# Prior Debt

- Summary of prior debt:
  - $21,090,000 Series 2007A principal (4.00%-5.25% interest rate on remaining debt, unlimited general obligation pledge)
  - $11,175,000 Series 2007B principal & ~$4,626,441 accrued interest remains outstanding (7.00% interest rate, 63.541 mill levy cap)
  - $7,030,974 in Reimbursement Advance principal & ~$7,500,000 accrued interest remains outstanding (7.00% interest rate)
- There were no funds available to fund future infrastructure
- 2007As would have been repaid by 2037
- 2007Bs would have been repaid by 2054
- Reimbursement obligations would have been on the balance sheet for decades beyond that
- Mill levy would be ~78 mills through 2019, then ~63.541 mills through repayment of debt (50+ years)

# New Bonds

- Summary of 2018 Refunding Bonds:
    - $28,855,000 Series 2018A principal (3.84% true interest cost, 78.725 mill levy cap) and $1,233,023.15 in premium
    - $8,325,000 Series 2018 B principal (6.375% interest rate, 78.725 mill levy cap)
    - $6,473,000 Series 2018 C principal (7.85% interest rate, 50 mill levy cap)
    - $8,000,000 Series 2018 D principal (7.85% interest rate, 50 mill levy cap) drawn down as C is paid down
- Total existing senior debt (2007A) is $21.1mm and subordinate debt (2007B) is $15.7mm – the refunding senior debt is $28.8mm and subordinate (2018B) debt is $8.3mm -- shifting more debt to the senior level which has a lower interest rate
- The additional 16 wells to be drilled within the District boundaries which more than doubles the Assessed Value of the District
- Projected Debt and Mill Levy reductions:
    - Given the existing assessed value of the District and 24 oil and gas wells
    - 2018A and 2018Bs repaid by 2047
    - 2018C repaid by 2022 and 2018D by 2037
    - Mill levy would be ~78 mills until 2019, then dropping steadily to ~55 mills in 2026 and then to ~46 mills in 2037 through 2047 (see graph on last page)

# Refunding – Updates since March Board

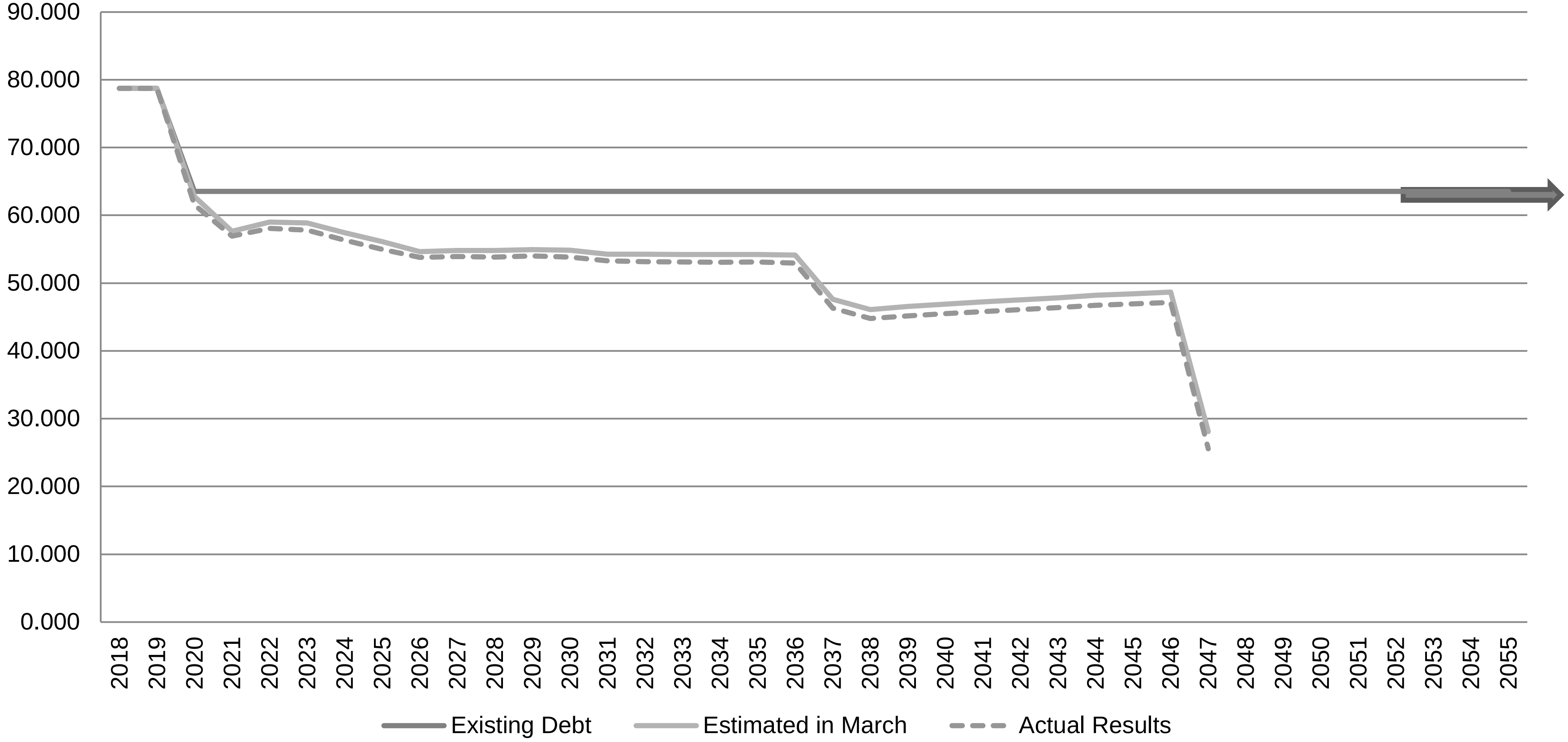
- No significant changes have been made to the structure of refunding since first discussed in November
- All changes have been positive for the District:
  - Lower interest rate on the senior bond projected (3.8% realized versus 4.2% estimated in November and 3.9% estimated in March)
  - Lower interest rate on the 2018B subordinate bond (6.375% realized versus 7.00% projected)
  - Reduces projected mill levy slightly (by about 0.5 -1.0 mills depending on the year) – see mill levy graph

# Comparison of Actual results:

| | Current Debt (as of 3/12/18 for accrued totals) | Refunding Model (as of Dec 2017) | Actual Results |
|---|---|---|---|
| Senior Par | $21.1mm | $26.0mm | $28.9mm |
| Premium | N/A | $2.6mm | $1.2mm |
| Subordinate Par/ Accrued | $15.7mm | $8.5mm (no accrued) | $8.3mm (no accrued) |
| Total Debt | $36.8mm | $37.4mm (including premium) / $34.8mm (without) | $38.4mm (including premium) / $37.2mm (without) |
| Rates | 5.25% 2007A \| 7.00% 2007B \| 7.00% Sub Obligations | 4.20% 2018A \| 7.00% 2018B \| 7.85% 2018 C/D | 3.84% 2018A \| 6.375% 2018B \| 7.85% 2018 C/D |
| Blended Rate | ~6.25% | ~5.35% | 4.57% (NEIR) |
| Year Debt is Retired | Sub Obligations never show repayment | 2047 | 2047 |

Chart does not include the 2018 C and 2018D bonds for comparative purposes (since the 2018 A and B are refunding the 2007 A and B)

# Projected Debt Service Mill Levies




* Under the Existing Debt projected mill levy, the 63.541 mills would continue to be imposed past 2055 until all debt is repaid