



Statement from Nicole Sandkulla, Chief Executive Officer: BAWSCA is pleased to report issuance of BAWSCA's Refunding Revenue Bonds, Series 2023A, completed today will generate approximately \$27.1 million in net present value savings over the term of the bonds for the water customers in Alameda, San Mateo and Santa Clara County that BAWSCA represents.

January 5, 2023

In 2013, the Bay Area Water Supply and Conservation Agency (BAWSCA) issued Revenue Bond Series 2013A and Series 2013B (Taxable and non-callable) to prepay the remaining capital cost recovery payments that the BAWSCA agencies owed San Francisco as of June 30, 2013, when the payments were paid off. In accordance with State law, BAWSCA represents the 26 water suppliers in the three counties that purchase water on a wholesale basis from the San Francisco Regional (Hetch Hetchy) Water System.

In 2021, BAWSCA evaluated several alternatives to refinance the 2013A bonds in order to achieve interest savings. In order to take advantage of the then low prevailing interest rates and still retain the economic advantage of issuing tax-exempt refunding bonds, BAWSCA proceeded with a tax-exempt forward delivery whereby the fixed interest rates and prices on the bonds, along with the costs of issuing the bonds, were set in the Fall of 2021, with the actual issuance of the refunding bonds deferred until January 2023, when the refunding bonds could be issued as tax-exempt under federal regulations.

This refunding bond transaction will generate approximately \$27.1 million in net present value savings over the term of the bonds, or an average of approximately \$2.5 million of savings per year, starting in fiscal year 2022-23, which, along with the savings from the original 2013 bond issuance, will result in a total average savings of \$6 million per year to the water customers that BAWSCA represents from 2023 to 2034 when the bonds will be paid off.

The total principal amount of the 2023A bonds issued is \$134.310 million at an all-in true interest rate of 2.06%.

The real beneficiaries will be the water customers that BAWSCA represents, who ultimately benefit from the incremental savings through future water rates.

#####