

Monte Vista Water District

**Investor Roadshow
Revenue Certificates of Participation,
Series 2024A**



June 27, 2024

Disclaimer

The information contained in this communication is supplemental to the information contained in the offering documents with respect to the referenced municipal securities and does not purport to be comprehensive or definitive. All statements contained herein are qualified in their entirety by reference to the information, including any disclaimers set forth therein, contained in the offering documents including the draft preliminary official statement provided to the recipient of this information, and the “deemed final” official statement and the final official statement to be delivered to potential investors and the recipient of this information in connection with the offering of the municipal securities described herein.

Any potential investor should review the preliminary official statement in its entirety in conjunction with these materials.

The preliminary official statement and official notice of sale can be obtained electronically at:

www.Munios.com

Transaction Overview

Issuer	Monte Vista Water District (the "District")
Offering	\$22,340,000* Revenue Certificates of Participation, Series 2024A
Ratings/Outlook	S&P: AA (Stable)
Tax Status	Tax-exempt, non-AMT
Security	The 2024 Certificates are limited obligations payable from installment payments made by the District. The installment payments are payable by the District solely from Net Revenues, which consist of Revenues of the District's Water System remaining after the payment of Operation and Maintenance Costs, and from amounts on deposit in certain funds and accounts created under the Installment Purchase Agreement.
Use of Proceeds	The 2024 Certificates are being issued to: (1) To assist in acquiring certain capital improvements to the District's Water System; (2) pay costs of issuance.
Bond Structure	Fixed rate current interest bonds; amortizing 2026 through 2049*
Reserve Fund	None
Optional Redemption	April 1, 2034 at 100% of par*
Pricing Date	July 9, 2024*
Closing Date	July 17, 2024*

*Preliminary, subject to change.

Overview

■ Revenues

- ✓ Rates adopted and in place through calendar year 2027
- ✓ The District participates in the County's Teeter Plan and as a result receives 100% of its share of the County 1% Property Tax Revenues without regard to delinquencies
- ✓ 21% of FY 2023 total water sales revenue is generated from the City of Chino Hills (wholesale revenues)

■ Debt Service Coverage

- ✓ Debt service coverage was approximately 1.53x in FY 2023 due to a wet hydrological year
- ✓ Debt service coverage projected at a minimum of 1.8x over next five Fiscal Years

- Manageable capital improvements totaling \$68 million over the five year period from FY 2024 - FY 2028 focused on treatment, well rehabilitation and pipeline replacement*
- Additional debt is expected over the five-year horizon to fund portions of the CIP program*

*Note: See Preliminary Official Statement for information on capital improvement program and its funding sources.

Key Security Features and Amortization

- Pledge of Water System Revenues
- Rate Covenant: Net Revenues = 125% coverage on all annual debt service*
- Additional Bonds Test: Requires Net Revenues = 125% coverage on all annual outstanding + proposed debt service*
- No debt service reserve fund

Principal Payment Date (October 1)	Principal Amount ⁽¹⁾	Principal Payment Date (October 1)	Principal Amount ⁽¹⁾
2026	\$360,000	2038	\$650,000
2027	380,000	2039	685,000
2028	400,000	2040	725,000
2029	420,000	2041	1,310,000
2030	440,000	2042	1,375,000
2031	455,000	2043	1,450,000
2032	490,000	2044	1,520,000
2033	510,000	2045 ⁽²⁾	1,600,000
2034	530,000	2046 ⁽²⁾	1,685,000
2035	555,000	2047 ⁽²⁾	1,770,000
2036	590,000	2048 ⁽²⁾	1,860,000
2037	625,000	2049 ⁽²⁾	1,955,000
		TOTAL	\$22,340,000

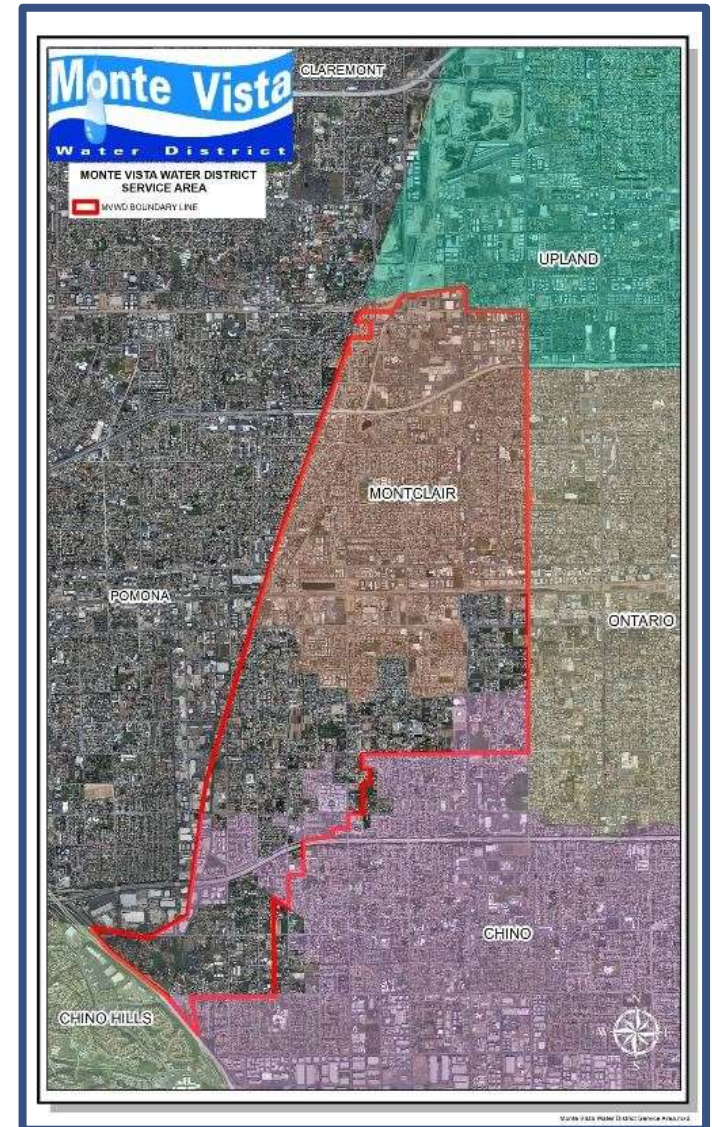
⁽¹⁾Preliminary, subject to change.

⁽²⁾Represents sinking funds.

*See POS for a more detailed explanation of these financial covenants.

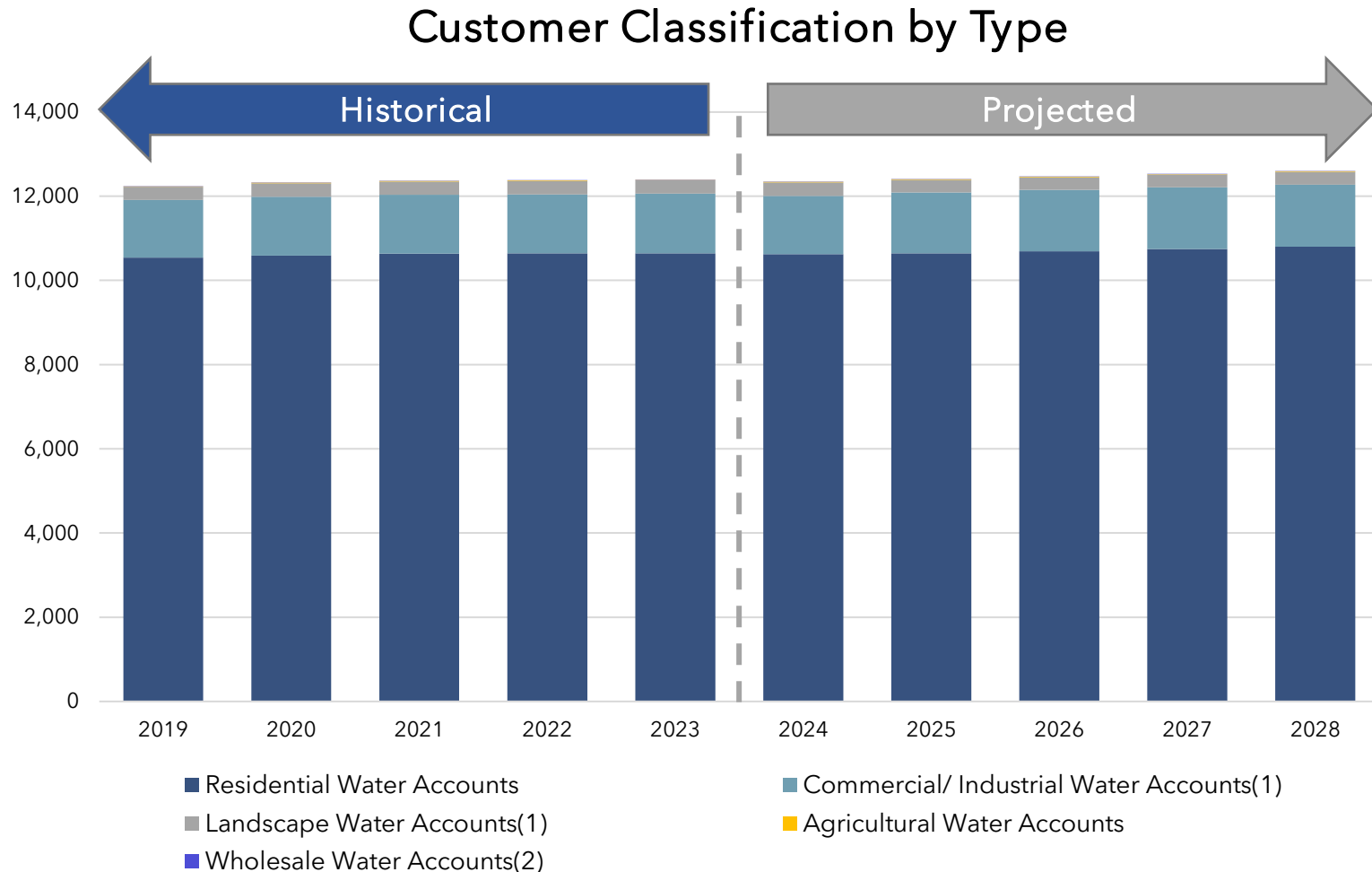
General Information Only

- District was organized in 1927 and is located in the southwestern portion of San Bernardino County
- Retail service area of **6,120 acres** (9.56 square miles)
- Serves retail water to City of Montclair and portions of the City of Chino and other nearby communities
 - **~56,400 residential customers** through approximately **12,400 metered connections**
 - **Service area population** at buildout estimated to be **~65,957** in the year 2040
- Provides wholesale deliveries to the City of Chino Hills, a city with a **population of ~78,000**



Customer Accounts

- Connections are projected to grow by 0.50% annually from FY 2025 - 2028



(1) Includes recycled water accounts.

(2) Reflects wholesale water service to City of Chino Hills.

1% Property Tax Revenues

- The District receives a share of the County's 1% ad valorem property tax
 - ✓ Top twenty taxpayers account for approximately 13% of FY 2023 total secured assessed valuation
- The District participates in the County's Teeter Plan and as a result receives 100% of its share of 1% Property Tax Revenues without regard to delinquencies

Fiscal Year (Ending June 30)	Secured Assessed Valuation within District	1% Property Tax Allocated to District
2019	\$4,732,597,497	\$1,732,835
2020	\$4,955,478,858	\$1,796,299
2021	\$5,238,576,397	\$2,011,066
2022	\$5,665,254,679	\$2,133,740
2023	\$6,034,676,977	\$2,268,571

Financial Policies

Reserve Fund Policy (adopted March 13, 2019)

- Reserves are categorized as Restricted Funds, Capital Funds or Liquidity Funds

Debt Management Policy (adopted August 28, 2019)

- Compliant with California Government Code Section 8855(i) and includes provisions that govern the District's continuing disclosure obligations

Investment Policy (adopted June 9, 2023)

- Policy is reviewed annually, and investments are reported monthly to the Board
- Funds are invested in the following order of priority (safety, liquidity and yield)

Management Practices

- Good operational and financial management practices and policies, including long-range CIPs, sufficient treatment capacity, regular budget updates to the board of directors, and routine public outreach

Historical Operating Results

Historical Operating Results and Debt Service Coverage Fiscal Years Ending June 30

Revenues	2019	2020	2021	2022	2023
Commercial and Residential Water Sales ⁽¹⁾	\$12,514,208	\$13,601,250	\$14,647,876	\$14,686,079	\$13,762,162
Municipal - City of Chino Hills ⁽²⁾	4,912,524	5,970,259	5,760,674	5,104,229	3,723,309
Property Taxes	1,732,835	1,796,300	2,011,066	2,133,740	2,268,571
Developer Fees and Other Reimbursements ⁽³⁾	1,705,172	462,332	13,439,982	1,070,938	671,447
Investment Earnings ⁽⁴⁾	475,696	791,599	144,850	192,265	917,753
Capacity Maintenance ⁽⁵⁾	380,757	388,674	393,426	4,584,391	549,696
Other Revenues ⁽⁶⁾	573,831	477,225	574,036	962,025	431,534
Total Revenues	\$22,295,023	\$23,487,639	\$36,971,910	\$28,733,668	\$22,324,471
Operating Expenses					
Source of Supply ⁽⁷⁾	\$7,884,544	\$8,071,386	\$7,970,449	\$7,448,615	\$7,016,530
General and Administrative ⁽⁸⁾	4,636,228	5,731,291	5,206,102	5,232,620	6,620,301
Pumping	1,897,942	1,947,486	2,408,403	2,823,053	2,817,715
Treatment, Transmission and Distribution	1,594,338	1,637,264	1,593,486	1,696,378	2,150,741
Customer Service	355,460	362,921	467,121	375,479	506,854
Total Operating Expenses	\$16,368,513	\$17,750,348	\$17,645,561	\$17,576,147	\$19,112,141
Net Revenues	\$5,926,510	\$5,737,291	\$19,326,349	\$11,157,521	\$3,212,330
Debt Service					
State Loan	\$284,706	\$284,706	\$284,706	\$284,706	\$284,706
IEUA Loan	66,609	66,609	66,609	66,609	66,609
2010 Installment Purchase Agreement ⁽⁹⁾	594,063	416,719	-	-	-
2015 Installment Purchase Agreement	573,075	572,926	572,773	572,615	572,455
2020A Installment Purchase Agreement	-	\$107,191	\$632,600	\$632,600	\$632,600
2020B Installment Purchase Agreement	-	38,534	534,702	539,109	538,223
Total Debt Service	\$1,518,453	\$1,486,684	\$2,091,389	\$2,095,639	\$2,094,592
Debt Service Coverage	3.90	3.86	9.24	5.32	1.53
Revenues Available for Capital Projects and Other Purposes	\$4,408,058	\$4,250,607	\$17,234,960	\$9,061,882	\$1,117,738

Note: See Preliminary Official Statement for footnotes.

Projected Operating Results

Projected Operating Results and Debt Service Coverage Fiscal Years Ending June 30

Revenues	2024 ⁽¹⁾	2025	2026	2027	2028
Commercial and Residential Water Sales ⁽²⁾	\$14,602,500	\$15,796,400	\$17,063,400	\$18,995,148	\$20,039,881
Municipal – City of Chino Hills ⁽³⁾	\$4,223,000	\$5,306,000	\$5,571,300	\$5,599,157	\$5,627,152
Property Taxes ⁽⁴⁾	\$2,400,000	\$2,448,000	\$2,496,960	\$2,546,899	\$2,597,837
Developer Fees and Other Reimbursements ⁽⁵⁾	\$3,523,949	\$5,215,557	\$2,506,311	\$510,000	\$520,200
Investment Earnings ⁽⁶⁾	\$1,063,000	\$796,800	\$764,900	\$795,496	\$827,316
Capacity Maintenance ⁽⁷⁾	\$5,259,264	\$3,123,689	\$468,600	\$477,972	\$487,531
Other Revenues ⁽⁸⁾	\$284,261	\$283,050	\$285,114	\$290,816	\$296,633
Total Revenues	\$31,355,974	\$32,969,496	\$29,156,585	\$29,215,487	\$30,396,550
Operating Expenses					
Source of Supply ⁽⁹⁾	\$7,370,407	\$8,825,157	\$8,997,164	\$9,447,022	\$9,919,373
General and Administrative ⁽¹⁰⁾	\$7,135,881	\$7,631,114	\$7,292,155	\$7,583,841	\$7,887,195
Pumping ⁽¹¹⁾	\$2,533,997	\$2,230,006	\$2,347,963	\$2,441,882	\$2,539,557
Treatment, Transmission and Distribution ⁽¹²⁾	\$1,943,833	\$3,324,991	\$3,485,786	\$3,625,217	\$3,770,226
Customer Service ⁽¹³⁾	\$381,007	\$504,964	\$513,856	\$534,410	\$555,787
Total Operating Expenses	\$19,365,125	\$22,516,232	\$22,636,924	\$23,632,373	\$24,672,138
Net Revenues Prior to Rate Stabilization Fund	\$11,990,849	\$10,453,264	\$6,519,661	\$5,583,115	\$5,724,412
Transfers to Rate Stabilization Fund	(\$5,000,000)	\$0	\$0	\$0	\$0
Transfers from Rate Stabilization Fund	\$0	\$0	\$0	\$0	\$0
Net Revenues	\$6,990,849	\$10,453,264	\$6,519,661	\$5,583,115	\$5,724,412
Debt Service					
State Loan ⁽¹⁴⁾	\$284,706	\$284,706	\$284,706	-	-
IEUA Loan ⁽¹⁴⁾	\$66,609	\$66,609	\$66,609	\$66,609	\$66,609
2015 Installment Purchase Agreement ⁽¹⁴⁾	\$572,289	\$572,120	\$571,946	-	-
2020A Installment Purchase Agreement	\$632,600	\$632,600	\$632,600	\$759,350	\$899,100
2020B Installment Purchase Agreement ⁽¹⁵⁾	\$537,065	\$535,564	\$538,574	\$535,962	\$537,723
2024A Installment Purchase Agreement ⁽¹⁵⁾	-	\$840,292	\$1,128,750	\$1,484,625	\$1,485,875
Total Debt Service	\$2,093,268	\$2,931,890	\$3,223,184	\$2,846,545	\$2,989,307
Debt Service Coverage	3.34	3.57	2.02	1.96	1.91
Revenues Available for Capital Projects and Other Purposes	\$4,897,581	\$7,521,374	\$3,296,477	\$2,736,569	\$2,735,105

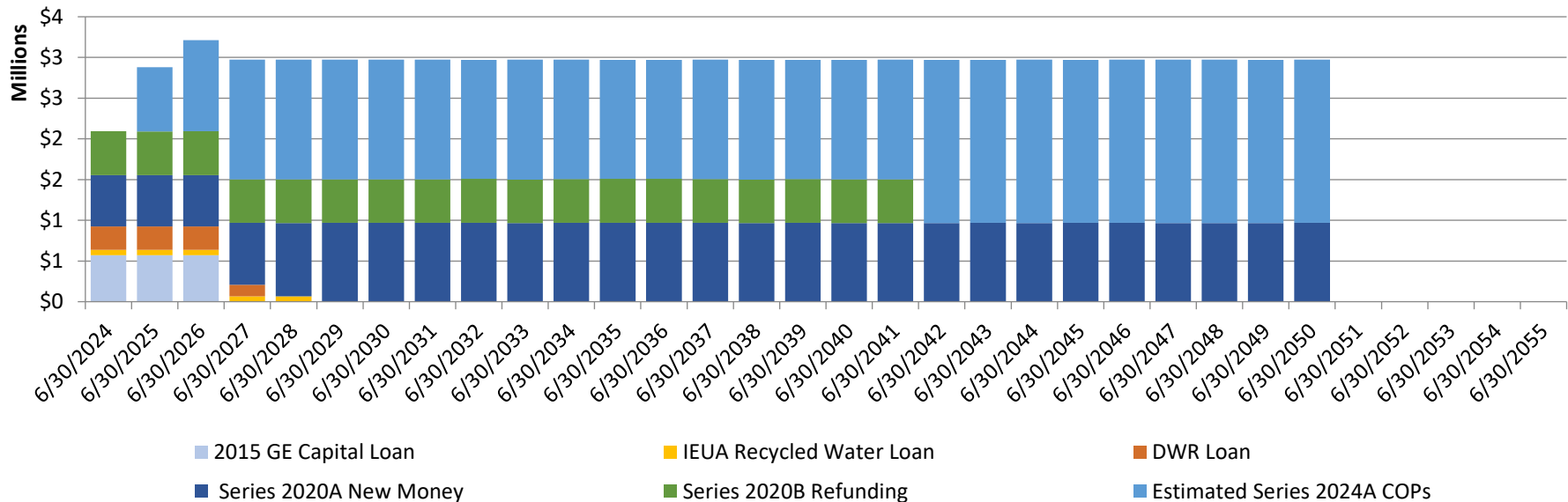
Note: See Preliminary Official Statement for footnotes.

Plan of Finance*

Revenue COPs, Series 2024A	
SOURCES	
Bond Proceeds:	
Par Amount	\$22,340,000
Premium	\$2,704,093
	\$25,044,093
Total Sources	\$25,044,093
USES	
Project Fund	\$24,750,000
Cost of Issuance	\$204,733
Underwriter's Discount	\$89,360
	\$289,360
Total Uses	\$25,044,093

- Revenue of the District's Water System are pledged
- 125% annual rate covenant and additional debt test
- No debt service reserve fund

Estimated Debt Profile*



* Preliminary, subject to change.

Financing Schedule*

Financing Schedule	
Date	Activity
June 27, 2024	Post Investor Roadshow, Preliminary Official Statement and Notice of Sale
July 9, 2024	Bond Sale
July 17, 2024	Closing and receipt of funds

June 2024						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

July 2024						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

* Preliminary, subject to change.

Contacts

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