



Colorado Springs Utilities
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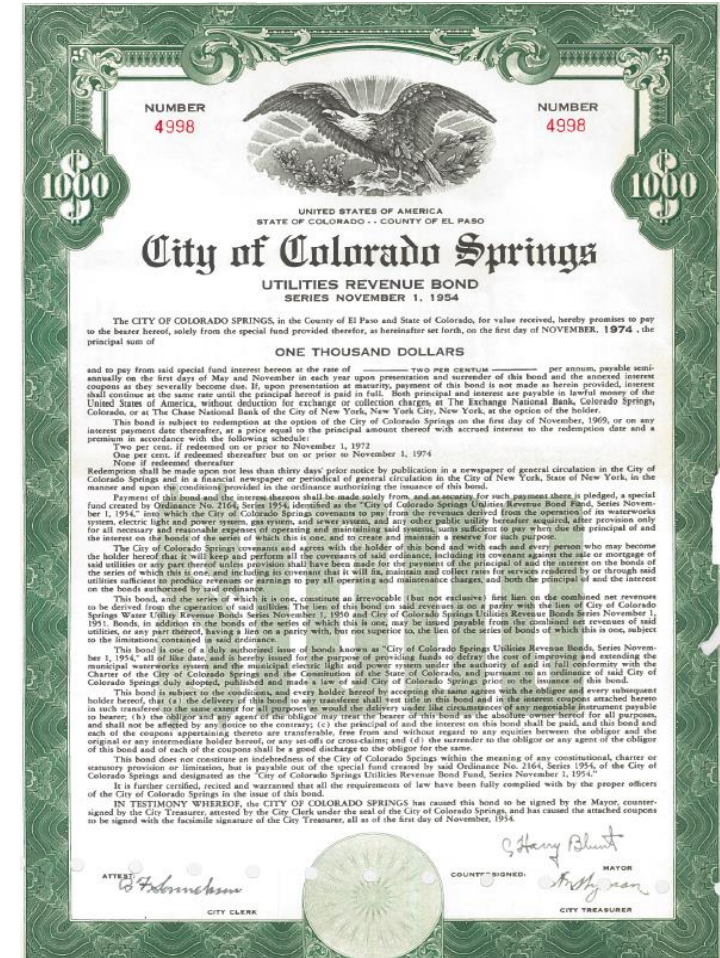
Standby Bond Purchase Agreement Renewal

Tristan Gearhart
Chief Planning and Finance Officer
April 23, 2024

Plan of Finance Objectives

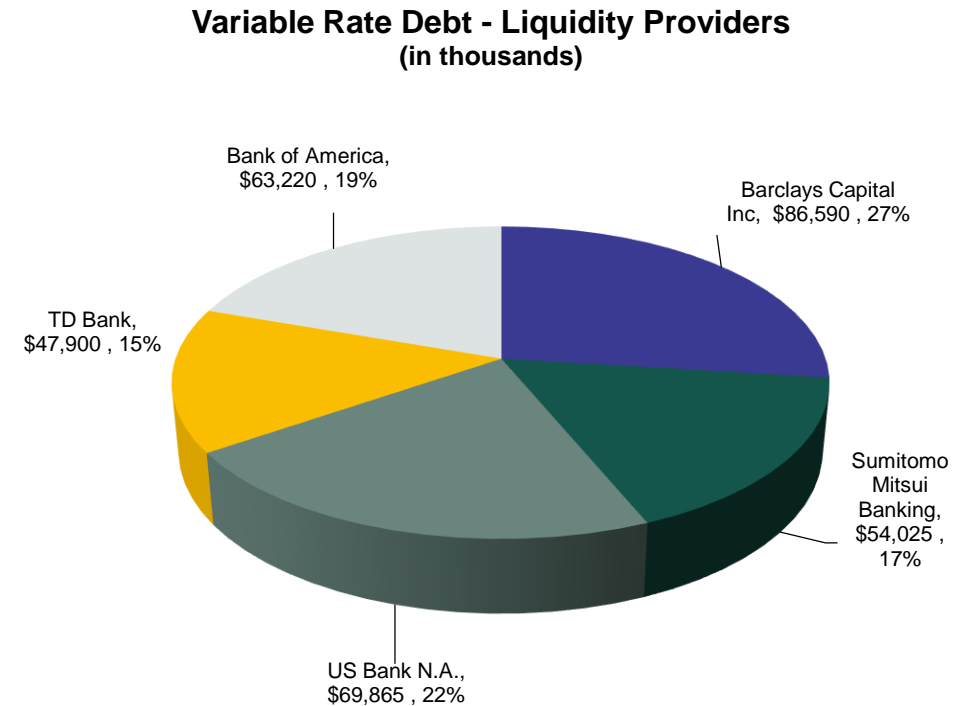
Plan of Finance efforts are dedicated towards four key objectives:

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



Background – Liquidity Providers

- Variable Rate Demand Bonds (VRDBs) - \$321.6 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

- Utilities' 2005A Standby Bond Purchase Agreement ('SBPA') expiring in September 2024
 - Outstanding par amount of \$63,220,000
 - Liquidity fee of 33 bps
- Analysis performed to determine most cost-effective options
 - Replace existing liquidity facility (RFP)
 - Negotiate renewal with current provider – Bank of America, N.A.
- Result
 - Renew 2005A SBPA with Bank of America, N.A.
 - 5-year term at 30 bps with no make-whole provision
 - Savings of 3 bps

Next Steps

- Renewal of this agreement requires authorization from City Council through an ordinance
- Key Dates

SBPA / Liquidity Renewal Actions:	Date
Update to Finance Committee	April 15, 2024
Presentation to Utilities Board	April 17, 2024
1 st Reading of SBPA Renewal Ordinance at City Council	April 23, 2024
2 nd Reading of SBPA Renewal Ordinance at City Council	May 15, 2024
Execution of Agreement	May 22, 2024



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