



Colorado Springs Utilities  
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# **2022 Revolving Loan Agreement (Line of Credit) Renewal**

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July 26<sup>th</sup>, 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



# Line of Credit Renewal/Replacement

- Meant to be used only in emergency situations
- Added benefit bolster liquidity ratings with rating agencies
- Utilities' \$75 million Revolving Loan Agreement for a Line of Credit expires in September 2022
- Cost analysis performed to determine whether to renew or replace
- Result:
  - Renew with U.S. Bank National Association for a 3-year tenor at an annual fee of 25bps for unused balance



# Next Steps

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

<b>SBPA / Liquidity Renewal Actions:</b>	<b>Date:</b>
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 Dates	September 9



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