



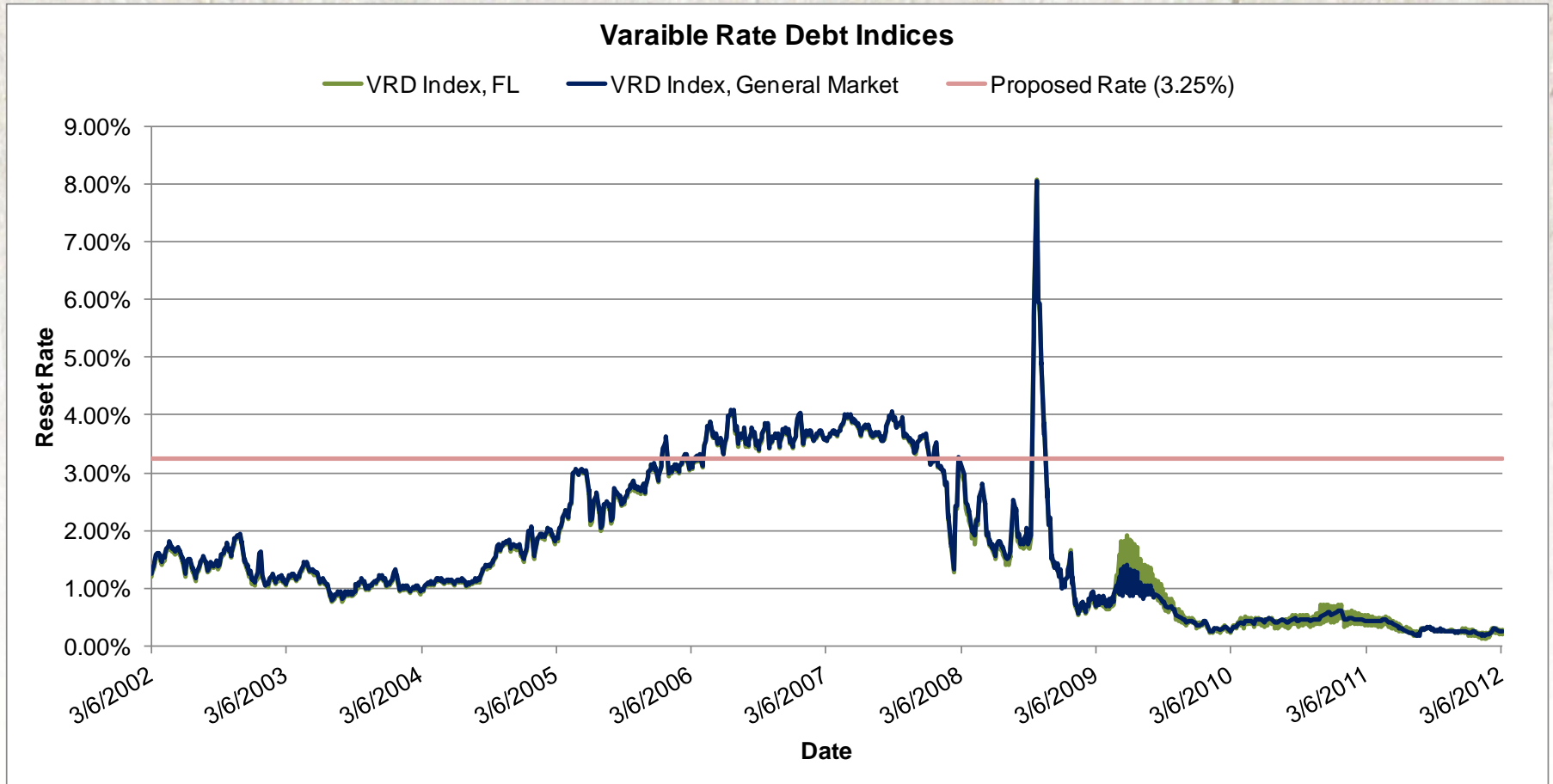
100 YEARS of SERVICE | 1912-2012

2012 Refunding

March 15, 2012

Rates are at Historic Lows

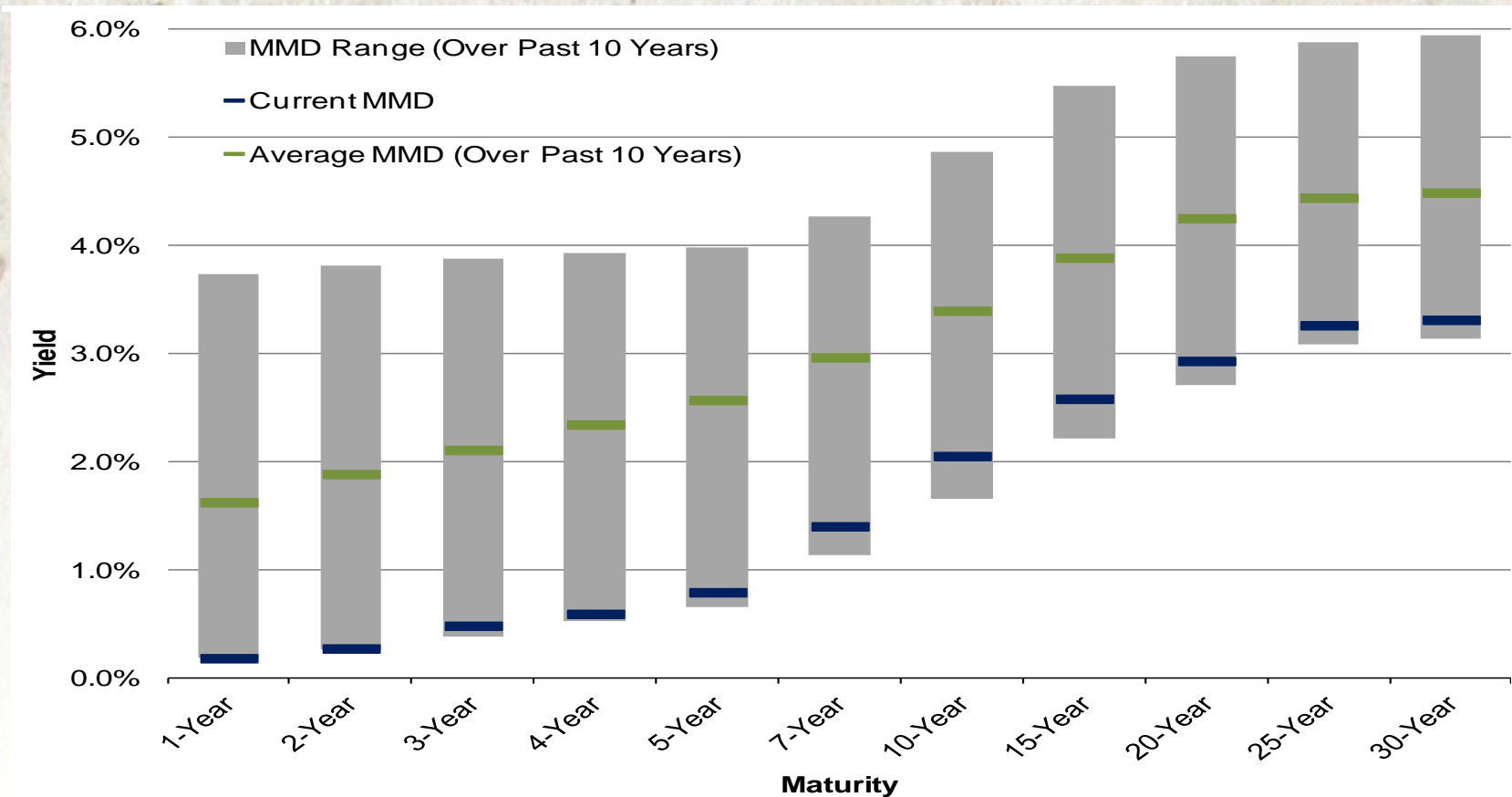
Variable Rate Indices, Florida versus Market



* Planned transaction

Historical Rates Over Time:

MMD Distribution, Since March 2002



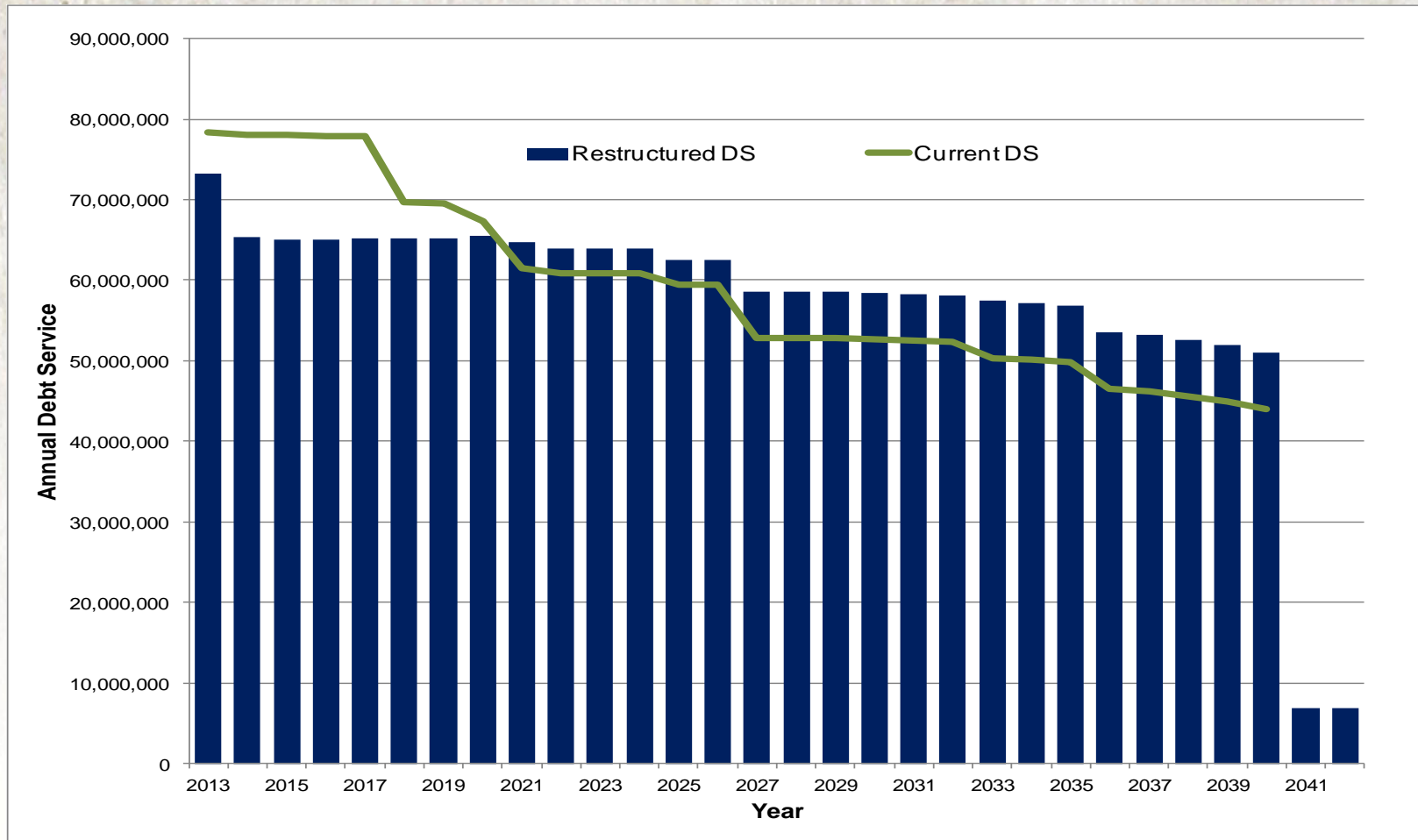
* Planned transaction

Refunding Opportunity

- We have an opportunity to take advantage of the low interest rate environment and refinance a portion of existing debt
- The following refunding candidates would be refunded using variable tax-exempt bonds:
 - 2005 Series B (Taxable)
 - 2005 Series C
 - 2006 Series A
 - 2008 Series A (Taxable)
 - 2010 Series C
- The following refunding candidates would be refunded using fixed-rate, tax-exempt bonds:
 - 2003 Series A
 - 2005 Series A
- The refunding bonds would result in net present value savings



Debt Service Present and Future



Additional Financing Opportunity

- We entered into two interest rates swap related to the 2005 Series C and 2006 Series A Bonds
- Current interest rates and the shape of the yield curve provide us an opportunity to
 - Monetize the short end of the curve of these swaps; and
 - Achieve savings to our customers over the next two to five years



Recommendation

- Authorize staff to:
 - Refund the 2005B, 2005C, 2006A, 2008A and 2010C Bonds on a variable rate, tax-exempt basis
 - Refund the 2003A and 2005A Bonds on a fixed-rate, tax-exempt basis
 - Approve the selection of a Senior Manager (s) and Co-Managers
 - Restructure outstanding swaps to achieve savings
 - Negotiate and enter into an ISDA Master Agreement with Deutsche Bank
 - Select one or more counterparties to achieve the swap restructuring
 - Approve the new swap(s) as a “Qualified Hedging Contract”
- Authorize the Clerk, General Manager and other Authorized Officers to execute documents subject to the approval of the City Attorney as to form and legality, and take other necessary actions in relation to the transactions

