

# ACTION ITEM

Finance and Investment Committee Meeting, December 10, 2019  
Board of Governors Meeting, December 11, 2019

<b>CONTRACT ID:</b>	<b>OPTIONAL REDEMPTION OF COASTAL ACCOUNT SERIES 2015A BONDS MATURING ON JUNE 1, 2020</b>
<b>BUDGETED ITEM</b>	N/A
<b>CONTRACT AMOUNT</b>	N/A
<b>PURPOSE / SCOPE</b>	<p>Citizens issued the Series 2015A-1 fixed rate bonds with an optional redemption feature where the bonds are callable 6 months prior to maturity. In the case of the 2015A-1 bonds, the 6 month callable period begins December 1. The bonds are being called in order to generate interest expense savings from the redemption date to the maturity date. Currently, Citizens is able to call the \$150 million of Series 2015A-1 Bonds that are maturing on June 1, 2020 at par.</p> <p>By calling the \$150 million of Series 2015A-1 Bonds that mature on June 1, 2020, Citizens can save over \$2.8 million in gross interest costs and \$1.7 million in net interest costs.</p> <p>Bond Counsel has prepared the attached Board Resolution and Notice of Redemption to execute the redemption of the callable bonds.</p>
<b>CONTRACT TERM(S)</b>	N/A
<b>PROCUREMENT METHOD</b>	N/A
<b>RECOMMENDATION</b>	<p>It is recommended that Citizens' Finance and Investment Committee approve and recommends that the Board of Governors:</p> <ul style="list-style-type: none"><li>a) Approve the redemption documents and authorize staff to utilize the optional redemption feature for the \$150 million Coastal Account Series 2015A-1 Bonds maturing on June 1, 2020</li><li>b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.</li></ul>
<b>CONTACTS</b>	Jennifer Montero, Chief Financial Officer