



Colorado Springs Utilities
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Renewal of 2009C Standby Agreement

Tristan Gearhart
Chief Planning and Finance Officer
July 26th, 2022

Plan of Finance Overview

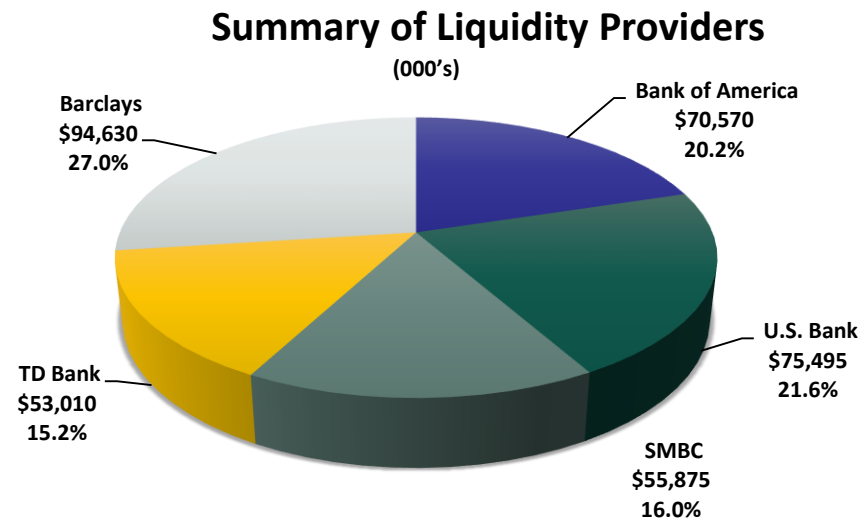
Plan of Finance efforts are dedicated towards four key objectives:

1. Fund the debt-backed portion of The Utilities' upcoming capital plan
2. Manage and optimize The Utilities' current debt portfolio
3. Procure and manage debt-supporting instruments and ancillary services
4. Manage credit rating agency relationships



Background Information

- Variable Rate Demand Bonds (VRDBs) - \$350 million outstanding
 - Long-term bonds whose interest rate resets weekly
 - Remarketers set said rates, and place bonds current holders no longer want with new owners
 - **Liquidity providers temporarily backstop the bonds if no buyers are available**
 - NOTE: All CSU VRDBs have a matched interest rate swap to hedge any movements in rates (synthetically fixed).



Liquidity Renewal/Replacement

- Utilities' 2009C Standby Agreement expires in September 2022
- Cost analysis performed to determine whether to renew or replace
- Result:
 - Renew with Sumitomo Mitsui Banking Corporation (“SMBC”) for a 5-year tenor at an annual fee of 35bps (down from 37bps currently)

Next Steps

- Renewing or replacing this agreement requires authorization from City Council
- Below are key dates in this process

SBPA / Liquidity Renewal Actions:	Date:
Renewal Negotiations	May 2022
Update to Finance Committee	July 15
Presentation to Utilities Board	July 20
Ordinance Readings at City Council	July 26 and August 9
Facility Execution Date	September 16



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