Adopt Twenty-First Supplemental Resolution to the Master Revenue Bond Resolution authorizing the sale of up to $250 million of Water Revenue Bonds, 2015 Authorization; and approve expenditures to fund the cost of issuance of the Bonds
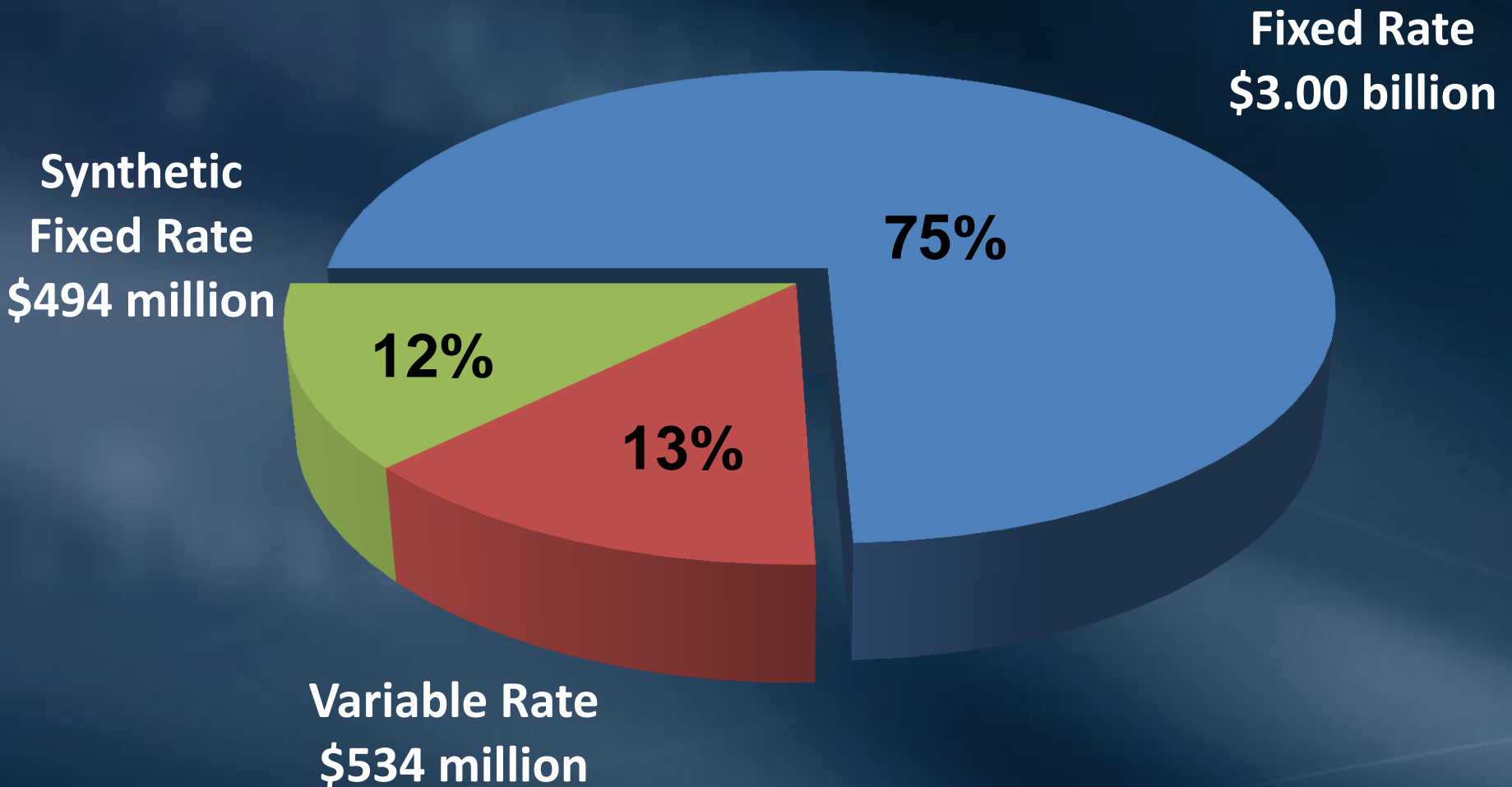
Finance & Insurance Committee
Item # 8-1
November 9, 2015

$250 million Water Revenue Bond Authorization

- **Ordinance No. 149**

- **21st Supplemental Bond Resolution**

- **Bond proceeds will be used for reimbursement of Pay-As-You-Go funding and future Capital Investment Plan (CIP) spending in FYs 2015/16 and 2016/17**
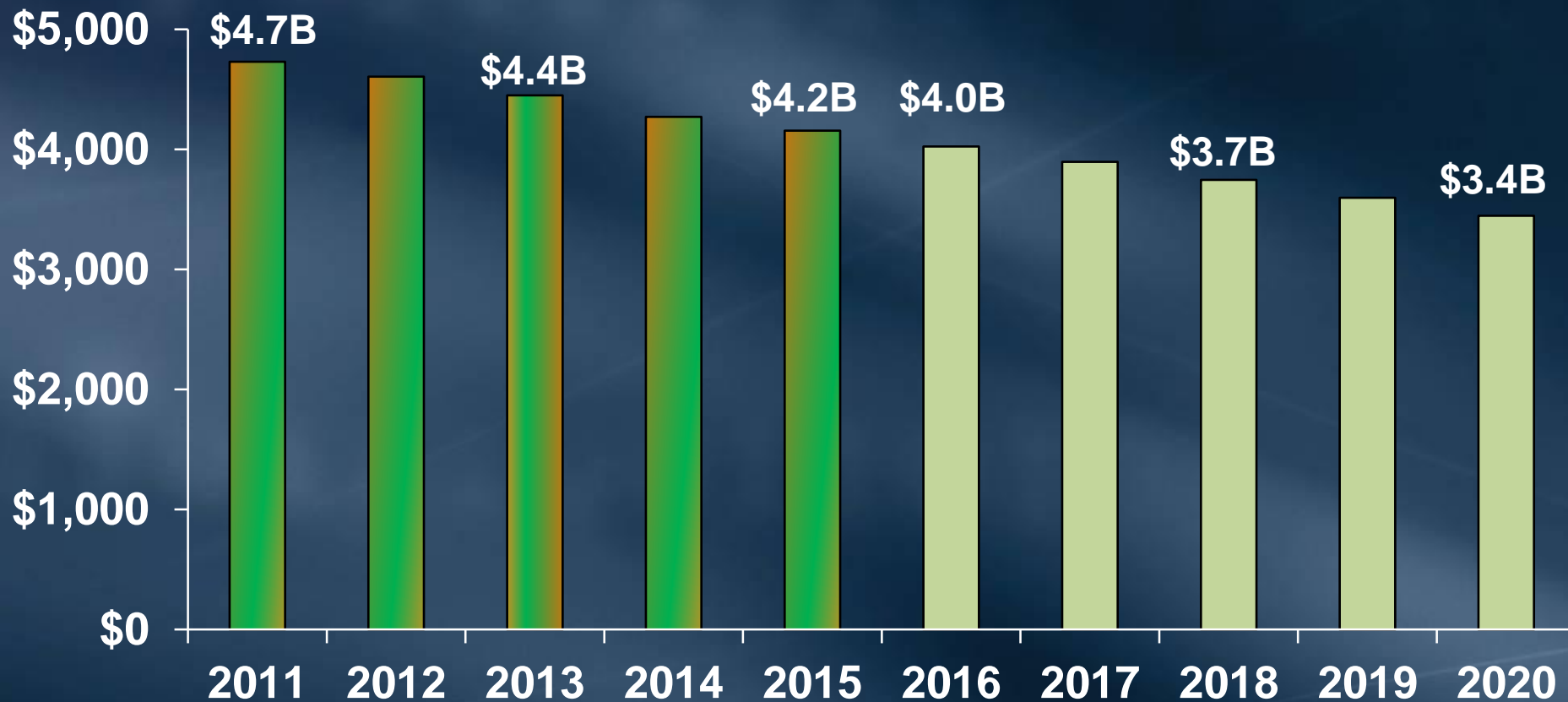
Revenue Bond Debt Outstanding
$4.0 Billion

Fixed Rate
$3.00 billion

75%

Synthetic Fixed Rate $494 million

12%

13%

Variable Rate $534 million

Metropolitan's Revenue Bonds
Amount Outstanding
as of Fiscal Year Ending June 30

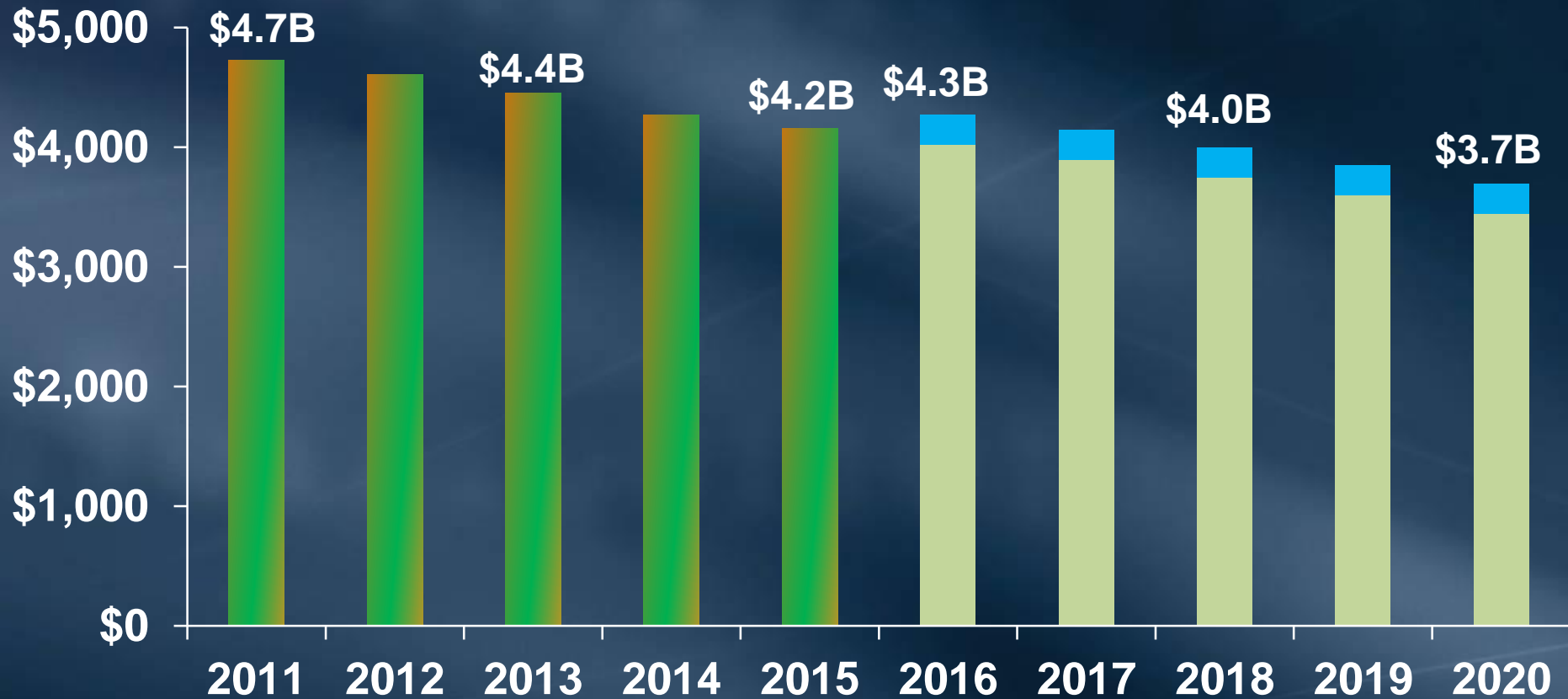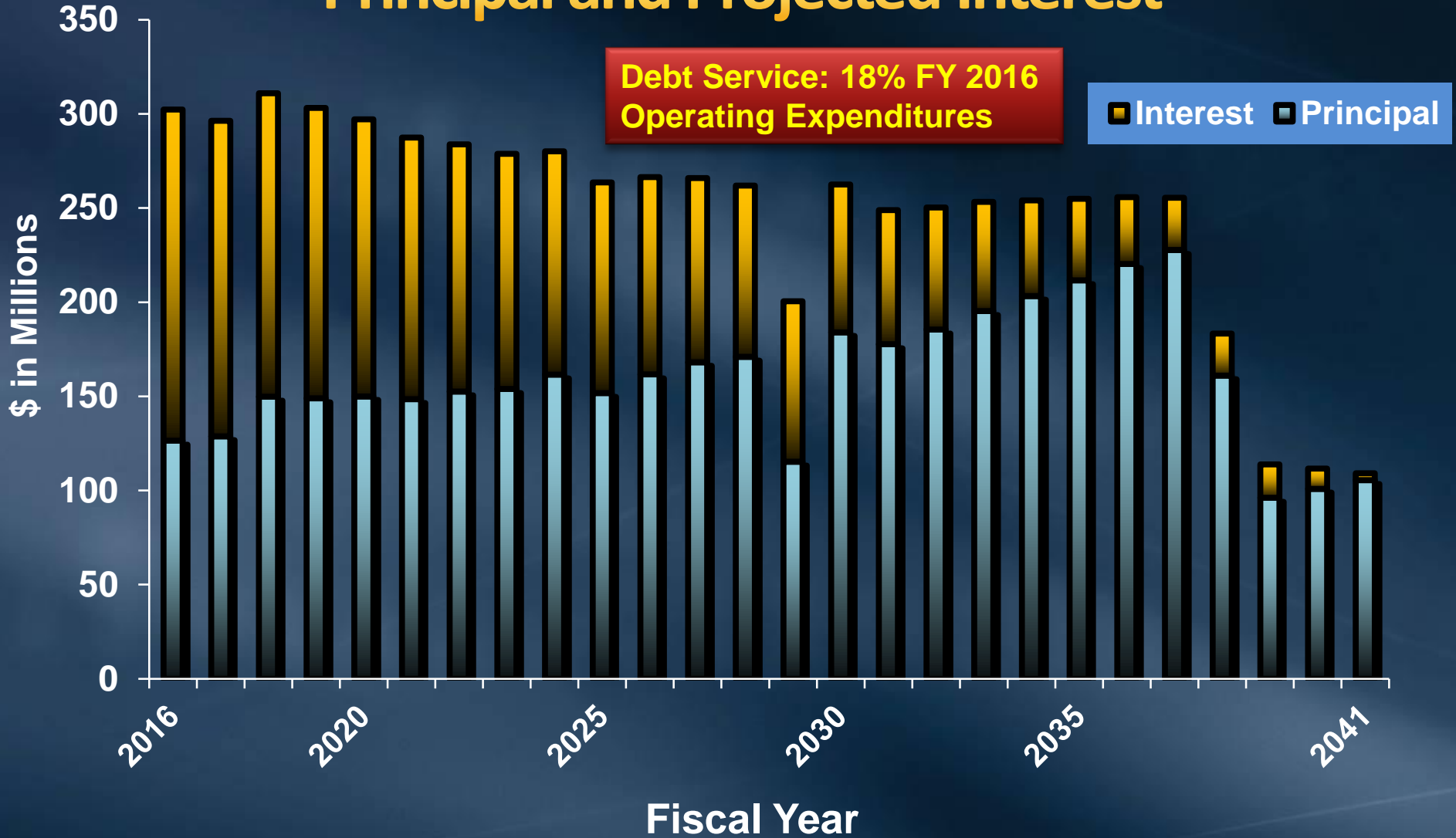**$ in Millions**

Metropolitan's Revenue Bonds
Amount Outstanding and $250M Issuance as of Fiscal Year Ending June 30

$ in Millions

Bar chart showing revenue bonds outstanding by fiscal year:
- 2011: $4.7B
- 2013: $4.4B
- 2015: $4.2B
- 2016: $4.3B
- 2018: $4.0B
- 2020: $3.7B

Y-axis: $0, $1,000, $2,000, $3,000, $4,000, $5,000
X-axis: 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020

Outstanding Revenue Bond Debt Service Principal and Projected Interest

Debt Service: 18% FY 2016 Operating Expenditures

Legend: Interest ■ Principal ■

Y-axis: $ in Millions (0, 50, 100, 150, 200, 250, 300, 350)

X-axis: Fiscal Year (2016, 2020, 2025, 2030, 2035, 2041)

Outstanding Revenue Bond Debt Service and Projected $250M Fixed Rate

Market Opportunity
Current Low Interest Rates

7

Financing Schedule

- **SIFMA Note Remarketings:**
  - **$129M 2011A1/A3 (One Year): November 2015**
  - **$104M 2009A2 (One Year): December 2015**
  - **$105M 2013E (270 Days): January 2016**
- **New Money-Water Revenue Bonds**
  - **$250M 2015 Authorization, Series A: December 2015**
- **Under Consideration: Revolving Line of Credit**
  - **Up to $400 million**
  - **For capital and operating requirements**
  - **Fixed undrawn fee and variable rate draw fee**
  - **Three year term**

Board Options

- **Option #1**

  - **Adopt CEQA Determination , and**

  a. Adopt the Twenty-First Supplemental Resolution to the Master Revenue Bond Resolution authorizing the issuance of up to $250 million of Water Revenue Bonds, 2015 Authorization and providing the terms and conditions for the sale and issuance of said Water Revenue Bonds; and

  b. Approve up to $1,885,000 for the payment of the cost of issuance of the Water Revenue Bonds to be paid from bond proceeds or Metropolitan funds.

Board Options

- **Option #2**

  - **Do not proceed with the authorization for new money debt issuance transactions.**

Staff Recommendation

- **Option #1**

End of Presentation