



CITY AND COUNTY OF DENVER

DEPARTMENT OF FINANCE

BRENDAN J. HANLON
MANAGER OF FINANCE

201 W. COLFAX AVE.
DEPT. 1010
DENVER, COLORADO 80202

Michael B. Hancock
Mayor

August 25, 2016

Honorable Albus Brooks
President, City Council
2855 Tremont Place, #201
Denver, CO 80205

Dear Council President:

In keeping with the provisions of Section 20-93 of the Denver Revised Municipal Code (the "DRMC"), I am hereby notifying you of the Department of Finance's intent to issue City and County of Denver, for and on behalf of the Wastewater Management Division of its Department of Public Works, Wastewater Enterprise Revenue Bonds, Series 2016 in a par amount not to exceed \$116,000,000 for the purpose of funding storm drainage projects primarily related to the Park to Platte Hill project and to pay associated costs of issuance.

The Bonds will be issued as tax-exempt, fixed-rate obligations with a term not to exceed 30 years.

The City has by ordinance designated the Wastewater Management Division of its Department of Public Works as an Enterprise within the meaning of the TABOR Amendment to the Colorado State Constitution. The Bonds are special and limited obligations of the City payable solely from and secured by a pledge of the Net Revenues of the City's Wastewater system. The Bonds are not general obligations of the City nor are they payable in whole or in part from the proceeds of general property taxes, nor is the full faith and credit of the City pledged to pay the Bonds.

The accompanying *Attachment A* contains a more detailed description of the financing as required by Section 20-93(b) of the DRMC.

Sincerely,

Brendan J. Hanlon
Manager of Finance

Attachment

C: Honorable Tim O'Brien, Auditor
Debra Johnson, Clerk and Recorder
Shelley Smith, City Council Liaison

Attachment A
**DESCRIPTION OF THE SERIES 2016 WASTEWATER REVENUE BONDS
IN A PAR AMOUNT NOT TO EXCEED \$116 MILLION**

I. The Proposed Financing

The Department of Finance intends to issue City and County of Denver, for and on behalf of the Wastewater Management Division of its Department of Public Works, Wastewater Enterprise Revenue Bonds, in a par amount not to exceed \$116,000,000 for the purpose of funding storm drainage projects primarily related to the Park to Platte Hill project and to pay associated costs of issuance.

The Bonds will be issued as tax-exempt, fixed-rate obligations with an interest rate not to exceed 4.0% and a term not to exceed 30 years. The Bonds will have a standard 10-year call option that provides flexibility to prepay. The final interest rate and par amount will be determined on the day of pricing and is dependent on market conditions.

Security for the Bonds

The City has by ordinance designated the Wastewater Management Division of its Department of Public Works as an Enterprise within the meaning of the TABOR Amendment to the Colorado State Constitution. The Bonds are special and limited obligations of the City, issued for and on behalf of the Wastewater Management Division of its Department of Public Works. The Bonds are payable solely from and secured by a pledge of the Net Revenues of the City's Wastewater system. The Bonds are not general obligations of the City nor are they payable in whole or in part from the proceeds of general property taxes, nor is the full faith and credit of the City pledged to pay the Bonds.

II. The Sale Process

The Bonds will be sold in a competitive sale process. The City uses the financial advisory services of First Southwest for City financings.

III. The Proposed Timetable of Events

Major events are contained in the tentative transaction timetable below:

<i>Date</i>	<i>Event</i>
August 29	Reading of the 20-93 Notice at Council
August 30	Finance & Governance Committee
September 13	Mayor Council
September 19	First Council reading of the Ordinance
September 26	Second Council reading of the Ordinance
Mid to late October	Price Transaction
Early to mid-November	Close Transaction

IV. Counsel

Kutak Rock and Kline Alvarado Veio serve as co-Bond Counsel on the Bonds. Firms were selected through a competitive process conducted through the City Attorney's Office.

V. Other Information

I know of no event that will affect the financing as described herein. In keeping with the intent of the 20-93 of the DRMC, the President of Council will be notified promptly of any material change to the financing. I do not anticipate formally communicating technical changes of an immaterial nature or minor changes in the timetable.