

Executive Water Finance Board

Hypothetical Interest Rate Exercise

Scenario #1

Water Revenue Bonds

Issued by a Local Water District with a AA/AA+ Underlying Rating

To deliver \$300 million in construction proceeds

With a 30 year amortization

Level debt service

Under current market conditions

Using 5.0% coupons

\$4.50 per \$1,000 for underwriter's fee

All other costs of issuance total \$500,000

Surety Bond in place of a debt service reserve fund at a cost of 4% of the reserve fund requirement

Scenario #2

Same as above

Guaranteed by the State of Utah (AAA/Aaa/AAA ratings)

Constitutional Amendment