

Chelan County PUD

2007 Bond Financing Update

(Information Only - No Action Required)

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Treasurer/Director of Finance

April 23, 2007

Purpose

- Update on 2007 Bond Financing

 - Provide overview of series resolutions
 - For approval 4/30/07
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Funding Needs 2007-2008

| Projected Capital Requirements (\$000)* | 2007 | 2008 | Total |
|---|------------------|------------------|-------------------|
| Distribution Division (1, 2) | \$ 18,578 | \$ 16,070 | \$ 34,648 |
| Networks (1) | 11,199 | 12,731 | \$ 23,930 |
| Water/Wastewater (1) | 4,258 | 2,917 | \$ 7,175 |
| Internal Service System (1) | 3,957 | 3,735 | \$ 7,692 |
| Rocky Reach System (1) | 12,669 | 13,265 | \$ 25,934 |
| Rock Island System (1, 2) | 31,371 | 26,478 | \$ 57,849 |
| Lake Chelan Project (1, 2) | 11,230 | 8,211 | \$ 19,441 |
| Total Capital Requirements | \$ 93,262 | \$ 83,407 | \$ 176,669 |

(1) Cash or other available funds - estimated \$138M or 78%

\$84M from cash or internal loans, \$13M prior bond proceeds, \$34M from hydro Replacement Recovery Funds, \$7M from hydro Reserve & Contingency

(2) New bonds – estimated \$39M or 22%

*As of 4-20-07 capital plan.

2007 New Bonds

- \$8.145M State Bond Cap–Rock Island

- \$8.90M* Governmental Purpose–Lake Chelan

- \$21.9M* Governmental Purpose-Distribution
 - Fund Portion of Distribution Capital
 - Cash reserves for internal loans to RI/LC

- This will be Second Series Resolution

*Preliminary–subject to change pending capital plan evaluation.

Refinancing Opportunities

- 2007 Swap Refinancing
 - Refinance CS96ABCD & CS97A
 - Par \$101M
 - Rates - 4.85%-6.40%
 - Refunding Bonds
 - Par \$93.75M (reduced by \$7.25M)
 - Rate - variable swapped to 3.752% fixed
 - \$16.89M NPV Savings Expected
 - This will be First Series Resolution
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Summary of Financing (\$000)

| | | |
|---|------------------|-------------------|
| □ Swap Refinancing | | \$ 93,750 |
| □ New Money | | |
| ■ State Bond Cap | \$ 8,145 | |
| ■ Lake Chelan Modernization | \$ 8,900* | |
| ■ Other New Money | <u>\$21,900*</u> | |
| □ Total New Money | | <u>\$ 38,945*</u> |
| □ Total Estimated Issuance | | \$132,695* |
| □ Revenue Bonds Outstanding | | |
| ■ Estimated net increase by \$35M from 2007 bonds | | |

*Preliminary—subject to change pending capital plan evaluation.

Series Resolutions

- First Supplemental/Series Resolution
 - Authorizes 2007A \$93.75M refinancing bonds

 - Second Supplemental/Series Resolution
 - Authorizes 2007B&C new money bonds

 - Supplemental/Series Resolutions
 - Specifies terms and provisions of bonds
 - Authorizes approvals
 - Official Statement, Bond Purchase Agreement, Delivery Certificates, Disclosure Certificate and Other Action
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2007 Financing Schedule

- 4/2 Board update - Preliminary Official Statement & draft Series Bond Resolutions provided to the Commissioners 3-26-07)
- 4/23 Board update and presentment of Bond Resolutions
- 4/30 Board approves Bond Resolutions
- 5/10 Pricing – fixed rate
- 5/29 Board signs closing documents
- 5/30 Pricing – variable rate
- 5/31 Closing – proceeds received
- 6/4 Board update on financing results

Continue to evaluate refinancing opportunities

Questions?
