

Bond Sale Results

September 20, 2018



\$80M Bonds Sold at Favorable Rates

- Fund utility system capital improvements
- Sold competitively on August 23
- Bonds mature over 30 years
- Rates range from 3.43% to 3.50%
 - Budgeted at 4%
 - \$8.2M savings over life of bonds
- High-quality ratings from Moody's and Standard & Poor's affirmed

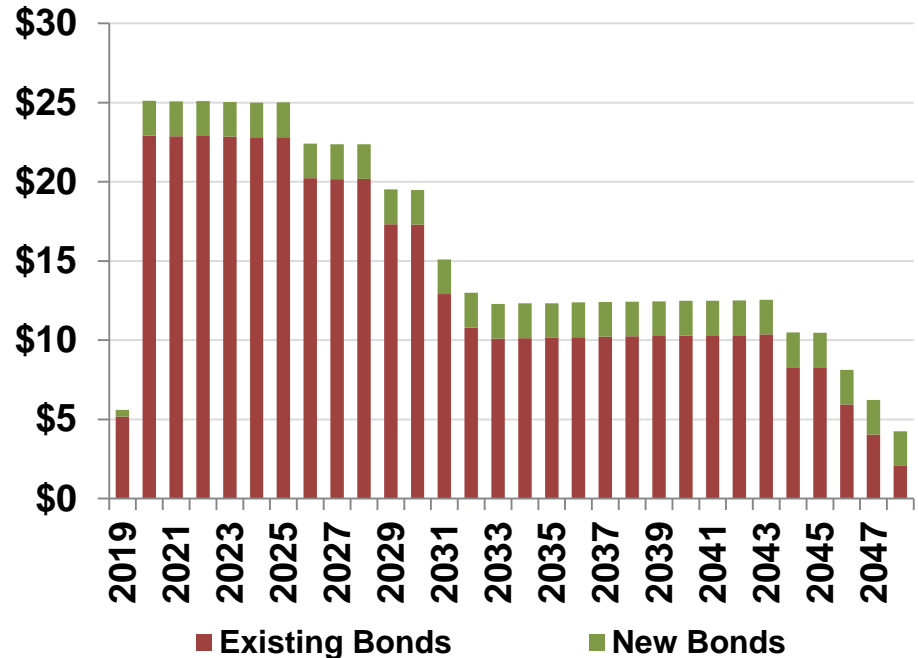
Bids on \$40M Electric Bonds

Bidder	True Interest Cost
Citigroup Global Markets	3.426
Hutchinson, Shockey, Erley & Co.	3.491
Meisrow Financial	3.563
Robert W. Baird	3.567
Raymond James	3.569
Piper Jaffrey	3.588
Bank of America Merrill Lynch	3.594
J.P. Morgan Securities	3.613

Electric Bond Profile

- \$322M in outstanding bonds
- \$133M in interest cost
- Principal paid in next 10 years: 47%
- Debt ratio: 46%
- Weighted interest cost: 3.55%

Electric Debt Service – Millions (\$)



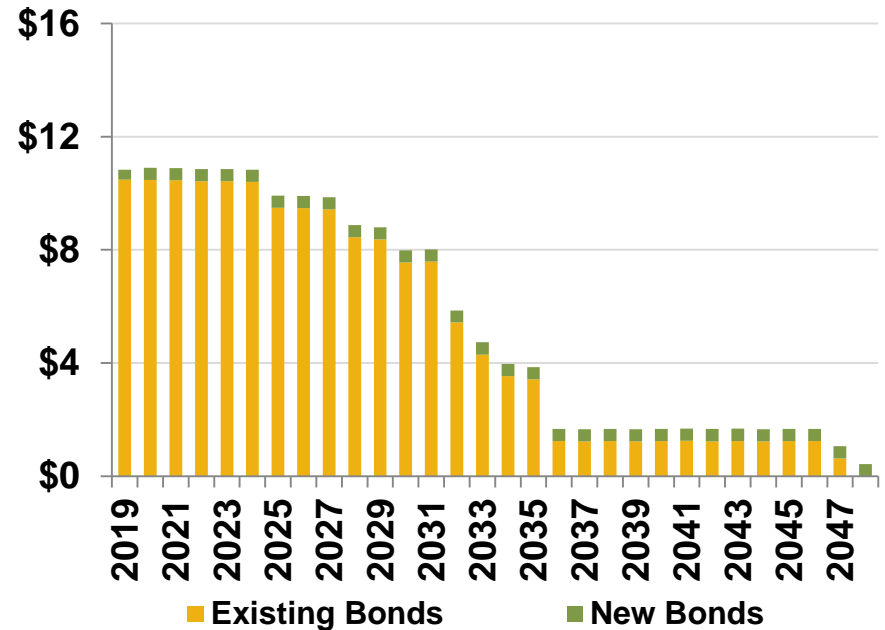
Bids on \$8M Gas Bonds

Bidder	True Interest Cost
Raymond James	3.500
Hutchinson, Shockey, Erley & Co.	3.547
Robert W. Baird	3.584
Citigroup Global Markets	3.611
J.P. Morgan Securities	3.655

Gas Bond Profile

- Favorable financial performance in FY 18 reduced sale by \$2M
- \$121M in outstanding bonds
- \$45M in interest cost
- Principal paid in next 10 years: 58%
- Debt ratio: 34%
- Weighted interest cost: 3.66%

Gas Debt Service – Millions (\$)

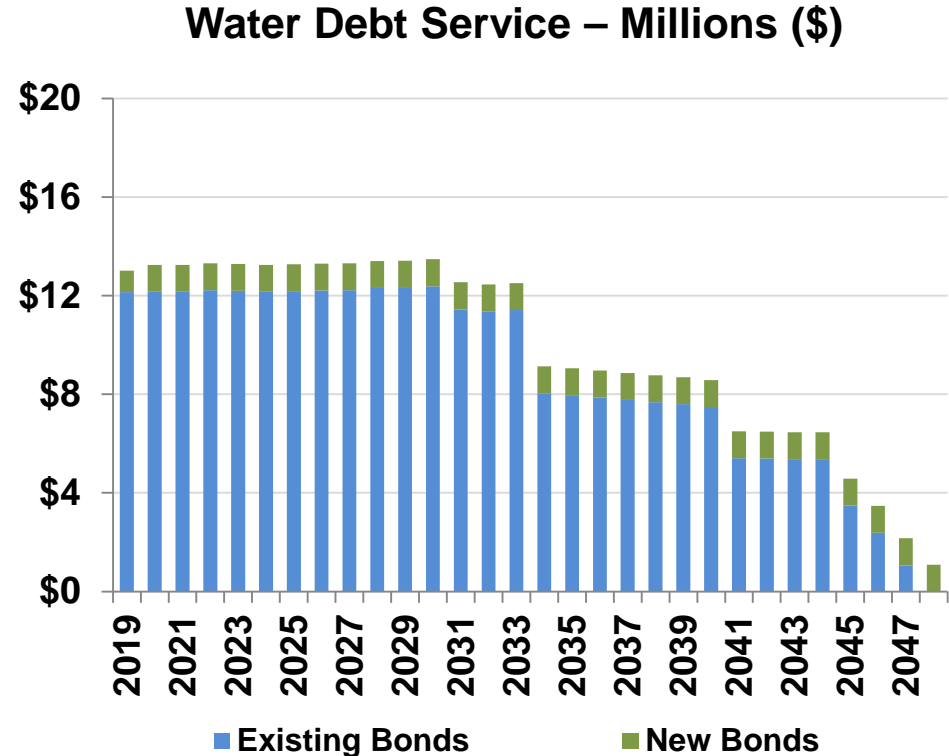


Bids on \$20M Water Bonds

Bidder	True Interest Cost
Citigroup Global Markets	3.464
J.P. Morgan Securities	3.490
Robert W. Baird	3.506
Hutchinson, Shockey, Erley & Co.	3.512
Bank of America Merrill Lynch	3.517
Morgan Stanley & Co.	3.547

Water Bond Profile

- \$199M in outstanding bonds
- \$97M in interest cost
- Principal paid in next 10 years: 37%
- Debt ratio: 51%
- Weighted interest cost: 3.55%



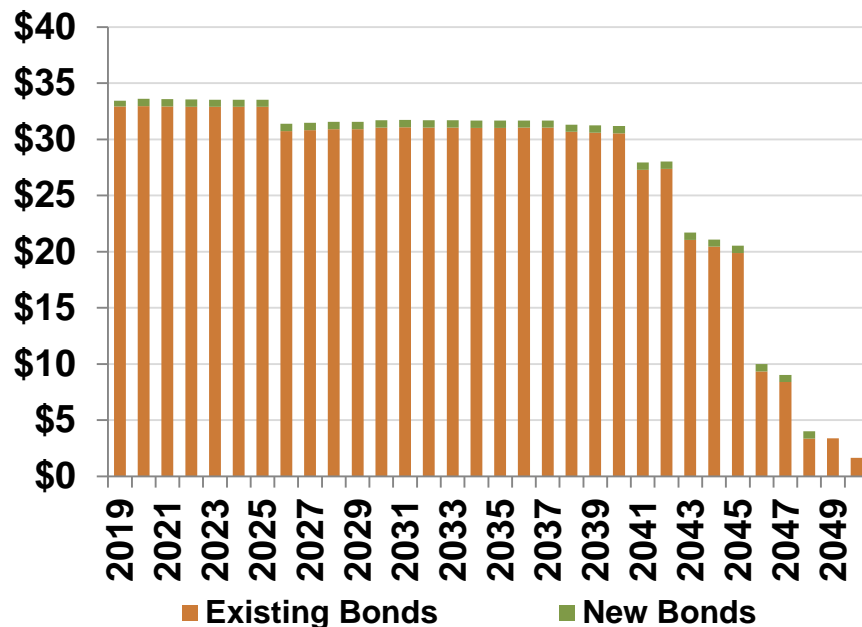
Bids on \$12M Wastewater Bonds

Bidder	True Interest Cost
Raymond James	3.500
Hutchinson, Shockey, Erley & Co.	3.501
Citigroup Global Markets	3.513
Robert W. Baird	3.520
Bank of America Merrill Lynch	3.532

Wastewater Bond Profile

- \$525M in outstanding bonds
- \$331M in interest cost
- Principal paid in next 10 years: 28%
- Debt ratio: 62%
- Weighted net interest cost: 3.61%

Wastewater Debt Service – Millions (\$)



Professional Fees

Cost	Professional Firm	Fee
Financial Advisor	Cumberland Securities	\$127,000
Bond Counsel	Bass, Berry & Sims	\$96,000
Rating Agency	Moody's	\$98,000
Rating Agency	Standard & Poor's	\$80,000
Paying Agent	Regions Bank	\$3,000
		\$404,000
Other Costs (Escrow, POS, OS, Advertising)		\$44,000
		\$448,000

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