

June 1, 2009

**CHELAN COUNTY PUD
2009 PLAN OF FINANCE
UPDATE**

2009 Plan of Finance Components

- Three Primary Components
 - Debt conversion for savings
 - Consolidated System 2008B
 - Refunding opportunities for savings
 - Consolidated System 1999A/B
 - Cost effective new money
 - Funds For Lake Chelan, Rocky Reach and Rock Island

Debt Conversion

- Consolidated System 2008B Bonds
 - Current bonds are subject to AMT
 - Par outstanding \$92.88 million
 - Variable Rate Demand Bonds (VRDB)– 7 day reset
 - Final maturity - 2032
 - Variable exposure hedged with fixed rate swap at 3.752%
 - Bank liquidity facility – US Bank (15bp to 2013)
 - Schedule
 - Sign closing documents 6/1
 - Price & Close 6/2 and 6/3

Debt Refunding

- 2009 forward starting swap related bonds
 - Consolidated System 1999AB bonds
 - Par - \$30.355 million
 - Rate - 6.20%
 - Maturity 2034

- Significant analysis on the options
 - Keep the swap in place & issue VRDB
 - Terminate the swap and issue fixed rate bonds
 - Or some combination
 - Additional information will be presented later

- Schedule
 - Draft documents to the Board no later than 6/15
 - Seek Board approval 6/22
 - Pricing 7/8
 - Closing 7/22

New Money - Summarized

- Rocky Reach 2009A
 - ~\$18.1 million, fixed rate, tax exempt
- Rock Island 2009A
 - ~\$14.3 million, fixed rate, tax exempt
- Consolidated System 2009C
 - Loaned to Lake Chelan
 - ~\$34.0 million, fixed rate, tax exempt
- Schedule
 - Draft documents to the Board no later than 6/29
 - Seek Board approval 7/13
 - Pricing 7/29
 - Closing 8/12