



OPPDP Senior Bond Financing Authorization

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Senior Debt Board Authorization for 2024-2025

- In January 2024, Board approved authorization to issue up to \$1.4 billion of tax-exempt senior bonds through December 31, 2025
- As reported to the Board in August and December 2024, the District issued a total of \$980,395,000 of bonds in 2024
- Approximately \$420 million of authorization remains through December 31, 2025

Senior Debt Issuances for 2025

- As indicated in the 2025 Corporate Operating Plan, there is a need for additional debt proceeds of \$460 million for the capital expenditure program
- Additional authorization is also needed for:
 - Higher capital and operating expenses in 2024 than budgeted
 - Refunding of the taxable Build America Bonds in 2024 that were not accounted for in the original authorization
 - Greater amount of expected capital expenditures expected in 2025 than budgeted
 - Potential use of funded interest for a portion of 2025 debt issuance
- Requesting additional debt authorization of \$600 million for a total authorization amount of \$2.0 billion
- Additional \$600 million of authorization plus the \$419,605,000 of remaining authorization would allow the District to issue approximately \$1.0 billion of bonds in 2025, if needed

Senior Debt Issuance Recommendation

- OPPD staff recommends additional debt authorization of \$600 million for a total authorization amount of up to \$2.0 billion of tax-exempt senior debt through December 31, 2025
 - Provides flexibility to issue as market conditions warrant
 - Bonds will be issued to reimburse previous capital expenditures and to fund future capital expenditures
 - Bond proceeds can only be used for capital expenditure purposes as directed by IRS regulations
- Expected to maintain a debt service coverage ratio of 2.0 times and a debt-to-capitalization ratio of less than 70%
- Upon Board's authorization, issue bonds in 2025 for:
 - Capital expenditure program related to the Generation Plan
 - Other capital expenditures reviewed and approved as part of the 2025 COP
 - Liquidity needs
 - Refundings