

# G.O. Bond Refunding Presentation Mount Diablo Unified School District

by

Isom Advisors,  
a Division of Urban Futures, Inc.

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# 2023 Refunding Analysis

# 2023 Refunding Overview



Refunding outstanding bonds to save taxpayers money

Mt. Diablo Unified School District

- ❖ In 2013, the Mount Diablo Unified School District issued General Obligation Refunding Bonds with a par amount of approximately \$54.0 million (General Obligation Refunding Bonds, Election of 2002, Series C).
- ❖ There is an opportunity to refund the 2013 GO Refunding Bonds to lower the debt service (principal and interest) payments and save District property taxpayers money.
- ❖ The net present value savings percentage ("PV%") is estimated to be 9.5% - over 3x the industry recommended threshold of 3.0%.
  - Savings estimate is net of all estimated professional expenses.
- ❖ **Potential District taxpayer savings of over \$4.6 million depending on interest rates at the time of the pricing.**

## NEW ISSUE — BOOK ENTRY ONLY

RATING: Moody's: "Aa3"  
(See "RATING" herein.)

*In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Special Tax Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Special Tax Counsel, interest on the Bonds is exempt from State of California personal income taxes. See "TAX MATTERS" herein.*

**\$54,015,000**  
**MT. DIABLO UNIFIED SCHOOL DISTRICT**  
(Contra Costa County, California)

**GENERAL OBLIGATION REFUNDING BONDS, ELECTION OF 2002, SERIES C**

**Dated: Date of Delivery**

**Due: August 1 and June 1, as shown below.**

The Mt. Diablo Unified School District General Obligation Refunding Bonds, Election of 2002, Series C (the "Bonds") are being issued to (i) refund a portion of the District's outstanding General Obligation Bonds, Election of 2002, Series 2006 on an advance basis and (ii) pay certain costs of issuance associated therewith, as more fully described herein under the caption "PLAN OF REFUNDING." The Bonds are issued on a parity with all other general obligation bonds of the District.

Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2013. See "THE BONDS" herein.

The Bonds will be issued in book-entry form only, in denominations of \$5,000 principal amount or integral multiples thereof. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchasers will not receive certificates representing their interests in the Bonds. Payments on the Bonds will be made by Wells Fargo Bank, National Association, as Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Book Entry Only System."

The Bonds are subject to optional redemption and mandatory redemption prior to maturity as described herein. See "THE BONDS - Redemption" herein.

The Bonds are general obligations of the District only and are not obligations of the County of Contra Costa (the "County"), the State of California or any of its other political subdivisions. The Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* property taxes for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable.

## MATURITY SCHEDULE

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP <sup>2</sup> (621196)	Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP <sup>2</sup> (621196)
2013	\$ 600,000	2.000%	0.250%	E59	2022	\$ 1,330,000	4.000%	2.240%	F66
2014	150,000	2.000	0.300	E67	2023	1,305,000	4.000	2.490	F74
2015	1,065,000	4.000	0.460	E75	2024	1,265,000	5.000	2.700 <sup>2</sup>	F82
2016	1,100,000	4.000	0.540	E83	2025	1,210,000	5.000	2.910 <sup>2</sup>	F90
2017	1,190,000	4.000	0.850	E91	2026	1,125,000	5.000	3.020 <sup>2</sup>	G24
2018	1,245,000	4.000	1.120	F25	2027	1,140,000	5.000	3.110 <sup>2</sup>	G32
2019	1,290,000	4.000	1.410	F33	2028	2,525,000	4.000	3.390 <sup>2</sup>	G40
2020	1,325,000	4.000	1.710	F41	2030	12,265,000	4.000	3.550 <sup>2</sup>	G65
2021	1,340,000	4.000	1.980	F58	2031 <sup>3</sup>	12,545,000	4.000	3.600 <sup>2</sup>	G73

\$10,000,000 5.000% Term Bonds due August 1, 2029; priced to yield 3.250%<sup>2</sup>; CUSIP<sup>3</sup> 621196 G57

<sup>2</sup> Yield to first par call date of August 1, 2023.

<sup>3</sup> The Bonds maturing in 2031 will mature on June 1, 2031 rather than August 1, 2031.

**THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.**

The Bonds will be offered when, as and if issued and received by the Underwriters subject to the approval of legality by Matt Juhl-Darlington & Associates, Chico, California, Bond Counsel, and certain other conditions. Matt Juhl-Darlington & Associates, Chico, California, is acting as Disclosure Counsel to the District for the issuance of the Bonds. Jones Hall, A Professional Law Corporation, San Francisco, California is acting as Special Tax Counsel to the District with respect to issuance of the Bonds. Certain matters will be passed upon for the Underwriters by their counsel, Kutak Rock LLP, Denver, Colorado. It is anticipated that the Bonds will be available for delivery in definitive form in New York, New York, through the facilities of DTC on or about April 10, 2013.



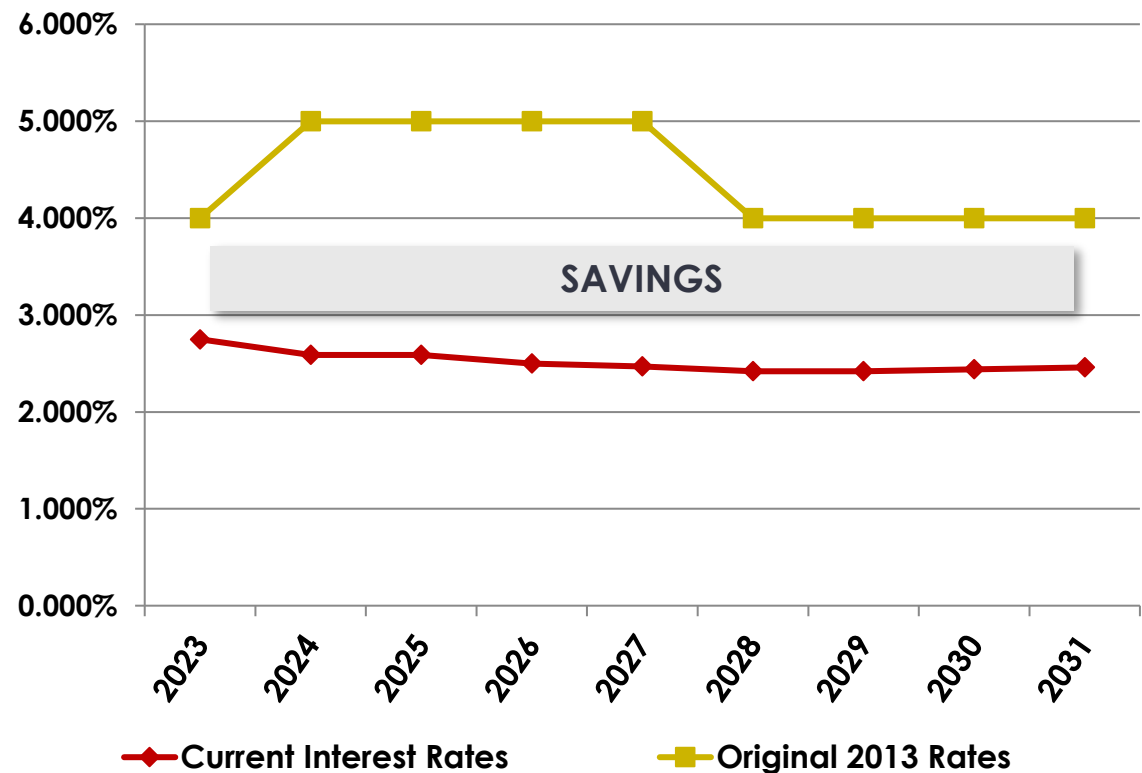
# Comparing Interest Rates

Current rates are lower than the previous bond rates

Mt. Diablo Unified School District

## Interest Rate Comparison

- ❖ Interest rates on the 2013 Refunding Bonds are between 4.00% and 5.00%.
- ❖ Interest rates on the 2023 Refunding Bonds are estimated to be between 2.5% and 2.75%.
- ❖ This difference in interest rates is what generates taxpayer savings.



# 2023 Refunding Savings



## Annual Savings

## Mt. Diablo Unified School District

- ❖ Based on current interest rates, District taxpayers would save approximately **\$4,647,366** net of all estimated issuance expenses, by refunding the 2013 GO Refunding Bonds.
- ❖ The industry accepted threshold for present value savings is a minimum of 3.0%. Based on current interest rates, the refunding would generate present value savings over **9.5%**.

Year	Existing Debt Service	New Debt Service	Savings
2023	\$915,200	\$911,675	\$3,525
2024	3,095,400	2,826,000	269,400
2025	2,977,150	2,717,000	260,150
2026	2,831,650	2,586,000	245,650
2027	6,195,400	5,654,250	541,150
2028	5,988,150	5,462,000	526,150
2029	5,775,150	5,269,500	505,650
2030	13,257,400	12,096,750	1,160,650
2031	12,963,167	11,828,125	1,135,042
Total:	\$53,998,667	\$49,351,300	\$4,647,367

# Timeline – 2023 Refunding



## Refunding Schedule

## Mt. Diablo Unified School District

Task	Responsible Party	Date
Meeting to discuss refunding opportunity	District/ Financial Advisor	February✓
Draft of legal documents	Finance Team	February✓
Conference call with rating agency (Moody's)	Finance Team	March
<b>Board Meeting to Approve Legal Documents for Refunding</b>	<b>District</b>	<b>March</b>
Receive rating	Finance Team	April
Distribute Preliminary Official Statement to investors	Finance Team	April
Price the Bonds; set interest rates	Finance Team	March
Close Transaction	District/ Finance Team	March

# Regulatory Disclosure

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**Disclosure of Conflicts of Interest and Legal or Disciplinary Events.** Pursuant to Municipal Securities Rulemaking Board ("MSRB") Rule G-42, on Duties of Non-Solicitor Municipal Advisors, Municipal Advisors are required to make certain written disclosures to clients and potential clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Isom Advisors, a Division of Urban Futures, Inc. ("Isom") and its associated persons.

**Conflicts of Interest.** Compensation. Isom represents that in connection with the issuance of municipal securities, Isom may receive compensation from an Issuer or Obligated Person for services rendered, which compensation is contingent upon the successful closing of a transaction and/or is based on the size of a transaction. Consistent with the requirements of MSRB Rule G-42, Isom hereby discloses that such contingent and/or transactional compensation may present a potential conflict of interest regarding Isom's ability to provide unbiased advice to enter into such transaction. This conflict of interest will not impair Isom's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

It should be noted that other forms of compensation (i.e. hourly or fixed fee based) may also present a potential conflict of interest regarding Isom's ability to provide advice regarding a municipal security transaction. These other potential conflicts of interest will not impair Isom's ability to render unbiased and competent advice or to fulfill its fiduciary duty to the Issuer.

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If Isom becomes aware of any additional potential or actual conflict of interest after this disclosure, Isom will disclose the detailed information in writing to the issuer or obligated person in a timely manner.

**Legal or Disciplinary Events.** Isom does not have any legal events or disciplinary history on Isom's Form MA and Form MA-I, which includes information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. The Issuer may electronically access Isom's most recent Form MA and each most recent Form MA-I filed with the Commission at the following website: [www.sec.gov/edgar/searchedgar/companysearch.html](http://www.sec.gov/edgar/searchedgar/companysearch.html).

There have been no material changes to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed with the SEC. If any material legal or regulatory action is brought against Isom, Isom will provide complete disclosure to the Issuer in detail allowing the Issuer to evaluate Isom, its management and personnel.