



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 05-09

DATE: AUG 05 2005

SUBJECT: Notice of Bond Sale Series AD

FROM:



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DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources (DWR) was able to take advantage of a relatively flat yield curve and low interest rates to refund certain outstanding Water Systems Revenue Bonds. DWR issued the Central Valley Project Water Systems Revenue Bonds Series AD on July 7, 2005 in the principal amount of \$112,390,000 at an average yield on the bonds True Interest Cost (TIC) of 4.35 percent. The Series AD Bonds were issued to (1) refund \$104,750,000 of outstanding Series O, P, S, U, and W Revenue Bonds, (2) refund \$12,450,000 of outstanding Commercial Paper Notes; (3) fund the debt service reserve account; (4) fund capitalized interest on a portion of the Series AD bonds, and (5) pay cost of issuance. The refunding provides a total debt service savings to the State Water Contractors of \$10,686,774 with a present value of \$5,787,437.

Attachment

**NOTICE TO STATE WATER CONTRACTORS
DWR CENTRAL VALLEY PROJECT WATER SYSTEM REVENUE BONDS SERIES AD**

Refunding Summary

Principal Amount of the Bonds	\$	112,390,000
Principal Amount of the Refunded Bonds	\$	104,750,000
Average Yield on Bonds (TIC)		4.35%
Present Value Savings	\$	5,787,437

Water System Revenue Bonds Refunded

	\$	Amounts
Series O - 2018 through 2019	\$	23,665,000
Series P - 2025 through 2028	\$	35,395,000
Series S - 2017 through 2022	\$	34,855,000
Series U - 2017 through 2018	\$	4,285,000
Series W - 2018 and 2020 through 2022	\$	6,550,000
Total Bonds Refunded	\$	104,750,000

Annual Debt Service Savings

This refunding will provide annual debt service savings to the State Water Contractors as shown on the schedule below.

Year Ending	Annual Debt Service Savings	Present Value Service Savings	Debt
12/1/2005	\$ 194,735.83	\$	184,697.23
12/1/2006	\$ 246,765.86	\$	235,915.35
12/1/2007	\$ 237,365.86	\$	218,162.61
12/1/2008	\$ 238,265.86	\$	210,434.44
12/1/2009	\$ 244,165.86	\$	207,173.07
12/1/2010	\$ 239,915.86	\$	195,659.17
12/1/2011	\$ 240,815.86	\$	188,720.60
12/1/2012	\$ 241,753.36	\$	182,053.76
12/1/2013	\$ 242,728.36	\$	175,646.90
12/1/2014	\$ 243,748.36	\$	169,494.04
12/1/2015	\$ 244,798.36	\$	163,573.88
12/1/2016	\$ 245,878.36	\$	157,876.84
12/1/2017	\$ 241,965.86	\$	149,329.29
12/1/2018	\$ 406,103.36	\$	239,723.28
12/1/2019	\$ 405,622.11	\$	230,198.55
12/1/2020	\$ 285,522.11	\$	156,322.13
12/1/2021	\$ 289,584.61	\$	152,298.11
12/1/2022	\$ 290,009.61	\$	146,563.52
12/1/2023	\$ 315,397.11	\$	153,035.94
12/1/2024	\$ 315,397.11	\$	147,057.92
12/1/2025	\$ 385,397.11	\$	172,364.45
12/1/2026	\$ 381,547.11	\$	163,888.03
12/1/2027	\$ 938,843.29	\$	385,651.68
12/1/2028	\$ 2,672,746.99	\$	1,052,871.10
12/1/2029	\$ 897,700.00	\$	339,670.73
	\$ 10,686,774.17	\$	5,778,382.62

Savings Summary

Present Value of Savings	\$	5,778,382.62
Plus: Refunding funds on hand	\$	9,054.52
Net Present Value Savings	\$	5,787,437.14