

STAFF REPORT

To: Coastside County Water District Board of Directors

From: Jeffrey Schneider, Assistant General Manager

Agenda: February 11, 2025

Report Date: February 7, 2025

Agenda Title: Summary of District's Capital Financing - Certificates of Participation, Series 2025, Closing

Informational Item:

The Board will receive a presentation from the District's Financial Advisor, Brant Smith of Backstrom McCarley Berry & Co., LLC, that summarizes the successful completion in January, 2025 of the District's first public offering of Water Revenue Certificates of Participation, which raised \$8.0 million toward the financing of the Carter Hill Prestressed Concrete Tank and Seismic Upgrades Project.

Background:

On January 16, 2025, the District's Certificates of Participation (COPs) were offered to the public.

- a. The offering was well-received in the market as evidenced by investor interest that resulted in the offering being "over-subscribed". 15 entities invested in the District's offering.
- b. The all-in interest rate resulting from the COP sale, which includes funding of the principal as well as the cost of issuance of the COPS, is 4.145%

On January 30, 2025, the sale of COPs was officially closed; a total of \$8,242,968 was raised and disbursed as follows:

- a. \$8,000,000 deposited in the District's Tri-Counties money market account, where it will earn LAIF equivalent interest+25 basis points.
- b. \$242,968 was used to fund the costs of issuance (financial advisor, underwriter, bond counsel, insurance, etc...).

Attachment:

Presentation produced by Brant Smith, Financial Advisor representing Backstrom McCarley Berry & Co., LLC : "Pricing Recap: 2025 Water Revenue COPs"

A scenic coastal landscape featuring a prominent cliff on the left side, covered in green vegetation. The cliff overlooks a wide, sandy beach with visible tracks. In the background, the ocean stretches to the horizon under a sky with scattered clouds. A semi-transparent green box is overlaid on the right side of the image, containing white text.

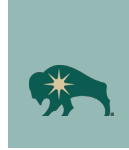
**Coastside County Water District
2025 Certificates of Participation**

**Pricing Recap: 2025 Water Revenue COPs
February 11, 2025**



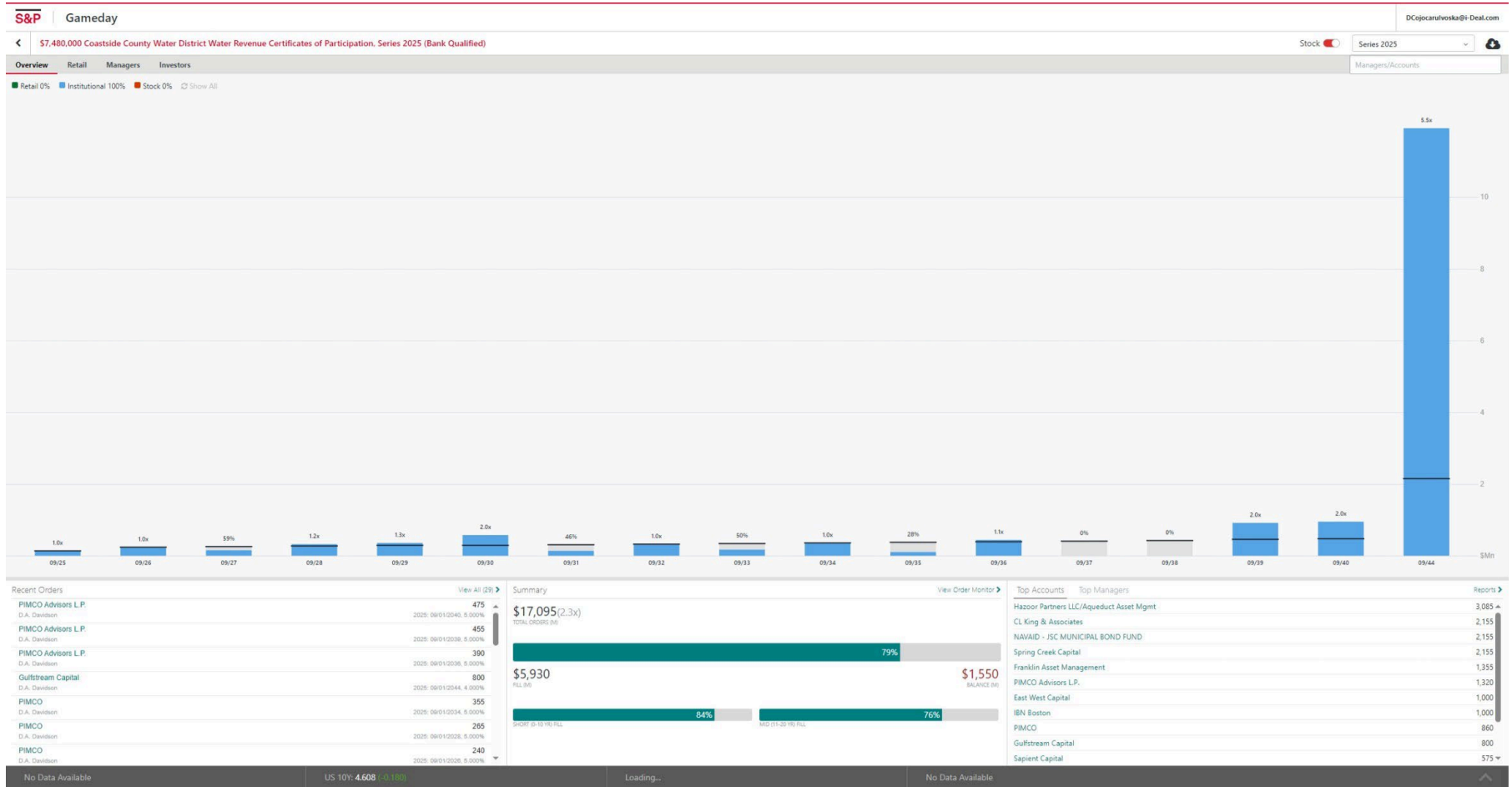
Comparable Transactions

| Par | \$7,695,000 | | | | | | \$14,250,000 | | | | \$18,955,000 | | | | \$5,670,000 | | | | \$32,750,000 | | | | \$32,255,000 | | | |
|-----------------|-------------------------------------|---------------|------|------------|-------------------|------------------|-------------------------------------------|------------|-------------------|---------------------|------------------------------------------------|------------|-------------------|---------------------|--------------------|------------|-------------------|---------------------|-----------------|------------|-------------------|------------------|----------------------------|------------|-------------------|------------------|
| Issuer | Coastside County Water District COP | | | | | | South Tahoe Public Utility Water District | | | | South Tahoe Public Utility Wastewater District | | | | Kingsburg Elem CSD | | | | Jurupa USD | | | | Monterey Cnty Office of Ed | | | |
| State | CA | | | | | | CA | | | | CA | | | | CA | | | | CA | | | | | | | |
| Ratings | NR, AA (AA-), NR | | | | | | NR, AA-, NR | | | | NR, AA, NR | | | | NR, AA (A), NR | | | | NR, AA (A), NR | | | | NR, AA (AA-), NR | | | |
| Insurance | Assured Gty | | | | | | N/A | | | | N/A | | | | AGM | | | | AGM | | | | Assured Gty | | | |
| Call Feature | 9/1/2034 @ 100 | | | | | | 8/1/2034 @ 100 | | | | 8/1/2034 @ 100 | | | | 11/1/2033 @ 100 | | | | 10/1/2035 @ 100 | | | | 12/1/2032 @ 100 | | | |
| Due | 1-Sep | | | | | | 1-Aug | | | | 1-Aug | | | | 1-Sep | | | | 1-Oct | | | | 1-Dec | | | |
| Tax-Status | Bank-Qualified | | | | | | Tax-Exempt | | | | Tax-Exempt | | | | Bank Qualified | | | | Tax-Exempt | | | | Tax-Exempt | | | |
| Pricing Date | 1/16/2025 | | | | | | 1/15/2024 | | | | 1/15/2024 | | | | 1/15/2024 | | | | 1/14/2025 | | | | 11/5/2024 | | | |
| Settlement Date | 1/30/2025 | | | | | | 1/30/2025 | | | | 1/30/2025 | | | | 1/29/2025 | | | | 1/30/2025 | | | | 11/19/2024 | | | |
| Maturity | Amount (\$000s) | Term (\$000s) | MMD | Coupon (%) | Yield to Call (%) | MMD Spread (bps) | Amount (\$000s) | Coupon (%) | Yield to Call (%) | Sprd to Closing MMD | Amount (\$000s) | Coupon (%) | Yield to Call (%) | Sprd to Closing MMD | Amount (\$000s) | Coupon (%) | Yield to Call (%) | Sprd to Closing MMD | Amount (\$000s) | Coupon (%) | Yield to Call (%) | MMD Spread (bps) | Amount (\$000s) | Coupon (%) | Yield to Call (%) | MMD Spread (bps) |
| 2025 | 140 | | 2.84 | 5.00 | 2.85 | 1 | | | | | | | | | 155 | 5.00 | 2.93 | 9 | 1105 | 5.00 | 2.75 | -9 | 665 | 5.00 | 2.78 | -2 |
| 2026 | 250 | | 2.84 | 5.00 | 2.86 | 2 | | | | | | | | | 40 | 5.00 | 2.95 | 11 | 685 | 5.00 | 2.91 | 5 | 700 | 5.00 | 2.61 | -2 |
| 2027 | 260 | | 2.87 | 5.00 | 2.90 | 3 | | | | | | | | | 55 | 5.00 | 2.99 | 12 | 790 | 5.00 | 2.96 | 7 | 735 | 5.00 | 2.54 | -3 |
| 2028 | 275 | | 2.91 | 5.00 | 2.95 | 4 | | | | | 340 | 5.00 | 2.95 | 4 | 65 | 5.00 | 3.10 | 19 | 900 | 5.00 | 3.01 | 8 | 770 | 5.00 | 2.56 | -3 |
| 2029 | 290 | | 2.94 | 5.00 | 3.00 | 6 | | | | | 355 | 5.00 | 3.00 | 6 | 70 | 5.00 | 3.15 | 21 | 1015 | 5.00 | 3.05 | 8 | 810 | 5.00 | 2.63 | -3 |
| 2030 | 305 | | 2.97 | 5.00 | 3.04 | 7 | 295 | 5.00 | 3.08 | 12 | 375 | 5.00 | 3.03 | 7 | 95 | 5.00 | 3.19 | 22 | 1140 | 5.00 | 3.09 | 9 | 855 | 5.00 | 2.67 | -3 |
| 2031 | 315 | | 2.98 | 5.00 | 3.07 | 9 | 310 | 5.00 | 3.12 | 14 | 395 | 5.00 | 3.07 | 9 | 115 | 5.00 | 3.22 | 24 | 1275 | 5.00 | 3.12 | 12 | 895 | 5.00 | 2.76 | -1 |
| 2032 | 335 | | 3.03 | 5.00 | 3.13 | 10 | 325 | 5.00 | 3.17 | 15 | 415 | 5.00 | 3.12 | 10 | 130 | 5.00 | 3.29 | 26 | 1420 | 5.00 | 3.19 | 13 | 945 | 5.00 | 2.88 | 2 |
| 2033 | 350 | | 3.09 | 5.00 | 3.20 | 11 | 340 | 5.00 | 3.24 | 16 | 435 | 5.00 | 3.19 | 11 | | | | | 1570 | 5.00 | 3.24 | 13 | 990 | 5.00 | 2.95 | 4 |
| 2034 | 365 | | 3.16 | 5.00 | 3.27 | 11 | 360 | 5.00 | 3.31 | 16 | 455 | 5.00 | 3.26 | 11 | | | | | 1735 | 5.00 | 3.33 | 15 | 1040 | 5.00 | 3.05 | 7 |
| 2035 | 385 | | 3.23 | 5.00 | 3.34 | 11 | 375 | 5.00 | 3.38 | 16 | 480 | 5.00 | 3.33 | 11 | 500 | 5.00 | 3.52 | 29 | 1905 | 5.00 | 3.43 | 18 | 1095 | 5.00 | 3.12 | 9 |
| 2036 | 405 | | 3.29 | 5.00 | 3.42 | 13 | 395 | 5.00 | 3.46 | 18 | 505 | 5.00 | 3.41 | 13 | | | | | 2090 | 5.00 | 3.47 | 18 | 1150 | 5.00 | 3.17 | 8 |
| 2037 | 425 | | 3.33 | 5.00 | 3.47 | 14 | 415 | 5.00 | 3.51 | 19 | 530 | 5.00 | 3.46 | 14 | | | | | 2285 | 5.00 | 3.53 | 20 | 1210 | 5.00 | 3.22 | 9 |
| 2038 | 445 | | 3.36 | 5.00 | 3.52 | 16 | 440 | 5.00 | 3.57 | 21 | 560 | 5.00 | 3.52 | 16 | | | | | 2495 | 5.00 | 3.62 | 26 | 1270 | 5.00 | 3.25 | 10 |
| 2039 | 470 | | 3.42 | 5.00 | 3.59 | 17 | 460 | 5.00 | 3.64 | 22 | | | | | | | | | 2715 | 5.00 | 3.71 | 29 | 1335 | 5.00 | 3.30 | 11 |
| 2040 | 490 | | 3.50 | 5.00 | 3.67 | 17 | | | | | | | | | | | | | 2955 | 5.00 | 3.80 | 30 | 1405 | 5.00 | 3.42 | 15 |
| 2041 | 515 | | | | | | | | | | | | | | 1655 | 4.00 | 4.16 | 56 | 3205 | 5.00 | 3.90 | 30 | 1480 | 5.00 | 3.50 | 15 |
| 2042 | 535 | | | | | | | | | | | | | | | | | | 3465 | 5.00 | 3.98 | 30 | 1555 | 5.00 | 3.59 | 16 |
| 2043 | 560 | | | | | | | | | | | | | | | | | | | | | | 1635 | 5.00 | 3.64 | 17 |
| 2044 | 580 | 2190 | 3.82 | 4.00 | 4.16 | 34 | | | | | | | | | 1225 | 5.00 | 4.19 | 37 | | | | | 1715 | 5.00 | 3.70 | 17 |
| 2045 | | | | | | | 3300 | 5.00 | 4.17 | 29 | 4815 | 5.00 | 4.17 | 29 | | | | | | | | | | | | |
| 2046 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2047 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2048 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2049 | | | | | | | 2820 | 5.00 | 4.30 | 31 | 3610 | 5.00 | 4.30 | 31 | 1720 | 4.25 | 4.40 | 41 | | | | | 10000 | 5.00 | 3.96 | 20 |
| 2050 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2051 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2052 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2053 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2054 | | | | | | | 4415 | 5.00 | 4.40 | 34 | 5660 | 5.00 | 4.40 | 34 | | | | | | | | | | | | |
| 2055 | | | | | | | | | | | | | | | | | | | | | | | | | | |



Investor Participation

D.A. Davidson reduced borrowing rates in final maturity to take advantage of investor demand on behalf of the District



- 15 unique investors participated to drive down borrowing costs below comparable financings in the market. (*Gameday screenshot does not capture all participating investors)