

# Restructuring the VWD Interfund Acquisition Loan

Board of Directors Meeting

April 6, 2021

# The Restructuring

- Reduce the annual repayment of principal and interest during the five-year rate plan.
- Lower the interest rate from 4.5% to 2.55% as this lower rate is what the Agency would be charged today if it were going to market to refinance this loan.
- Extend the life of the loan by 5 years.
- Caps debt service payments at \$4,242,281 vs the current annual debt service of \$4,717,595.

# The Benefit of Restructuring the VWD Interfund Acquisition Loan

- Reduce the fixed monthly legacy debt charge by \$4.55 for  $\frac{3}{4}$ " meter connection service (From \$11.05 to \$6.05 per month).
- Realize cost savings to Valencia Division customers totaling more than \$9.2 in interest over the life of the loan.