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July 26, 2021

Board of Directors
Triunfo Water & Sanitation District
Ventura County, California

UPDATE: DISTRICT LOAN REFINANCING FOR THE WW, PW, AND RW ENTERPRISES

The Triunfo Water & Sanitation District (TWSD) currently has three (3) loans. The estimated amounts of the loans when refinanced are as follows:

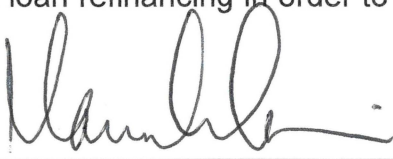
1) PW – 2011 Oak Canyon Reservoir	\$4,925,000
2) PW – 2014 Automated Meter Infrastructure	\$1,528,000
3) RW – 2017 CMWD RW System purchase:	
i. Tax-Exempt	\$7,772,673
ii. Taxable	\$1,534,025

In light of the opportunity to take advantage of historically low interest rates and better position the District for future borrowing, the Board authorized staff to move forward with developing refinancing options. Current debt has certain conditions and restrictions that would significantly impair the District's ability to obtain future funding. This is especially critical in anticipation of funding the Pure Water Project. The recommended refinancing option would accomplish the following:

- Removes the requirement to restrict \$602,000 in the 2011 OCR Loan
- Reduces the rate covenant requirements (net to debt ratios) from 1.25X down to 1.1X for all three loans
- Segregates the pledge of revenues specific to each enterprise
- Removes the subrogation clause in the 2017 RW Loan
- Achieves net present value savings of an estimated amount of \$678,508, or 4.47% over the remaining terms of the loans
- Better positions the District in acquiring additional debt for the Pure Water Project

Staff has completed this process and will provide a brief overview of the refinance effort. In addition, staff is recommending that the Board schedule a Triunfo Public Facilities Corporation meeting and Special Board Meeting on the same day during the first week of August to consider approval of the loan refinancing in order to comply with the August 15th proposal expiration.

REVIEWED AND APPROVED:



Mark Norris - General Manager

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