



**Metro**


Metropolitan Transportation Authority


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**April 18, 2008**

**TO: BOARD OF DIRECTORS (Distributed by Email)**

**THROUGH: ROGER SNOBLE**   
**CHIEF EXECUTIVE OFFICER**

**FROM: TERRY MATSUMOTO**   
**CHIEF FINANCIAL SERVICES OFFICER AND TREASURER**

**SUBJECT: REFUNDING OF PROP C BONDS**

**ISSUE**

At the April 2008 meeting, the Board will be requested to authorize the issuance of one or more series of Prop C 2008 refunding bonds to refund two Prop C bond issues affected by the subprime crisis. As part of that authorization, the Board will be approving the draft preliminary official statement (POS). The POS will also be available through the Board Secretary for review. Bond counsel requires that the POS be provided to Board members. The Board should review the draft POS to ensure it provides an accurate and complete description of the agency. Should you have questions or comments, please call Terry Matsumoto at 213-922-2473.

**NEXT STEPS**

- Board authorizes issuance of the bonds
- Negotiate final terms with liquidity banks for standby bond purchase agreement
- Negotiate modifications to interest rate swap agreements related to refundings
- Work with existing bond insurer to obtain option for replacement policy
- Develop bond documentation
- Make presentations to credit rating agencies
- Engage in pre-marketing activities to increase investor interest
- Price and deliver bonds

**ATTACHMENT**

A. Draft Preliminary Official Statement

Prepared by: Michael J. Smith, Assistant Treasurer