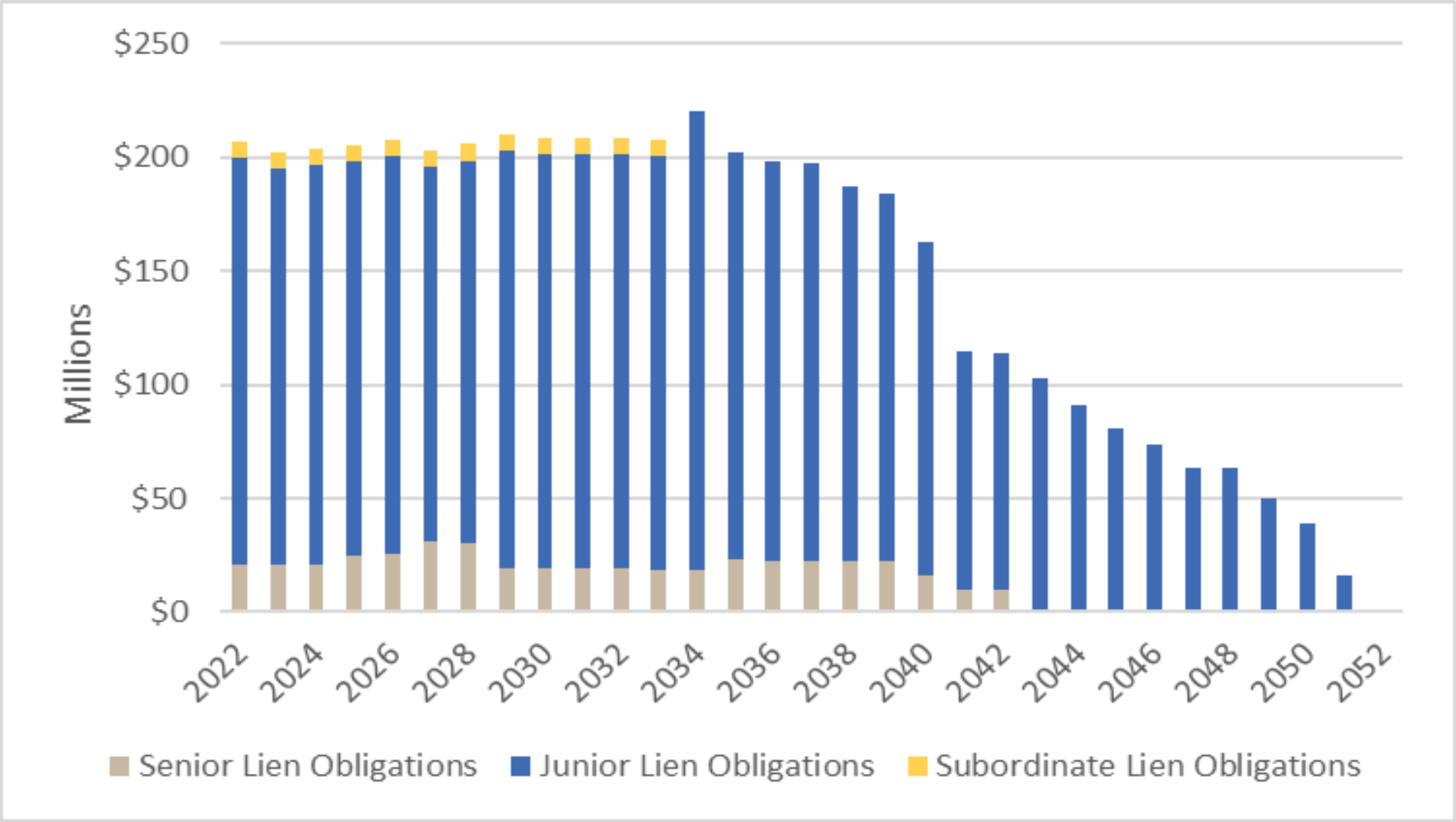
Capital Market Transaction

New Money and Refunding

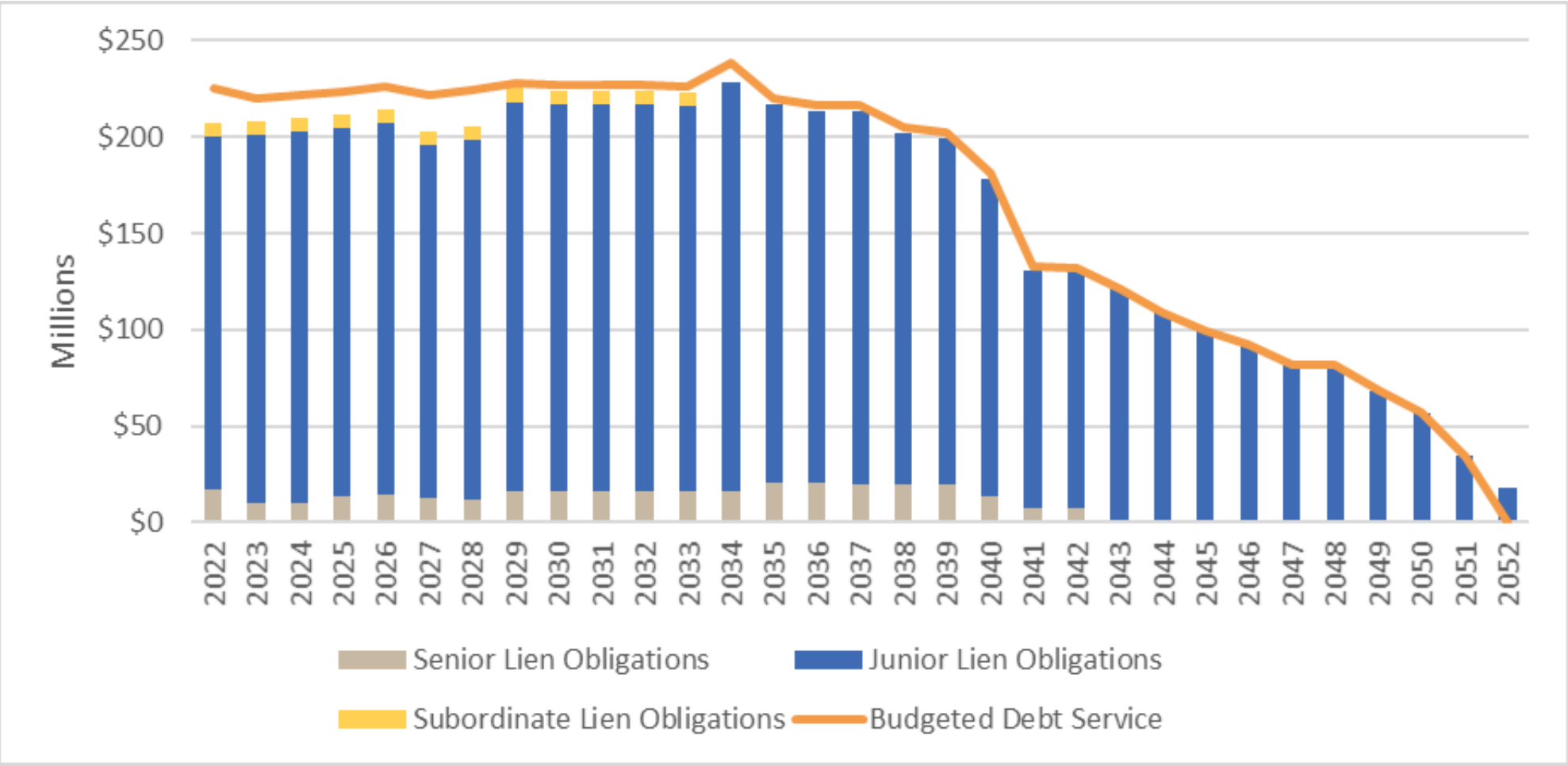
- Bond proceeds needed to fund the 2022 Capital Improvements Program
 - \$341,520,000 Bond Proceeds
 - Debt Service Included in Budget
- Current Refunding - Series 2012A
 - Refund \$105,280,000 in Outstanding Par
 - \$42.6 Million in savings or 28%
- Cost of Issuance



Current Debt Service Profile

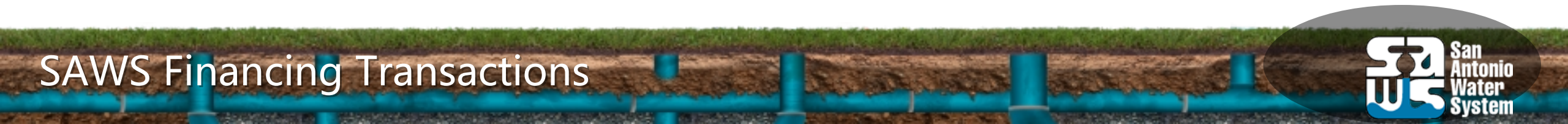


Debt Service Profile Subsequent to Defeasance, Refunding and CIP Funding



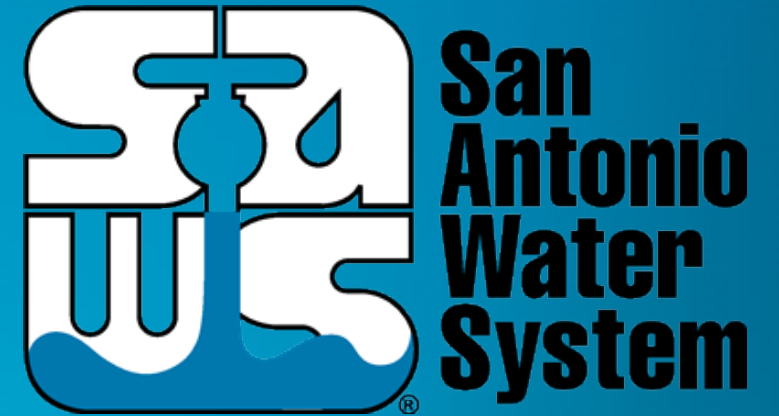
Request

- Authorization of the following:
 - A. Resolution authorizing a cash defeasance of outstanding SAWS debt obligations through a cash deposit in an amount not to exceed \$70,000,000
 - B. Ordinance authorizing one or more series of revenue and refunding bonds in an amount not to exceed \$446,800,000



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