



Debt Service / Investments

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Budget Assumptions / Drivers

- ✦ **Investment income earnings rates have continued to decline.**
 - **Reduced projected earnings rates:**
 - FY 2013 0.25%
 - FY 2012 0.44%
- ✦ **Budget assumes the successful close of the 2012-A bond transaction on April 3, 2012.**
 - **Budget includes only bond transactions that were priced thus the following transactions are not included:**
 - **Project 1 & 3's 2012-B/C transaction**
 - **Nine Canyon's 2012 transaction**
- ✦ **Net-Billed Project's FY 2013 principal payments will total \$500.2 Million.**

Bond Principal

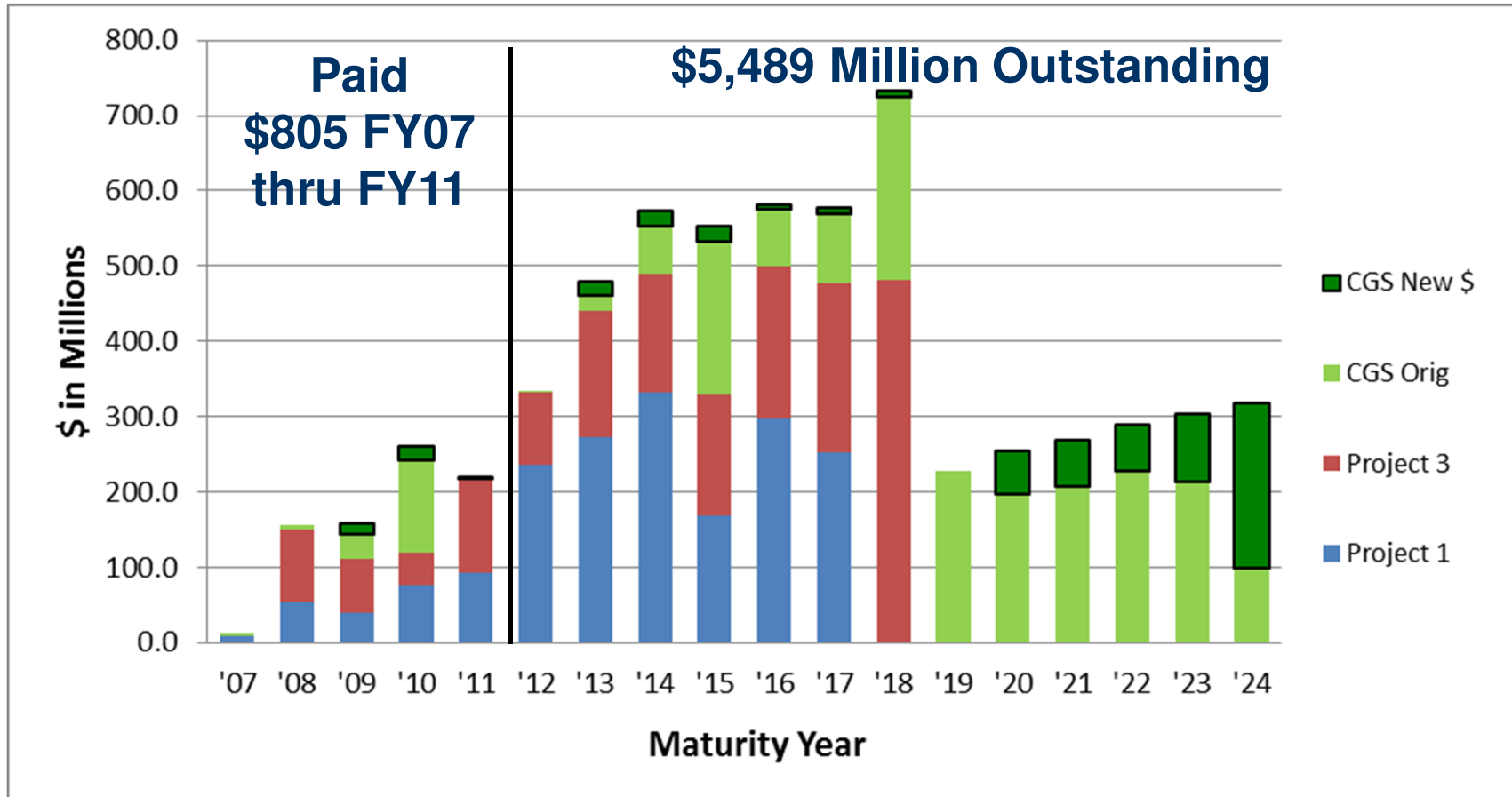
Project 1, Columbia and Project 3

(Dollars in Millions)

Fiscal Year 2013 Principal Payments total \$500.2 Million

	<u>Maturing</u>	<u>Call & Retire</u>	<u>Total</u>
Project 1	\$ 273.0	\$ -	\$ 273.0
Columbia	40.8	20.2	61.0
Project 3	166.2	-	166.2
Total	\$ <u>480.0</u>	\$ <u>20.2</u>	\$ <u>500.2</u>

Total Bond Principal Project 1, Columbia and Project 3



Treasury Related Expenses

All Business Units

(Dollars in Thousands)

<u>Description</u>	FY 2013		FY 2012	
	<u>Budget</u>		<u>Budget</u>	<u>Variance</u>
Interest Expense (1)	\$ 270,006	\$	306,085	\$ (36,079)
Build America Bond Subsidy (2)	(4,387)		(4,387)	-
Interest on Note (3)	-		2,597	(2,597)
Amortized Financing Cost (4)	(41,140)		(31,575)	(9,565)
Investment Income (5)	(445)		(904)	459
Treasury Services (6)	1,890		2,202	(312)
Total	\$ 225,924	\$	274,018	\$ (48,094)

Assumptions

- (1) Continued Pay Down of Principal in FY 2012 Drives Interest Expense Reductions.
- (2) Build America Bonds Receive a Subsidy from the Treasury for 35% of the Interest Payments.
- (3) FY 2013 Financing Plan Does Not Require a Note for Senior Lien Principal.
- (4) Amortized Financing Costs Driven by Premium Bonds Sold During Recent Years.
- (5) Investment Income: Assumed Rate Decrease from 0.44% in FY 2012 to 0.25% in FY 2013.
- (6) Includes all non-interest costs of fixed rate debt and internal labor and overheads.

Financing Plan

- ✦ **Projects 1 & 3, CGS** **Series 2012-A**
- ✦ **Projects 1 & 3** **Series 2012-B/C**
- ✦ **Nine Canyon** **Series 2012**
- ✦ **All closing expected in April 2012**

Nine Canyon

Phase II – 2003 Series Background:

- ✦ Strictly for savings candidates that meet our targets – no extension of maturities.
- ✦ Closing expected April 26, 2012
- ✦ 2003 Bonds Nine Canyon
 - ▣ \$14.725 Million Callable 7/1/2012
 - ▣ Maturity range from 2013 to 2023
- ✦ Refunding Bonds Projections:
 - ▣ All tax-exempt bonds
 - ▣ Interest rate yields as low as 1.0% to 3.5%
 - ▣ Refunding now locks in savings:
 - Over 7% overall savings – exceeds 5% target
 - Net Present Value Savings over \$1 Million

Projects 1 & 3

2012 B/C Series Background:

- ✦ Strictly for savings candidates that meet our targets – no extension of maturities.
- ✦ Closing expected April 3, 2012
- ✦ 2003-A Bonds Projects 1 & 3
 - ▣ \$156.080 Million Callable 7/1/2013
 - ▣ Maturities Range From 2015 to 2017
- ✦ Refunding Bonds Projections:
 - ▣ Approximately 50% taxable, 50% tax-exempt bonds
 - ▣ Interest rate yields as low as 1.0% to 1.3%
 - ▣ Refunding now locks in savings:
 - Over 10% overall savings – exceeds 5% target
 - Net Present Value Savings over \$16 Million