



FOR IMMEDIATE RELEASE – July 27, 2020

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CITY OF BEVERLY HILLS WATER ENTERPRISE UPGRADED TO 'AAA' BY STANDARD & POOR'S RATING AND ISSUES \$56.08 MILLION BOND SALE
Refinancing Achieves \$7.2 Million in Gross Savings

BEVERLY HILLS, California – On July 22, 2020, the City of Beverly Hills, through the City of Beverly Hills Public Financing Authority, successfully sold \$56.08 Million of Water Revenue Bonds to finance capital improvements and to refinance the City's outstanding 2012 Water Revenue Refunding Bonds, Second Series A. The City took advantage of current low interest rates and locked in approximately \$7.2 Million in gross cash flow savings.

Standard and Poor's upgraded the City's Water Revenue Bonds from 'AA+' to 'AAA', the highest rating available. The 'AAA' reflects the City's good financial and operational management practices and policies of the Water Enterprise, very strong financial profile such as strong liquidity and debt service coverage, and participation in the very strong regional economy. The bonds attracted robust demand from retail and institutional investors, resulting in over \$240.5 Million of total orders from a wide range of accounts, including some of the largest bond funds in the municipal market. As a result, the City's bonds priced better in certain maturities than other highly rated 'AAA' financings that priced around the same time.

"The 'AAA' rating, the City's well-recognized name and low interest rate environment allowed the City to lower debt payments for our community," said Jeff Muir, the City's Director of Finance. "We monitor interest rates regularly and once we saw the opportunity, we moved quickly to deliver the savings to our ratepayers in addition to raising the required capital to fund the Water Enterprise Plan at the lowest possible borrowing costs."

The City's bond finance team included its bond underwriter, Raymond James, municipal advisor, Fieldman, Rolapp & Associates, Inc., bond counsel, Orrick, Herrington & Sutcliffe LLP and disclosure counsel, Stradling, Yocca, Carlson & Rauth, P.C. Closing of the sale is expected in the second week of August.

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