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### **SEMSWA 2016/2017 Stormwater Project Financing**

To Finance SEMSWA's share of capital costs relating to the Piney Creek Expansion, the Authority may issue tax exempt revenue bonds to be repaid over a 7 year term, coinciding with revenue from the Authority's approved rate increases to fund the project. Because of the Authority's relationship with CoBiz Financial, the Bank is willing to fix the rate on the loan during in the current low interest rate environment to fund future SEMSWA's Future costs of the project at its own cost. The General Terms of the Loan are expected to be as follows:

- ***Size-*** Up to \$7,000,000
- ***Rate-*** Fixed Rate for 7 years
  - Coupon Estimated to be approximately 3.1%.
  - Rate will be Fixed at Closing.
- ***Amortization-*** Loan shall be amortized with equal payment amortization from 2018-2022.
- ***Draws-*** Loan shall contain two fixed draws on fixed dates at fixed amounts in : 1) Fall of 2016 and 2) Fall of 2017.
- ***Security-*** Enterprise Revenue Loan on Par with CoBiz' outstanding Revenue Bond/Loan/
- ***Rate Requirement-*** The Authority shall set rates sufficient to maintain Net Revenue Coverage of 1.25x on the proposed debt
- ***Callability/Rate Lock:*** At Closing, the Authority shall be allowed to prepay or cancel funding on a payment date in whole, for a penalty equal to the greater of CoBiz' Yield Maintenance Policy or 2% Penalty. The CoBiz Yield Maintenance penalty is identical to the one entered into by the Authority on the Series 2013 Loan.
- ***Upfront Cost-*** The Authority shall pay all brokerage costs associated with CoBiz providing a locked rate. The estimated costs are estimated not to exceed \$15,000.

The Authority has not received any form of proposal or commitment from CoBiz, but has discussed the general structure which would be subject to normal bank underwriting and due diligence.