

CITY COUNCIL MEETING  
JULY 8, 1988 7:00 A.M.

Y.

ALTERNATIVE FUNDING  
PLANS PRESENTED FOR  
THE EXPANSION OF  
WHITE SLOUGH WATER  
TREATMENT PLANT

cc-51(f)  
CC-190

The following funding alternatives for the expansion of the White Slough Water Treatment Plant, were presented by City Manager Peterson for City Council review. A lengthy discussion followed regarding the subject alternatives with questions being directed to staff.

On motion of Council Member Hinchman, Olson second, the City Council approved Seidler-Fitzgerald City of Lodi 1988 Wastewater Treatment Plant Expansion Project Financing Alternative "C", as shown above. The motion carried by unanimous vote of all Council Members present.

JUL 06 '88  
City Manager's Office

CITY OF LODI  
1988 WASTEWATER TREATMENT PLANT EXPANSION PROJECT  
FINANCING ALTERNATIVES  
JUNE 15, 1988

Financing Alternatives

|                                   | <u>A</u>            | <u>B</u>            | <u>C</u>            |
|-----------------------------------|---------------------|---------------------|---------------------|
| Project Costs                     | \$10,931,000        | \$10,931,030        | \$10,931,000        |
| City Contribution to Project      | <-0->               | <1,000,000>         | <2,000,000>         |
| Net Project to be Financed        | 10,931,000          | 9,931,000           | 8,931,000           |
| Date of Financing                 | 7/27/88             | 7/27/88             | 7/27/88             |
| Land Acquisition                  | 2/1/89              | 2/1/89              | 2/1/89              |
| Construction Period               | 20 mos.             | 20 mos.             | 20 mos.             |
| Start                             | 5/1/89              | 5/1/89              | 5/1/89              |
| End                               | 1/1/91              | 1/1/91              | 1/1/91              |
| Type of Financing                 | Cert. of Part.      | Cert. of Part.      | Cert. of Part.      |
| Rating                            | Unrated             | Unrated             | Unrated             |
| Average Interest Rate             | 8.25%               | 8.25%               | 8.25%               |
| Life of Issue                     | 30 yrs.             | 30 yrs.             | 30 yrs.             |
| Principal Amount                  | \$11,495,000        | 610,345,000         | \$ 9,200,000        |
| Use of Funds from Issue:          |                     |                     |                     |
| Construction and Land Acquisition | 10,931,000          | 10,931,000          | 10,931,000          |
| Less: City Contribution           | <-0->               | <1,000,000>         | <2,000,000>         |
| Interest Earned during Const.     | <1,149,000>         | <1,135,000>         | <1,122,000>         |
| Net Construction from Issue       | 9,782,000           | 8,796,000           | 7,809,000           |
| Debt Service Reserve Fund         | 1,036,000           | 932,000             | 828,000             |
| Funded Interest                   | -0-                 | -0-                 | -0-                 |
| Cost of Issuance                  | 677,000             | 617,000             | 563,000             |
| Principal Amount                  | <u>\$11,495,000</u> | <u>\$10,345,000</u> | <u>\$ 9,200,000</u> |
| Annual Cash Flow (Beg. FY 88/89)  |                     |                     |                     |
| Average Net Debt Service          | \$ 963,000          | \$ 867,000          | \$ 770,000          |
| Less: Fund Earnings 4 9.2%        |                     |                     |                     |
| \$2.5MM Fund                      | <230,000>           |                     |                     |
| 1.5MM Fund                        |                     | <138,000>           |                     |
| 0.5MM Fund                        |                     |                     | <46,000>            |
| Net Cost to Sever Enterprise      | <u>\$ 733,000</u>   | <u>\$ 729,000</u>   | <u>\$ 724,000</u>   |

# Seidler-Fitzgerald

Public Finance A Division of Seidler Amdec Securities Inc. • Member New York Stock Exchange, Inc.

JUL 07 '88

City Manager's Office

CITY OF LODI  
1988 WASTEWATER TREATMENT PLANT EXPANSION PROJECT  
FINANCING ALTERNATIVE  
JULY 7, 1988

|                                   | Financing Alternative    |
|-----------------------------------|--------------------------|
|                                   | <u>\$10,981,000</u>      |
| Project Costs                     |                          |
| city Contribution to Project      | <u>&lt;3,000,000&gt;</u> |
| Net Project to be Financed        | 7,931,000                |
| Date of Financing                 | 7/27/80                  |
| Land Acquisition                  | 2/1/89                   |
| Construction Period               | 20 mos.                  |
| Start                             | 5/1/89                   |
| End                               | 1/1/91                   |
| Type of Financing                 | Cert. of Part.           |
| Rating                            | Unrated                  |
| Average Interest Rate             | 8.25%                    |
| Life of Issue                     | 30 yrs.                  |
| Principal Amount                  | \$ 8,055,000             |
| Use of Funds from Issue:          |                          |
| Construction and Land Acquisition | 10,931,000               |
| Less: City Contribution           | <3,000,000>              |
| Interest Earned during Const.     | <u>&lt;1,109,000&gt;</u> |
| Net Construction from Issue       | 6,822,000                |
| Debt Service Reserve Fund         | 726,000,                 |
| Funded Interest                   | -0-                      |
| Cost of Issuance                  | <u>507,000</u>           |
| Principal Amount                  | \$ 8,055,000             |
| Annual Cash Flow (Beg. FY 88/89)  |                          |
| Average Net Debt Service          | \$ 676,000               |