



# Review of Metropolitan's Recent Financings, Swap Program, and Proposed Financings

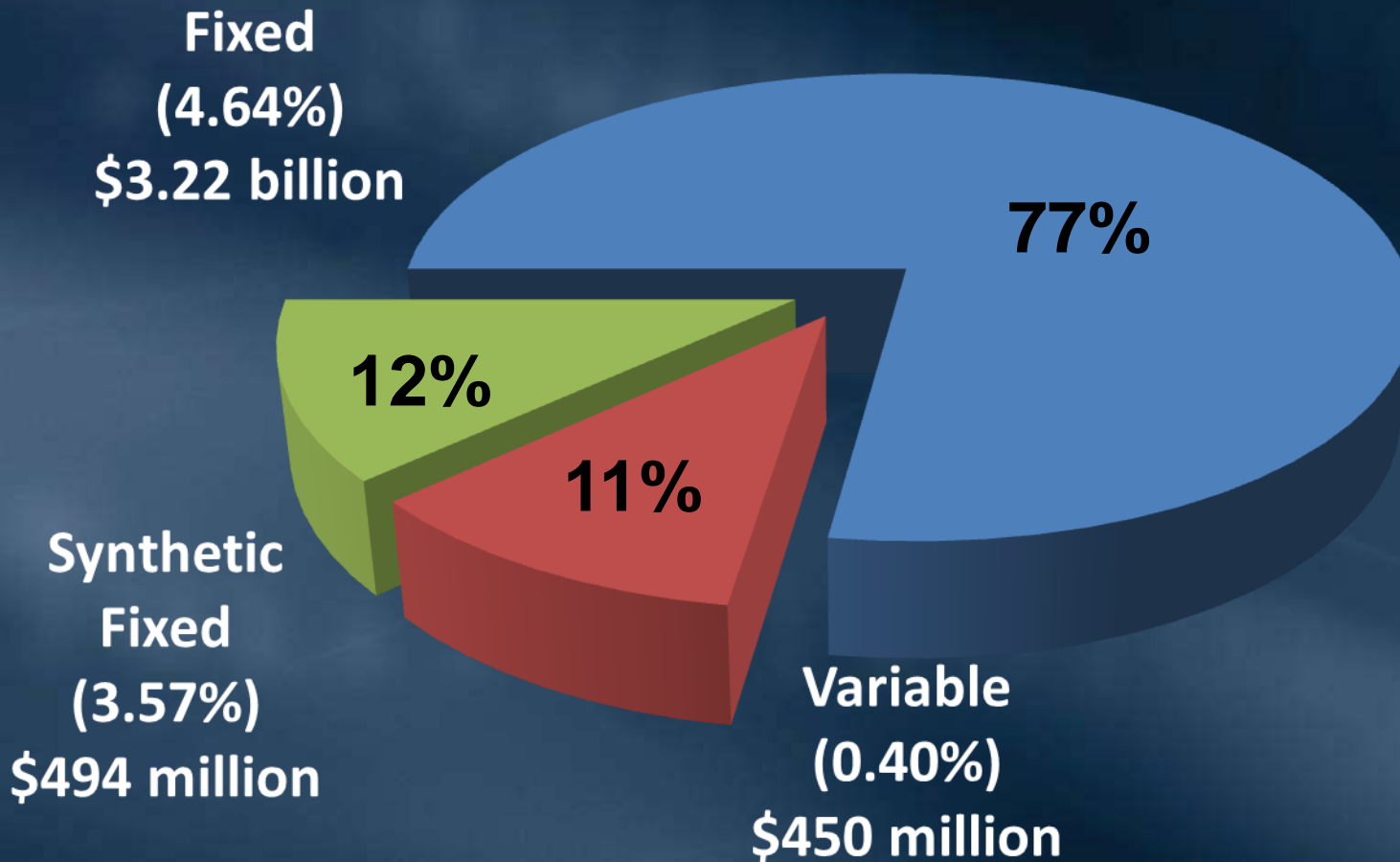
Finance and Insurance Committee  
October 13, 2014  
Item 6e

# Presentation Overview

- **Recent Financing Activity**
  - **2013 Series E Flexible Index Tender Notes-Remarketing: September 10, 2014**
  - **2014 Series E, F and G Water Revenue Refunding Bonds and Swap Terminations: August 29, 2014**
- **Review of Swap Program**
- **Proposed Financings**
  - **SIFMA Index Note Re-Pricings**
  - **General Obligation Bond Refunding**
  - **Water Revenue Bond Refunding**

# Revenue Bond Debt Outstanding

## \$4.2 Billion



# Recent Financings

## 2013 Series E Flexible Index Notes

- **\$104,820,000 Flexible Index Notes**
  - Remarketed: September 10, 2014
  - Priced at SIFMA plus two basis points
  - Term 270 days
  - Call Protection Date: December 8, 2014
  - Scheduled Mandatory Tender Date: June 5, 2015
- **To date-28 successful remarketings of Metropolitan's SIFMA Note Products**
  - Reflects broad market acceptance
  - Metropolitan's sound financial operations

# Recent Financings

## 2014 Series E, F and G

### Water Revenue Refunding Bonds

- **\$151,760,000 Refunding Bonds**
  - **August 29, 2014**
  - **Terminated \$162.7 million of interest rate swaps**
- **Issued low cost fixed rate bonds to refund variable rate bonds and terminate interest rate swaps**
- **Present value debt service savings: \$955,900**
- **Termination payment: \$17 million**

# Swap Termination Transactions

(June 2012 to August 2014)

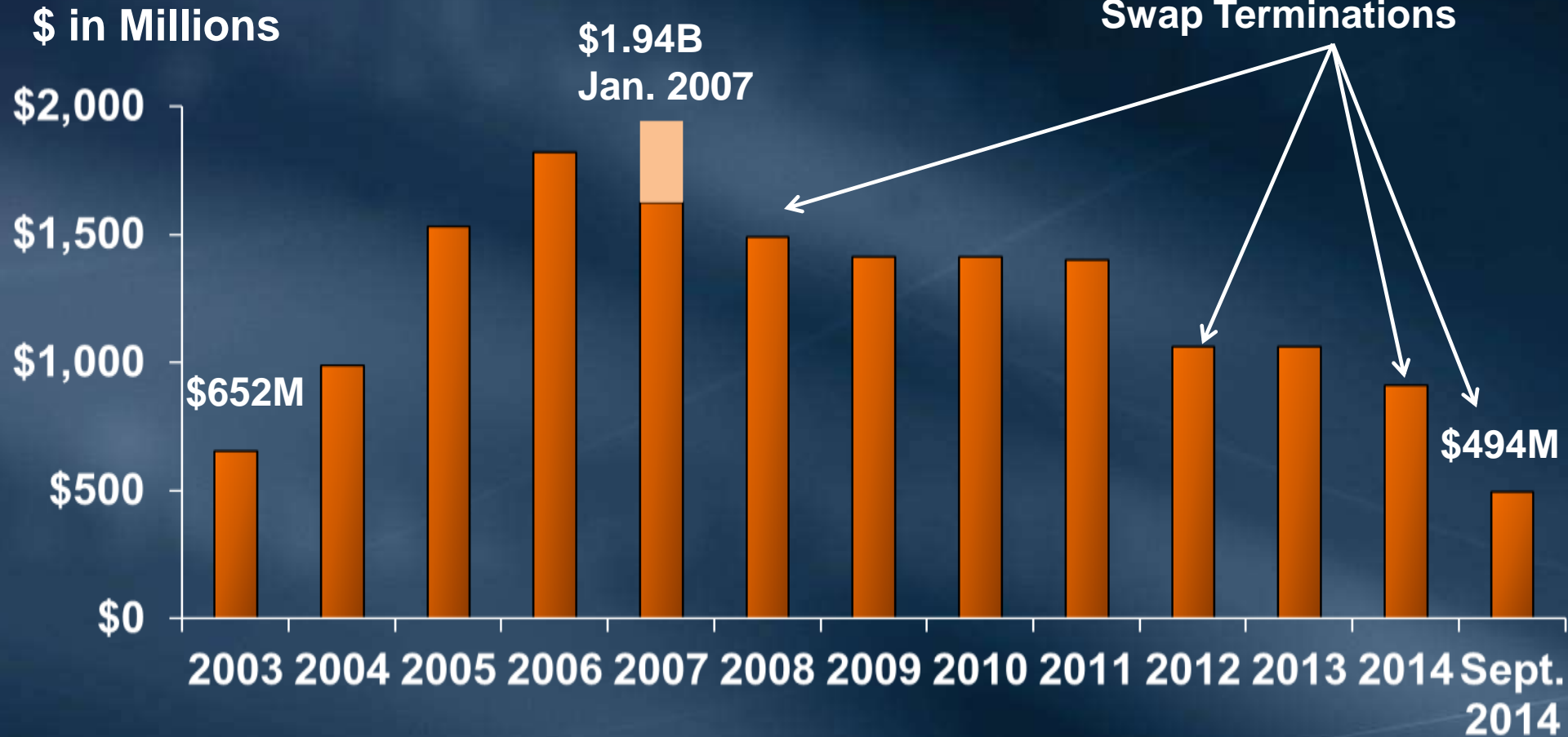
- Three bond refunding's and swap terminations
- Issued low cost fixed rate refunding bonds to refund variable rate bonds and terminate interest rate swaps
  - \$627M swaps terminated and variable rate bonds refunded
- Combined present value savings of \$3.8M
  - Savings net of funding for costs of issuance and swap termination payments

# Benefits of Swap Termination Transactions

- Lock-in future savings from prior bond refundings and swap transactions
- Mitigate and eliminate various risks associated with variable rate debt program and interest rate swaps
- Reduce future debt service costs
- Minimizes collateral posting for interest rate swaps
  - Highest collateral \$37 million-June 2012
  - No collateral posting since March 2014

# Metropolitan's Swap Program

## Notional Amount Outstanding as of June 30





# Proposed Financings

- **SIFMA Note Remarketings: 2014 and 2015**
  - \$129M 2011A1/A3 (One Year): Nov.-Dec. 2014
  - \$104M 2009A2 (One Year): Dec. 2014-Jan. 2015
  - \$100M 2011A2/A4 (Two Year): February-March 2015
  - \$98M 2012B1/B2 (Three Year): February-March 2015
  - \$105M 2013E (270 Days): April-May 2015
- **No new money planned for FY 2015**
- **Projected refunding opportunities**
  - \$60M Waterworks General Obligation Refunding Bonds, 2005 Series A: December 2014
  - \$76M 2005 Ser. A, Water Revenue Refunding Bonds: July 2015
  - \$30M 2012 Ser. E-2, Water Revenue Refunding Bonds: July 2015
    - Plan to issue variable rate refunding bonds to increase variable rate exposure



**End of Presentation**