



EAST BAY MUNICIPAL UTILITY DISTRICT

SIFMA Bond Remarketing and Liquidity Facility Replacements

Finance/Administration Committee

October 22, 2013

Proposed Financings for FY14

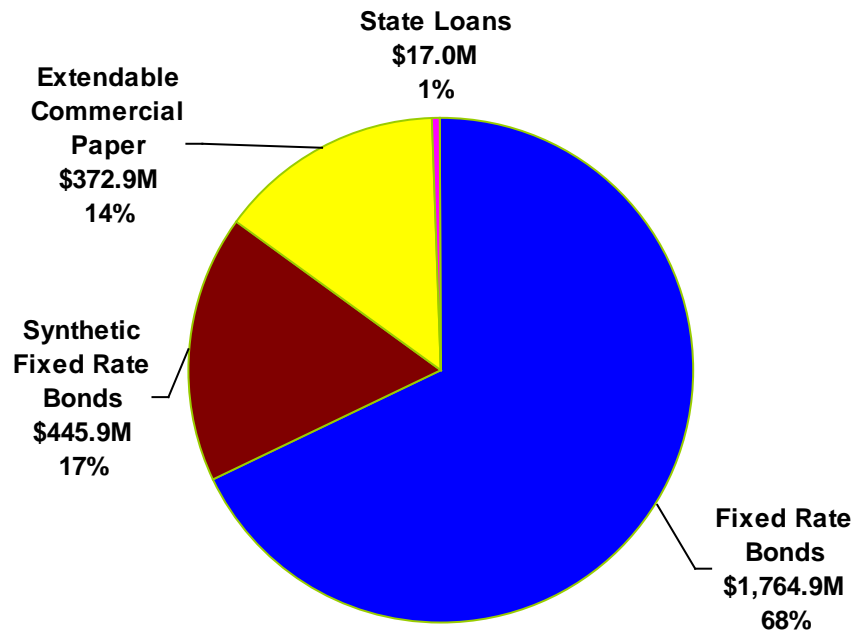


	Description	Issue/Approximate Size	Date of Board Action	Pricing or Issuance Date
1	Replace Royal Bank of Canada and Barclays Bank as remarketing agents for the District's outstanding Water Series 2008A-1, 2008A-2 and 2008A-3 Bonds	W 2008A-1: \$61.7 million W 2008A-2: \$46.3 million W 2008A-3: \$46.3 million	9/24/2013	10/2013 (completion)
2	Authorization for Opportunistic Water and Wastewater Restructurings for De-Risking and Fixed Rate Refundings	Based on Market Opportunities	9/24/2013	TBD
3	Remarket the Water Series 2009A-1 and Series 2009A-2 Securities Industry and Financial Markets Association (SIFMA) Index Bonds to establish a new interest rate period	W 2009A-1: \$41.04 million W 2009A-2: \$41.04 million	10/22/2013	11/14/13 (price) 12/03/13 (close)
4	Renew or replace Bank of America (BoFA) and JPMorgan Chase Bank (JPM) as liquidity providers for Water Series 2008A-4, Water Series 2008B-3 and Wastewater Series 2008C Bonds and extend term	W 2008A-4: \$46.3 million W 2008B-3: \$15.1 million WW 2008C: \$51.7 million	10/22/2013	12/2013
5	Competitive Sale Refunding of Wastewater Series F (2003) G.O. Bonds	WW \$18.6 million	1/28/2014	2/2014 (price) 2/26/14 (close)
6	Remarket the Water Series 2011A-1 and A-2 SIFMA Index Bonds to establish a new interest rate period or refund with another product	W 2011A-1: \$74.1 million W 2011A-2: \$74.1 million	1 st Q 2014	5/2014
7	Renew or replace Wells Fargo Bank (WFB) as liquidity provider for Water Series 2008A-1 Bonds and extend term	W 2008A-1: \$61.7 million	4/2014	6/2014
8	Issue additional "New Money" Water Revenue Bonds	\$170.0 million	4/2014	5 - 6/2014

Debt Composition

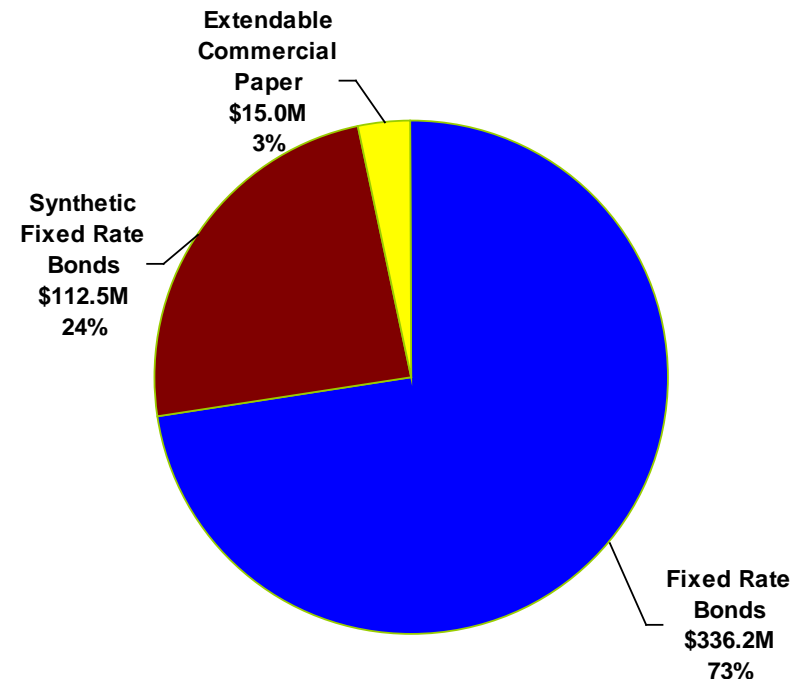
WATER SYSTEM

Total Outstanding Debt
\$2.6 Billion



WASTEWATER SYSTEM

Total Outstanding Debt
\$463.7 Million



Variable Rate Debt—Water



Type	Series	Par (\$million)	Remarketing Agent	Liquidity Facility
SIFMA	2009 A-1	\$41.040	Morgan Stanley	N/A
	2009 A-2	\$41.035	De La Rosa	
	2011 A-1	\$74.085	JP Morgan	
	2011 A-2	\$74.085	JP Morgan	
VRDB	2008 A-1	\$61.725	Wells Fargo	Wells Fargo
	2008 A-2	\$46.275	US Bank	US Bank
	2008 A-3	\$46.275	US Bank	US Bank
	2008 A-4	\$46.275	<i>Wells Fargo</i>	<i>Wells Fargo</i>
	2008 B-3	\$15.100	JP Morgan	<i>Wells Fargo</i>
	Total	\$445.895		

* *Italic*: proposed new provider

Variable Rate Debt—Wastewater



Type	Series	Par (\$million)	Remarketing Agent	Liquidity Facility
SIFMA	2011 A	\$60.845	JP Morgan	N/A
VRDB	2008 C	\$51.690	BofA/Merrill Lynch	<i>Bank of NY Mellon</i>
	Total	\$112.535		

* *Italic:* proposed new provider

3. Routine Remarketing of Water SIFMA Bonds



Series	Outstanding (\$million)	Interest Period Expiring
2009 A-1	\$41.040	December 2, 2013
2009 A-2	\$41.035	February 27, 2014
Total	\$82.075	

Both series remarketed on the same day

- Economies of scale in cost of issuance
- Matching interest periods to simplify administration

4. & 7. Replace/Amend Existing Liquidity Agreements



WATER

- Replace existing Agreements for Series 2008 A-4 and B-3
- Extend existing Agreement for Series 2008 A-1
- Reassign remarketing agent responsibilities for Series 2008 A-4:
 - *New provider: Wells Fargo*

WASTEWATER

- Replace existing Agreement for Series 2008C
 - *New provider: Bank of New York Mellon*

Substantial Cost Savings



Wells Fargo and Bank of New York submitted extremely aggressive bids, saving the District approximately 40% or \$350,000 annually.

Bond Series	Liquidity Provider	Approximate Principal Amount (\$ millions)	Term of Agreement (years)	Annual Fee	Annual Cost* (\$ thousands)
Water Series 2008A-1	Wells Fargo Bank, National Association Amendment	\$61.7	3.0 Years	0.27%	\$177
Water Series 2008A-4	Wells Fargo Bank, National Association	\$46.3	3.0 Years	0.27%	\$132
Water Series 2008B-3	Wells Fargo Bank, National Association	\$15.1	3.0 Years	0.27%	\$41
Wastewater 2008C	Bank of New York Mellon	\$51.7	3.0 Years	0.27%	\$148

* Cost estimated based on principal plus maximum interest for one payment period

Recommendations

The Board is being asked to approve previously anticipated transactions:

- Remarket Water Series 2009A-1 and A-2 SIFMA Index Bonds
- Extend/Replace liquidity providers for:
 - Water Series 2008A-1 (extend)
 - Water Series 2008A-4 (replace)
 - Water Series 2008B-3 (replace)
 - Wastewater Series 2008C (replace)
 - Reassign remarketing agent responsibilities for Series 2008A-4

Questions?

FY13 Power Sales Report

October 22, 2013

Overview



- Power Sales Authority
- FY13 Power Sales Results
- FY13 Accomplishments
- FY14 Plan
- Next Steps

Power Sales Authority

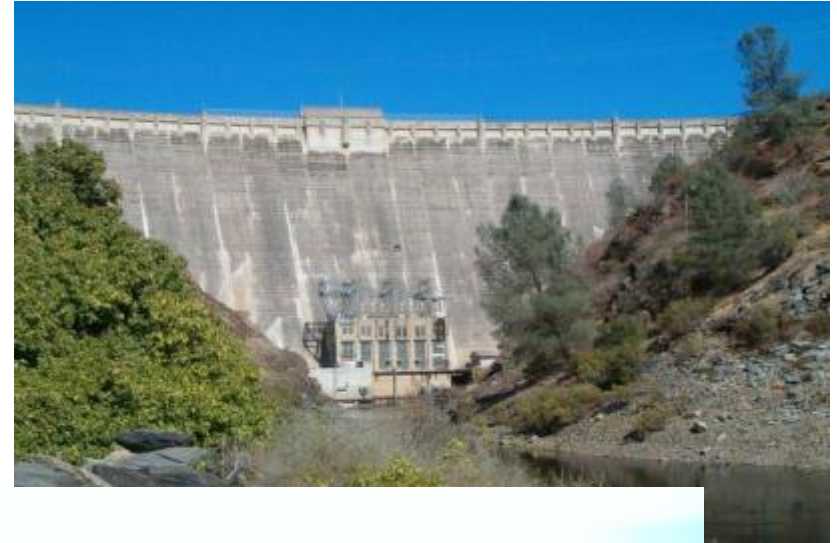


- Board Resolution 33157-99 delegated staff the authority to sell/buy power
 - Requires monthly reporting of sales vs plan
 - Requires annual Power Sales Report

FY13 Power Sales Results



- Plan/Budget: \$5.7M
- Actual: \$3.6M



FY09 to FY13 Revenue & Runoff



	Runoff (TAF)	Total Generation (MWh)	Average Price \$/MWh	Revenue
FY13	*430	82,409	\$37	\$3.58M
FY12	414	124,743	\$30	\$4.54M
FY11	1,391	223,837	\$29	\$8.08M
FY10	654	144,818	\$37	\$6.27M
FY09	634	106,239	\$39	\$4.43M

* Preliminary Estimate

FY13 Achievements



- 8th year of 10-year SMUD contract
- Sale of Renewable Energy Credits (RECs) increased revenue \$446K
- Renewed meter maintenance and Qualified Reporting Entity services
- Saved ~\$100,000 in fees scheduling Wastewater power sales to Port of Oakland

Assumptions

- Includes actual power sales for July through September
- 65 percentile runoff for the remainder of the year
- Average energy price of \$38.50/MWh

FY14 Power Sales

- Estimated Revenue: \$3.35M
- Budgeted Revenue: \$5.7M

Next Steps



- 10-year SMUD contract expires July 2015
- Investigating other power and REC sales opportunities