



# Utility Refinancing

Town Council Meeting

April 20, 2022

# Purpose of Presentation

Review Expected Terms Associated with Refinancing a \$21M Water Infrastructure Finance Authority of Arizona (WIFA) Loan



# Why Refinancing?



- Town has Adopted Financial and Debt Management Policies
  - Routinely Monitor Refinance Opportunities for Cost Savings

# Financial Information



- Amount: \$40M (Originally Issued in 2008)
- Purpose: Acquire Queen Creek Water Company
- Interest Rate: 4.038%
- Outstanding Balance: \$21M
- Final Payment Date: 2038
- Callable: March 12, 2022

# Proposed Refunding Terms

- Bank Direct Purchase\*
- Repayment Pledge: Senior Lien Utility Revenues
- Estimated Interest Rate: 3% or less
- Estimated Net Present Value Savings: ~\$1M
- Estimated Costs of Issuance: \$200K

***Given Current Market Conditions, If the Savings Cannot be Achieved,  
We Will Not Proceed with the Refunding***

\*Refunding cannot be completed by WIFA but must be replaced by a new WIFA loan. This new loan is being proposed at \$56M for action at the May 4 Town Council meeting. 5

# Refunding Calendar



April 20  
Council Meeting

- Adopt Authorizing Bond Resolution



April

- Select Bank, Agree to Terms



May

- Close Transaction
- Present Results of Refinancing to Town Council

# Recommended Motion

Move to Approve Resolution 1454-22 as presented.

***The resolution requires six affirmative votes to pass with the emergency clause. This is being recommended to provide the most flexibility in dealing with volatile economic markets and achieving the maximum cost savings.***

