

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** SEP 12 2013**Number:** 13-13

Subject: Central Valley Project Water System Revenue Bonds, Series AQ
 Par Amount: Series AQ \$120,205,000
 Closing Date: June 18, 2013

From: 

Mark W. Cowin, Director
 Department of Water Resources

Summary of Financing Results

The Department of Water Resources (DWR) issued tax-exempt bond Series AQ with a par amount of \$120.3 million through a competitive sale to provide up front financing of \$114.8 million for the construction of the East Branch Extension Phase I Improvements and Phase II. The bond proceeds will be used to fund construction costs through March 2014 for this project, which is expected to be completed in 2016. Bond proceeds were also used to fund the debt service reserve, pay costs of issuance, fund capitalized interest, and refund \$7.8 million of DWR's current outstanding commercial paper issued for this project.

The refunded notes were issued to finance the construction costs of the East Branch Extension Phase I Improvements and Phase II, which are part of the water conservation and transportation construction program. A summary of financing results is provided in Table 1 below:

Table 1: Summary of Financing Results

	Series AQ
Delivery Date	6/18/2013
Par Amount	\$ 120,250,000
Premium	\$ 13,692,394
Last Maturity	12/1/2035
Average Coupon	4.06%
Average Life (years)	17.6
All-in True Interest Cost (TIC)	3.22%

If you have any questions, please contact Perla Netto-Brown, Chief of DWR's Division of Fiscal Services at (916) 653-9836.