

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: 09/08/2010

Board Item: V-E-6

Series 2010 Master Resolution Revenue Bonds

Action by Consent

Action

Information

On March 14, 2007 the Board adopted a Master Bond Resolution. The Master Bond Resolution defines the provisions governing future parity bond issues. The Board adopts a Supplemental Resolution for each new bond issue under this Master Resolution.

On December 10, 2008 the Board approved a Reimbursement Resolution in the amount of \$150 million that authorized the financing of certain capital water projects and preserved the Board's ability to finance these projects in 2009 and future years. To date the Board has issued \$44 million of the authorized funds.

On June 9, 2010 the Board received a report from Staff recommending the issuance of \$90 million of debt between September and October 2010 to meet capital requirements forecast in the Ten Year Capital Plan for years 2010 and 2011. Staff is now in the process of preparing for the Series 2010 Bond sale.

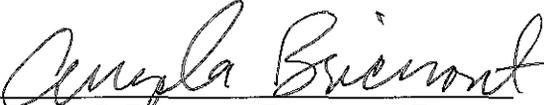
In accordance with the Reimbursement Resolution and per the information provided on June 9, 2010 Staff has attached three documents related to the issuance of the Series 2010 Master Bonds. These documents and their primary purposes are as follows:

1. The Fourth Supplement to the Master Resolution authorizes the sale of \$90 million fixed rate water revenue bonds and delegates to the Director of Finance or the Treasurer, the authority needed to accomplish everything necessary to sell the bonds and close the sale. The provisions outlining the extent of the delegation appear in section 1.05 of the Fourth Supplemental Resolution.
2. The Notice of Sale advises potential purchasers when and how the 2010 Bonds will be sold. A competitive sale is currently planned for 10 a.m. on September 28, 2010, using an established electronic bidding service. At the bidders' option, the Series 2010 Bonds may be issued as all tax-exempt, all taxable (Build America) bonds or a combination of the above. Staff will receive the bids in the Boardroom. This item is for informational purpose only.
3. The Preliminary Official Statement contains description of the bonds and provides disclosure information of interest to potential purchasers of the bonds, such as a description of Denver Water, its operations and its financial status. This item is for informational purpose only.

In preparing for this sale, staff worked with Piper Jaffray & Co., Financial Advisor to the Board, and Peck, Shaffer and Williams LLP, Bond Counsel. Representatives of Piper Jaffray and Peck, Shaffer and Williams will be present at the meeting to answer questions, as necessary.

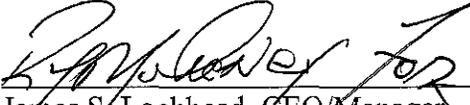
Recommendation:

It is recommended that the Board adopt the attached Fourth Supplemental Resolution so that the Director of Finance and/or Treasurer may continue and complete the planned sale of \$90 million, Master Resolution Water Revenue Bonds, Series 2010.

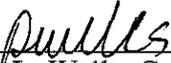


Angela C. Bricmont, Director of Finance

Respectfully submitted,



James S. Lochhead, CEO/Manager



Patricia L. Wells, General Counsel



Usha Sharma, Treasurer

2010 Bond sale timeline:

<u>Date:</u>	<u>Activity:</u>
December 10, 2008	Resolution of Intent to Issue up to \$150 million in revenue bonds to reimburse the Board for certain water projects expenditures paid from Water Works Fund.
June 9, 2010	Board Information and Discussion on 2010 debt Issue
September 8, 2010	Board asked to approve Supplemental Bond Resolution and authorize the 2010 Bond sale
September 28, 2010	Public Bond sale
October 7, 2010	Bond sale closing/proceeds deposited into Water Works Fund (designated subaccounts)