

---

# SALT LAKE CITY COUNCIL STAFF REPORT

---

DATE: March 15, 2005

SUBJECT: **Refinance \$9.1 Million of Water and Sewer Bonds**

AFFECTED COUNCIL DISTRICTS: Citywide

STAFF REPORT BY: Gary Mumford

ADMINISTRATIVE DEPT. AND CONTACT PERSON: Department of Public Utilities  
Jim Lewis

CC: Rocky Fluhart, LeRoy Hooton, Jeff Niermeyer, Jim Lewis

---

## KEY ELEMENTS:

The Department of Public Utilities proposes refinancing \$9.1 million outstanding bonds to take advantage of favorable interest rates. The City's bond counsel, Richard Scott, and the City's financial advisor, Kelly Murdock, will be available at the briefing to respond to questions regarding the proposed refinancing.

## MATTERS AT ISSUE/QUESTIONS FOR THE ADMINISTRATION:

By refinancing these bonds, the City's financial advisor is projecting that the Department of Public Utilities will save approximately \$90,000 per year over the next 12 years in reduced debt costs. Actual savings will vary because the savings won't be locked in until the date of sale of the refunding bonds. The Department of Public Utilities will not proceed with the refunding unless there is a net present value savings greater than 3%.

*The Council may wish to ask representatives of the Department of Public Utilities what the intended use will be for the savings.*

*The Council may wish to confirm that the City is taking advantage of any opportunities to replace cash reserves with the surety bond approach that has been discussed recently.*

In 1993, bonds were issued to finance water line replacement projects and the seismic upgrade to the Big Cottonwood Treatment Plant. There are approximately \$1.3 million outstanding from the Series 1993 bonds. In 1997, bonds were issued to finance the upgrade to the Park Reservoir and other system improvements. Approximately \$7.8 million of the Series 1997 bonds are proposed to be refunded.

The Department of Public Utilities has several bonds outstanding, but only some of the bonds can be refinanced for a savings at this time. In order to refund bonds before a call date, proceeds of the new refunding bonds are placed in an escrow account and invested in government securities. The government securities must earn interest at a rate great enough to pay the original bond holders until a call date. In analyzing whether bonds are eligible for refinancing, the City's financial advisor must consider the current interest rates of government securities, the current bond market for selling the refunding bonds, and the interest rates of the original bonds.

The original 1993 series bonds mature in 2013 (last debt payment). The 1997 series bonds mature in 2017. The proposed refunding bonds will mature in 2017.

**OPTIONS:**

If the Council concurs with the proposed refunding, the Council may wish to place this item on the April 5<sup>th</sup> Council meeting agenda for consideration of adopting a parameters resolution. Since there is only a short window of opportunity for refinancing the bonds, if there are questions that can't be answered at the briefing, the Council may wish to request additional written information to be provided prior to April 5<sup>th</sup>.

LEROY W. HOOTON, JR.  
DIRECTOR

# SALT LAKE CITY CORPORATION

DEPARTMENT OF PUBLIC UTILITIES  
WATER SUPPLY AND WATERWORKS  
WATER RECLAMATION AND STORMWATER

ROSS C. "ROCKY" ANDERSON  
MAYOR

TO: Rocky J. Fluhart, Chief Administrative Officer

FROM: *for* LeRoy W. Hooton Jr., Director Public Utilities

DATE: February 25, 2005

SUBJECT: Refund \$9.1 million of the Water and Sewer Revenue Bonds, Series 1993 & 1997 for potential savings

STAFF CONTACT: Jim Lewis, Finance Administrator

TELEPHONE NUMBER: 483-6773

RECOMMENDATION: That the City Council hold a discussion and schedule appropriate actions in connection with the refunding transactions referenced above.

DOCUMENT: Briefing/Discussion

**BUDGET IMPACT:** Estimated on current interest rates the City's Financial Advisor indicate that the City could expect to receive approximately \$300,000 to \$400,000 in present value savings in FY 2005, or approximately \$ 90,000 to \$ 101,000 in level savings each year over the next 12 years by refunding the 1993 & 1997 Bonds. Savings would be realized through reduced debt service costs. It is important to note that these estimates are based on the current interest rate environment and are subject to change based on market conditions at the time of sale.

**DISCUSSION:** In 1993, \$13,500,000 of Water and Sewer Revenue Bonds were issued to finance water line replacement projects and the seismic upgrade to the Big Cottonwood Treatment Plant. There are approximately \$1.3 million of these bonds currently outstanding. In 1997, \$30,955,000 of Water and Sewer Revenue Bonds were issued to finance the upgrade to the Park Reservoir and other system improvements. There are approximately \$21.9 million of these bonds currently outstanding. The City is proposing refunding only the portion of the outstanding debt that is currently refundable at this time. The City's Financial Advisor believes that the strength of our current bond coverage numbers should result in the City receiving very favorable ratings from the rating agencies which translates into lower interest rates.

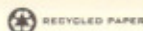
I request that the Parameters Resolution for the Series 2005 Bonds be placed on the earliest agenda possible for adoption. This Resolution sets forth the principle amount of bonds to be issued, the interest rate that the bonds may not exceed and the maximum term that the bonds may be outstanding.

Attachments  
cc: Dan Mule'

1530 SOUTH WEST TEMPLE, SALT LAKE CITY, UTAH 84115

TELEPHONE: 801-483-6900 FAX: 801-483-6818

WWW.SLCGOV.COM





# Salt Lake City, Utah

Water and Sewer Revenue Bonds  
Series 1993

## Prior Original Debt Service

Part 1 of 2

DATE	PRINCIPAL	COUPON	INTEREST	TOTAL P+I	Fiscal Total
02/01/1997	-	-	-	-	-
08/01/1997	-	-	338,043.75	338,043.75	-
02/01/1998	250,000.00	4.550%	338,043.75	588,043.75	-
06/30/1998	-	-	-	-	926,087.50
08/01/1998	-	-	332,356.25	332,356.25	-
02/01/1999	260,000.00	4.700%	332,356.25	592,356.25	-
06/30/1999	-	-	-	-	924,712.50
08/01/1999	-	-	326,246.25	326,246.25	-
02/01/2000	275,000.00	4.900%	326,246.25	601,246.25	-
06/30/2000	-	-	-	-	927,492.50
08/01/2000	-	-	319,508.75	319,508.75	-
02/01/2001	545,000.00	5.000%	319,508.75	864,508.75	-
06/30/2001	-	-	-	-	1,184,017.50
08/01/2001	-	-	305,883.75	305,883.75	-
02/01/2002	2,380,000.00	5.050%	305,883.75	2,685,883.75	-
06/30/2002	-	-	-	-	2,991,767.50
08/01/2002	-	-	245,788.75	245,788.75	-
02/01/2003	2,515,000.00	5.150%	245,788.75	2,760,788.75	-
06/30/2003	-	-	-	-	3,006,577.50
08/01/2003	-	-	181,027.50	181,027.50	-
02/01/2004	2,645,000.00	5.250%	181,027.50	2,826,027.50	-
06/30/2004	-	-	-	-	3,007,055.00
08/01/2004	-	-	111,596.25	111,596.25	-
02/01/2005	2,780,000.00	5.350%	111,596.25	2,891,596.25	-
06/30/2005	-	-	-	-	3,003,192.50
08/01/2005	-	-	37,231.25	37,231.25	-
02/01/2006	130,000.00	5.750%	37,231.25	167,231.25	-
06/30/2006	-	-	-	-	204,462.50
08/01/2006	-	-	33,493.75	33,493.75	-
02/01/2007	140,000.00	5.750%	33,493.75	173,493.75	-
06/30/2007	-	-	-	-	206,987.50
08/01/2007	-	-	29,468.75	29,468.75	-
02/01/2008	150,000.00	5.750%	29,468.75	179,468.75	-
06/30/2008	-	-	-	-	208,937.50
08/01/2008	-	-	25,156.25	25,156.25	-
02/01/2009	155,000.00	5.750%	25,156.25	180,156.25	-
06/30/2009	-	-	-	-	205,312.50
08/01/2009	-	-	20,700.00	20,700.00	-
02/01/2010	165,000.00	5.750%	20,700.00	185,700.00	-
06/30/2010	-	-	-	-	206,400.00
08/01/2010	-	-	15,956.25	15,956.25	-
02/01/2011	175,000.00	5.750%	15,956.25	190,956.25	-
06/30/2011	-	-	-	-	206,912.50
08/01/2011	-	-	10,925.00	10,925.00	-
02/01/2012	185,000.00	5.750%	10,925.00	195,925.00	-
06/30/2012	-	-	-	-	206,850.00

FOR DISCUSSION PURPOSES ONLY  
File | SLCWTRSW.SF | SERIES 1993 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance

## Salt Lake City, Utah

Water and Sewer Revenue Bonds  
Series 1993

### Prior Original Debt Service

Part 2 of 2

DATE	PRINCIPAL	COUPON	INTEREST	TOTAL P+I	Fiscal Total
08/01/2012	-	-	5,606.25	5,606.25	-
02/01/2013	195,000.00	5.750%	5,606.25	200,606.25	-
06/30/2013	-	-	-	-	206,212.50
<b>Total</b>	<b>\$12,945,000.00</b>	<b>-</b>	<b>\$4,677,977.50</b>	<b>\$17,622,977.50</b>	<b>-</b>

#### Yield Statistics

Average Life	4.545 Years
Weighted Average Maturity (Par Basis)	4.537 Years
Average Coupon	5.7500000%

#### Refunding Bond Information

Refunding Dated Date	5/01/2005
Refunding Delivery Date	5/04/2005

FOR DISCUSSION PURPOSES ONLY  
File | SLCWTRSW.SF | SERIES 1993 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance

Page 2



# Salt Lake City, Utah

Water and Sewer Improvement  
and Refunding Revenue Bonds, Series 1997  
New Money Portion per Allocation Method

## Prior Original Debt Service

Part 1 of 2

DATE	PRINCIPAL	COUPON	INTEREST	TOTAL P+I	Fiscal Total
02/01/2004	-	-	-	-	-
08/01/2004	-	-	253,998.75	253,998.75	-
02/01/2005	475,000.00	4.600%	253,998.75	728,998.75	-
06/30/2005	-	-	-	-	982,997.50
08/01/2005	-	-	243,073.75	243,073.75	-
02/01/2006	585,000.00	4.600%	243,073.75	828,073.75	-
06/30/2006	-	-	-	-	1,071,147.50
08/01/2006	-	-	229,618.75	229,618.75	-
02/01/2007	610,000.00	4.625%	229,618.75	839,618.75	-
06/30/2007	-	-	-	-	1,069,237.50
08/01/2007	-	-	215,512.50	215,512.50	-
02/01/2008	640,000.00	4.700%	215,512.50	855,512.50	-
06/30/2008	-	-	-	-	1,071,025.00
08/01/2008	-	-	200,472.50	200,472.50	-
02/01/2009	670,000.00	4.900%	200,472.50	870,472.50	-
06/30/2009	-	-	-	-	1,070,945.00
08/01/2009	-	-	184,057.50	184,057.50	-
02/01/2010	705,000.00	5.000%	184,057.50	889,057.50	-
06/30/2010	-	-	-	-	1,073,115.00
08/01/2010	-	-	166,432.50	166,432.50	-
02/01/2011	740,000.00	5.000%	166,432.50	906,432.50	-
06/30/2011	-	-	-	-	1,072,865.00
08/01/2011	-	-	147,932.50	147,932.50	-
02/01/2012	775,000.00	5.100%	147,932.50	922,932.50	-
06/30/2012	-	-	-	-	1,070,865.00
08/01/2012	-	-	128,170.00	128,170.00	-
02/01/2013	815,000.00	5.100%	128,170.00	943,170.00	-
06/30/2013	-	-	-	-	1,071,340.00
08/01/2013	-	-	107,387.50	107,387.50	-
02/01/2014	950,000.00	5.200%	107,387.50	1,057,387.50	-
06/30/2014	-	-	-	-	1,164,775.00
08/01/2014	-	-	82,687.50	82,687.50	-
02/01/2015	995,000.00	5.250%	82,687.50	1,077,687.50	-
06/30/2015	-	-	-	-	1,160,375.00
08/01/2015	-	-	56,568.75	56,568.75	-
02/01/2016	1,050,000.00	5.250%	56,568.75	1,106,568.75	-
06/30/2016	-	-	-	-	1,163,137.50
08/01/2016	-	-	29,006.25	29,006.25	-
02/01/2017	1,105,000.00	5.250%	29,006.25	1,134,006.25	-
06/30/2017	-	-	-	-	1,163,012.50
<b>Total</b>	<b>\$10,115,000.00</b>	<b>-</b>	<b>\$4,089,837.50</b>	<b>\$14,204,837.50</b>	<b>-</b>

FOR DISCUSSION PURPOSES ONLY

File | SLCWTRSW.SF | Ser 97 Final New Money Po | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance

Page 3

## Salt Lake City, Utah

Water and Sewer Improvement  
and Refunding Revenue Bonds, Series 1997  
New Money Portion per Allocation Method

### Prior Original Debt Service

Part 2 of 2

#### Yield Statistics

Average Life	6.973 Years
Weighted Average Maturity (Par Basis)	6.964 Years
Average Coupon	5.1481115%

#### Refunding Bond Information

Refunding Dated Date	5/01/2005
Refunding Delivery Date	5/04/2005

FOR DISCUSSION PURPOSES ONLY  
File | SLCWTRSW.SF | Ser 97 Final New Money Po | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance

Page 4



# Salt Lake City, Utah

Water and Sewer Revenue Bonds  
Series 1993

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Interest to Call	D/S To Call	Principal	Coupon	Interest	Refunded D/S
05/04/2005	-	-	-	-	-	-	-
08/01/2005	1,295,000.00	37,231.25	1,332,231.25	-	-	37,231.25	37,231.25
02/01/2006	-	-	-	130,000.00	5.750%	37,231.25	167,231.25
08/01/2006	-	-	-	-	-	33,493.75	33,493.75
02/01/2007	-	-	-	140,000.00	5.750%	33,493.75	173,493.75
08/01/2007	-	-	-	-	-	29,468.75	29,468.75
02/01/2008	-	-	-	150,000.00	5.750%	29,468.75	179,468.75
08/01/2008	-	-	-	-	-	25,156.25	25,156.25
02/01/2009	-	-	-	155,000.00	5.750%	25,156.25	180,156.25
08/01/2009	-	-	-	-	-	20,700.00	20,700.00
02/01/2010	-	-	-	165,000.00	5.750%	20,700.00	185,700.00
08/01/2010	-	-	-	-	-	15,956.25	15,956.25
02/01/2011	-	-	-	175,000.00	5.750%	15,956.25	190,956.25
08/01/2011	-	-	-	-	-	10,925.00	10,925.00
02/01/2012	-	-	-	185,000.00	5.750%	10,925.00	195,925.00
08/01/2012	-	-	-	-	-	5,606.25	5,606.25
02/01/2013	-	-	-	195,000.00	5.750%	5,606.25	200,606.25
<b>Total</b>	<b>\$1,295,000.00</b>	<b>\$37,231.25</b>	<b>\$1,332,231.25</b>	<b>\$1,295,000.00</b>	<b>-</b>	<b>\$357,075.00</b>	<b>\$1,652,075.00</b>

### Yield Statistics

Average Life	4.545 Years
Weighted Average Maturity (Par Basis)	4.537 Years
Average Coupon	5.7500000%

### Refunding Bond Information

Refunding Dated Date	5/01/2005
Refunding Delivery Date	5/04/2005

FOR DISCUSSION PURPOSES ONLY  
File | SLCWTRSW.SF | SERIES 1993 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance



# Salt Lake City, Utah

Water and Sewer Improvement  
and Refunding Revenue Bonds, Series 1997  
New Money Portion per Allocation Method

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Interest to Call	D/S To Call	Principal	Coupon	Interest	Refunded D/S
05/04/2005	-	-	-	-	-	-	-
08/01/2005	-	200,472.50	200,472.50	-	-	200,472.50	200,472.50
02/01/2006	-	200,472.50	200,472.50	-	4.600%	200,472.50	200,472.50
08/01/2006	-	200,472.50	200,472.50	-	-	200,472.50	200,472.50
02/01/2007	-	200,472.50	200,472.50	-	4.625%	200,472.50	200,472.50
08/01/2007	-	200,472.50	200,472.50	-	-	200,472.50	200,472.50
02/01/2008	7,805,000.00	200,472.50	8,005,472.50	-	4.700%	200,472.50	200,472.50
08/01/2008	-	-	-	-	-	200,472.50	200,472.50
02/01/2009	-	-	-	670,000.00	4.900%	200,472.50	870,472.50
08/01/2009	-	-	-	-	-	184,057.50	184,057.50
02/01/2010	-	-	-	705,000.00	5.000%	184,057.50	889,057.50
08/01/2010	-	-	-	-	-	166,432.50	166,432.50
02/01/2011	-	-	-	740,000.00	5.000%	166,432.50	906,432.50
08/01/2011	-	-	-	-	-	147,932.50	147,932.50
02/01/2012	-	-	-	775,000.00	5.100%	147,932.50	922,932.50
08/01/2012	-	-	-	-	-	128,170.00	128,170.00
02/01/2013	-	-	-	815,000.00	5.100%	128,170.00	943,170.00
08/01/2013	-	-	-	-	-	107,387.50	107,387.50
02/01/2014	-	-	-	950,000.00	5.200%	107,387.50	1,057,387.50
08/01/2014	-	-	-	-	-	82,687.50	82,687.50
02/01/2015	-	-	-	995,000.00	5.250%	82,687.50	1,077,687.50
08/01/2015	-	-	-	-	-	56,568.75	56,568.75
02/01/2016	-	-	-	1,050,000.00	5.250%	56,568.75	1,106,568.75
08/01/2016	-	-	-	-	-	29,006.25	29,006.25
02/01/2017	-	-	-	1,105,000.00	5.250%	29,006.25	1,134,006.25
<b>Total</b>	<b>\$7,805,000.00</b>	<b>\$1,202,835.00</b>	<b>\$9,007,835.00</b>	<b>\$7,805,000.00</b>	<b>-</b>	<b>\$3,408,265.00</b>	<b>\$11,213,265.00</b>

### Yield Statistics

Average Life	8.193 Years
Weighted Average Maturity (Par Basis)	8.185 Years
Average Coupon	5.1729373%

### Refunding Bond Information

Refunding Dated Date	5/01/2005
Refunding Delivery Date	5/04/2005

FOR DISCUSSION PURPOSES ONLY  
File | SLCWTRSW.SF | Ser 97 Final New Money Po | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance



# Salt Lake City, Utah

Water and Sewer Revenue Refunding Bonds

Series 2005

(Refund Series 1993, 1997) - Insured & Surety Bond

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Interest to Call	D/S To Call	Principal	Interest	Refunded D/S
05/04/2005	-	-	-	-	-	-
08/01/2005	1,295,000.00	237,703.75	1,532,703.75	-	237,703.75	237,703.75
02/01/2006	-	200,472.50	200,472.50	130,000.00	237,703.75	367,703.75
08/01/2006	-	200,472.50	200,472.50	-	233,966.25	233,966.25
02/01/2007	-	200,472.50	200,472.50	140,000.00	233,966.25	373,966.25
08/01/2007	-	200,472.50	200,472.50	-	229,941.25	229,941.25
02/01/2008	7,805,000.00	200,472.50	8,005,472.50	150,000.00	229,941.25	379,941.25
08/01/2008	-	-	-	-	225,628.75	225,628.75
02/01/2009	-	-	-	825,000.00	225,628.75	1,050,628.75
08/01/2009	-	-	-	-	204,757.50	204,757.50
02/01/2010	-	-	-	870,000.00	204,757.50	1,074,757.50
08/01/2010	-	-	-	-	182,388.75	182,388.75
02/01/2011	-	-	-	915,000.00	182,388.75	1,097,388.75
08/01/2011	-	-	-	-	158,857.50	158,857.50
02/01/2012	-	-	-	960,000.00	158,857.50	1,118,857.50
08/01/2012	-	-	-	-	133,776.25	133,776.25
02/01/2013	-	-	-	1,010,000.00	133,776.25	1,143,776.25
08/01/2013	-	-	-	-	107,387.50	107,387.50
02/01/2014	-	-	-	950,000.00	107,387.50	1,057,387.50
08/01/2014	-	-	-	-	82,687.50	82,687.50
02/01/2015	-	-	-	995,000.00	82,687.50	1,077,687.50
08/01/2015	-	-	-	-	56,568.75	56,568.75
02/01/2016	-	-	-	1,050,000.00	56,568.75	1,106,568.75
08/01/2016	-	-	-	-	29,006.25	29,006.25
02/01/2017	-	-	-	1,105,000.00	29,006.25	1,134,006.25
<b>Total</b>	<b>\$9,100,000.00</b>	<b>\$1,240,066.25</b>	<b>\$10,340,066.25</b>	<b>\$9,100,000.00</b>	<b>\$3,765,340.00</b>	<b>\$12,865,340.00</b>

### Yield Statistics

Average Life	7.674 Years
Weighted Average Maturity (Par Basis)	7.666 Years
Average Coupon	5.3917663%

### Refunding Bond Information

Refunding Dated Date	5/01/2005
Refunding Delivery Date	5/04/2005

FOR DISCUSSION PURPOSES ONLY

File | SLCWTRSW.SF | S05 Rfnd S93.97 2-25-05 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance



# Salt Lake City, Utah

Water and Sewer Revenue Refunding Bonds

Series 2005

(Refund Series 1993, 1997) - Insured & Surety Bond

## Summary Of Bonds Refunded

Issue	Maturity	Type	of Bond	Coupon	Maturity Value	Call Date	Call Price
<b>Dated 2/01/1997   Delivered 2/01/1997</b>							
SERIES 1993	02/01/2006	Term 1	Coupon	5.750%	130,000	08/01/2005	100.000%
SERIES 1993	02/01/2007	Term 1	Coupon	5.750%	140,000	08/01/2005	100.000%
SERIES 1993	02/01/2008	Term 1	Coupon	5.750%	150,000	08/01/2005	100.000%
SERIES 1993	02/01/2009	Term 1	Coupon	5.750%	155,000	08/01/2005	100.000%
SERIES 1993	02/01/2010	Term 1	Coupon	5.750%	165,000	08/01/2005	100.000%
SERIES 1993	02/01/2011	Term 1	Coupon	5.750%	175,000	08/01/2005	100.000%
SERIES 1993	02/01/2012	Term 1	Coupon	5.750%	185,000	08/01/2005	100.000%
SERIES 1993	02/01/2013	Term 1	Coupon	5.750%	195,000	08/01/2005	100.000%
<b>Subtotal</b>	-	-	-	-	<b>\$1,295,000</b>	-	-
<b>Dated 2/01/2004   Delivered 2/01/2004</b>							
Ser 97 Final New Money Portion	02/01/2009	Serial	Coupon	4.900%	670,000	02/01/2008	100.000%
Ser 97 Final New Money Portion	02/01/2010	Serial	Coupon	5.000%	705,000	02/01/2008	100.000%
Ser 97 Final New Money Portion	02/01/2011	Serial	Coupon	5.000%	740,000	02/01/2008	100.000%
Ser 97 Final New Money Portion	02/01/2012	Serial	Coupon	5.100%	775,000	02/01/2008	100.000%
Ser 97 Final New Money Portion	02/01/2013	Serial	Coupon	5.100%	815,000	02/01/2008	100.000%
Ser 97 Final New Money Portion	02/01/2014	Serial	Coupon	5.200%	950,000	02/01/2008	100.000%
Ser 97 Final New Money Portion	02/01/2015	Serial	Coupon	5.250%	995,000	02/01/2008	100.000%
Ser 97 Final New Money Portion	02/01/2016	Serial	Coupon	5.250%	1,050,000	02/01/2008	100.000%
Ser 97 Final New Money Portion	02/01/2017	Serial	Coupon	5.250%	1,105,000	02/01/2008	100.000%
<b>Subtotal</b>	-	-	-	-	<b>\$7,805,000</b>	-	-
<b>Total</b>	-	-	-	-	<b>\$9,100,000</b>	-	-

FOR DISCUSSION PURPOSES ONLY

File | SLCWTRSW.SF | S05 Rfnd S93,97 2-25-05 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC

Public Finance



# Salt Lake City, Utah

Water and Sewer Revenue Refunding Bonds

Series 2005

(Refund Series 1993, 1997) - Insured & Surety Bond

## Debt Service Schedule

Part 1 of 2

DATE	PRINCIPAL	COUPON	INTEREST	TOTAL P+I	Fiscal Total
05/04/2005	-	-	-	-	-
08/01/2005	-	-	94,150.00	94,150.00	-
02/01/2006	225,000.00	3.000%	188,300.00	413,300.00	-
06/30/2006	-	-	-	-	507,450.00
08/01/2006	-	-	184,925.00	184,925.00	-
02/01/2007	140,000.00	3.000%	184,925.00	324,925.00	-
06/30/2007	-	-	-	-	509,850.00
08/01/2007	-	-	182,825.00	182,825.00	-
02/01/2008	145,000.00	3.000%	182,825.00	327,825.00	-
06/30/2008	-	-	-	-	510,650.00
08/01/2008	-	-	180,650.00	180,650.00	-
02/01/2009	815,000.00	3.000%	180,650.00	995,650.00	-
06/30/2009	-	-	-	-	1,176,300.00
08/01/2009	-	-	168,425.00	168,425.00	-
02/01/2010	845,000.00	4.000%	168,425.00	1,013,425.00	-
06/30/2010	-	-	-	-	1,181,850.00
08/01/2010	-	-	151,525.00	151,525.00	-
02/01/2011	875,000.00	4.000%	151,525.00	1,026,525.00	-
06/30/2011	-	-	-	-	1,178,050.00
08/01/2011	-	-	134,025.00	134,025.00	-
02/01/2012	910,000.00	4.500%	134,025.00	1,044,025.00	-
06/30/2012	-	-	-	-	1,178,050.00
08/01/2012	-	-	113,550.00	113,550.00	-
02/01/2013	950,000.00	4.500%	113,550.00	1,063,550.00	-
06/30/2013	-	-	-	-	1,177,100.00
08/01/2013	-	-	92,175.00	92,175.00	-
02/01/2014	880,000.00	4.500%	92,175.00	972,175.00	-
06/30/2014	-	-	-	-	1,064,350.00
08/01/2014	-	-	72,375.00	72,375.00	-
02/01/2015	915,000.00	5.000%	72,375.00	987,375.00	-
06/30/2015	-	-	-	-	1,059,750.00
08/01/2015	-	-	49,500.00	49,500.00	-
02/01/2016	965,000.00	5.000%	49,500.00	1,014,500.00	-
06/30/2016	-	-	-	-	1,064,000.00
08/01/2016	-	-	25,375.00	25,375.00	-
02/01/2017	1,015,000.00	5.000%	25,375.00	1,040,375.00	-
06/30/2017	-	-	-	-	1,065,750.00
<b>Total</b>	<b>\$8,680,000.00</b>	<b>-</b>	<b>\$2,993,150.00</b>	<b>\$11,673,150.00</b>	<b>-</b>

FOR DISCUSSION PURPOSES ONLY

File | SLCWTRSW.SF | S05 Rfnd S93.97 2-25-05 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC

Public Finance

Page 9



# Salt Lake City, Utah

Water and Sewer Revenue Refunding Bonds

Series 2005

(Refund Series 1993, 1997) - Insured & Surety Bond

## Debt Service Schedule

Part 2 of 2

### Yield Statistics

Accrued Interest from 05/01/2005 to 05/04/2005	3,138.33
Bond Year Dollars	\$65,340.00
Average Life	7.528 Years
Average Coupon	4.5808846%
Net Interest Cost (NIC)	3.9119980%
True Interest Cost (TIC)	3.7698622%
Bond Yield for Arbitrage Purposes	3.7708936%
All Inclusive Cost (AIC)	4.0312708%

### IRS Form 8038

Net Interest Cost	3.5975525%
Weighted Average Maturity	7.598 Years

FOR DISCUSSION PURPOSES ONLY  
File | SLCWTRSW.SF | S05 Rfnd S93.97 2-25-05 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance

Page 10

# Salt Lake City, Utah

Water and Sewer Revenue Refunding Bonds

Series 2005

(Refund Series 1993, 1997) - Insured & Surety Bond

## Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/01/2006	Serial Coupon	3.000%	2.550%	225,000.00	100.326%	225,733.50
02/01/2007	Serial Coupon	3.000%	2.700%	140,000.00	100.504%	140,705.60
02/01/2008	Serial Coupon	3.000%	2.850%	145,000.00	100.390%	145,565.50
02/01/2009	Serial Coupon	3.000%	3.000%	815,000.00	100.000%	815,000.00
02/01/2010	Serial Coupon	4.000%	3.250%	845,000.00	103.267%	872,606.15
02/01/2011	Serial Coupon	4.000%	3.350%	875,000.00	103.365%	904,443.75
02/01/2012	Serial Coupon	4.500%	3.450%	910,000.00	106.263%	966,993.30
02/01/2013	Serial Coupon	4.500%	3.600%	950,000.00	106.028%	1,007,266.00
02/01/2014	Serial Coupon	4.500%	3.700%	880,000.00	105.923%	932,122.40
02/01/2015	Serial Coupon	5.000%	3.800%	915,000.00	109.688%	1,003,645.20
02/01/2016	Serial Coupon	5.000%	3.900%	965,000.00	108.838% c	1,050,286.70
02/01/2017	Serial Coupon	5.000%	3.950%	1,015,000.00	108.416% c	1,100,422.40
<b>Total</b>	-	-	-	<b>\$8,680,000.00</b>	-	<b>\$9,164,790.50</b>

### Bid Information

Par Amount of Bonds	\$8,680,000.00
Reoffering Premium or (Discount)	484,790.50
Gross Production	\$9,164,790.50
Total Underwriter's Discount (0.550%)	\$(47,740.00)
Bid (105.035%)	9,117,050.50
Accrued Interest from 05/01/2005 to 05/04/2005	3,138.33
Total Purchase Price	\$9,120,188.83
Bond Year Dollars	\$65,340.00
Average Life	7.528 Years
Average Coupon	4.5808846%
Net Interest Cost (NIC)	3.9119980%
True Interest Cost (TIC)	3.7698622%

FOR DISCUSSION PURPOSES ONLY  
File | SLCWTRSW.SF | S05 Rfnd S93.97 2-25-05 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance



## Salt Lake City, Utah

Water and Sewer Revenue Refunding Bonds

Series 2005

(Refund Series 1993, 1997) - Insured & Surety Bond

### Gross Debt Service Comparison

DATE	PRINCIPAL	COUPON	INTEREST	New D/S	OLD D/S	SAVINGS
06/30/2005	-	-	-	-	-	-
06/30/2006	225,000.00	-	282,450.00	507,450.00	605,407.50	97,957.50
06/30/2007	140,000.00	-	369,850.00	509,850.00	607,932.50	98,082.50
06/30/2008	145,000.00	-	365,650.00	510,650.00	609,882.50	99,232.50
06/30/2009	815,000.00	-	361,300.00	1,176,300.00	1,276,257.50	99,957.50
06/30/2010	845,000.00	-	336,850.00	1,181,850.00	1,279,515.00	97,665.00
06/30/2011	875,000.00	-	303,050.00	1,178,050.00	1,279,777.50	101,727.50
06/30/2012	910,000.00	-	268,050.00	1,178,050.00	1,277,715.00	99,665.00
06/30/2013	950,000.00	-	227,100.00	1,177,100.00	1,277,552.50	100,452.50
06/30/2014	880,000.00	-	184,350.00	1,064,350.00	1,164,775.00	100,425.00
06/30/2015	915,000.00	-	144,750.00	1,059,750.00	1,160,375.00	100,625.00
06/30/2016	965,000.00	-	99,000.00	1,064,000.00	1,163,137.50	99,137.50
06/30/2017	1,015,000.00	-	50,750.00	1,065,750.00	1,163,012.50	97,262.50
<b>Total</b>	<b>\$8,680,000.00</b>	<b>-</b>	<b>\$2,993,150.00</b>	<b>\$11,673,150.00</b>	<b>\$12,865,340.00</b>	<b>\$1,192,190.00</b>

#### PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	958,948.62
Accrued Interest Credit to Debt Service Fund	3,138.33
Transfers from Prior Issue DSR Fund	(589,409.00)
Contingency or Rounding Amount	3,001.68
<b>Net Present Value Benefit</b>	<b>\$375,679.63</b>
Net PV Benefit / \$9,100,000 Refunded Principal	4.128%
Net PV Benefit / \$8,680,000 Refunding Principal	4.328%

#### Refunding Bond Information

Refunding Dated Date	5/01/2005
Refunding Delivery Date	5/04/2005

FOR DISCUSSION PURPOSES ONLY  
File | SLCWTRSW.SF | S05 Rfnd S93.97 2-25-05 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance

## Salt Lake City, Utah

Water and Sewer Revenue Refunding Bonds

Series 2005

(Refund Series 1993, 1997) - Insured & Surety Bond

### Sources & Uses

Dated 05/01/2005 | Delivered 05/04/2005

#### SOURCES OF FUNDS

Par Amount of Bonds	\$8,680,000.00
Reoffering Premium	484,790.50
Accrued Interest from 05/01/2005 to 05/04/2005	3,138.33
Transfers from Prior Issue DSR Funds	589,409.00

<b>TOTAL SOURCES</b>	<b>\$9,757,337.83</b>
----------------------	-----------------------

#### USES OF FUNDS

Total Underwriter's Discount (0.550%)	47,740.00
Costs of Issuance	75,690.00
Gross Bond Insurance Premium ( 35.0 bp)	40,856.03
Surety Bond Fee (2.75%)	32,043.79
Deposit to Debt Service Fund	3,138.33
Deposit to Current Refunding Fund	9,554,868.00
Rounding Amount	3,001.68

<b>TOTAL USES</b>	<b>\$9,757,337.83</b>
-------------------	-----------------------

FOR DISCUSSION PURPOSES ONLY

File | SLCWTRSW.SF | S05 Rfnd S93.97 2-25-05 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance



## Salt Lake City, Utah

Water and Sewer Revenue Refunding Bonds

Series 2005

(Refund Series 1993, 1997) - Insured & Surety Bond

### Detail Costs Of Issuance

Dated 05/01/2005 | Delivered 05/04/2005

#### COSTS OF ISSUANCE DETAIL

Financial Advisor	\$15,190.00
Bond/Disclosure Counsel	\$20,000.00
Trustee / Paying Agent / Registrar	\$4,000.00
Escrow Agent Fee	\$3,000.00
Escrow Verification	\$3,500.00
Rating Agency Fee (2)	\$25,000.00
POS/Official Statement	\$2,500.00
Miscellaneous	\$2,500.00
<b>TOTAL</b>	<b>\$75,690.00</b>

FOR DISCUSSION PURPOSES ONLY

File | SLCWTRSW.SF | S05 Rfnd S93,97 2-25-05 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC

Public Finance

# Salt Lake City, Utah

Water and Sewer Revenue Refunding Bonds

Series 2005

(Refund Series 1993, 1997) - Insured & Surety Bond

## Current Refunding Escrow

Date	Principal	Rate	Interest	+Transfers	Receipts	Disbursements	Cash Balance
05/04/2005	-	-	-	1.00	2.00	-	2.00
08/01/2005	1,364,124.00	2.540%	74,030.82	94,547.93	1,532,702.75	1,532,703.75	1.00
02/01/2006	53,549.00	2.950%	134,556.61	12,366.00	200,471.61	200,472.50	0.11
08/01/2006	54,731.00	3.080%	133,375.10	12,366.34	200,472.44	200,472.50	0.05
02/01/2007	55,574.00	3.270%	132,532.25	12,366.94	200,473.19	200,472.50	0.74
08/01/2007	56,482.00	3.470%	131,623.62	12,366.20	200,471.82	200,472.50	0.06
02/01/2008	7,380,998.00	3.540%	130,643.66	493,830.78	8,005,472.44	8,005,472.50	-
<b>Total</b>	<b>\$8,965,458.00</b>	<b>-</b>	<b>\$736,762.06</b>	<b>\$637,845.19</b>	<b>\$10,340,066.25</b>	<b>\$10,340,066.25</b>	<b>-</b>

### Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Bond Yield
Cost of Investments Purchased with Fund Transfers	589,409.00
Cash Deposit	1.00
Cost of Investments Purchased with Bond Proceeds	8,965,458.00
Total Cost of Investments	\$9,554,868.00
Target Cost of Investments at bond yield	\$8,917,394.02
Actual positive or (negative) arbitrage	(48,064.98)
Yield to Receipt	3.5252206%
Yield for Arbitrage Purposes	3.7708936%
State and Local Government Series (SLGS) rates for	2/25/2005

FOR DISCUSSION PURPOSES ONLY  
File | SLCWTRSW.SF | S05 Rfnd S93.97 2-25-05 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance



# Salt Lake City, Utah

Water and Sewer Revenue Refunding Bonds

Series 2005

(Refund Series 1993, 1997) - Insured & Surety Bond

## Current Refunding Escrow Summary Cost

Maturity	Type	Coupon	Yield	Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
<b>Bond Proceeds Account</b>								
08/01/2005	SLGS-CI	2.540%	2.540%	100-.000000	1,364,124	1,364,124.00	-	1,364,124.00
02/01/2006	SLGS-CI	2.950%	2.950%	100-.000000	53,549	53,549.00	-	53,549.00
08/01/2006	SLGS-NT	3.080%	3.080%	100-.000000	54,731	54,731.00	-	54,731.00
02/01/2007	SLGS-NT	3.270%	3.270%	100-.000000	55,574	55,574.00	-	55,574.00
08/01/2007	SLGS-NT	3.470%	3.470%	100-.000000	56,482	56,482.00	-	56,482.00
02/01/2008	SLGS-NT	3.540%	3.540%	100-.000000	7,380,998	7,380,998.00	-	7,380,998.00
<b>Subtotal</b>		-	-	-	<b>\$8,965,458</b>	<b>\$8,965,458.00</b>	-	<b>\$8,965,458.00</b>
<b>DSR Transfer Account</b>								
08/01/2005	SLGS-CI	2.540%	2.540%	100-.000000	89,681	89,681.00	-	89,681.00
02/01/2006	SLGS-CI	2.950%	2.950%	100-.000000	3,520	3,520.00	-	3,520.00
08/01/2006	SLGS-NT	3.080%	3.080%	100-.000000	3,598	3,598.00	-	3,598.00
02/01/2007	SLGS-NT	3.270%	3.270%	100-.000000	3,654	3,654.00	-	3,654.00
08/01/2007	SLGS-NT	3.470%	3.470%	100-.000000	3,713	3,713.00	-	3,713.00
02/01/2008	SLGS-NT	3.540%	3.540%	100-.000000	485,242	485,242.00	-	485,242.00
<b>Subtotal</b>		-	-	-	<b>\$589,408</b>	<b>\$589,408.00</b>	-	<b>\$589,408.00</b>
<b>Total</b>		-	-	-	<b>\$9,554,866</b>	<b>\$9,554,866.00</b>	-	<b>\$9,554,866.00</b>

### Bond Proceeds Account

Cash Deposit	1.00
Cost of Investments Purchased with Bond Proceeds	8,965,458.00
Total Cost of Investments	\$8,965,459.00

### DSR Transfer Account

Cash Deposit	1.00
Cost of Investments	589,408.00
Total Cost of Investments	\$589,409.00

Cash Deposit	2.00
Cost of Investments	9,554,866.00
Total Deposit	\$9,554,868.00

Delivery Date	5/04/2005
---------------	-----------

FOR DISCUSSION PURPOSES ONLY  
File | SLCWTRSW.SF | S05 Rfnd S93.97 2-25-05 | 2/28/2005 | 3:54 PM

Wells Fargo Brokerage Services, LLC  
Public Finance

## Salt Lake City, Utah

Water and Sewer Revenue Refunding Bonds

Series 2005

(Refund Series 1993, 1997) - Insured & Surety Bond

### Proof of Reserve Fund Requirement

DATE	PRINCIPAL	INTEREST	D/S	TOTAL P+I
02/01/2006	225,000.00	282,450.00	670,202.50	1,177,652.50
02/01/2007	140,000.00	369,850.00	668,292.50	1,178,142.50
02/01/2008	145,000.00	365,650.00	670,080.00	1,180,730.00
02/01/2009	815,000.00	361,300.00	-	1,176,300.00
02/01/2010	845,000.00	336,850.00	-	1,181,850.00
02/01/2011	875,000.00	303,050.00	-	1,178,050.00
02/01/2012	910,000.00	268,050.00	-	1,178,050.00
02/01/2013	950,000.00	227,100.00	-	1,177,100.00
02/01/2014	880,000.00	184,350.00	-	1,064,350.00
02/01/2015	915,000.00	144,750.00	-	1,059,750.00
02/01/2016	965,000.00	99,000.00	-	1,064,000.00
02/01/2017	1,015,000.00	50,750.00	-	1,065,750.00
<b>Total</b>	<b>\$8,680,000.00</b>	<b>\$2,993,150.00</b>	<b>\$2,008,575.00</b>	<b>\$13,681,725.00</b>

#### PROOF OF RESERVE FUND

##### AVERAGE PERIODIC DEBT SERVICE

Total P+I	13,681,725.00
Bond Years (Delivery Date)	11.74
100 % of the Average Periodic Debt Service	1,165,228.53

##### RESERVE REQUIREMENT

Proof's Requirement	1,165,228.53
---------------------	--------------

FOR DISCUSSION PURPOSES ONLY  
File | SLCWTRSW.SF | S05 Rfnd S93.97 2-25-05 | 2/28/2005 | 3:54 PM