

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: April 11, 2012

Board Item: V-D-1

Series 2012 Master Resolution Revenue Bonds

Action by Consent

Action

Information

On March 28, 2012, the Board received a presentation from Staff recommending to refund some of the outstanding bonds at lower interest rates and to issue new bonds for planned 2012 capital projects. The 2012 bonds will be issued under the Board's Master Bond Resolution adopted on March 14, 2007. The Master Bond Resolution will be amended under the Fifth Supplemental Resolution to remove debt service reserve requirements for the issuance of future parity bonds.

The Board adopted a Reimbursement Resolution on February 8, 2012, in the amount of \$200 million authorizing the financing of certain capital water projects and preserving the Board's ability to finance these projects in 2012 and future years. In accordance with the Reimbursement Resolution and per the information provided on March 28, 2012, Staff has attached four documents related to the issuance of the Series 2012 Master Resolution Bonds.

These documents and their primary purpose are as follows:

Action items:

1. The Fifth Supplemental Resolution Authorizing Amendments to the Master Bond Resolution amending provisions in the Master Bond Resolution to remove the debt service reserve requirement for the issuance of future parity bonds.
2. The Sixth Supplemental Bond Resolution authorizing the sale of fixed rate water revenue bonds in the maximum amounts of \$43 million for new capital projects, \$82 million to refund outstanding bonds on a tax-exempt basis and \$37 million to refund outstanding bonds on a taxable basis. The Sixth Supplemental Bond Resolution delegates to the Director of Finance or the Treasurer, the authority needed to accomplish everything necessary to sell and deliver the Series 2012 Master Resolution Revenue Bonds. The provisions outlining the extent of the delegation appear in Section 1.05 of the Sixth Supplemental Bond Resolution.

Information items:

1. The Series 2012A Notice of Sale advises potential bidders of a competitive sale of the Series 2012A Bonds (the new money issue), currently planned for 10:00 a.m. on May 15, 2012, with a form of Purchaser's Certificate attached. A negotiated sale is currently planned for the refunding issues (the Series 2012B Bonds and the Series 2012C Bonds) within a few days after the competitive sale of the Series 2012A Bonds.

2. The Preliminary Official Statement contains a description of the Series 2012A Bonds and a description of Denver Water, its operations and its financial status. A separate Preliminary Official Statement, in similar form, is to be prepared in connection with the offering of the Series 2012B Bonds and the Series 2012C Bonds (the refunding issues).

In preparing for this sale, staff worked with Piper Jaffray & Co., Financial Advisor, Peck, Shaffer and Williams LLP, Bond Counsel and Kutak Rock LLP, Special (Disclosure) Counsel. Representatives from these firms will be present at the meeting to answer questions, as necessary.

Recommendation:

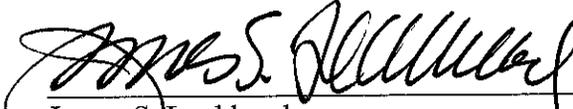
It is recommended that the Board adopt the attached Fifth Supplemental Resolution and Sixth Supplemental Bond Resolution so the Director of Finance and/or the Treasurer may continue and complete the planned sale and refunding of up to \$162 million of Master Resolution Water Revenue Bonds, Series 2012.

Approvals:

Respectfully submitted,



Angela C. Bricmont, Director of Finance



James S. Lochhead
CEO/Manager



Patricia L. Wells, General Counsel



Usha Sharma, Treasurer

2012 Bond sale timeline:

<u>Date:</u>	<u>Activity:</u>
February 8, 2012	Resolution of Intent to issue up to \$200 million in revenue bonds to reimburse the Board for certain water projects expenditures paid from the Water Works Fund.
March 28, 2012	Board Information and Discussion on 2012 Refunding and Revenue Bond Issuance
April 11, 2012	Board asked to approve Fifth Supplemental Resolution and Sixth Supplemental Bond Resolution and authorize the 2012 Bond sale