$7,685,000 Water Revenue Bonds, 2016
Summary of Bond Issue

November 15, 2016
Bond Market Overview

• The Bonds were priced on November 3
• Since the election, long term tax exempt rates have increased up to about 0.50%.
• The graph does not reflect the increase over the last week.
Bond Rating

• District applied for a rating with Moody’s Investors Service

• Outstanding rating of Aa3 was confirmed
  – Excellent rating for the District
  – Relatively small size of District was a factor in the rating not being higher
Bond Reserve Account Surety

• The Bond Resolution requires the District to maintain a reserve account.
  – Reserve requirement for 2011 and 2016 Bonds $887,848
  – Prior reserve requirement $772,147

• Cash reserve account was funded with a surety policy from Build America Mutual (BAM)

• As a result prior reserve is available for projects and issue size of 2016 Bonds was reduced
# Bond Sale Results

- **Average Cost of Funds**: 3.55%
- **Call Date**: October 1, 2026

## Source and Uses of Funds

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Par Amount of Bonds</td>
<td>$7,685,000.00</td>
</tr>
<tr>
<td>Original Issue Premium/(Discount)</td>
<td>680,609.90</td>
</tr>
<tr>
<td>Deposit from Existing Reserve</td>
<td>772,147.50</td>
</tr>
<tr>
<td><strong>Total Sources of Funds</strong></td>
<td><strong>$9,137,757.40</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses of Funds:</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit to Capital Account within Maintenance Fund</td>
<td>$8,483,872.20</td>
</tr>
<tr>
<td>Deposit to Capitalized Interest Fund</td>
<td>521,000.00</td>
</tr>
<tr>
<td>Costs of Issuance</td>
<td>132,885.20</td>
</tr>
<tr>
<td><strong>Total Uses of Funds</strong></td>
<td><strong>$9,137,757.40</strong></td>
</tr>
</tbody>
</table>
Bond Debt Service Structure

North City Water District
Parity and 2016 Bonds Debt Service

- 2011 Bonds
- 2016 Bonds
- DS Paid by CAP I

$- $200,000 $400,000 $600,000 $800,000 $1,000,000 $1,200,000

Summary

• Bond structure advantageous to District

• Timing was excellent

• Bond rating and sale reflect positively on the District Board, Staff and policies