



DENVER
THE MILE HIGH CITY

Series 2016

Wastewater Enterprise

Revenue Bonds

Department of Public Works
Department of Finance

August 30, 2016

FOR CITY SERVICES VISIT | CALL
DenverGov.org | **311**

Confidential Draft Work Product
For Internal Discussion Only

Recap: Revenue Bonds

- Revenue bonds are payable solely from specific taxes or fees
 - These bonds are repaid from the net operating revenues of the Wastewater Enterprise (“WWE”)
- An Enterprise under TABOR may issue Revenue Bonds without voter authorization
- Bonding capacity determined by projected revenues and financial covenants (i.e. debt service coverage ratio)
- Existing Wastewater Enterprise Revenue Bonds of \$41 million maturing in 2032
 - Existing debt level is deemed “very low” by ratings agencies

2016 Wastewater Enterprise Revenue Bonds

Authorizes the issuance of City and County of Denver Wastewater Enterprise Revenue Bonds, Series 2016 in a principal amount not to exceed \$116,000,000, for the purpose of funding:

- \$115 million for Platte to Park Hill project
- \$1 million for associated costs of issuance (attorney fees, rating agencies fees, feasibility report, underwriter fees, etc.) and flexibility for market fluctuations

\$115 million for Platte to Park Hill

- Bond proceeds provide initial funding for design and construction costs toward a major critical storm drainage system capital project to reduce flood risk to life and property in a focus basin:



Par Amount	Up to \$116 million <ul style="list-style-type: none"> • \$115 million for Platte to Park Hill • \$1 million for costs of issuance
Interest Rate	Not to exceed 4.0%*, tax-exempt
Term	Not to exceed 30 years
Annual Debt Service	Up to \$7.1 million*/year, level debt service
Prepayment Option	10-year call
Expected Ratings	AAA / Aa2 / AAA (S&P, Moody's, Fitch), unchanged from existing
Competitive Sale	Achieves lowest cost of funds for the City

* Based on current market conditions and expected ratings.

The final par amount and interest rate will be determined on the day of pricing and is dependent on market conditions.

Tentative Financing Timetable

Aug 22	Submit Ordinance Request
Aug 29	Reading of 20-93
Aug 30	Finance & Governance Committee
Sep 13	Mayor Council
Sep 15	Filing bond documents
Sep 19	First Reading
Sep 26	Second Reading
Mid to late October*	Pricing
Early to mid Nov*	Closing

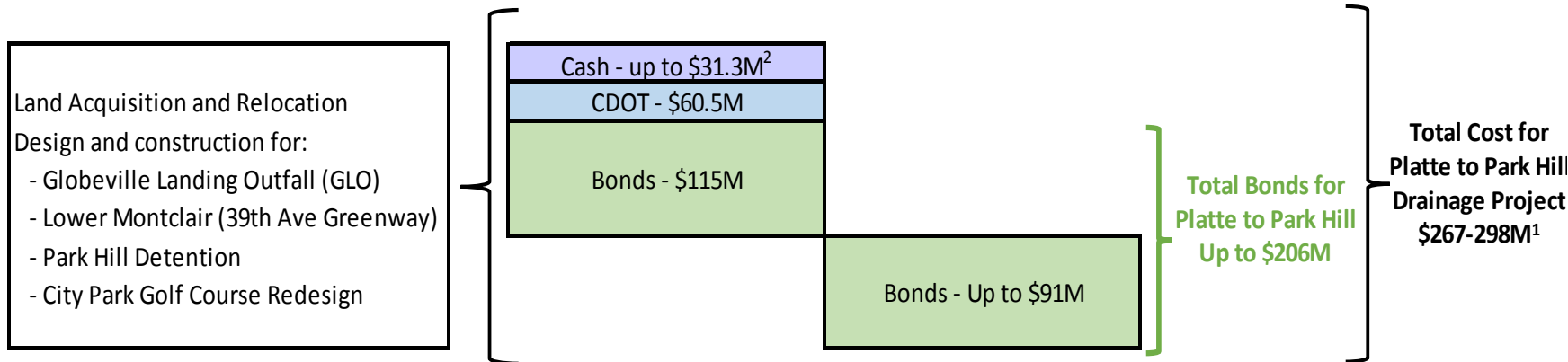
** May be delayed depending on market factors*

Future Wastewater Enterprise Revenue Bonds

Wastewater Enterprise 6-Year Capital Program

	Sources of Funds					
	2016	2017	2018	2019	2020	2021
<u>Uses of Funds</u>						
<u>Sanitary CIP</u>						
Six-Year Plan	Cash - \$8M	Cash - \$8M	Cash - \$8M	Cash - \$8M	Cash - \$8M	Cash - \$8M
<u>Storm CIP</u>						
Six-Year Plan	Cash - \$30M	Cash - \$30M	Bonds - \$30M	Cash - \$30M	Cash - \$30M	Cash - \$30M

Platte to Park Hill



¹ Does not include \$26M of **non-Wastewater** Amenities to be paid by General Fund CIP, of which \$6M has already been appropriated in 2016.

² Consists of contributions from Wastewater Enterprise CIP, DEH, and UDFCD.