



City of Arts & Innovation

News Release

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Bond Refinancing to Save City of Riverside \$21 Million During Next 15 Years

Savings will help minimize future sewer rate increases while maintaining sewer system at a high level

RIVERSIDE, Calif. – The City of Riverside will save more than \$21 million in its Sewer Fund during the next 15 years because of a recent successful refinancing of \$139.16 million in sewer revenue bonds. The savings will assist in keeping sewer rates as low as possible while ensuring the system remains in excellent condition.

Favorable market conditions and strong investor demand drove interest in the bonds, creating the long-term savings, which equate to \$17.9 million in today's dollars – more than \$3 million more than expected just last week in a report to the City Council.

The 2025A Refunding Sewer Revenue Bonds were sold with a True Interest Cost (TIC) of 3.34 percent, which was well below expected interest rates, signifying confidence in the City's financial position and in the capability of Riverside to meet its sewer demands.

The savings from the bonds, rated AA- (S&P) and Aa3 (Moody's), will reduce near-term debt service requirements, creating critical budgetary flexibility within the Sewer Fund.

"Our refinancing strategy and decisive action locked in these financial benefits," said Edward Enriquez, Assistant City Manager/Chief Financial Officer/Treasurer. "This will assist in maintaining future sewer rates at affordable levels and protect the integrity of the sewer system for years to come."