Presented by:

Ed Soong
Public Resources Advisory Group

Administration Committee

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Refunding of Wastewater Refunding Revenue Obligations Series 2012A and Series 2012B

OC◯SAN
ORANGE COUNTY SANITATION DISTRICT

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Refunding Candidates

- $100,645,000 of Series 2012A and $6,670,000 of Series 2012B are subject to optional redemption on the call date (February 1, 2022)
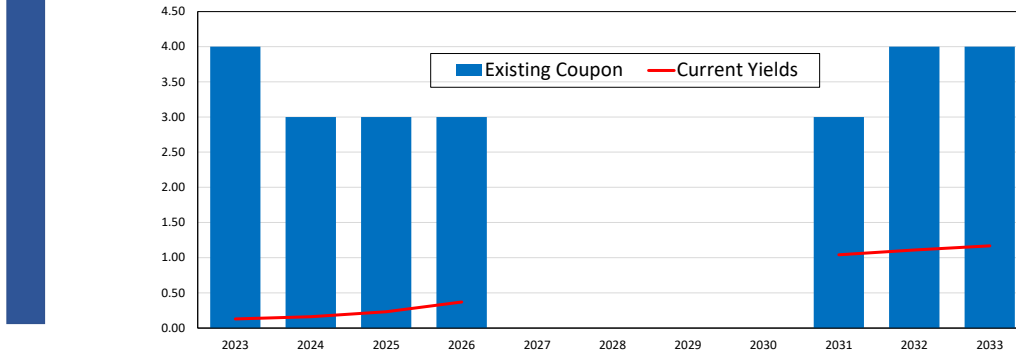
Series	Maturity (February 1)	Principal ($)	Coupon (%)
2012B	2023	1,605,000	4.00
2012B	2024	1,630,000	3.00
2012B	2025	1,715,000	3.00
2012B	2026	1,720,000	3.00
2012A	2031	28,990,000	3.00
2012A	2032	29,055,000	4.00
2012A	2033	42,600,000	4.00

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Refunding Opportunity

- Current yields are substantially less than existing coupons
- Without refunding, OC San will unnecessarily continue to pay higher than market coupons starting on the call date

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Refunding Structure

- The refunding is expected to amortize principal with the objective of producing level annual debt service savings
- Final refunding maturity will match the 2033 final maturity of the Series 2012A (no extension of final maturity)

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Issuance Costs

Services	Cost
Underwriters' Discount (est.)	$ 202,550
Bond Counsel and Expenses	121,000
Municipal Advisor	100,000
Rating Agencies	119,175
Trustee and Counsel	5,500
Printing	5,000
Digital Assurance Certification	2,500
The Bond Buyer	2,000
Contingency	9,825
Total:	$ 567,550

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Potential Savings

- OC San's debt policy requires a minimum of 3% net present value savings (of the refunding bond amount) for refundings to achieve debt service savings

- Under current market conditions, a refunding, net of all costs, is estimated to produce $21.7 million of present value savings (20.2% of refunding principal)

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Timing

Month(s)	Activity
October/ November	▪ Staff and consultants draft legal and disclosure documents in preparation for refunding sale
December	▪ Board and Financing Corporation approves legal and disclosure documents ▪ Request credit ratings
January	▪ Receive credit ratings ▪ Marketing and sale through competitive process
February	▪ Closing ▪ Redeem callable Series 2012A and Series 2012B ▪ Begin debt administration

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Questions

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