



FINANCING TRANSACTIONS FY2022

PRESENTED BY:

Cory Kuchinsky, CPA
CFO & Treasurer

Council Approval Requested
October 14, 2021

AGENDA



- **FINANCIAL RESPONSIBILITY**
- **PRUDENT DEBT MANAGEMENT**
- **REQUEST FOR APPROVAL**

FINANCIAL RESPONSIBILITY

FINANCING TRANSACTION OBJECTIVES

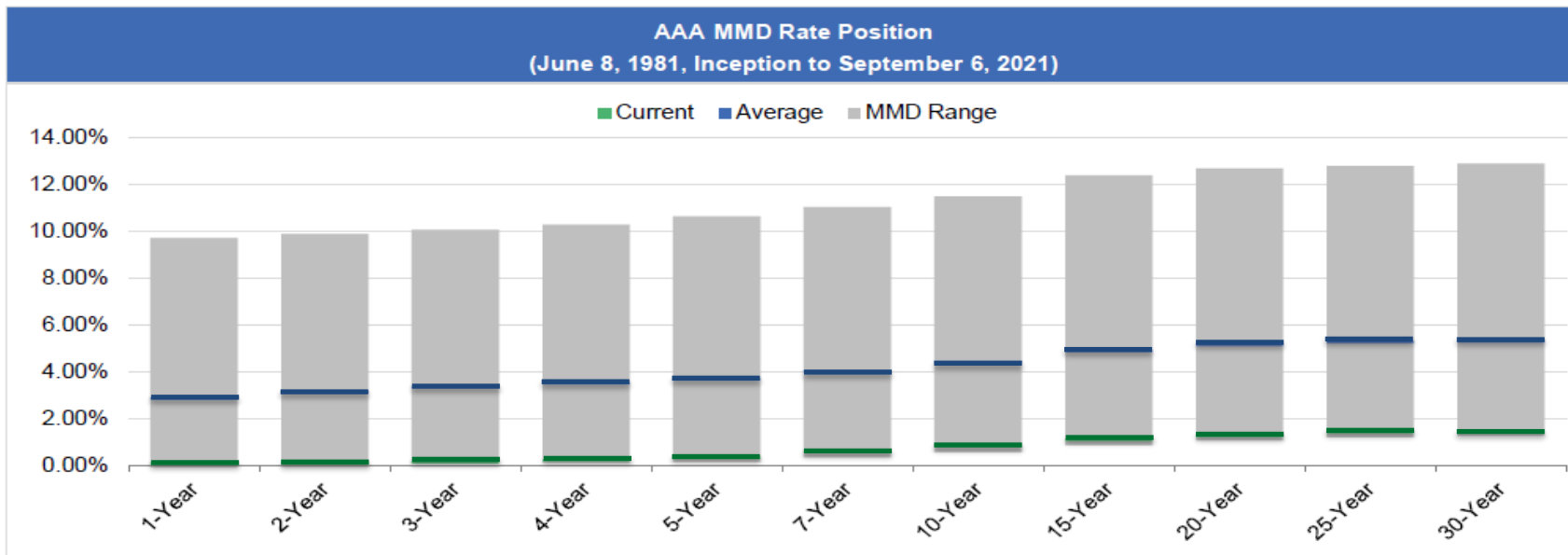


- Savings opportunities
- Required remarketing of debt
- Ability to lock in low, long-term interest rates



Following our guiding pillars, we continuously evaluate opportunities in the capital markets to help save our customers' money.

RATES NEAR HISTORIC LOWS!

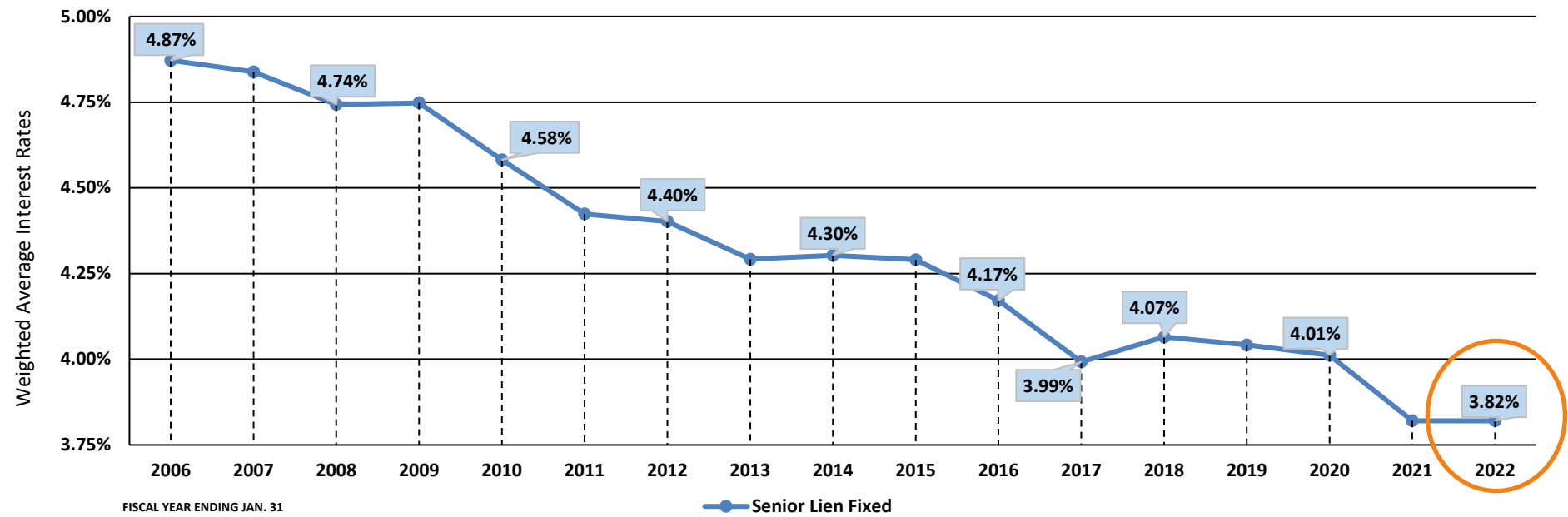


Summary of September 6, 2021 vs. Historical (since Inception) MMD Rates

Statistic	1-Year	2-Year	3-Year	4-Year	5-Year	7-Year	10-Year	15-Year	20-Year	25-Year	30-Year
September 6, 2021	0.08%	0.11%	0.17%	0.28%	0.41%	0.66%	0.93%	1.15%	1.33%	1.48%	1.52%
Historical Average	2.86%	3.16%	3.38%	3.58%	3.76%	4.09%	4.48%	4.95%	5.21%	5.34%	5.38%
Spread to Average	-2.78%	-3.05%	-3.21%	-3.30%	-3.35%	-3.43%	-3.55%	-3.80%	-3.88%	-3.86%	-3.86%
Minimum	0.05%	0.05%	0.10%	0.13%	0.16%	0.36%	0.58%	0.88%	1.08%	1.22%	1.27%
Maximum	9.65%	9.85%	10.05%	10.30%	10.65%	11.05%	11.50%	12.40%	12.70%	12.80%	12.90%
% of Time Lower	0.73%	0.74%	1.42%	1.95%	2.24%	2.35%	2.19%	1.67%	1.60%	1.70%	1.59%

SAVINGS FOR OUR CUSTOMERS

PRUDENT DEBT MANAGEMENT



During the past 16 years, we refinanced \$3.9B of debt to achieve over \$564M of gross debt service savings for the benefit of our customers!

Note: FY2022 data as of 04/09/2021.

REQUEST



COUNCIL APPROVAL: Authorize, without the obligation, to execute the following transactions by delegating authority to the CEO or other designated Officials:

Proposed Potential Transactions: Executable before 10/14/2022	Authorization Amount	Reason	Estimated Net Present Value (NPV) Savings
<u>Supports normal operations</u>			
Jr. Lien 2014 Refunding ⁽¹⁾	\$ 240M	Potential Savings	\$37.6M ⁽²⁾
Sr. Lien 2012 Refunding ⁽¹⁾	145M	Potential Savings	\$ 5.6M ⁽²⁾
Subtotal:	\$ 385M		
Commercial Paper (CP) Refunding	410M	Lock-in low interest rates	-
Total:	\$ 795M		

(1) We received Board & Council approval on these transactions in FY2021, however, approval is being requested so we can continue to monitor & execute if the economics meet our thresholds.

(2) Savings are estimated as of 6.30.2021 & are subject to change due to market conditions.



Thank You