

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 6/2/2015	(3) CONTACT/PHONE Will Clemens, Department Administrator (805) 781-5299	
(4) SUBJECT Submittal of a resolution approving the issuance and sale of Nacimiento Water Project 2015 Revenue Refunding Bonds, in one or more series in an aggregate principal amount not to exceed \$167,425,000 by the SLO County Financing Authority. Districts 1, 2, 3 and 5.			
(5) RECOMMENDED ACTION It is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District), adopt the attached resolution approving the issuance and sale of Nacimiento Water Project 2015 Revenue Refunding Bonds, in one or more series in an aggregate principal amount not to exceed \$167,425,000 by the SLO County Financing Authority.			
(6) FUNDING SOURCE(S) Nacimiento Participants	(7) CURRENT YEAR FINANCIAL IMPACT N/A	(8) ANNUAL FINANCIAL IMPACT \$280,000.00 Savings	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input checked="" type="checkbox"/> Board Business (Time Est. <u>10 min</u>)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? N/A	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW David E. Grim			
(18) SUPERVISOR DISTRICT(S) District 1 District 2 District 3 District 5			

Reference: 15JUN02-BB-1

County of San Luis Obispo



TO: Board of Supervisors
FROM: Public Works
Will Clemens, Department Administrator
VIA: Wade Horton, Director of Public Works
DATE: 6/2/2015

SUBJECT: Submittal of a resolution approving the issuance and sale of Nacimiento Water Project 2015 Revenue Refunding Bonds, in one or more series in an aggregate principal amount not to exceed \$167,425,000 by the SLO County Financing Authority. Districts 1, 2, 3 and 5.

RECOMMENDATION

It is recommended that the Board, acting as the Board of Supervisors for the San Luis Obispo County Flood Control and Water Conservation District (District), adopt the attached resolution approving the issuance and sale of Nacimiento Water Project 2015 Revenue Refunding Bonds, in one or more series in an aggregate principal amount not to exceed \$167,425,000 by the SLO County Financing Authority.

DISCUSSION

The Nacimiento Water Project consists of 45 miles of pipeline, with storage tanks, pump stations and appurtenant facilities for the purpose of conveying up to 15,750 acre feet of water from Lake Nacimiento to local water agencies within the boundaries of the District.

In 2007, \$196.41 million in revenue bonds were issued in order to finance the project. The project was successfully completed in 2011 and has been delivering water to the communities of Paso Robles, Templeton, Atascadero, and San Luis Obispo. Tax exempt bonds were issued to benefit the municipal participating agencies and taxable bonds were issued to benefit the private Atascadero Mutual Water Company as required by IRS regulations.

Current market conditions provide the opportunity for significant financial savings by refinancing the tax exempt revenue bonds. The attached resolution and legal documents require approval in order to complete the refinancing and realize these savings.

OTHER AGENCY INVOLVEMENT/IMPACT

County Counsel has reviewed the resolution and approved as to legal form and effect. The San Luis Obispo County Financing Authority will sell the refunding bonds on behalf of the District. The refinancing was approved by the Nacimiento Commission on February 26, 2015. Each participating

agency will be separately approving resolutions in relation to the refinancing. The Auditor-Controller's Office and Public Works Department have been working together to accomplish the refinancing. The County's Debt Advisory Committee approved the refinancing at their meeting of March 4, 2015.

FINANCIAL CONSIDERATIONS

The refinancing of the tax exempt bonds is currently estimated to save \$6.6 million in total over the remaining 26 year term of the bonds, or approximately \$280,000 annually. This equates to approximately \$4.5 million in present value savings. This savings will be reflected in reduced Nacimiento billings to the Cities of Paso Robles and San Luis Obispo and the Templeton Community Services District.

It is not economical to refinance the taxable bonds, therefore the Atascadero Mutual Water Company will not realize savings. However, since each agency is required to step up and pay a share of any delinquent agency's debt service, this will reduce that remote likelihood.

The Water Delivery Entitlement Contract for each participating agency obligates the agency to pay their share of the debt service on the bonds to the District. The bonds are not an obligation of the County, the District, or the Authority, and are payable solely from the revenues generated by the participating agencies.

RESULTS

Approval of the recommended action will allow the San Luis Obispo County Financing Authority to refinance the debt on behalf of the San Luis Obispo County Flood Control and Water Conservation District. This will result in cost savings to the water funds of the Cities of Paso Robles and San Luis Obispo and the Templeton Community Services District.

Reference: 15JUN02-BB-1

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ATTACHMENTS

1. Vicinity Map
2. Preliminary Official Statement
3. Form of Continuing Disclosure Certificate
4. Form of Continuing Disclosure Agreement
5. Resolution Approving the Issuance and Sale of Nacimiento Water Project 2015 Revenue Refunding Bonds, in one or more series in an aggregate principal amount not to exceed \$167,425,000 by the SLO County Financing Authority