Florida Government Finance Officers Association
School of Government Finance

A “Shallow” Dive into Municipal Bonds

Presented by:

PRAG

Matthew Sansbury, Managing Director
Public Resources Advisory Group

Natalie Sidor, Senior Managing Director
Public Resources Advisory Group

October 27, 2025

Introduction

Matthew Sansbury, ***Managing Director***

Mr. Sansbury joined PRAG in 2024 and currently has 23 years of municipal finance experience, a majority of which has been focused on providing municipal advisory or investment banking services to municipal issuers across Florida. Prior to joining PRAG, Mr. Sansbury worked with RBC Capital Markets, Hilltop Securities, Stifel Nicolaus, and Raymond James. Mr. Sansbury assists his clients with their various budgetary and capital financing needs, specifically helping with their issuance of debt, which may include public bond offerings, privately placed bank loans, letters/lines of credit, and other debt financing instruments.

Mr. Sansbury received a B.S. degree in Business Administration from the University of Florida and a M.B.A. degree from the University of South Florida. Mr. Sansbury is registered with his Series 50 (Municipal Advisor Representative) license.

Fun Fact: Matt is a 3rd generation "Gator," who is currently (and reluctantly) assisting his oldest daughter with her application to FSU.

Natalie Sidor, ***Senior Managing Director***

Ms. Sidor, joined PRAG in 2018 and offers Florida municipalities over 20 years of corporate and public finance experience. At PRAG, Ms. Sidor provides client support and transactional advisory services to Florida local governments, agencies, authorities, and special districts. Formerly with Raymond James, Ms. Sidor provided investment banking and municipal advisory services to clients throughout the Southeast and Florida. In addition to her extensive public finance experience, Ms. Sidor also has experience in real estate development and corporate finance.

Ms. Sidor is a founding member of the Florida Chapter of Women in Public Finance, served as the President in 2019 and currently serves as an ex-officio member of the Board. Ms. Sidor received a B.S. degree in Finance and Economics from the University of Tampa. Ms. Sidor also earned an M.B.A. degree from The Wharton School of the University of Pennsylvania. Ms. Sidor is registered with her Series 54 (Municipal Advisor Principal) and Series 50 (Municipal Advisor Representative) licenses.

Fun Fact: Natalie has an 11-year old son who is a nationally ranked clay shooter!

Table of Contents

Section I:

Overview of Municipal Bonds

Speaking the Muni Language

LOL Laugh Out Loud

OTW On The Way

IDK I Don't Know

BFF Best Friend Forever

XO Hugs & Kisses

LMK Let Me Know

DM Direct Message

BTW By The Way

W/O Without

BRB Be Right Back

TYL Talk To You Later

IMO In My Opinion

REAL WORLD

MUNI WORLD

OS Official Statement

TIC True Interest Cost

AMT Alternative Min Tax

P&I Principal & Interest

GO General Obligation

COI Costs of Issuance

MA Municipal Advisor

DC Disclosure Counsel

TE Tax-Exempt

DSC Debt Service Coverage

BPA Bond Purchase Agreement

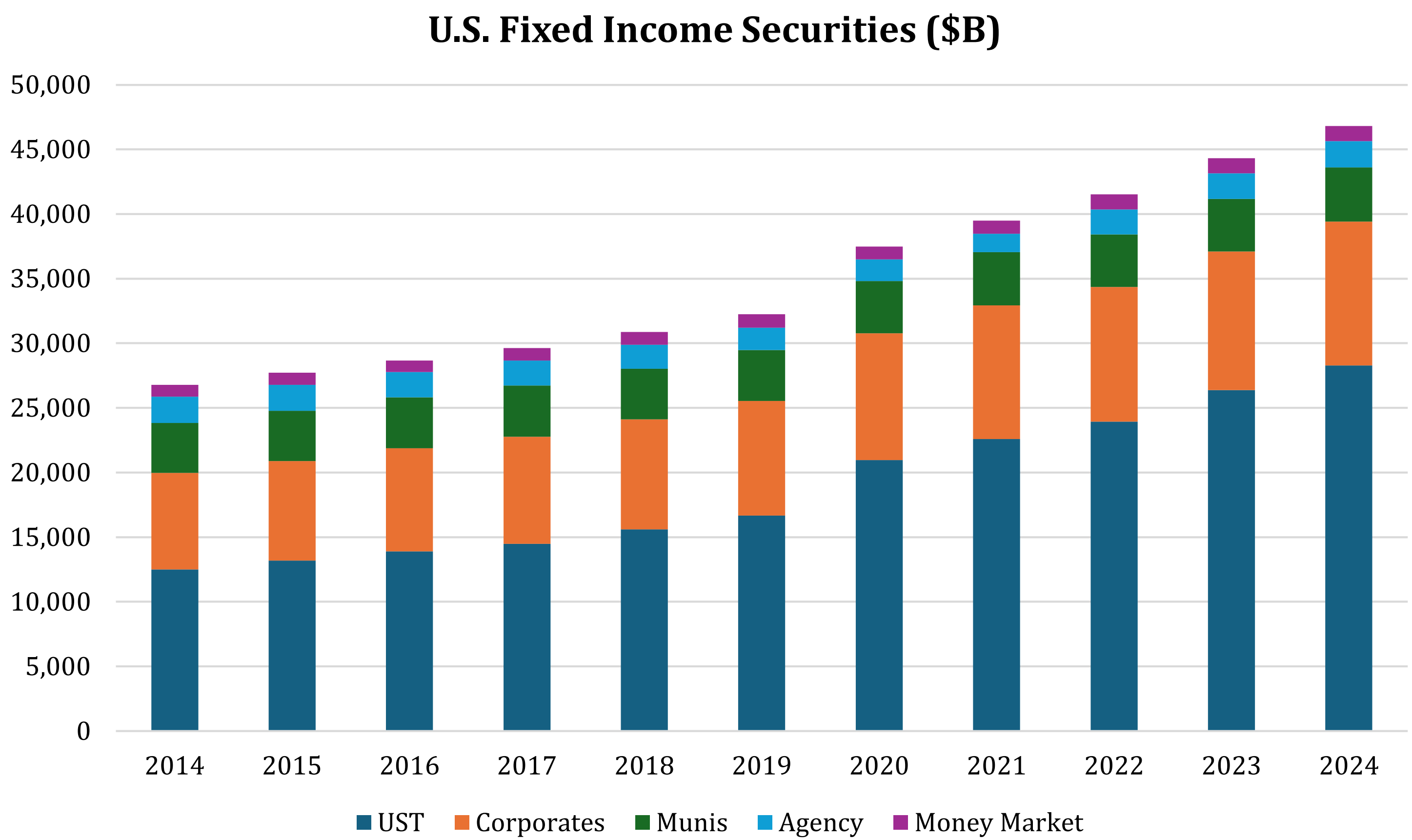
BC Bond Counsel

What is a Municipal Bond?

- A municipal bond is a debt instrument issued by a state, local government, agency or special district
- Municipal bonds can be issued as tax-exempt, taxable, or subject to AMT (private activity bonds)
- Interest earned on ***tax-exempt municipal bonds*** is exempt from federal income tax and, in some cases, state and local income tax; hence, resulting in lower interest rates for state and local government borrowers
- Interest is traditionally paid semi-annually with annual principal payments
- Municipal bonds are typically secured and paid from taxes (e.g., ad valorem taxes, sales tax, gas tax) or user fees (e.g., water and sewer, electric, tolls)
- Commonly used municipal bonds in Florida:
  - General Obligation (property tax / ad valorem – requires voter approval)
  - Revenue (utility, sales tax, tolls, airport, seaport, hospital, university)
  - Covenant to Budget and Appropriate (non-ad valorem)
  - Certificates of Participation (leased back subject to annual appropriation)
- Short-term municipal bonds are referred to as Notes (BANs, TANs, RANs, GANs)
- Municipal bonds can be issued as fixed rate or variable rate (VRDBs, FRNs)

Size of U.S. Municipal Bond Market

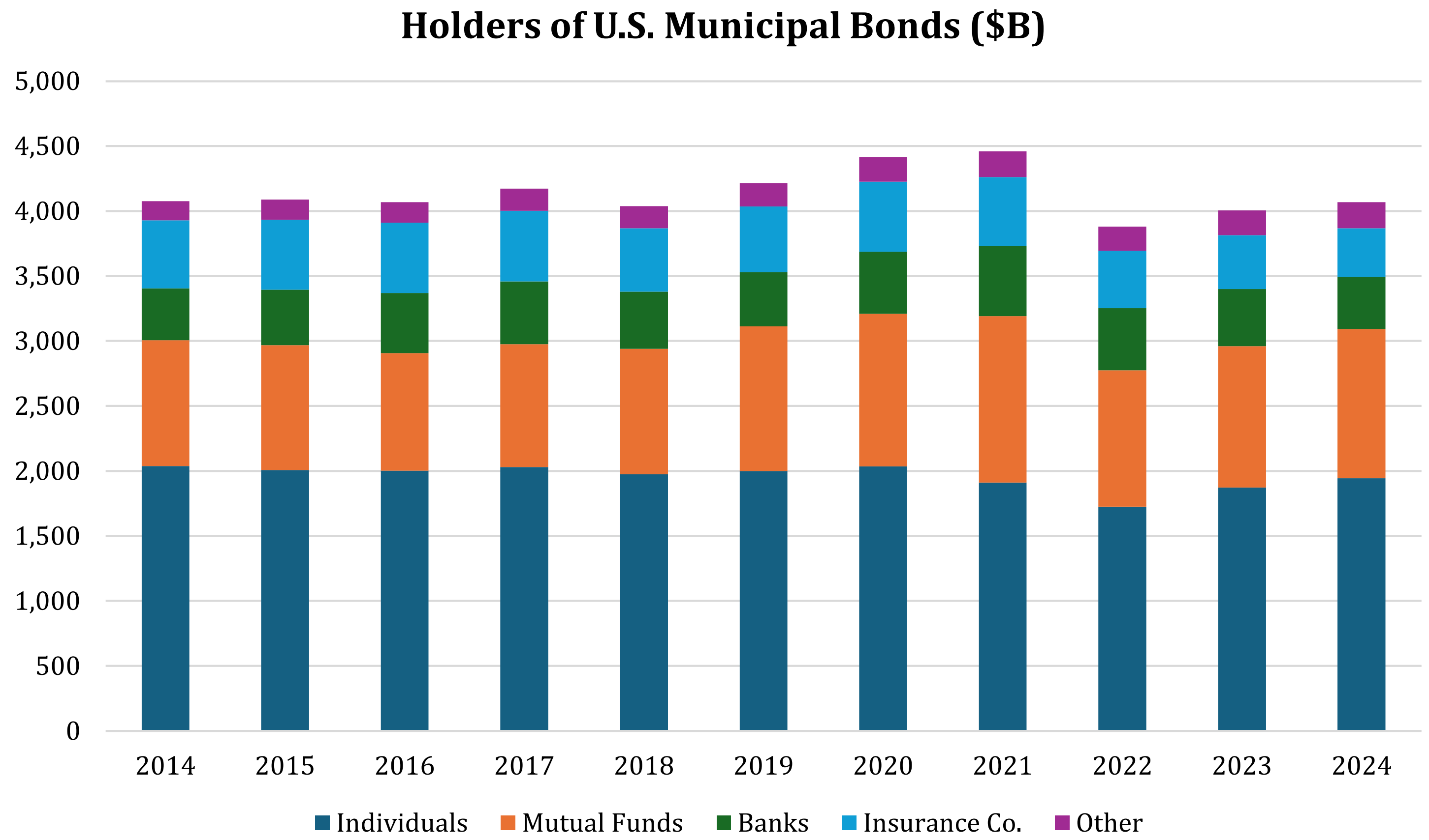
- The U.S. Treasury market ($28.6B) is nearly 7 times the size of the municipal bond market ($4.2B)
- Since 2014, the U.S. Treasury market has grown 129% and the corporate bond market has grown 52%, while the municipal bond market has grown less than 10%



Source: SIFMA

Holders of U.S. Municipal Bonds

- Since 2014, insurance companies have decreased their holdings of U.S. municipal bonds by 28.8% while individuals (which includes households and nonprofits) have decreased their holdings by 4.7%
- Since 2014, mutual funds (which includes ETFs) have increased their holdings by 18.9% and “other” (which includes state/local governments and foreign investors) has increased their holdings by 36.9%



Source: SIFMA

Why Would an Investor Buy Municipal Bonds?

- **Tax Advantage of U.S. Municipal Bonds:**
  - Most municipal bonds are issued as tax-exempt; meaning that investors don't pay federal income tax (and state/local income tax in some cases) on the interest earned from holding these bonds
  - At a 21% corporate tax bracket, a 4.25% tax-exempt bond yields the same as a 5.38% taxable bond

$$\textbf{Tax Equivalent Yield} = \frac{\textbf{Tax-Exempt Yield}}{\textbf{(1 – Tax Bracket)}}$$

$$\textbf{Tax Equivalent Yield} = \frac{\textbf{4.25\%}}{\textbf{[(1 – (0.21)]}}$$

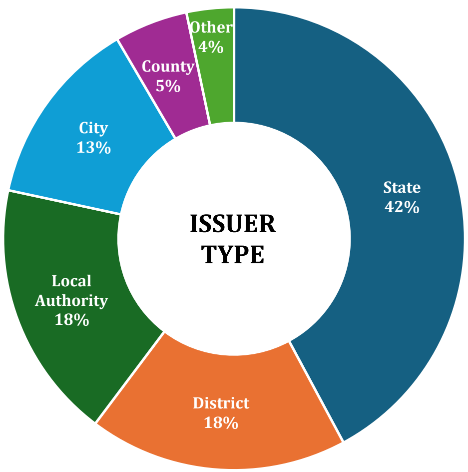
$$\textbf{Tax Equivalent Yield} = \textbf{5.38\%}$$

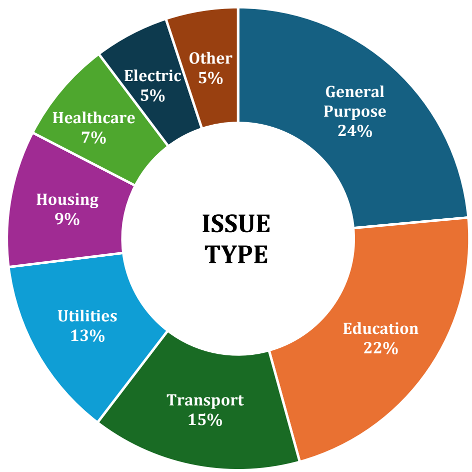
- **Risk Profile:**
  - As an investor or lender, the most important consideration before investing or lending is how likely are you to get your interest and principal back
  - Municipal bonds have historically had a very low level of default
  - 10- and 20-year cumulative default rates for investment grade munis are 0.09% and 0.18%, respectively
  - For investment grade corporate bonds, those same 10- and 20-year cumulative default rates jump to 2.23% and 5.42%, respectively

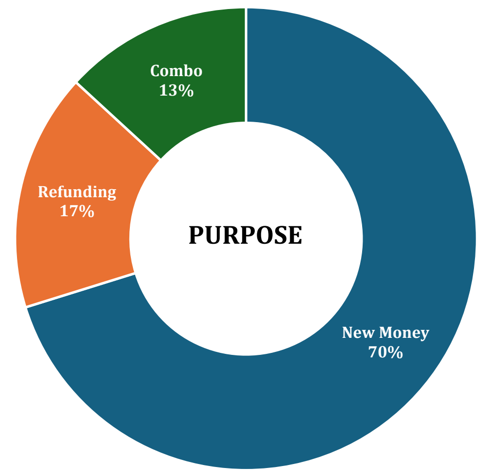
Source: Moody's "U.S. Municipal Bond Defaults and Recoveries, 1970-2022" (July 19, 2023)

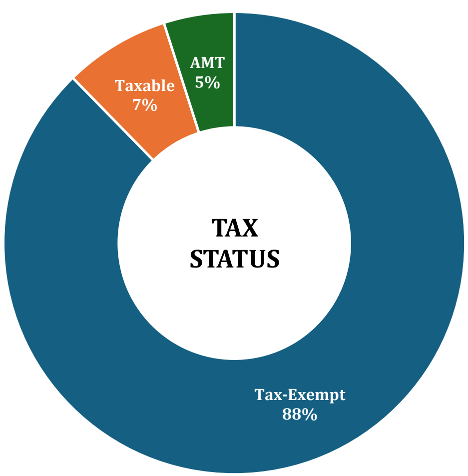
Breakdown of 2024 Bond Issuance

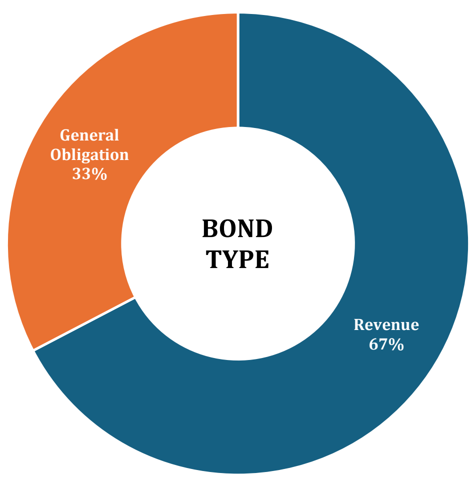
- Over 80,000 state and local issuers across the country with ~$4.2 trillion in outstanding debt; smallest of the three major U.S. bond markets
- $513 billion in issuance in 2024, consisting of:

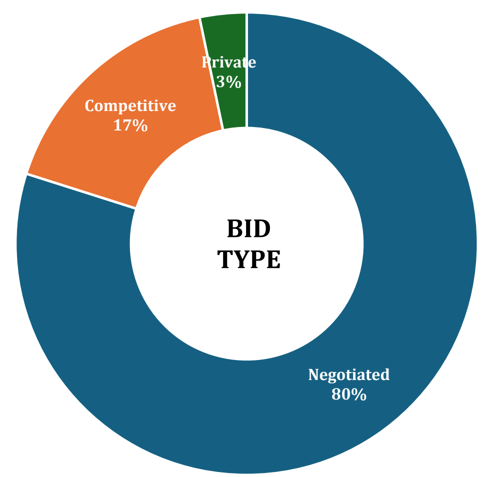












Source: Bond Buyer / SIFMA

Why Would a Municipal Entity Issue Bonds?

- Fund larger capital projects that:
  - Cannot be paid for up-front or on a PAYGO basis
  - Lend themselves to long-term financing given longer useful life:
    - Water and sewer system projects
    - Roads / roadway improvements
    - Government buildings / facilities
    - Parks and recreation
  - Have associated revenues which can be used to support debt service payments

- Municipal debt is <u>NOT</u> used to:
  - Fund ongoing operating expenses
  - Fund operating reserves (except for debt required reserve funds)

	Project Type	Revenues Used	Advantages	Disadvantages
PAYGO	• Smaller projects • Shorter term assets replaced more often (i.e., vehicles; IT equipment)	• Current revenues (Local discretionary sales surtax revenues; state sharing revenues, gas taxes, etc.)	• Interest free	• High upfront cost • Cost borne by current taxpayers; benefit may go to current and future taxpayers
Debt Financed	• Larger projects • Assets with a long useful life (i.e., water and sewer system assets)	• Debt proceeds, with specific revenues pledged to make periodic debt payments	• Lower Upfront Cost • Preserves reserves • Cost borne by current and future taxpayers	• Financing Costs • Reduces Future Financial Flexibility

Process is Dependent on Type & Structure of Debt Issued

Bonds vs. Bank Loans:

- **Bonds:** Bonds offered through an underwriter acting on behalf of the issuer are referred to as "publicly offered." Publicly offered bonds involve the preparation and distribution of a marketing document to prospective purchasers of the bonds.

- **Bank Loans:** Unlike a public offering, a bank loan involves one bank or financial institution lending funds to the borrower for a specific project(s).

Long-Term vs. Short-Term (aka Interim Financing):

- **Long-Term:** Long-term debt can be issued in either bonds or a bank loan. The public markets will generally always allow for 30-year (and longer for some credits) financing while bank loans are generally shorter (10-15 years, sometimes 20 years).

- **Short-Term:** Likewise, short-term debt can be issued as either a bank loan or a public offering. Interim financings are typically later “taken out” with long-term debt.

Fixed Rate vs. Variable Rate:

- Any of the structures above may be issued as fixed or variable rate.

Tax-Exempt vs. Taxable:

- Any of the structures above may be issued as tax-exempt or taxable.

Comparison of Sale and Financing Methods

City of Tampa			
Issue	**Taxable Non-Ad Valorem Revenue Refunding Note**	**Sales Tax Refunding and Improvement Revenue Bonds**	**Special Assessment Revenue Bonds (Stormwater Improvements)**
Par Amount	$45,293,600	$18,640,000	$36,615,000
Credit	Non-Ad Valorem Revenues	Sales Tax Revenues	Stormwater Assessments
Rating (M/S/F)	Non-Rated (bank loan) (parity debt is rated)	Aa3 / AA / AA	Aa2 / NR / NR
Term	9 years	6 years	25 years
Parity Debt	Yes	Yes	Yes
Market Conditions	Relatively stable, but uncertain because of COVID	Strong; Solid investor appetite; Supply not meeting demand	Stable, but rates rising
Major Determinants	Term favored bank loan; strong credit. Risk was limited bank appetite because of COVID.	The debt was short enough that at the time capital markets pricing significantly outperformed the bank market. Known, strong credit and straightforward structure lent itself to a competitive issue.	The credit and single rating favor a negotiated issue. Investors may have questions which could be easily addressed by an underwriter; in a competitive issue may choose not to bid rather than do the credit work.
Recommended Structure	Bank Loan	Competitive Sale	Negotiated Sale

Comparison of Sale and Financing Methods

Hillsborough County			
Issue	**Community Investment Tax Refunding Revenue Bonds**	**Solid Waste and Resource Recovery Refunding Revenue Bonds (AMT / Non-AMT)**	**Capacity Assessment Special Assessment Refunding Revenue Bonds**
Par Amount	$139,215,000	$115,690,000	$42,835,000
Credit	Infrastructure Sales Tax	Solid Waste	Special Assessments
Rating (F/M/SP)	AA/Aa/AA	A+/A1/AA+	Non-Rated (bank loan) (prior debt rated A/A1/A+)
Term	10 years	18 years	6 years
Parity Debt	Yes	No	No
Market Conditions	Relatively Stable	Potentially Volatile (Pre-Election)	Relatively Stable
Major Determinants	Known credit and strong ratings favored competitive sale; while the term worked for a bank loan the size and the existence of parity debt favored a bond issue.	The debt was too long for an efficient bank loan and the AMT component and market conditions favored a negotiated sale.	The size and term favored a bank loan. While the credit rating was lower than usual for the County, PRAG believed that banks would be comfortable with the underlying pool of special assessments.
Recommended Structure	Competitive Sale	Negotiated Sale	Bank Loan

Summary of Debt Issuance Process

Planning/ Initial Steps

Issuer / borrower develops its CIP and determines the need for capital financing

Engage municipal advisor

Evaluate CIP/ project needs, cash flow capacity, budget impacts, sources and uses of funds, debt funding options

Engage other financing team and assign responsibilities

Develop preliminary plan of finance and timetable

Debt Structuring & Sale

Finalize plan of finance, including type of debt, structure, estimated debt service, associated tax/ rate increases

Develop legal documents

Receive credit ratings *(if applicable)*

Receive governing body approvals

Pre-market *(if applicable)*

Marketing and pricing

Closing & Post-Issuance

Preparation of closing documents

Execute closing documents (pre-closing)

Receive funds (closing)

Invest / spend bond proceeds

Continuing disclosure

Arbitrage rebate

Debt Issuance Participants

Working Group Members (Any Debt Issuance)

- Issuer
  - ✓ Governing Body
  - ✓ City Manager, County Administrator, County Clerk
  - ✓ CFO, Director of Finance, Budget Director
  - ✓ Issuer's Counsel
  - ✓ Other (i.e., Director of Utilities)
- Municipal Advisor
- Bond Counsel

+ Other Working Group Members (Bond Issues)

- Disclosure Counsel
- Underwriters
- Underwriter's Counsel
- Registrar / Paying Agent / Trustee
- POS / OS Electronic Publisher
- Disclosure Dissemination Agent (i.e. DAC)
- Bond Insurer (if needed)

+ Other Working Group Members (Bank Loans)

- Lender
- Lenders Counsel

+ Other Participants (For Select Debt Issuances)

- Refundings – Escrow Agent, Verification Agent
- Utility Debt – Engineer; Rate Consultant
- Project Based Debt – Feasibility Consultant
- Complex / Special Use Debt – Special Tax Counsel

Role of Municipal Advisor

- Once a government has identified necessary capital projects and created a CIP, a municipal advisor assists in evaluating appropriate funding options for the project
  - Pay-Go / Cash
  - Debt
  - Outside Funding (i.e., Grants)

- If debt financing will be a source of funding for the project and/or CIP, the municipal advisor helps to determine the appropriate financing and repayment structure
  - Source of Security
  - Type of Debt / Sales Method
  - Term / Maturity
  - Prepayment Options
  - Timing
  - Referendum / Legal Requirements
  - New and/or Increases in Taxes or User Rates Required to Support the Debt

- These financings can be time consuming and staff still has regular, ongoing work responsibilities; the municipal advisor acts as the **quarterback** of the debt transaction, guiding the financing process downfield in an effort to alleviate the burden on staff as much as possible

Section II:

Debt Issuance Process – Bonds

Why Issue Publicly Offered Bonds?

- Long-term bonds generally work for:
  - **Large Projects**:
    - Capital markets can accommodate very large financings; banks' lending limits are typically lower than what is available through the capital markets.
  - **Long Maturity Date**:
    - Capital markets can accommodate issues with a 30-year (or longer) maturity date; while many banks are comfortable lending within 5-10 years, fewer banks go 15-20 years; beyond a 20-year final maturity there is a limited number of banks who will lend.
      - Maturity may be based on the useful life of the asset being financed or availability of revenues to support the debt service required to finance the project.
      - Most often, final maturity is based on a combination of the useful life and the available revenues.
  - **Complex Credits**:
    - Capital markets investors are accustomed to reviewing "story credits," and doing credit analysis required for complex credits. Generally, banks prefer traditional, straightforward credits.

Bonds: Issuance Process

Various elements to the process (some simultaneous); municipal advisor guides the process

Coordinate Team and Timing

- ☑ Issuer, Municipal Advisor, Bond Counsel, Disclosure Counsel, *Underwriters and Underwriters' Counsel (if negotiated sale)*
- ☑ Financing schedule
- ☑ Distribution list

Structuring and Analysis

- ☑ Develop plan of finance
- ☑ Credit structure
- ☑ Type of financing vehicle
- ☑ Security structure and legal provisions
- ☑ Amortization structure
- ☑ Redemption features

Document Preparation

- ☑ Authorizations
- ☑ Preliminary Official Statement ("POS")
- ☑ Bond Purchase Agreements ("BPA")
- ☑ Finalize bond documents for POS

Credit Ratings

- ☑ Develop rating strategy
- ☑ Rating presentations

Marketing / Pricing Competitive Sale

- ☑ Develop bid parameters in Notice of Sale ("NOS")
- ☑ Survey potential bidders
- ☑ Coordinate pre-bid process (i.e., good faith deposit, pre-bid forms)
- ☑ Receive and verify bids
- ☑ Restructure bonds if necessary
- ☑ Review bond allocations

Marketing / Pricing Negotiated Sale

- ☑ Investor presentation
- ☑ Review pricing comparables & market conditions
- ☑ Monitor order flow
- ☑ Negotiate coupons, yields, redemption features, takedowns, etc.
- ☑ Structure bonds based on final coupons, yields
- ☑ Review bond allocations

Pre-Closing and Closing

- ☑ Review bond documents
- ☑ Review/prepare closing wiring and settlement instructions

Post-Closing Evaluation

- ☑ Monitor performance, including secondary market trades
- ☑ Post-sale compliance

Bonds: Financing Timeline

- A "typical" municipal bond issuance takes approximately 90 days from start to finish

January 2026						
S	M	T	W	R	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February 2026						
S	M	T	W	R	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March 2026						
S	M	T	W	R	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

Date	Activity	Parties
01/02/26	Working Group Kickoff Call	All
01/12/26	Distribute First Draft of Bond Resolution	BC
01/16/26	Initial Comments Due on Bond Resolution	All
01/20/26	Distribute First Draft of POS	DC
01/23/26	Initial Comments Due on POS	All
02/06/26	Distribute Updated Financing Documents	BC, DC
02/09/26	Distribute Financing Documents to Rating Agencies	MA
02/17/26	Meetings with Rating Agencies	City, MA, UW
02/20/26	Agenda Deadline for Adoption of Bond Resolution	City, BC, DC
02/24/26	Receive Credit Ratings	City, MA, UW
02/26/26	City Council Meeting to Adopt Bond Resolution	City, BC, DC
03/02/26	Due Diligence Call	All
03/03/26	Print POS	DC
03/11/26	Price Bonds	City, MA, UW
03/25/26	Pre-Closing	All
03/27/26	Closing	All

Bonds: Working Group Members & Their Responsibilities

Bond Counsel

- Works for the issuer; represents interests of bondholders
- Analyzes the legality of the project and security structure
- Facilitates preparation of bond documents (resolutions/ indentures)
- Issues two legal opinions (legal and tax)
- Facilitates preparation of closing documents

Disclosure Counsel

- Works for the issuer; represents bondholders interest
- Assists with preparation of the POS, OS and CDA
- Assists with due diligence process
- Assists with continuing disclosure compliance and development of disclosure policies and procedures

Underwriter

- Purchases bonds from issuer for resale to investors
- Helps develop financing structure
- Reviews and comments on documents
- Performs marketing activities to investors
- Typically commits capital to buy unsold bonds

Underwriter's Counsel

- Works for the underwriter
- Assists the underwriter in meeting its legal responsibilities
- Reviews and comments on bond and disclosure documents
- Typically prepares the Bond Purchase Agreement (BPA) and manages the underwriter's due diligence process

Bonds: Structuring Considerations

- Term: What is the final maturity of the issue? Typically, up to 30 years; can be longer depending on the useful life of the asset being financed

- Prepayment Provisions: At what point, prior to maturity can the bonds be prepaid or refinanced? 10-year optional call (can be shorter) is typical; some bonds are issued non-callable.

- Ratings / Insurance: What are the credit ratings on the bonds? Do the bonds benefit from bond insurance? Most bonds are rated; fewer are insured

- Source of Security: What revenues are pledged to pay annual debt service?

- Pricing: Pricing is guided by general market conditions, and further informed by the bond maturity structure, prepayment provision, source of security, and ratings of the issue

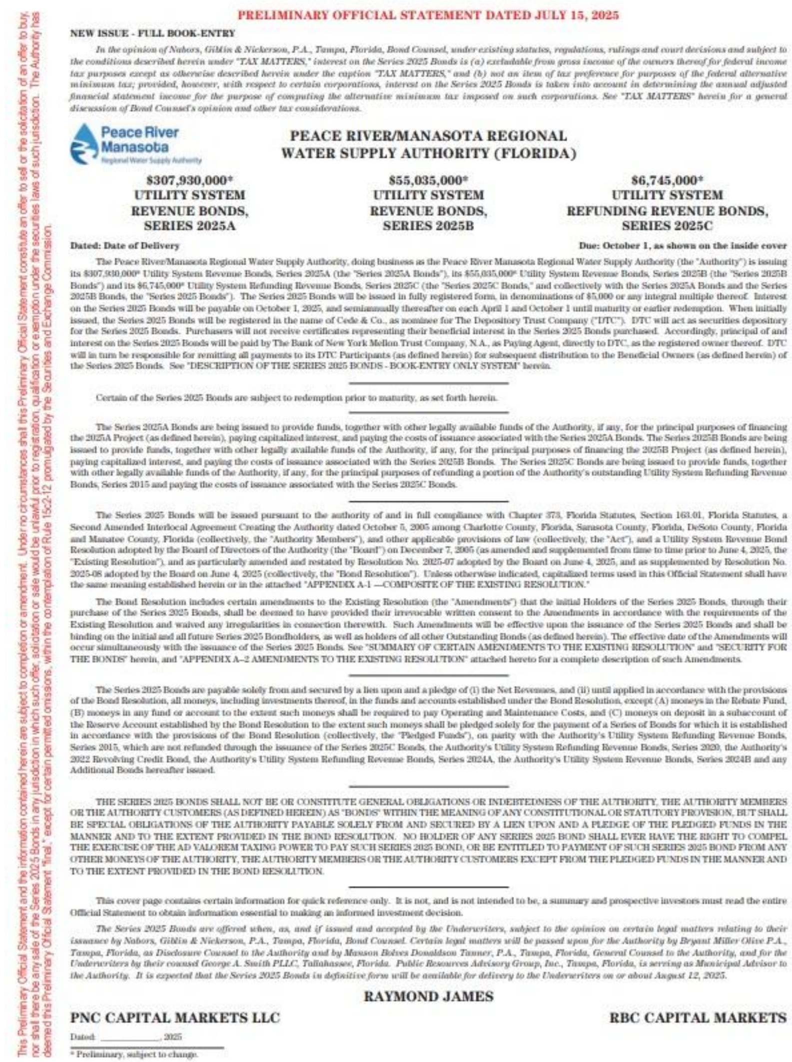
Bonds: Rating Considerations

- Number of Ratings: How many ratings should I obtain for a specific bond issue? What factors should I take into account to determine the appropriate number of ratings?
- Rating Agencies: Which rating agencies should I use on a specific bond issue? What criteria should I use in selecting rating agencies?
- Rating Strategy: What is my strategy for obtaining the highest possible credit ratings?
- Rating Communications/ Presentation: What is the overall key messaging and our unique story to the rating agencies? Who should relay this message and be involved in the rating presentations?

S&P	Moody's	Fitch	Meaning and Color
AAA	Aaa	AAA	Prime
AA+	Aa1	AA+	High Grade
AA	Aa2	AA	
AA-	Aa3	AA	
A+	A1	A+	Upper Medium Grade
A	A2	A	
A-	A3	A-	
BBB+	Baa1	BBB+	Lower Medium Grade
BBB	Baa2	BBB	
BBB-	Baa3	BBB-	
BB+	Ba1	BB+	Non Investment Grade Speculative
BB	Ba2	BB	
BB-	Ba3	BB-	
B+	B1	B+	Highly Speculative
B	B2	B	
B-	B3	B-	
CCC+	Caa1	CCC+	Substantial Risks
CCC	Caa2	CCC	Extremely Speculative

Bonds: Documentation

- Bond Documents
  - Resolutions / Ordinances / Indentures
  - Loan / Credit / Financing Agreements
  - Escrow Agreements / Redemption Notices
- Disclosure Documents
  - **Preliminary Official Statement – Marketing**
  - Final Official Statement – Update to POS to Include Pricing Results
  - Continuing Disclosure Agreement – Ongoing Issuer Obligations
- Underwriting Documents
  - Bond Purchase Agreement
- Closing Documents
- Opinions (Bond Counsel, Issuer's Counsel, Disclosure Counsel, Underwriter's Counsel, Trustee's Counsel)



This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2025 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of such jurisdiction. The Authority has deemed this Preliminary Official Statement "final," except for certain permitted omissions, within the contemplation of Rule 15c2-12 promulgated by the Securities and Exchange Commission.

PRELIMINARY OFFICIAL STATEMENT DATED JULY 15, 2025

NEW ISSUE - FULL BOOK-ENTRY

In the opinion of Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel, under existing statutes, regulations, rulings and court decisions and subject to the conditions described herein under "TAX MATTERS," interest on the Series 2025 Bonds is (a) excludable from gross income of the owners thereof for federal income tax purposes except as otherwise described herein under the caption "TAX MATTERS," and (b) not an item of tax preference for purposes of the federal alternative minimum tax; provided, however, with respect to certain corporations, interest on the Series 2025 Bonds is taken into account in determining the annual adjusted financial statement income for the purpose of computing the alternative minimum tax imposed on such corporations. See "TAX MATTERS" herein for a general discussion of Bond Counsel's opinion and other tax considerations.

PEACE RIVER/MANASOTA REGIONAL WATER SUPPLY AUTHORITY (FLORIDA)

$307,930,000* UTILITY SYSTEM REVENUE BONDS, SERIES 2025A	$55,035,000* UTILITY SYSTEM REVENUE BONDS, SERIES 2025B	$6,745,000* UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2025C

Dated: Date of Delivery **Due: October 1, as shown on the inside cover**

The Peace River/Manasota Regional Water Supply Authority, doing business as the Peace River Manasota Regional Water Supply Authority (the "Authority") is issuing its $307,930,000* Utility System Revenue Bonds, Series 2025A (the "Series 2025A Bonds"), its $55,035,000* Utility System Revenue Bonds, Series 2025B (the "Series 2025B Bonds") and its $6,745,000* Utility System Refunding Revenue Bonds, Series 2025C (the "Series 2025C Bonds," and collectively with the Series 2025A Bonds and the Series 2025B Bonds, the "Series 2025 Bonds"). The Series 2025 Bonds will be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof. Interest on the Series 2025 Bonds will be payable on October 1, 2025, and semiannually thereafter on each April 1 and October 1 until maturity or earlier redemption. When initially issued, the Series 2025 Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). DTC will act as securities depository for the Series 2025 Bonds. Purchasers will not receive certificates representing their beneficial interest in the Series 2025 Bonds purchased. Accordingly, principal of and interest on the Series 2025 Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., as Paying Agent, directly to DTC, as the registered owner thereof. DTC will in turn be responsible for remitting all payments to its DTC Participants (as defined herein) for subsequent distribution to the Beneficial Owners (as defined herein) of the Series 2025 Bonds. See "DESCRIPTION OF THE SERIES 2025 BONDS - BOOK-ENTRY ONLY SYSTEM" herein.

Certain of the Series 2025 Bonds are subject to redemption prior to maturity, as set forth herein.

The Series 2025A Bonds are being issued to provide funds, together with other legally available funds of the Authority, if any, for the principal purposes of financing the 2025A Project (as defined herein), paying capitalized interest, and paying the costs of issuance associated with the Series 2025A Bonds. The Series 2025B Bonds are being issued to provide funds, together with other legally available funds of the Authority, if any, for the principal purposes of financing the 2025B Project (as defined herein), paying capitalized interest, and paying the costs of issuance associated with the Series 2025B Bonds. The Series 2025C Bonds are being issued to provide funds, together with other legally available funds of the Authority, if any, for the principal purposes of refunding a portion of the Authority's outstanding Utility System Refunding Revenue Bonds, Series 2015 and paying the costs of issuance associated with the Series 2025C Bonds.

The Series 2025 Bonds will be issued pursuant to the authority of and in full compliance with Chapter 373, Florida Statutes, Section 163.01, Florida Statutes, a Second Amended Interlocal Agreement Creating the Authority dated October 5, 2005 among Charlotte County, Florida, Sarasota County, Florida, DeSoto County, Florida and Manatee County, Florida (collectively, the "Authority Members"), and other applicable provisions of law (collectively, the "Act"), and a Utility System Revenue Bond Resolution adopted by the Board of Directors of the Authority (the "Board") on December 7, 2005 (as amended and supplemented from time to time prior to June 4, 2025, the "Existing Resolution"), and as particularly amended and restated by Resolution No. 2025-07 adopted by the Board on June 4, 2025, and as supplemented by Resolution No. 2025-08 adopted by the Board on June 4, 2025 (collectively, the "Bond Resolution"). Unless otherwise indicated, capitalized terms used in this Official Statement shall have the same meaning established herein or in the attached "APPENDIX A-1 —COMPOSITE OF THE EXISTING RESOLUTION."

The Bond Resolution includes certain amendments to the Existing Resolution (the "Amendments") that the initial Holders of the Series 2025 Bonds, through their purchase of the Series 2025 Bonds, shall be deemed to have provided their irrevocable written consent to the Amendments in accordance with the requirements of the Existing Resolution and waived any irregularities in connection therewith. Such Amendments will be effective upon the issuance of the Series 2025 Bonds and shall be binding on the initial and all future Series 2025 Bondholders, as well as holders of all other Outstanding Bonds (as defined herein). The effective date of the Amendments will occur simultaneously with the issuance of the Series 2025 Bonds. See "SUMMARY OF CERTAIN AMENDMENTS TO THE EXISTING RESOLUTION" and "SECURITY FOR THE BONDS" herein, and "APPENDIX A–2 AMENDMENTS TO THE EXISTING RESOLUTION" attached hereto for a complete description of such Amendments.

The Series 2025 Bonds are payable solely from and secured by a lien upon and a pledge of (i) the Net Revenues, and (ii) until applied in accordance with the provisions of the Bond Resolution, all moneys, including investments thereof, in the funds and accounts established under the Bond Resolution, except (A) moneys in the Rebate Fund, (B) moneys in any fund or account to the extent such moneys shall be required to pay Operating and Maintenance Costs, and (C) moneys on deposit in a subaccount of the Reserve Account established by the Bond Resolution to the extent such moneys shall be pledged solely for the payment of a Series of Bonds for which it is established in accordance with the provisions of the Bond Resolution (collectively, the "Pledged Funds"), on parity with the Authority's Utility System Refunding Revenue Bonds, Series 2015, which are not refunded through the issuance of the Series 2025C Bonds, the Authority's Utility System Refunding Revenue Bonds, Series 2020, the Authority's 2022 Revolving Credit Bond, the Authority's Utility System Refunding Revenue Bonds, Series 2024A, the Authority's Utility System Revenue Bonds, Series 2024B and any Additional Bonds hereafter issued.

THE SERIES 2025 BONDS SHALL NOT BE OR CONSTITUTE GENERAL OBLIGATIONS OR INDEBTEDNESS OF THE AUTHORITY, THE AUTHORITY MEMBERS OR THE AUTHORITY CUSTOMERS (AS DEFINED HEREIN) AS "BONDS" WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISION, BUT SHALL BE SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY A LIEN UPON AND A PLEDGE OF THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION. NO HOLDER OF ANY SERIES 2025 BOND SHALL EVER HAVE THE RIGHT TO COMPEL THE EXERCISE OF THE AD VALOREM TAXING POWER TO PAY SUCH SERIES 2025 BOND, OR BE ENTITLED TO PAYMENT OF SUCH SERIES 2025 BOND FROM ANY OTHER MONEYS OF THE AUTHORITY, THE AUTHORITY MEMBERS OR THE AUTHORITY CUSTOMERS EXCEPT FROM THE PLEDGED FUNDS IN THE MANNER AND TO THE EXTENT PROVIDED IN THE BOND RESOLUTION.

This cover page contains certain information for quick reference only. It is not, and is not intended to be, a summary and prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Series 2025 Bonds are offered when, as, and if issued and accepted by the Underwriters, subject to the opinion on certain legal matters relating to their issuance by Nabors, Giblin & Nickerson, P.A., Tampa, Florida, Bond Counsel. Certain legal matters will be passed upon for the Authority by Bryant Miller Olive P.A., Tampa, Florida, as Disclosure Counsel to the Authority and by Manson Bolves Donaldson Tanner, P.A., Tampa, Florida, General Counsel to the Authority, and for the Underwriters by their counsel George A. Smith PLLC, Tallahassee, Florida. Public Resources Advisory Group, Inc., Tampa, Florida, is serving as Municipal Advisor to the Authority. It is expected that the Series 2025 Bonds in definitive form will be available for delivery to the Underwriters on or about August 12, 2025.

RAYMOND JAMES

PNC CAPITAL MARKETS LLC **RBC CAPITAL MARKETS**

Dated: ____________, 2025

* Preliminary, subject to change.

Bonds: Sales Method

- **Competitive**
  i. Issuer (with municipal advisor and/or bond counsel) prepares Notice of Sale (NOS) describing parameters under which bids must be submitted
  ii. On established date/time, underwriters submit bids; the firm offering the bid with the lowest true interest cost is awarded the bonds
  iii. Winning bidder sells bonds to investors at prices reflected in the bid

- **Negotiated**
  i. Issuer selects an underwriter or underwriting syndicate through an RFP process
  ii. Book running senior manager assists the issuer in structuring and marketing the bonds
  iii. Underwriting team, lead by senior manager, sells the bonds, with the issuer and municipal advisor negotiating the pricing of the bonds

Competitive Sale Characteristics	Negotiated Sale Characteristics
Highly rated credits	Lower rated/non-rated credits/conduit bonds
Stable market conditions	“Story” credits
Standard security pledge	Volatile market conditions
Customary bond structure	Innovative security structure
Established entities	Unusual bond structure
Frequent issuers	New entities
Political considerations	Infrequent issuers
Legal considerations	Political considerations

Competitive Bonds: Pricing Process

Prior to Sale

- After the NOS and POS have been released, the following information is reviewed:
  - Comparable issues in market (coupons, yields, spreads, takedowns, call)
  - Forward economic and issuance calendars
  - Historical MMD and U.S. Treasuries and ratios
  - Municipal bond fund inflows /outflow trends
- Municipal advisor reviews bidder list and speaks with underwriting desks to confirm underwriters' intentions to place bids on pricing date

On the Day of Sale

- Bids are due at a time certain
- Bids are instantly compiled and ranked by the bidding platform; the winner is identified
- Municipal advisor confirms that the bid results are accurate and conform to bid parameters
- Issuer and municipal advisor call the winning bidder to award the bonds

After Bond Sale

- Post-award process (on day of pricing): municipal advisor and winning bidder finalize cash flows
- Closing process (after day of pricing): finalize documentation; fund/close

Competitive Bonds: Pricing Process

- Bidding is electronic/ internet based
- Bidders (broker-dealer underwriters) indicate ahead of time that they plan to submit a bid
- Bids are due at a time certain on a set pricing date
- Bids are instantly compiled and ranked by the bidding platform, and the winner is identified
- Municipal advisor confirms that the bid results are accurate and conform to the bid parameters
- Municipal advisor and the Issuer call the winning bidder to award the deal

- Post-award process (pricing day)
  - Finalize numbers
  - Good faith deposit wired by underwriter
- Closing process: finalize documentation; fund/close

The following bids were submitted using ***PARITY***® and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
☑ Reoffering	J.P. Morgan Securities LLC	4.171473
☐	BofA Securities	4.176292
☐	Raymond James & Associates, Inc.	4.180634
☐	Jefferies LLC	4.182487
☐	KeyBanc Capital Markets	4.185255
☐	Mesirow Financial, Inc.	4.189109
☐	Wells Fargo Bank, National Association	4.190007
☐	RBC Capital Markets	4.201174
☐	HilltopSecurities	4.205073
☐	TD Securities	4.299612
☐	Robert W. Baird & Co., Inc.	4.314807
☐	Citigroup Global Markets Inc.	4.358338

Negotiated Bonds: Pricing Process

Prior to Sale

- Before the bond sale, the following information is reviewed:
  - Comparable bond issues in market
  - Forward economic and issuance calendars
  - Historical Municipal Market Data (MMD) and U.S. Treasuries and ratios
  - Municipal bond fund inflows/outflow trends
  - Issuer's historical pricings
  - Secondary market trades of the issuer's bonds
- Senior manager requests price views from the underwriting team
- Municipal advisor speaks with underwriting desks to obtain market intelligence

On the Day of Sale

- Develop an initial offering scale
- Negotiate preliminary pricing scale
- Monitor the market to determine progress during the order period
  - Issuer and municipal advisor view and monitor real-time orders through Ipreo
- Adjust coupons, yields, call features and principal amortization, as necessary, based on order flow and market conditions
- Issuer agrees to the final pricing and terms by giving the verbal award

After Bond Sale

- Bonds allotted to the underwriting syndicate based on the priority of orders
- After the account is closed, the senior manager will announce that the bonds are "free to trade" in the secondary market
- Pricing is evaluated based on secondary market trades, investor breakdown, spread to MMD vs. historical transactions and comparables

Negotiated Bonds: Pricing Process

	Preliminary Pricing				
Maturity	**Principal**	**Coupon**	**MMD**	**Spread**	**Yield**
10/1/2026	$2,930,000	5.00%	2.52%	0.15	2.67%
10/1/2027	$2,375,000	5.00%	2.53%	0.20	2.73%
10/1/2028	$2,290,000	5.00%	2.57%	0.22	2.79%
10/1/2029	$2,385,000	5.00%	2.62%	0.24	2.86%
10/1/2030	$2,510,000	5.00%	2.69%	0.28	2.97%
10/1/2031	$5,850,000	5.00%	2.73%	0.33	3.06%
10/1/2032	$8,110,000	5.00%	2.76%	0.37	3.13%
10/1/2033	$8,520,000	5.00%	2.81%	0.41	3.22%
10/1/2034	$5,300,000	5.00%	2.89%	0.45	3.34%

- In a negotiated pricing, the underwriter provides a proposed initial marketing scale based on the daily "MMD" scale to the issuer and municipal advisor
- The underwriter will answer questions of the issuer and municipal advisor and make adjustments to the scale, if needed
- The underwriter releases the scale to the market, opening the order period for the bonds

Muni Benchmark Rates
MMD (as of March 10, 2025)

Tenor	Year	MMD
1	2026	2.52%
2	2027	2.53%
3	2028	2.57%
4	2029	2.62%
5	2030	2.69%
6	2031	2.73%
7	2032	2.76%
8	2033	2.81%
9	2034	2.89%
10	2035	2.96%
11	2036	2.99%
12	2037	3.05%
13	2038	3.10%
14	2039	3.18%
15	2040	3.29%
16	2041	3.40%
17	2042	3.52%
18	2043	3.63%
19	2044	3.75%
20	2045	3.80%
21	2046	3.88%
22	2047	3.92%
23	2048	3.94%
24	2049	3.96%
25	2050	3.98%
26	2051	4.00%
27	2052	4.02%
28	2053	4.03%
29	2054	4.04%
30	2055	4.05%

Negotiated Bonds: Pricing Process

	Preliminary Pricing					Order Details	
Maturity	**Principal**	**Coupon**	**MMD**	**Spread**	**Yield**	**Investor Orders**	**Subscription**
10/1/2026	$2,930,000	5.00%	2.52%	0.15	2.67%	$0	0.0x
10/1/2027	$2,375,000	5.00%	2.53%	0.20	2.73%	$7,875,000	3.3x
10/1/2028	$2,290,000	5.00%	2.57%	0.22	2.79%	$6,870,000	3.0x
10/1/2029	$2,385,000	5.00%	2.62%	0.24	2.86%	$7,255,000	3.0x
10/1/2030	$2,510,000	5.00%	2.69%	0.28	2.97%	$10,315,000	4.1x
10/1/2031	$5,850,000	5.00%	2.73%	0.33	3.06%	$14,800,000	2.5x
10/1/2032	$8,110,000	5.00%	2.76%	0.37	3.13%	$30,245,000	3.7x
10/1/2033	$8,520,000	5.00%	2.81%	0.41	3.22%	$35,785,000	4.2x
10/1/2034	$5,300,000	5.00%	2.89%	0.45	3.34%	$27,475,000	5.2x
Total	**$40,270,000**					**$140,620,000**	**3.5x**

- A negotiated order period typically lasts 2 to 3 hours
- During the order period, the underwriter(s) collects orders from interested investors. The investors specify the maturity and par amount of bonds they are interested in purchasing
- At the end of the order period, the underwriter compiles a listing of all orders received by maturity, which is presented to the issuer and municipal advisor for review

Negotiated Bonds: Pricing Process

	Preliminary Pricing					Order Details		Final Pricing		
Maturity	Principal	Coupon	MMD	Spread	Yield	Investor Orders	Subscription	Spread	Yield	Spread Adj
10/1/2026	$2,930,000	5.00%	2.52%	0.15	2.67%	$0	0.0x	0.15	2.67%	0.00
10/1/2027	$2,375,000	5.00%	2.53%	0.20	2.73%	$7,875,000	3.3x	0.17	2.70%	(0.03)
10/1/2028	$2,290,000	5.00%	2.57%	0.22	2.79%	$6,870,000	3.0x	0.19	2.76%	(0.03)
10/1/2029	$2,385,000	5.00%	2.62%	0.24	2.86%	$7,255,000	3.0x	0.21	2.83%	(0.03)
10/1/2030	$2,510,000	5.00%	2.69%	0.28	2.97%	$10,315,000	4.1x	0.25	2.94%	(0.03)
10/1/2031	$5,850,000	5.00%	2.73%	0.33	3.06%	$14,800,000	2.5x	0.31	3.04%	(0.02)
10/1/2032	$8,110,000	5.00%	2.76%	0.37	3.13%	$30,245,000	3.7x	0.34	3.10%	(0.03)
10/1/2033	$8,520,000	5.00%	2.81%	0.41	3.22%	$35,785,000	4.2x	0.38	3.19%	(0.03)
10/1/2034	$5,300,000	5.00%	2.89%	0.45	3.34%	$27,475,000	5.2x	0.41	3.30%	(0.04)
Total	**$40,270,000**					**$140,620,000**	**3.5x**			

- Based on the number and type of orders by maturity, the underwriter proposes no change, a reduction, or an increase in pricing spreads by maturity

- If the order book cannot be completed by investors, the underwriter may underwrite the remaining bonds (i.e., purchase them with firm capital for their own internal accounts) and sell them off over time

Bonds: Closing / Funding

<u>After Pricing / Before Closing:</u>

- Bond counsel ensures that all conditions precedent to closing are met; bond counsel drafts and coordinates various closing documents, certificates, and opinions.

- The Final Official Statement ("OS") is published after the sale of the bonds. The OS substantially identical to the POS but reflects the final pricing terms of the Bonds.

<u>At the Pre-Closing Meeting:</u>

- The financing team reviews the various documentation and confirms that the conditions precedent to closing have been met and that the parties are ready to close.

<u>On the Closing Date:</u>

- The Senior Underwriter wires the sale proceeds to the issuer or a representative of the issuer to be held in escrow subject to confirmation of close.

- Bond counsel confirms that all parties in interest and counsel are ready to close and release their opinions.

- After confirmation that all are ready to close, the senior underwriter typically connects the Depository Trust Company ("DTC") by conference call to close the transaction.

Bonds: Post Closing Responsibilities

- **Maintain compliance with IRS regulations:**
  - Spending bond proceeds
  - Investing bond proceeds
  - Monitoring use of assets (taxable & non-taxable uses)
  - Arbitrage rebate
- **Manage bond funds, escrows and make debt service payments**
- **Continuing disclosure compliance over the life of bonds**
  - Establish policies and procedures to ensure timely filing and compliance with Continuing Disclosure Agreement
  - Consider third-party dissemination agent to assist with disclosures

Section III:

Debt Issuance Process – Bank Loans

Why Issue a Bank Loan?

- Bank loans generally work for:
  - **Projects that Require Funding Quickly**
    - The process to obtain a bank loan is faster and easier than a bond issue
  - **Smaller to Medium Sized Projects**:
    - From ~$1 million to $50 million financing size is a good bank loan candidate
    - Larger deals can be done, but fewer providers
    - Very large bank loans could need a consortium of banks to get done
  - **Short- to Medium-Term Maturity Date**:
    - Many banks are comfortable lending within 5-10 years, fewer banks go 15-20 years; beyond a 20-year final maturity there is a limited number of banks who will lend. With a more limited lender base, the issuer may end up paying a higher interest rate.
    - Projects with an expected life appropriate to the loan maturity
      - Equipment / Firetrucks / Other Vehicles
      - Refunding of Prior Long-Term Debt
  - **Straightforward Credits**

Bank Loans: Issuance Process

Various elements to the process (some simultaneous); municipal advisor guides the process
Key differences vs. bonds - No ratings, no disclosure document, RFP process for "pricing"

Coordinate Team and Timing
- ☑ Issuer, Municipal Advisor, Bond Counsel, Bank, Bank's Counsel (typically added to financing team after RFP process)
- ☑ Financing schedule
- ☑ Distribution list

Structuring and Analysis
- ☑ Develop plan of finance
- ☑ Credit structure
- ☑ Security structure and legal provisions
- ☑ Amortization structure
- ☑ Redemption features

Selection of Lender
- ☑ Typically, RFP process coordinated by Municipal Advisor
- ☑ Other methods of Lender selection may be used depending on Issuer's requirements
- ☑ Lender selects Lender's Counsel

Document Preparation
- ☑ Authorizations
- ☑ Loan Agreement
- ☑ Other bank documents

Governing Body Approval
- ☑ Receive approval of loan issuance and loan documents by issuer's governing body

Pricing
- ☑ Typically, immediately after governing body approval is received (within 1-2 days)
- ☑ Rate is often based upon the rate provided in the RFP response, which is held by the bank as agreed in the RFP
- ☑ Rate is sometimes based upon a formula which is locked after approval

Pre-Closing and Closing
- ☑ Review loan documents
- ☑ Review/ prepare closing wiring and settlement instructions

Post-Closing Evaluation
- ☑ Post-sale compliance as outlined in lending documents

Bank Loans: Financing Timeline

- A “typical” municipal bank loan takes approximately 60 days from start to finish

January 2026						
S	M	T	W	R	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

February 2026						
S	M	T	W	R	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

Date	Activity	Parties
01/02/26	Working Group Kickoff Call	All
01/07/26	Release Bank Loan RFP	MA
01/12/26	Distribute First Draft of Bond Resolution	BC
01/16/26	Initial Comments Due on Bond Resolution	All
01/28/26	Bank Loan RFP Responses Due	MA
01/29/26	Review/Summarize Bank Loan RFP Responses	City, MA, BC
01/30/26	Select Bank Loan Provider	City, MA
02/06/26	Distribute Loan Agreement and Updated Bond Resolution	BC
02/20/26	Agenda Deadline for Adoption of Bond Resolution / Loan Agreement	City, BC
02/24/26	City Council Meeting to Adopt Resolution / Loan Agreement	City, BC
02/24/26	Pre-Closing	All
02/26/26	Closing	All

Bank Loans: Working Group Members & Their Responsibilities

Loan Counsel

- Works for the issuer; represents interests of bondholders
- Analyzes the legality of the project and security structure
- Facilitates preparation of loan documents (resolutions/ indentures)
- Issues two legal opinions (legal and tax)
- Facilitates preparation of closing documents

Lender

- Uses bank's balance sheet to make a loan to the borrower
- Helps develop financing structure and terms
- Reviews and comments on documents

Lender's Counsel

- Works for the lender
- Assists the lender in meeting its legal responsibilities
- Reviews and comments on loan documents

Bond Counsel = **Loan Counsel**

Bank Loans: Structuring Considerations

- Term: What is the final maturity of the issue? Typically up to 15 years; 10-years most common
  - A handful of banks are willing to offer 20 or 25-year fixed rates for loans with certain characteristics

- Prepayment Provisions: At what point prior to maturity can the loan be prepaid or refinanced? Ranges from a make-whole call with a prepayment penalty to a par call anytime without penalty.
  - More flexible prepayment provisions are more costly.

- No Ratings/Insurance: Bank loans do not require ratings or insurance. Often prohibited by Lender so that Lender can treat the transaction as a loan versus a security.

- Source of Security: What revenues are pledged to pay annual debt service?

- Pricing: Reflects a lender's cost of funds plus a spread. Pricing less transparent than public bond issuance. Pricing is dictated by market conditions, term, prepayment provisions, and source of security.

Bank Loans: Documentation

- Loan Documents
  - Resolutions / Ordinances / Indentures
  - Loan / Credit / Financing Agreements
  - Escrow agreements / redemption notices
- No Disclosure Documents Required
- No Underwriting Documents Required
- Closing Documents
- Opinions (Bond Counsel, Bank’s Counsel, Trustee’s Counsel)

Bank Loans: Closing / Funding

- In many ways similar to closing and funding of a publicly offered bond, but simpler:
  - There are typically fewer parties to coordinate with;
  - The loan rate is set (the “Pricing”) as agreed upon in the documents – may be fixed or variable rate
  - Once documents are signed, the bank is in position to fund the loan / wires funds to the issuer on the agreed upon closing date.
  - There is no need to include DTC in the process

Bank Loans: Post Closing Responsibilities

- Same as discussed previously with respect to publicly offered bonds, but with one major exception, because bank loans are not federal securities, there are no ongoing continuing disclosure obligations as it relates to the bank loan.
- However, it must be noted that issuers who have publicly offered bonds likely have continuing disclosure obligations with respect to the previously issued public offered bonds, which require disclosure of the bank loan and certain covenants therein.
- In addition, the bank may require their own continuing disclosure obligations as a requirement of the loan
- The same arbitrage rules apply to all types of tax-exempt debt.

Section IV:

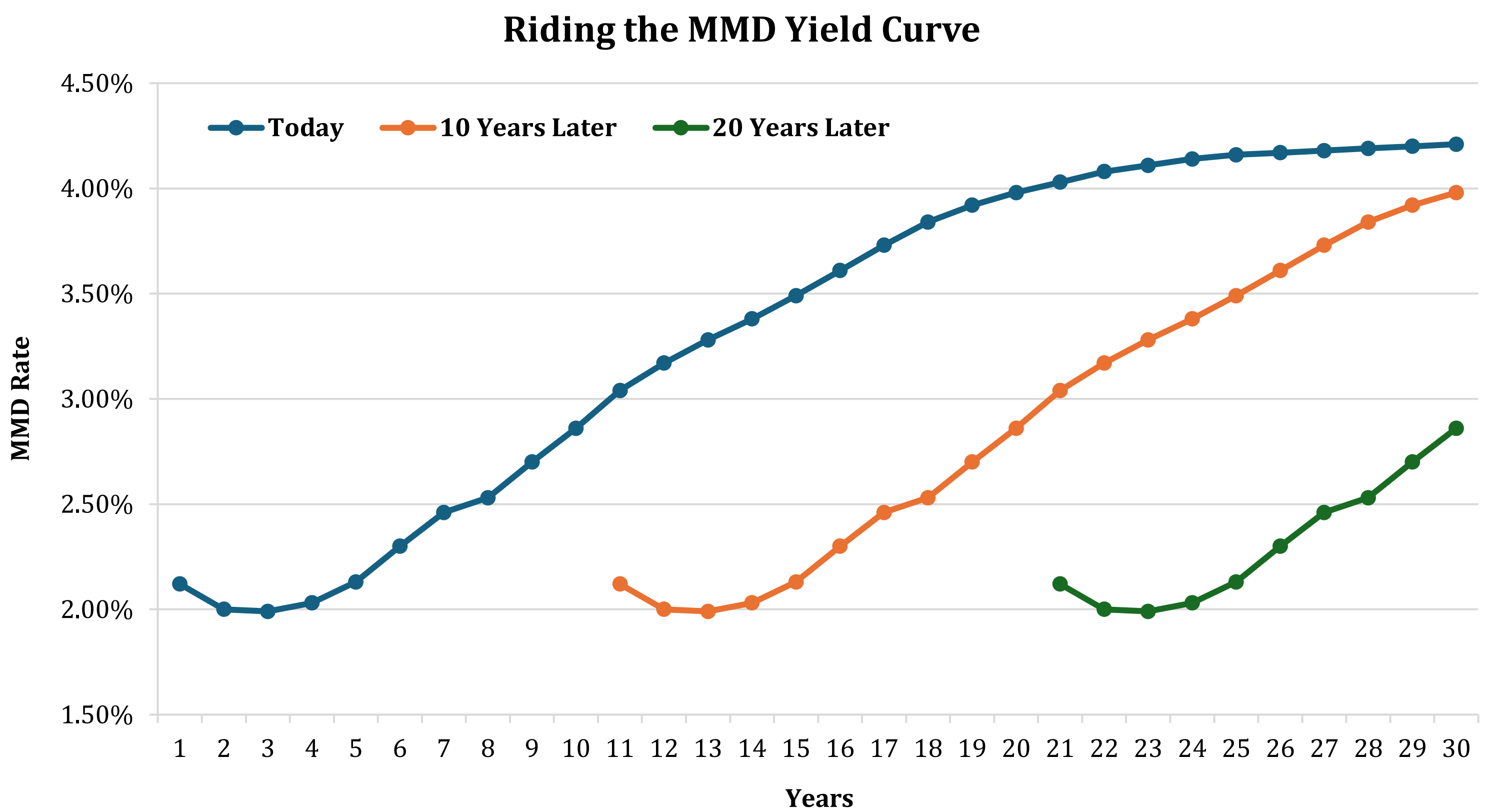
Identifying Refunding Opportunities

Factors Impacting Refunding Opportunities

- Optional redemption (option) and call price
- Coupon rates (bonds) or interest rate (bank loan)
- Principal / par amount outstanding
- Final maturity
- Tax status
- Current market yields
- Credit rating changes
- Unspent bond or bank loan proceeds
- Guaranteed investment contracts or other derivative products requiring breakage
- Debt service reserve funding required

Time Presents Opportunities

- Even if interest rates were to never change, refundings can make sense due to the shape of the yield curve



Evaluating a Debt Portfolio for Refunding Opportunities

Series	Principal Outstanding	Debt Type	Tax Status	Coupon (Outstanding)	Maturity Range (Outstanding)	Call Date	Final Maturity	Use of Proceeds

Utility System

Series	Principal Outstanding	Debt Type	Tax Status	Coupon (Outstanding)	Maturity Range (Outstanding)	Call Date	Final Maturity	Use of Proceeds
2016	43,010,000	Fixed	Tax-Exempt	3.00-5.00%	2021-2030	10/01/2025	10/01/2030	Advance Refunding
2022	262,750,000	Fixed	Tax-Exempt	4.00%-5.25%	2023-2042	10/01/2032	10/01/2052	New Money
2023	50,000,000	Fixed	Taxable	4.11%	2024-2026	Non-Callable	10/01/2026	Taxable Refunding
	$355,760,000							

Transportation

Series	Principal Outstanding	Debt Type	Tax Status	Coupon (Outstanding)	Maturity Range (Outstanding)	Call Date	Final Maturity	Use of Proceeds
2014	75,000,000	Fixed	Tax-Exempt	2.25% -4.75%	2021-2022	10/01/2024	10/01/2034	New Money
2015	180,075,000	Fixed	Tax-Exempt	2.00-5.00%	2021-2030	10/01/2025	10/01/2037	Advance Refunding
2018	8,190,000	Fixed	Tax-Exempt	5.00%	2021-2025	Non-Callable	10/01/2025	Refunding/Term. Swap
2020	120,945,000	Fixed	Taxable	0.550-2.050%	2021-2031	Non-Callable	10/01/2031	Advance Refunding
	$384,210,000							

General Fund

Series	Principal Outstanding	Debt Type	Tax Status	Coupon (Outstanding)	Maturity Range (Outstanding)	Call Date	Final Maturity	Use of Proceeds
2013B	3,745,000	Fixed	Taxable	2.777-4.640%	2024-2026	Anytime MWC	10/01/2026	Advance Refunding
2014	77,310,000	Fixed	Tax-Exempt	5.000%	2024-2034	10/01/2024	10/01/2034	Advance Refunding
2016A	60,845,000	Fixed	Tax-Exempt	3.000-5.000%	2024-2040	10/01/2026	10/01/2040	Advance Refunding
2016B	43,430,000	Fixed	Tax-Exempt	2.250-5.000%	2024-2030	10/01/2026	10/01/2030	Advance Refunding
2017A	93,395,000	Fixed	Tax-Exempt	3.000-5.250%	2024-2047	10/01/2027	10/01/2047	Advance Refunding
2018	36,485,000	Fixed	Tax-Exempt	5.000%	2024-2038	10/01/2028	10/01/2038	New Money
2019A	121,500,000	Fixed	Tax-Exempt	5.000%	2024-2039	10/01/2029	10/01/2039	New Money/Refunding
2019B	45,535,000	Fixed	Tax-Exempt	5.000%	2026-2030	10/01/2026	10/01/2030	Current Refunding
2020A	95,350,000	Fixed	Tax-Exempt	4.000-5.000%	2024-2050	10/01/2030	10/01/2050	New Money/Refunding
2020B	8,485,000	Fixed	Tax-Exempt	5.000%	2024-2027	Non-Callable	10/01/2027	New Money/Refunding
2020C	90,620,000	Fixed	Taxable	0.393-2.766%	2024-2041	10/01/2030	10/01/2041	New Money/Refunding
2021A	81,000,000	Fixed	Tax-Exempt	3.000-5.000%	2024-2041	10/01/2031	10/01/2041	New Money
2022A	114,865,000	Fixed	Tax-Exempt	5.000%	2024-2032	Non-Callable	10/01/2032	Refunding
2022B	27,848,800	Fixed	Taxable	2.770%	2024-2041	Anytime MWC	10/01/2041	New Money
2022C	97,685,000	Fixed	Tax-Exempt	5.000-5.250%	2024-2037	10/01/2032	10/01/2037	New Money
2023A	255,925,000	Fixed	Tax-Exempt	5.000-5.500%	2024-2053	10/01/2033	10/01/2053	New Money/Refunding
2023B	27,135,000	Fixed	Tax-Exempt	5.000%	2024-2026	Non-Callable	10/01/2026	Refunding
	$1,281,158,800							

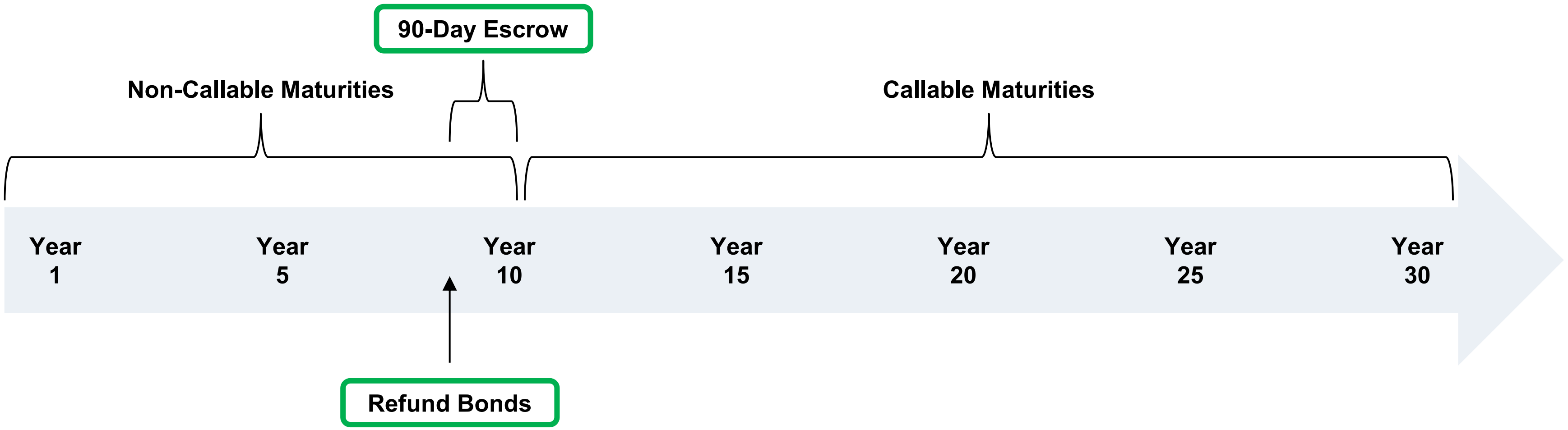
Notes

Series	Principal Outstanding	Debt Type	Tax Status	Coupon (Outstanding)	Maturity Range (Outstanding)	Call Date	Final Maturity	Use of Proceeds
CP	$26,600,000	Variable	Tax-Exempt	2.050%	2022	Anytime	-	Project Funding
	$26,600,000							

Type of Refunding: Current Refunding

Current Refunding

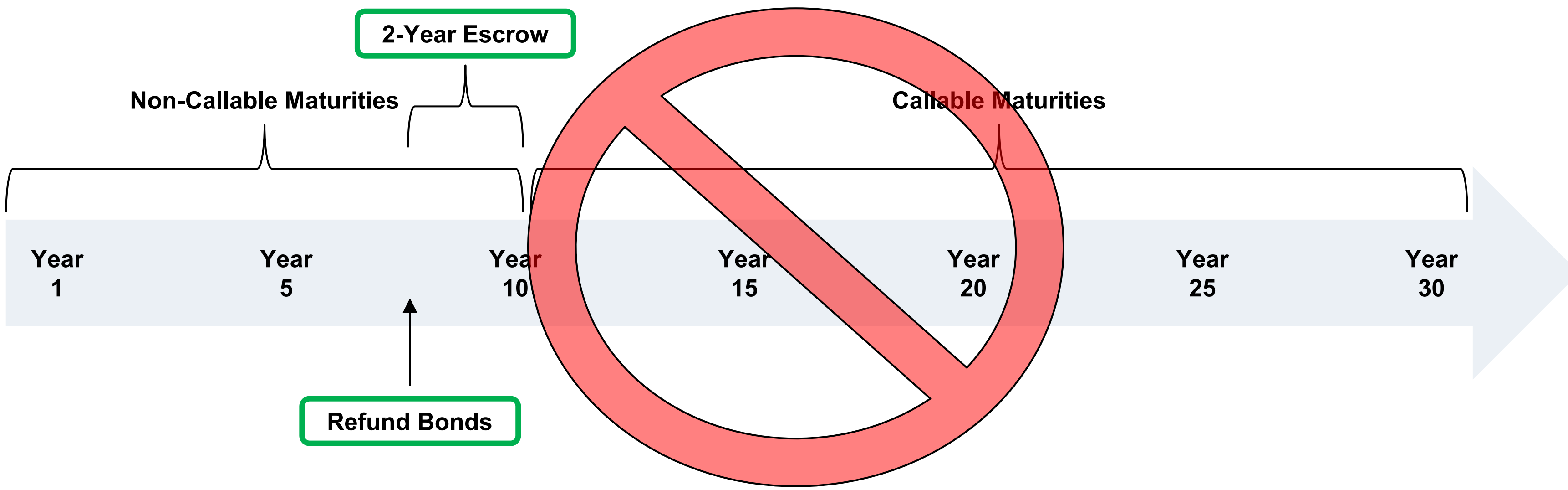
- Issue tax-exempt or taxable refunding debt within 90 days of call date
- Proceeds can be deposited into an escrow until the call date
- Short escrow efficiency depending on short-term investment rates
- Conditional call notice, if available, may help shorten the typical minimum 30-day escrow requirement
- Value of call option diminishes after call date



Type of Refunding: Tax-Exempt Advance Refunding

Tax-Exempt Advance Refunding

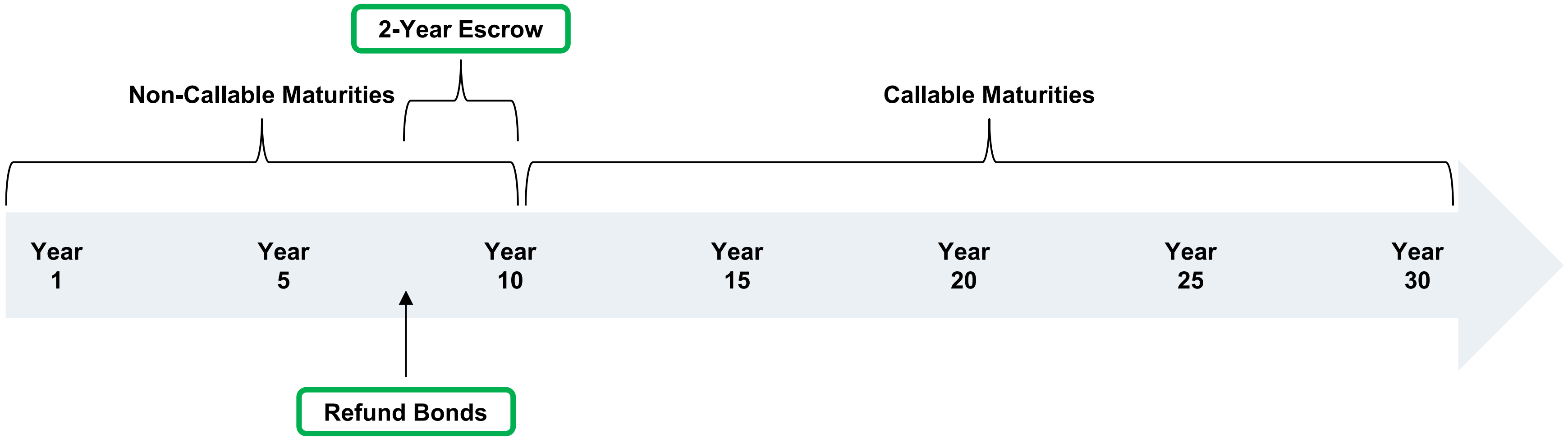
- Issue tax-exempt refunding debt more than 90 days prior to the call date and deposit proceeds into an escrow that, along with investment earnings, will pay off all interest and principal payments through the call date and all remaining principal thereafter
- **Tax-exempt advance refundings were eliminated by the 2017 Tax Act (no more than one tax-advantaged bond or loan can be outstanding for the same issuance)**
- Continues to be attempts to bring tax-exempt advance refundings back, but nothing imminent on the horizon



Type of Refunding: Taxable Advance Refunding

Taxable Advance Refunding

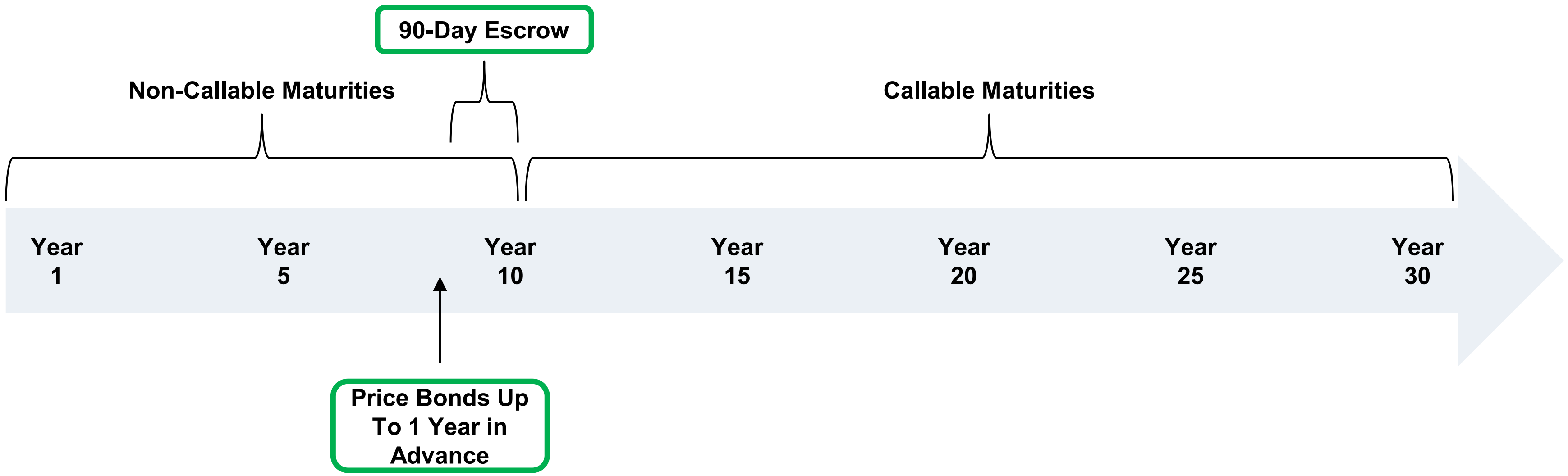
- Issue taxable refunding debt more than 90 days from call date and deposit proceeds into an escrow that, along with investment earnings, would pay off all interest and principal payments through call date and all remaining principal thereafter
- Taxable advance refundings can be used on both outstanding tax-exempt and taxable debt
- Many taxable advance refundings were completed from 2018-2022 when taxable rates were near historical lows



Type of Refunding: Tax-Exempt Forward Refunding

Tax-Exempt Forward Refunding

- Sell bonds today at current market rates with delivery and funding scheduled within 90 days of the call date so that bonds are considered current (not advance) refunding bonds
- Investors require a forward premium for locking-in rates today with delayed delivery of the bonds until closer to the call date
- Eliminates any negative arbitrage in the escrow
- Requires more in-depth documentation at initial pricing and upon delivery of the bonds
- Potential implications if issuer is not able to deliver/close on the bonds

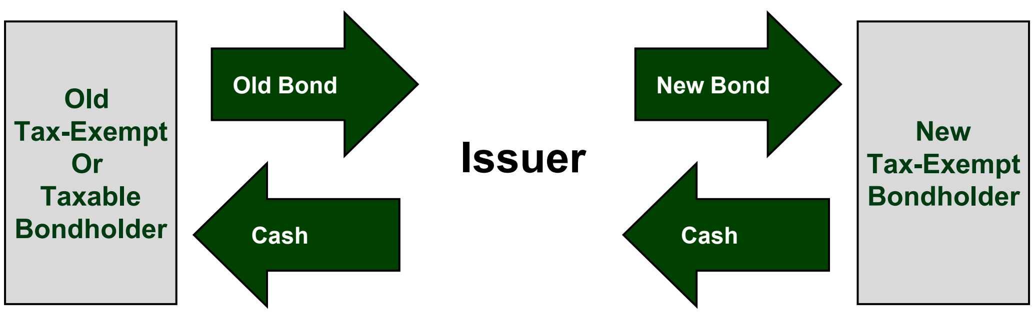


Type of Refunding: Tender Offer with Refinancing

Tender Offer with Refinancing

- An offer to repurchase existing bonds for cash, funded with a new tax-exempt issue
- Participation is flexible since the holder can choose to participate in tender, but is not required to buy new issue, or vice versa
- Accounting treatment not a factor for outstanding taxable refunding bonds if issued at par
- New issue execution risk can be mitigated by making the tender contingent on the success of the tax-exempt refinancing issue

Tender Mechanics



Section V:

Closing Remarks

Closing Remarks

The debt issuance process is involved and includes many different parties…some suggestions:

Don't

- Become overwhelmed
- Delay

Do

- Develop clear objectives
- Communicate with elected officials
- Engage a team of professionals early and use your hired professionals for guidance…..ask questions!!
  - Municipal advisor
  - Bond counsel
  - Disclosure counsel
  - Rate consultants / Engineer (if needed, project dependent)
- Finalize financing plan and execute

Why did the municipal bond change its career?

It just lost interest!