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Exhibit A

Washington Suburban Sanitary Commission

Debt Refunding Plan

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WyeRiver
INDEPENDENT FINANCIAL ADVISORS

Washington Suburban Sanitary Commission

Debt Refunding Plan

1. Executive Summary

The Washington Suburban Sanitary Commission (WSSC) has 18 outstanding series of long-term fixed rate bonds (not including MWQFA loans and pre-refunded CPI bonds). As financial advisor to WSSC, Wye River Group monitors market conditions and WSSC's outstanding debt obligations routinely for opportunities to refinance such debt for interest cost savings.

Based on current market conditions or slightly improved market conditions over the next 12 months, the outstanding Series of WSSC Bonds which represent potential candidates for refinancing for interest cost savings are as follows:

- Series 2012 CPI Bonds
- Series 2014 CPI Bonds
- Series 2014 CPI Bonds (Second Series)
- Series 2015 CPI Bonds

The elimination at the end of 2017 of tax-exempt advance refundings under Federal tax law reduces WSSC's alternatives for refinancing select series of bonds assuming continued low interest rates. The "current" tax exempt refunding approach which WSSC has used in the past continues to be permissible and there are other alternatives to tax-exempt advance refunding which warrant consideration, including the following:

- taxable advance refunding,
- tax-exempt forward refunding, and
- convertible refunding.

All of these approaches are now well-accepted in the bond market. Because they have not been used by WSSC in the past, we provide a brief description below of each alternative's structure and unique features.

2. Alternative Refunding Structures

a. Taxable Advance Refunding. A taxable advance refunding is structured identically to a tax-exempt advance refunding in the respect that the proceeds of the bonds are invested in an escrow of U.S. Treasury securities whose cashflow funds interest on the refunded bonds until their earliest optimal redemption date and repays the bonds on that date. The only difference is that the bonds have higher "taxable" interest rates. In recent times as interest rates have declined, the spread between tax-exempt and taxable interest rates has narrowed appreciably. Consequently, with a relatively modest decline of rates from current market rate levels, a taxable advance refunding of each of the identified refunding candidates would be feasible.

b. Tax-Exempt Forward Refunding. In a forward refunding, WSSC would enter into a contract with either an investment banking firm or a commercial bank to purchase tax-exempt bonds at a fixed date in the future at interest rates based on current market levels plus a rate "premium" based on the number of months in the future by which the bonds will be issued. Such "forward delivery" bonds would be issued on a date within 90 days of the earliest optional redemption date of the refunding candidate. Upon issuance, the bonds would constitute tax-exempt current refunding bonds whose proceeds would be used to repay the outstanding principal amount of the refunding candidate. For instance, in the case of the Series 2012 Bonds, WSSC could enter into a contract to deliver forward delivery bonds at any time under current market conditions, with delivery on or after March 1, 2022. (i.e. no more than 90 days before that Series' earliest optional redemption date). The forward refunding approach has the advantage of capturing current tax-exempt rates (usually with a 3-4 basis point premium for each month between execution of the Bond Purchase Agreement and delivery date of 6/1/2022). Even with such premium, the forward delivery bond tax-exempt rate tends to be lower than the rate of taxable advance refunding bonds. One limitation of a forward refunding is that the cash flow benefit of the transaction does not commence until the future delivery date. In addition, underwriters and banks tend to be unwilling to forward commit rates beyond 24 months. Consequently, the only potentially viable refunding candidate in FY 2021 is the Series 2012 Bonds.

c. Convertible Refunding. A convertible refunding functions in the same fashion as a taxable or tax-exempt advance refunding in terms of the timing and function of the refunding escrow. However, under the transaction structure, the interest rate on the refunding bonds is initially set at a taxable level which remains in effect until the earliest redemption date of the refunded bonds. On that date, the taxable rate bonds are effectively replaced with tax-exempt bonds. The interest rates on both the taxable and tax-exempt bonds are committed at the same time at the outset of the transaction. This alternative offers the advantage over the forward refunding alternative of immediate cash flow savings if desired. However, its application is limited to commercial banks as they are the only type of institutions to date that have been willing to commit simultaneously to both the initial taxable rate and the future tax-exempt rate in such transactions.

3. Refunding Feasibility Assessment

WSSC has routinely refinanced outstanding series of bonds to achieve interest cost savings, primarily through tax-exempt advance refundings. Although tax-exempt advance refundings with the proceeds of tax-exempt bonds are no longer permissible, Wye River Group continues to monitor WSSC's outstanding debt for interest cost savings opportunities using other, still permitted, refunding approaches. Attached as Exhibit A is a chart that summarizes WSSC's outstanding bonds with relevant details including coupon rates and earliest optimal redemption dates. Wye River has examined all these outstanding issues for refinancing opportunities. The series which present potential refinancing opportunities over the next 12-months are the Series 2012, 2014 and 2015 CPI bond issues.

The following chart summarizes the potential debt service savings opportunity of a taxable advance refunding of each of the refunding candidates under current market conditions and improved (-25 bps) market conditions. The chart also summarizes the relative savings opportunity under current market conditions of refinancing the Series 2012 Bonds through either a tax-exempt forward refunding or a convertible refunding.

Issue Description	Assumed Issuance Date	First Call Date	Outstanding Principal Amount	NPV Savings i) Current rates ii) Less 25 bps	NPV Savings as % of Refunded Principal
Taxable Advance Refunding of Series 2012	8/1/2020	N/A	$150,000,000	i) $1,954,277 ii) $4,073,080	i) 1.737% ii) 3.621%
Taxable Advance Refunding of Series 2014	8/1/2020	N/A	$120,000,000	i) $241,450 ii) $3,208,169	i) 0.282% ii) 3.565%
Taxable Advance Refunding of Series 2014 (2nd Series)	8/1/2020	N/A	$216,170,000	i) $1,690,274 ii) $6,231,349	i) 2.827% ii) 3.472%
Taxable Advance Refunding of Series 2015	8/1/2020	N/A	$354,060,000	i) $794,854 ii) $9,465,220	i) 0.424% ii) 3.576%
Convertible Refunding of Series 2012	8/1/2020	N/A	$150,000,000	i) $9,010,885	i) 9.011%
Tax-Exempt Forward Refunding of Series 2012	6/1/2022	N/A	$150,000,000	i) $10,063,749	i)10.064%

The following are the key assumptions in our analysis of each refunding alternative:

- Refunding bonds issued on (or in the case of forward refunding, committed) August 1, 2020
- Interest rates and bond market conditions as of May 22, 2020
- The refunded bonds are called on their earliest optional redemption date
- Costs of issuance estimated at the lesser of (A) 2% of the principal amount of the refunding bond issue, and (B) $350,000, prorated to each series of refunding bonds, plus $2.50/bond for underwriter's discount
- Term of the refunding matches the term of the bonds being refunded and the refunding bond amortization is structured to produce uniform annual savings
- Bond proceeds invested until the first applicable call date in U.S. Treasuries at yields based on market conditions as of May 22, 2020

Under current market conditions, the only refunding approaches which produce adequate savings are the forward or convertible refunding of the Series 2012 Bonds. Under improved market conditions (-25 bps), each of the refunding candidates could be refinanced with a taxable advance refunding to produce adequate savings were the minimum acceptable standard of 3% net present value savings applied.

4. Summary

At current market interest rate levels, the only outstanding series of WSSC bonds that represents a legally permissible and potentially feasible refunding candidate (i.e. over 3% NPV savings) is the Series 2012 Bonds. With improvement in interest rates, the Series 2014 (1st and 2nd Series) and 2015 Bonds would become viable refinancing candidates. Wye River Group will continue to monitor the market and other outstanding WSSC bonds for refunding feasibility and apprise WSSC as and when viable refinancing opportunities arise.

<u>Exhibit A</u>

Washington Suburban Sanitary Commission
Summary of Outstanding CPI Bonds
As of June 30, 2020

Bond Series	Original Principal	Final Maturity	Outstanding Principal as of 6/30/20	Interest Rate Range	Earliest Optional Call Date
2012	$ 250,000,000	6/1/2032	$ 150,000,000	3.00% – 5.00%	6/1/2022
2013 Refunding	101,560,000	6/1/2026	29,970,000	2.00% – 4.00%	6/1/2023
2014	150,000,000	6/1/2044	120,000,000	4.00% – 5.00%	6/1/2024
2014 Refunding	47,395,000	6/1/2022	6,970,000	5.00%	Non-Callable
2014 (2nd Series)	250,000,000	6/1/2044	216,170,000	4.00% – 5.00%	6/1/2024
2015	390,000,000	6/1/2045	354,060,000	3.00% – 5.00%	6/1/2024
2015 Refunding	145,325,000	6/1/2028	109,905,000	2.65% – 5.00%	6/1/2024
2016	145,000,000	6/1/2046	133,905,000	3.00% – 5.00%	6/1/2026
2016 Refunding	36,440,000	6/1/2025	16,930,000	4.00% – 5.00%	Non-Callable
2016 (2nd Series)	381,810,000	6/1/2046	355,335,000	3.00% – 5.00%	6/1/2026
2017	459,250,000	6/15/2047	437,485,000	3.00% – 5.00%	6/15/2027
2017 Refunding	220,180,000	6/1/2032	216,650,000	3.00% – 5.00%	6/1/2027
2017 Refunding (2nd Series)	79,075,000	6/1/2029	71,650,000	5.00%	6/1/2027
2018	390,000,000	6/1/2048	376,535,000	4.00% - 5.00%	6/1/2028
2019 Refunding	39,340,000	6/1/2029	32,065,000	2.00% – 5.00%	Non-Callable
2019 (Green Bonds)	53,880,000	6/1/2049	51,935,000	3.00% – 5.00%	6/1/2029
2019	179,685,000	6/1/2049	173,200,000	3.00% – 5.00%	6/1/2029
2020 Refunding	99,210,000	6/1/2030	9,210,000	5.00%	Non-Callable
TOTAL	$3,315,790,000		$2,862,030,000		