

Agenda Item: 6.

MEMORANDUM

TO: Financial, Expenditure and Legal Subcommittee
SUBJECT: Refinancing of 2013 Flood Control and Water Quality Enhancement Bonds
DATE: April 5, 2017
FROM: John Winkler, General Manager

The NRD issued \$58,200,000 of Flood Protection and Water Quality Enhancement Bonds over two bond offerings in 2013. Interest rates have declined to a point where refinancing a portion of the outstanding bonds may achieve interest cost savings over the remaining life of the bonds. The District refinanced its 2010 bonds in 2015 to achieve approximately \$460,000 of interest cost savings; at that time the 2013 bonds were not good refinancing candidates. The term of the bonds will not be extended the original issue and the District will not realize any additional funds for current or future expenditure.

The subcommittee's recommendation to the Board is to approve a parameters resolution in order to authorize the possible refinancing and direct the General Manager to sign off on the final terms of the sale. This action would only authorize the refinancing, not commit the District to selling bonds.

Per Bond Counsel's instructions this item will require approval of two thirds majority vote (8 votes) of the Board of Directors to approve the refinancing of the bonds and to realize potential savings.

Management recommends that the Subcommittee recommend to the Board of Directors that the following Resolutions be adopted:

BE IT RESOLVED THAT THE DISTRICT'S OUTSTANDING FLOOD PROTECTION AND WATER QUALITY ENHANCEMENT BONDS, SERIES 2013, DATED FEBRUARY 8, 2013 (THE "2013 BONDS") TO BE CALLED FOR REDEMPTION PRIOR TO MATURITY; and,

BE IT RESOLVED THAT THE DISTRICT'S OUTSTANDING FLOOD PROTECTION AND WATER QUALITY ENHANCEMENT BONDS, SERIES 2013B, DATED JULY 26, 2013 (THE "2013B BONDS") TO BE CALLED FOR REDEMPTION PRIOR TO MATURITY; and,

BE IT RESOLVED THE ISSUANCE OF FLOOD PROTECTION AND WATER QUALITY ENHANCEMENT REFUNDING BONDS, SERIES 2017, IN AN AMOUNT NOT TO EXCEED \$55,000,000 FOR THE PURPOSE OF PAYING AND REDEEMING THE DISTRICT'S OUTSTANDING SERIES 2013 AND SERIES 2013B BONDS, AND RELATED MATTERS,

ALL SUBJECT TO CHANGES DEEMED NECESSARY BY THE GENERAL MANAGER AND APPROVAL AS TO FORM BY DISTRICT LEGAL COUNSEL.

**Papio-Missouri River Natural Resource District
Series 2017 Refunding Bonds
John Winkler, General Manager
Possible Timeline**

April 11, 2017	Finance committee considers issuance of refunding bonds
April 13, 2017	Board of Directors considers issuance of refunding bonds
April 14, 2017	Ratings request submitted to Standard & Poor's
April 25, 2017	Conference with S&P analysts
April 28, 2017	Rating received
May 10, 2017	Bond sale/order period
June 16, 2017	Closing

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