

M E M O R A N D U M

TO: Governing Board Members

FROM: Candida Heater, Administrative Services, Budget Bureau

DATE: February 12, 2026

SUBJECT: Refunding of Certificates of Participation

Agenda Item Background:

The District has approximately \$260 million in remaining outstanding debt principal from Certificates of Participation (COPs) issued in 2006 for restoration projects. Economic conditions were favorable in 2015 and again in 2026 to advance refund the outstanding principle. A refunding at this time is estimated to reduce annual debt service by approximately \$2-3 million over the remaining term of the debt with the maturity date of October 2036 remaining unchanged.

Governing Board debt policy states a target of 5% savings on the refunded obligations par amount is appropriate with minimum of at least 3% savings where market conditions, historical interest rates, and bond maturities make a lower threshold appropriate for consideration. Initial evaluation and documentation may be commenced at the three percent savings level. Additionally, unless circumstances warrant a deviation therefrom, the refunding bonds should be structured to achieve level annual savings and should not exceed the remaining life of the bonds being refunded. These conditions are met with the Series 2026 Refunding.

Chapter 373.566, Florida Statutes gives the Governing Board authority to issue refunding bonds when it is in the best interest of the District to do so. Chapter 373.536(5)(c)(3), Florida Statutes, provides that the Legislative Budget Commission may reject any issuance of debt after July 1, 2012. District staff is working under the management and guidance of the Division of Bond Finance. Final amounts will not be known until the refinancing goes to the market.

Staff Contact and/or Presenter:

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ATTACHMENTS: