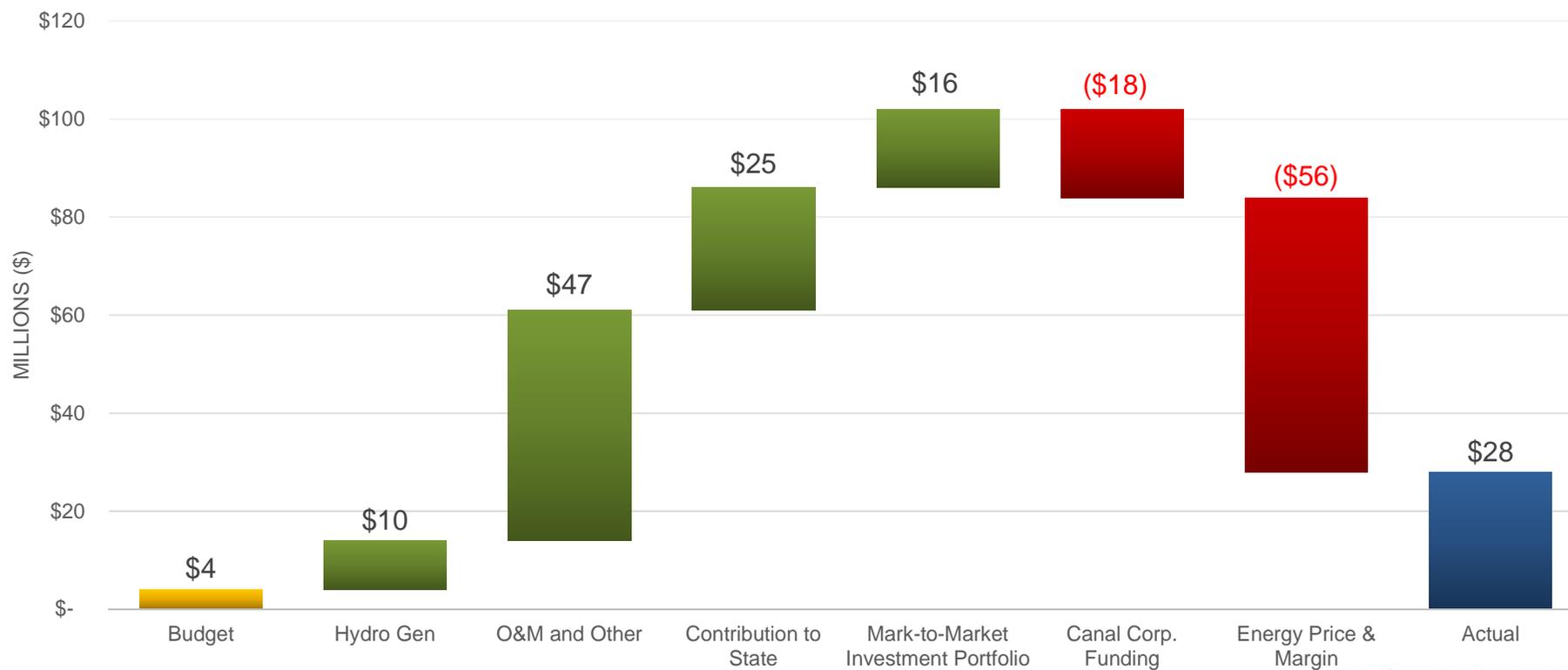




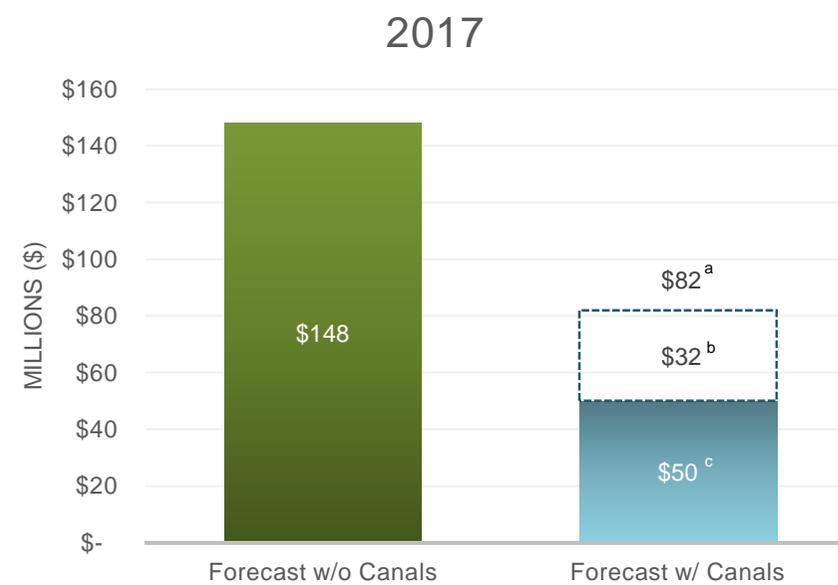
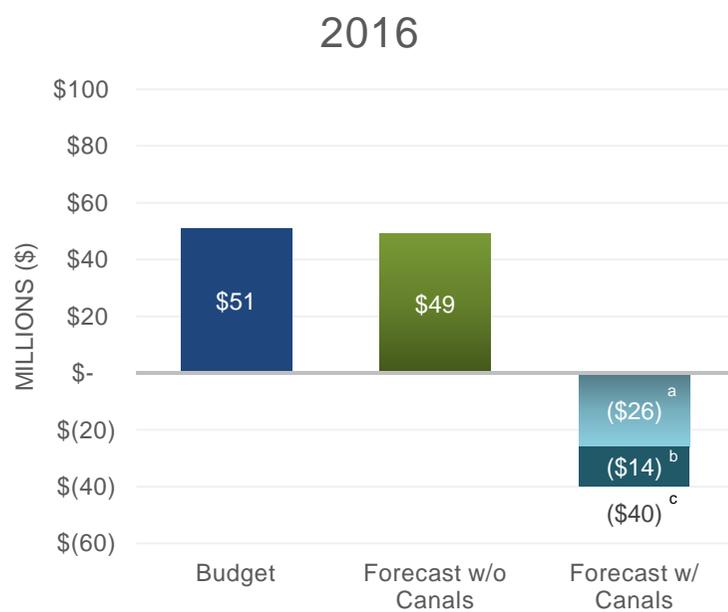
Chief Financial Officer Report

July 26, 2016

Net Income YTD June 2016

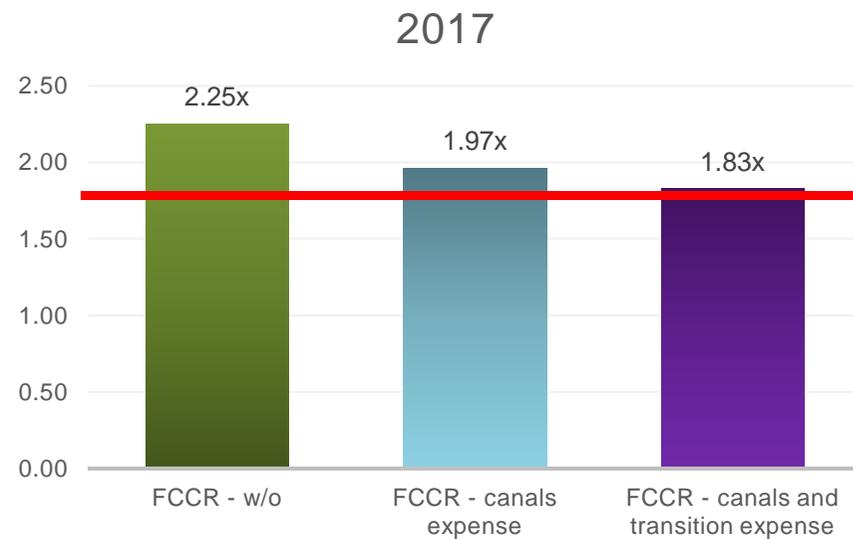
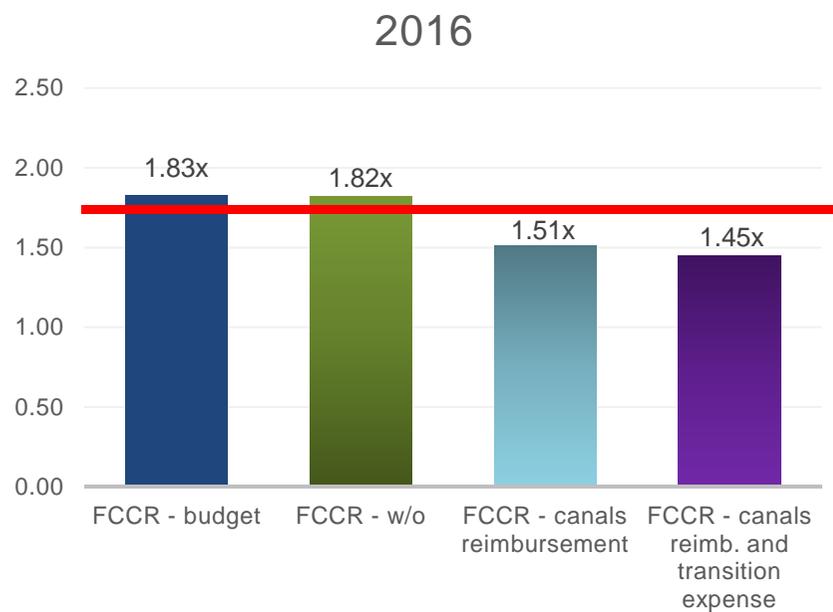


Net Income Outlook



- ^a Forecast w/ Canals Reimbursement/Cost
- ^b Impact of Canals Integration Cost
- ^c Forecast w/ Canals Reimbursement/Cost and Integration Cost

Fixed Charge Coverage Ratio Outlook



Historically Low Interest Rates Present Opportunities

1

Refund & Restructure

Up to **\$222M** in outstanding bonds resulting in lower interest costs and improved financial metrics
NPV savings approx. \$22M

2

Pre-fund

Issue approximately **\$175M** of bonds to **pre-fund capital program expenditures** for Life Extension and Modernization

3

Floating-to-fixed

Present to the Authority's Energy Efficiency customers the chance to **convert variable rate loans** backed by commercial paper into fixed rate loans