

Denver Board of Water Commissioners

Title:

Series 2009A Master Resolution Revenue Bonds

Meeting Date: 5/13/2009

Contract/Proposal

 Action by Consent Action Information

On March 14, 2007 the Board adopted a Master Bond Resolution under which it has issued the 2007A and 2008A revenue bonds. At the time each of these bond issues were prepared the Board adopted a "supplement" to the Master Resolution that described the specifics of that year's bond issue. The Board is now in the process of preparing for the 2009A Bond sale. Below is a brief summary of what has been done to date as well as a description of the Third Supplement to the Master Bond Resolution.

On December 10, 2008 the Board approved the 12-10-08 Reimbursement Resolution in the amount of \$150 million that authorized the financing of certain capital water projects and preserved the Boards ability to finance these projects in 2009 and future years.

An information item was provided to the Board on March 11, 2009 informing the Board that staff anticipated selling up to \$90 million in Master Resolution Bonds by either a competitive or a negotiated sale. We also informed the Board that it would be necessary to establish a bond reserve fund in lieu of bond insurance for this issue.

In accordance with the Reimbursement Resolution and per the information provided on March 11, 2009 we have attached three documents related to the issuance of the Series 2009A Master Bonds. These documents and their primary purposes are as follows:

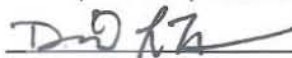
1. The Third Supplement to the Master Resolution authorizes the sale of no more than \$90 million fixed-rate water revenue bonds not to exceed a true interest cost of 7% with maximum maturity to December 15, 2039 by either competitive bid or negotiated sale. The Resolution delegates to the Director of Finance the authority needed to accomplish everything necessary to sell the bonds and close the sale, including determining whether the Series 2009A Bonds shall be sold in a single series or in one or more subseries at different times and deeming final a preliminary official statement substantially similar to the one attached to this board item. The provisions outlining the extent of the delegation appears in section 1.05 page 7 of this Third Supplement.
2. The Notice of Sale advises potential purchasers when and how the bonds will be sold. A competitive bid is currently planned for 10 am on May 28, 2009, using an established electronic bidding service at Denver Water's administrative complex. (The Master Resolution authorizes the Director of Finance the option of a negotiated sale if conditions change prior to the sale date.)
3. The Preliminary Official Statement contains descriptions of the bonds and provides disclosure information of interest to potential purchasers of the bonds. This information includes descriptions of Denver Water, its operations, and its financial status. It is essential that this information not omit any material information or include any material misstatements.

In preparing for this sale, staff worked with Piper Jaffray & Co., financial advisor to the Board, and Peck, Shaffer and Williams LLP, Bond Counsel.

RECOMMENDATION:

It is recommended that the Board adopt the attached Third Supplement so that the Director of Finance may continue and complete the planned sale of the Master Resolution Water Revenue Bonds, Series 2009A.

Approvals: _____



David LaFrance, Director Finance



Patricia L. Wells, General Counsel



Manager Approval: