





Metro

AUGUST 28, 2012

TO: BOARD OF DIRECTORS

THROUGH: ARTHUR T. LEAHY 
CHIEF EXECUTIVE OFFICER

FROM: TERRY MATSUMOTO 
CHIEF FINANCIAL SERVICES OFFICER AND TREASURER

SUBJECT: REFUNDING OF PROP A BONDS

ISSUE

On Wednesday August 22, 2012, we priced two negotiated bond sales that will refund \$389 million of Prop A 2003 series A & B bonds as approved by the Board in July 2012.

DISCUSSION

Two bond underwriting teams were utilized to concurrently execute a bond tender solicitation with a sale of current refunding bonds, delivery in August 2012, and to negotiate the sale for forward delivery bonds that will be delivered in April 2013. The dual strategy approach increased the savings and facilitated the refunding of all of the 2003 bonds.

Market conditions were favorable during the sale and the refunding will generate over \$60 million of cash flow savings over the life of the bonds through July 1, 2021, approximately \$54 million on a present value basis.

Please call Terry Matsumoto, 213-922-2473, if you would like further information.

Prepared by: Michael J. Smith, Assistant Treasurer