SWEETWATER SPRINGS WATER DISTRICT

TO: Board of Directors **AGENDA NO. V-D**

FROM: Steve Mack, General Manager

MEETING DATE: May 2, 2013

Subject: DISCUSSION/ACTION RE REFINANCING UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) BONDS

RECOMMENDED ACTION: Receive a report on the progress of the USDA Bonds refinancing.

FISCAL IMPACT: Refinancing/refunding District bonds may save District up to $56,000 annually.

DISCUSSION:

At the April Board meeting, the Board of Directors approved Resolution 13-08 which authorized execution of agreements with Brandis Tallman and with Meyers Nave contingent arriving at appropriate language regarding the contingency of the funding. The agreement with Brandis Tallman was executed directly. The agreement with Meyers Nave was executed after arriving at mutually satisfactory language that made all Meyers Nave fees contingent upon moving forward with the financing with the exception of third party expenses which should not exceed $2,000.

On April 11 the staff working on the refinancing had a conference call led by Brandis Tallman where the calendar for the refinancing was introduced and discussed. The schedule includes approving the financing and related documents at the June 6 Board meeting. Final closing would be in early July. The draft resolution and indenture document were distributed by Bond Counsel on Tuesday, April 23.

Brandis Tallman has informed us that the bond market remains in very favorable territory for refinancing the District's bonds.