



NEWS RELEASE

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FISCAL DISCIPLINE AND REFINANCING RESULTS IN SAVINGS ***City of Stockton Saves Over \$21 Million***

(Stockton, CA) – The City of Stockton recently took advantage of favorable interest rates, saving Stockton water utility customers over \$21 million. This savings was accomplished through the refunding of almost \$170 million of water debt primarily related to construction of the Delta Water Supply Project. The average annual savings will be over \$1 million per year during the length of the financing, reducing the need for future rate increases to maintain the infrastructure and operation of the water treatment plant and facilities.

“This transaction shows that the City’s commitment to fiscal discipline and prudent financial planning continues to pay off for the City and for ratepayers,” said Chief Financial Officer Matt Paulin. “While referred to as “refunding” in the financial markets, it is like refinancing your home mortgage at a lower interest rate.”

The bonds were sold as “Green Bonds” and received a “Green Star” designation in recognition of the environmental benefits associated with the Delta Water Supply Project. The Delta Water Supply Project provides up to 30 million gallons per day of high-quality water supply for the Stockton metropolitan area. The treatment facility, on Lower Sacramento Road near Eight Mile Road, received a Gold LEED designation for

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energy use, lighting, water and material use, and other sustainable strategies employed by the treatment facility.

The refunding transaction received an underlying “A-” rating from Standard and Poor’s along with an insured rating of “AA” and generated significant interest from retail and institutional investors.

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