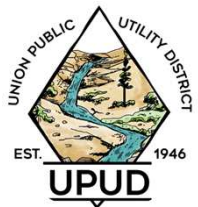




# Union Public Utility District

## Capital Improvement Financing Overview



August 28, 2024

The Power of  **OPPENHEIMER** Thinking  
Wealth Management | Capital Markets | Investment Banking

# California Public Finance Presence

## Capabilities

- Our California presence dates back over 40 years
- 5 offices, 149 employees including 46 financial advisors covering over 30,000 accounts
- Underwrote/Placed 173 transactions in California since 2021
- Oppenheimer is a member of the California Society of Municipal Finance Officers
- Oppenheimer has a strong connection to Calaveras County, having served on 7 different transactions throughout the region over the last few years



## Local Area Clients

- Amador County
- Calaveras County
- Calaveras County Water District
- Murphys Sanitary District
- Tuolumne County
- Twain Harte Community Services District

## Notable 2024 Transactions

Issuer	County	Financing	Par	Status
City of Selma	Fresno	Lease Revenue Bonds	\$24,745,000	Closed
City of Stockton, CFD No. 2018-2	San Joaquin	Special Tax Bonds	\$14,020,000	Closed
Marin Emergency Radio Authority	Marin	Special Parcel Tax Bonds	\$5,800,000	Closed
City of Laguna Beach	Orange	Limited Obligation Bonds	\$8,820,000	Closed
Perris Joint Powers Authority	Riverside	Local Agency Revenue Bonds	\$9,595,000	Closed
City of St. Helena	Napa	Water Revenue Bonds	\$21,500,000	Closed
St. Ignatius College Preparatory School	San Francisco	Revenue Bonds	\$126,940,000	Closed
Town of Windsor	Sonoma	Wastewater Installment Sale Agreement	\$7,500,000	In Process

# CSDA Finance Corporation (CSDAFC) Overview

- Affiliate organization to the California Special Districts Association (CSDA) since 1988
- Designed to facilitate financings for special districts of all types and sizes
- Provides financing solutions for capital improvements, equipment and land purchases, refinancing of prior debt
- Responsive, full-service team of experts which includes
  - Placement Agent = Oppenheimer
  - Bond Counsel = Kutak Rock
- Competitive interest rates, low cost transaction fees
- Prompt delivery of funds
- CSDAFC has engaged Oppenheimer & Co. Inc. as a broker-dealer to provide financing options for specific projects within the program

# Financing Structure / Method of Sale

## Net Revenue Pledge

- Net revenue pledge financing provides public agencies with the ability to finance capital improvements to their enterprise systems through installment payments.
- Installment payments are established as a net revenue pledge after O&M of the enterprise system.
- Net revenue pledge financing allows public agencies to avoid depleting reserves for large capital projects.
- Installment Sale or Loan Agreement are used as the structure for the financing documents
- Security:
  - Typically the market will require a debt service coverage covenant (“DSC”) of 1.15 X 1
  - An additional bonds test (“ABT”) of 1.15 X 1
  - 1.25 X 1 DSC and ABT is better for credit rating



## Private Placement

- Placement Agent places the financing directly with an accredited investor via RFP process.
- Rating is not needed, and preliminary official statement is not produced nor distributed; responsibility of due diligence resides with the purchaser.
- One fixed tax-exempt interest rate.
- Low costs of issuance and fast process.
- Limited continuing disclosure requirements.
- Typical maximum term of 20 years.
- Economics ideal for smaller issue size.



# Private Placement Model: 10-Year Term

*An overview of the financing for a 10-year term private placement*

Estimated Project Fund	<b>\$1,500,000</b>
Estimated Cost of Issuance*	<b>\$80,000</b>
Estimated Par Value	<b>\$1,580,000</b>
Total Debt Service	<b>\$2,022,897</b>
Average Annual Debt Service	<b>\$199,395</b>
Final Maturity	<b>September 1, 2034</b>
Interest Rate	<b>4.85%</b>
Arbitrage Yield	<b>4.85%</b>
All-In TIC	<b>5.93%</b>

\*Includes placement agent, bond counsel, and bank counsel fees, and CDIAC/contingency

# Private Placement Model: 12-Year Term

*An overview of the financing for a 12-year term private placement*

Estimated Project Fund	<b>\$1,500,000</b>
Estimated Cost of Issuance*	<b>\$80,000</b>
Estimated Par Value	<b>\$1,580,000</b>
Total Debt Service	<b>\$2,117,868</b>
Average Annual Debt Service	<b>\$174,052</b>
Final Maturity	<b>September 1, 2036</b>
Interest Rate	<b>4.90%</b>
Arbitrage Yield	<b>4.90%</b>
All-In TIC	<b>5.83%</b>

\*Includes placement agent, bond counsel, and bank counsel fees, and CDIAC/contingency

# Private Placement Model: 15-Year Term

*An overview of the financing for a 15-year term private placement*

Estimated Project Fund	<b>\$1,500,000</b>
Estimated Cost of Issuance*	<b>\$80,000</b>
Estimated Par Value	<b>\$1,580,000</b>
Total Debt Service	<b>\$2,268,639</b>
Average Annual Debt Service	<b>\$149,273</b>
Final Maturity	<b>September 1, 2036</b>
Interest Rate	<b>4.95%</b>
Arbitrage Yield	<b>4.95%</b>
All-In TIC	<b>5.72%</b>

\*Includes placement agent, bond counsel, and bank counsel fees, and CDIAC/contingency

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