



Colorado Springs Utilities
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Liquidity Agreement Renewals

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Plan of Finance Objectives

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



Summary of Anticipated Actions

- **Liquidity Agreements**

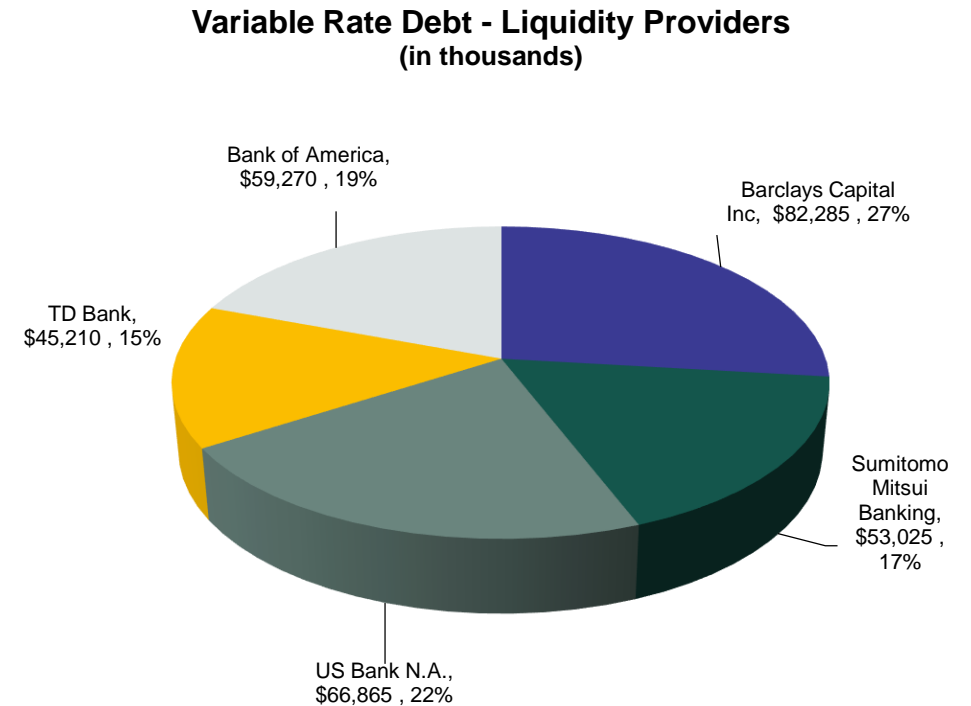
- Two SBPA Facilities Expire in September 2025
 - 2008A – Renew existing agreement (no ordinance required)
 - 2010C – Replace existing agreement (ordinance required)

- **Line of Credit**

- \$75 million revolving line of credit facility
- Expires in September 2025
- Renew with U.S. Bank (no ordinance required)

Background – Liquidity Providers

- Variable Rate Demand Bonds (VRDBs) - \$306.7 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).



2008A SBPA Renewal

- Utilities' 2008A Standby Bond Purchase Agreement ('SBPA') expiring in September 2025
 - Outstanding par amount of \$31,555,000
 - Liquidity fee of 35 bps
- Analysis performed to determine most cost-effective options
 - Replace existing liquidity facility (RFP)
 - Negotiate renewal with current provider – US Bank, N.A.
- Result
 - Renew 2008A SBPA with US Bank, N.A., effective June 24, 2025
 - 3-year term at 35 bps with no make-whole provision
 - No ordinance required for renewal

2010C SBPA Replacement

- Utilities' 2010C Standby Bond Purchase Agreement ('SBPA') expiring in September 2025
 - Outstanding par amount of \$33,785,000
 - Liquidity fee of 29 bps
- RFP Process completed to select new liquidity facility provider
- Result
 - Replace 2010C SBPA with TD Bank
 - 5-year term at 26 bps with no make-whole provision
 - Savings of 3 bps

Revolving Line of Credit Renewal

- Utilities \$75 million revolving Line of Credit with US Bank expires in September 2025
- Analysis performed to determine most cost-effective options
 - Replace existing line of credit (RFP)
 - Negotiate renewal with current provider – US Bank, N.A.
- Result
 - Renew with US Bank, NA., effective September 8, 2025
 - 3-Year Term
 - Substantially similar terms and conditions of the existing agreement
 - No ordinance required for renewal

Next Steps

- Replacement of the 2010C SBPA liquidity provider requires authorization from City Council through an ordinance
- Key Dates:

SBPA / Liquidity Provider Replacement Actions:	Date*
<i>Update to Finance/Working Committee</i>	<i>June 16, 2025</i>
<i>Presentation to Utilities Board</i>	<i>June 18, 2025</i>
<i>Effective date of 2008A SBPA Agreement Renewal</i>	<i>June 24, 2025</i>
1st Reading of 2010C SBPA Renewal Ordinance at City Council	July 8, 2025
2nd Reading of 2010C SBPA Renewal Ordinance at City Council	July 22, 2025
Effective date of Revolving Line of Credit Agreement Extension	September 8, 2025
Execution of 2010C SBPA Agreement	September 12, 2025

**Preliminary schedule as of May 12, 2025*



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