

# Bond Refinancing Results

May 21, 2020



# \$77M in Bonds Refinanced Saves Customers \$27M

- Bonds sold competitively on April 29
- Replace bonds originally sold in 2010 and 2011
- Maturities are the same or sooner
- Good bids and a variety of bidders
- \$27M in total savings net of fees
- High-quality bond ratings affirmed by Standard & Poor's and Moody's

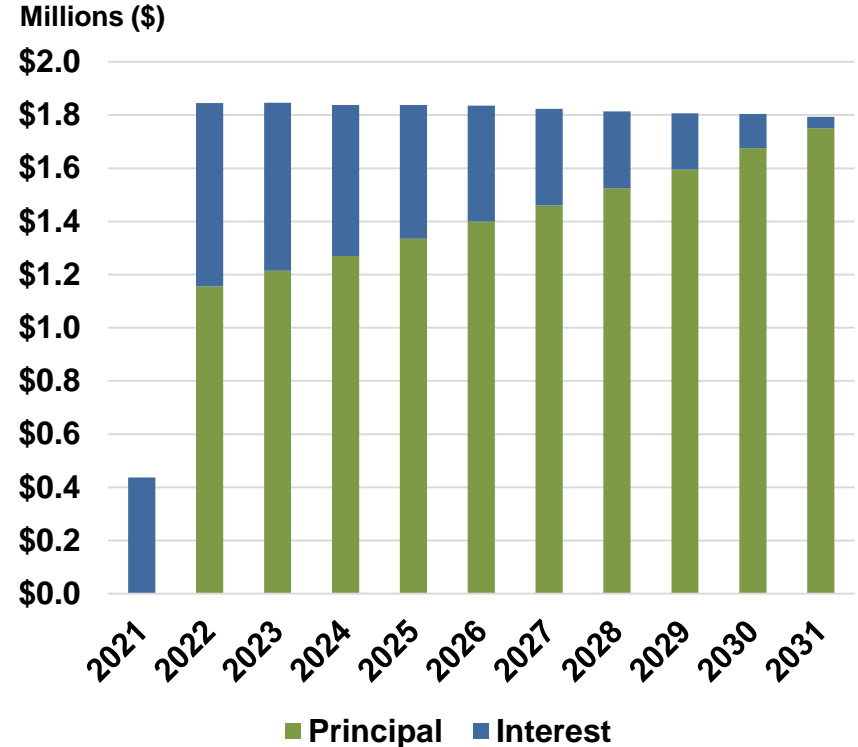
# Bids on \$14.4M Electric Bonds

| Bidder                             | True Interest Cost |
|------------------------------------|--------------------|
| <b>Huntington Securities, Inc.</b> | <b>1.498</b>       |
| Raymond James & Associates, Inc.   | 1.596              |
| Hilltop Securities, Inc.           | 1.597              |
| J.P. Morgan Securities LLC         | 1.719              |
| Robert W. Baird & Co., Inc.        | 1.790              |
| FHN Financial Capital Markets      | 1.882              |

# Electric Bonds Refinancing Saves \$2.4M

|                              |                     |
|------------------------------|---------------------|
| <b>Original Debt Service</b> | <b>\$21,059,000</b> |
| <b>New Debt Service</b>      | <b>\$18,683,000</b> |
| <b>Savings</b>               | <b>\$2,376,000</b>  |

- Bonds fully mature in July 2031
- Weighted average life of bonds 6.2 years



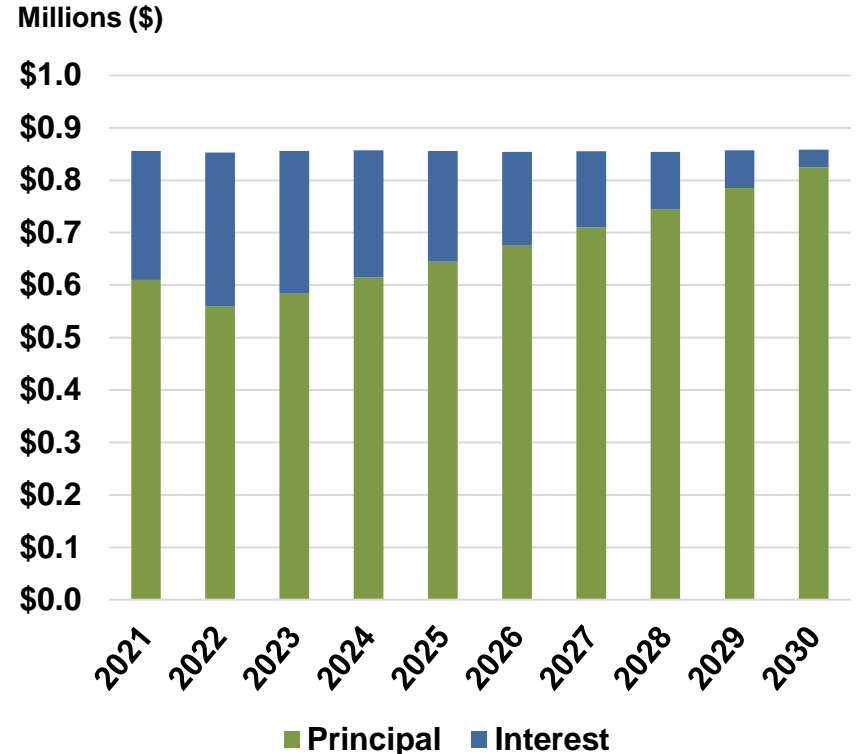
# Bids on \$6.8M Gas Bonds

| Bidder                           | True Interest Cost |
|----------------------------------|--------------------|
| <b>Hilltop Securities, Inc.</b>  | <b>1.593</b>       |
| Raymond James & Associates, Inc. | 1.600              |
| Huntington Securities, Inc.      | 1.627              |
| Robert W. Baird & Co., Inc.      | 1.803              |
| J.P. Morgan Securities LLC       | 1.838              |

# Gas Bonds Refinancing Saves \$1.8M

|                              |                     |
|------------------------------|---------------------|
| <b>Original Debt Service</b> | <b>\$12,356,000</b> |
| <b>New Debt Service</b>      | <b>\$8,557,000</b>  |
| <b>Savings</b>               | <b>3,799,000</b>    |
| <b>Cash Contribution</b>     | <b>2,000,000</b>    |
| <b>Net Savings</b>           | <b>\$1,799,000</b>  |

- \$2M principal pay down
- Bonds fully mature in March 2030
- Weighted average life of bonds 5.8 years



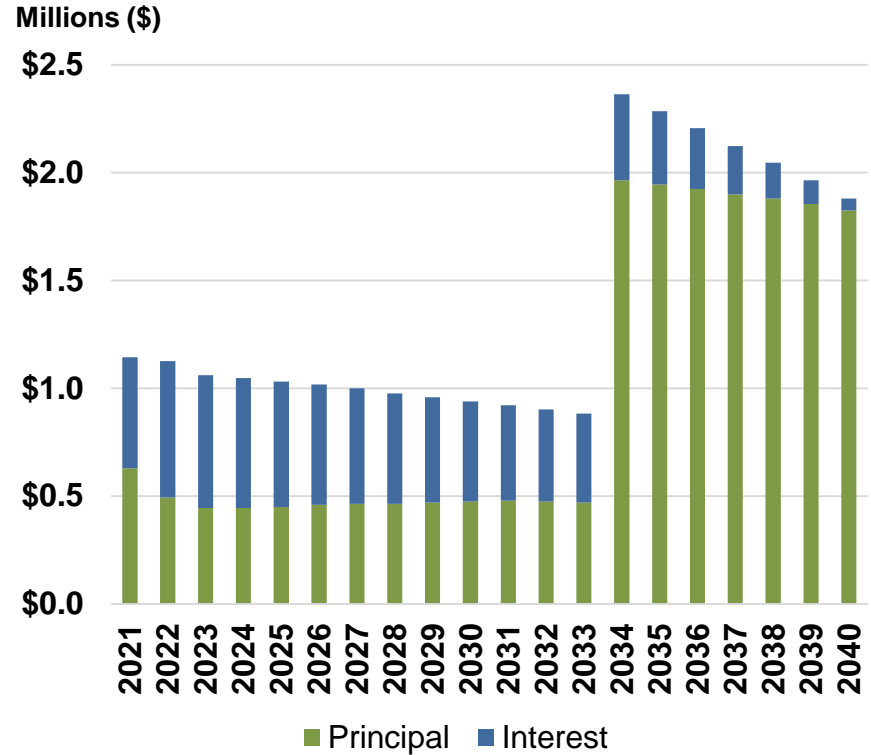
# Bids on \$19.5M Water Bonds

| Bidder                               | True Interest Cost |
|--------------------------------------|--------------------|
| <b>FHN Financial Capital Markets</b> | <b>2.534</b>       |
| Piper Sandler & Co                   | 2.560              |
| Raymond James & Associates, Inc.     | 2.562              |
| Huntington Securities, Inc.          | 2.602              |
| Citigroup Global Markets, Inc.       | 2.612              |
| Robert W. Baird & Co., Inc.          | 2.667              |
| Hilltop Securities, Inc.             | 2.747              |
| Bank of America Merrill Lynch        | 2.756              |
| J.P. Morgan Securities LLC           | 2.839              |

# Water Bonds Refinancing Saves \$3.9M

|                              |                     |
|------------------------------|---------------------|
| <b>Original Debt Service</b> | <b>\$31,790,000</b> |
| <b>New Debt Service</b>      | <b>\$27,883,000</b> |
| <b>Savings</b>               | <b>\$3,907,000</b>  |

- Bonds fully mature in March 2040
- Weighted average life of bonds 13.3 years





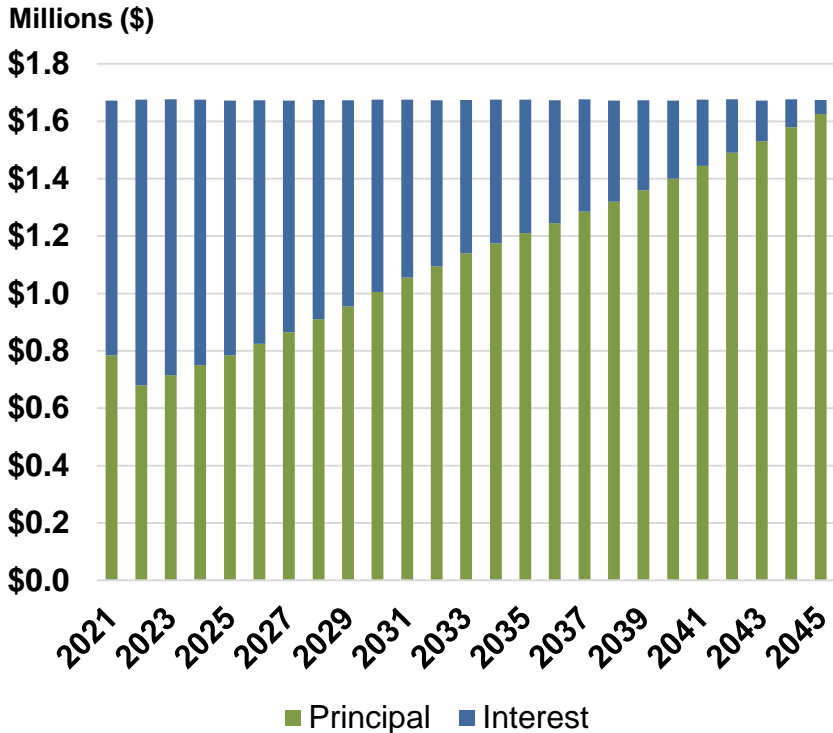
# Bids on \$28.2M Wastewater Bonds

| Bidder                             | True Interest Cost |
|------------------------------------|--------------------|
| <b>Huntington Securities, Inc.</b> | <b>2.630</b>       |
| FHN Financial Capital Markets      | 2.648              |
| Fifth Third Securities, Inc.       | 2.648              |
| Raymond James & Associates, Inc.   | 2.702              |
| Robert W. Baird & Co., Inc.        | 2.703              |
| Hilltop Securities, Inc.           | 2.759              |
| J.P. Morgan Securities LLC         | 2.776              |
| Bank of America Merrill Lynch      | 2.870              |

# Wastewater Bonds Refinancing Saves \$18.9M

|                              |                     |
|------------------------------|---------------------|
| <b>Original Debt Service</b> | <b>\$60,729,000</b> |
| <b>New Debt Service</b>      | <b>\$41,850,000</b> |
| <b>Savings</b>               | <b>\$18,879,000</b> |

- Bonds fully mature in April 2045
- Weighted average life of bonds 14.3 years



# Professional Fees

| <b>Cost</b>                                       | <b>Professional Firm</b>      | <b>Fee</b>       |
|---|-------------------------------|------------------|
| <b>Financial Advisor</b>                          | <b>Cumberland Securities</b>  | <b>\$123,000</b> |
| <b>Bond Counsel</b>                               | <b>Bass, Berry &amp; Sims</b> | <b>\$86,600</b>  |
| <b>Rating Agency</b>                              | <b>Moody's</b>                | <b>\$107,500</b> |
| <b>Rating Agency</b>                              | <b>Standard &amp; Poor's</b>  | <b>\$82,400</b>  |
| <b>Paying Agent</b>                               | <b>Regions Bank</b>           | <b>\$3,300</b>   |
|   |                               | <b>\$402,800</b> |
| <b>Other Costs (Escrow, POS, OS, Advertising)</b> |                               | <b>\$47,300</b>  |
|   |                               | <b>\$450,100</b> |