



TAMALPAIS COMMUNITY SERVICES DISTRICT

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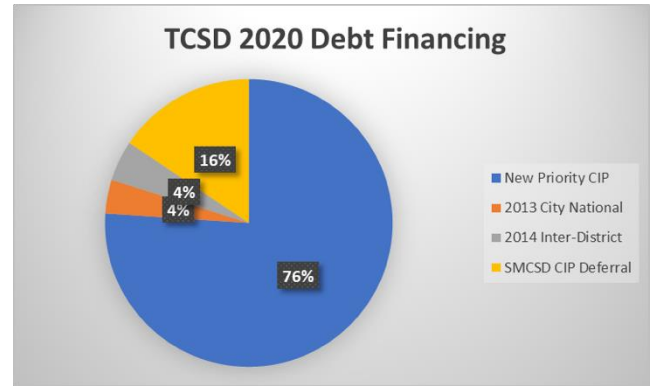
TCSD Sewer Finance Effort – Executive Summary

Dear Tamalpais Valley Residents, Businesses, and TCSD Board,

Below is a summary of TCSD's 2020 sewer (wastewater) successful finance effort. Please contact me if you have any questions.

What:

- TCSD anticipates completing a financing in the principal amount of approximately \$16.4 million dollars through the execution and delivery of Certificates Of Participation (COP) on October 6, 2020.
- The majority of the net proceeds of the COP will be used by the District to replace and repair the highest priority TCSD sewer infrastructure, and the remaining net proceeds will be used to prepay (i.e. refinance) certain existing TCSD sewer obligations and loans. This chart shows the portion of the net proceeds of the COP that is anticipated to be used for sewer projects in the next three years, and the portion thereof to be used to prepay prior obligations.



Why:

- TCSD will save approximately \$520,000 in interest, by taking advantage of current low interest rates.
- Proposed financing is anticipated to permit TCSD to keep sewer rates below those projected in the pay as you go financial plan.
- TCSD will use the new money portion of the financing to accelerate planned replacement and repair of sewer pipes to help prevent spills, protect the Tam Valley environment, and meet regulatory obligations.

When:

- COP proceeds used to refinance existing obligations will be repaid under the original schedule (debt is not elongated).
- Capital improvements to the TCSD sewer system financed with COP will begin in October 2020, and TCSD plans to finance currently planned capital improvements on a pay as you go basis commencing in 2024.
- Repayment of the new money portion of the COP will be over 30 years (final maturity in 2050).

Where:

- The new money portion of the financing will be spent on top priority replacements/repairs in the first three years (through Fiscal Year 2023), and in 2024 and beyond TCSD plans to continue high priority projects on a pay as you go basis.
- Detailed information on the Capital Improvement Program (CIP) projects to be funded and maps of the project areas (color coded by year) are in the August 12, 2020 TCSD Board adopted CIP, available on TCSD's website.

Sincerely,

Heather Abrams
General Manager