



# BROOMFIELD CITY COUNCIL

## STUDY SESSION

**To:** Mayor and City Council  
**From:** Jennifer Hoffman, City and County Manager  
**Presented by:** Brenda Richey, Chief Financial Officer

<i>Meeting Date</i>	<i>Agenda Item #</i>
April 20, 2021	3
<b>Debt Policy Discussion - Includes Windy Gap</b>	
<b>Summary</b>	
<ul style="list-style-type: none"> <li>● Management of municipal debt is one of the key responsibilities of local government and the City and County of Broomfield (Broomfield) has always maintained a high standard of practice related to its fiduciary obligations.</li> <li>● Due to the customary tradition of paying down debt as it incurred, Broomfield has not formally established a debt policy.</li> <li>● On October 13, 2020, the City Council (Council) approved the Allotment Contract with the Northern Water Conservancy District for the Windy Gap FIRMING Project (WGFP). <ul style="list-style-type: none"> <li>○ The WGFP is a critical element in Broomfield’s long-range plan to meet the projected water demands at ultimate build-out. It is supported in Broomfield’s 2016 Comprehensive Plan and is an ongoing City Council priority.</li> <li>○ Subsequent discussions between staff and the council were held to determine the appropriate financing mechanism that would allow Broomfield to remain fiscally viable in the future.</li> </ul> </li> <li>● On October 27, 2020, the Council discussed and requested Broomfield staff to engage in a contractual agreement for Municipal Advisory Services to analyze the current debt load, estimate future debt load, make recommendations for inclusion in a formal debt policy, and review the adequacy of Broomfield’s reserves.</li> <li>● Broomfield retained the services of the Royal Bank of Canada (RBC) Capital Markets to perform this analysis. <ul style="list-style-type: none"> <li>○ This study session is an opportunity for RBC to provide a presentation and discuss preliminary findings on the following items: <ul style="list-style-type: none"> <li>■ General Obligation Debt Overview</li> <li>■ Enterprise Fund Debt Overview <ul style="list-style-type: none"> <li>● Discussion of Broomfield’s financing options for the WGFP</li> </ul> </li> </ul> </li> </ul> </li> <li>● On March 23, 2021, Moody’s Investor Services issued and published ratings as outlined below related to the City and County of Broomfield: <ul style="list-style-type: none"> <li>○ <a href="#">General Obligation</a> debt is an Aa1 rating, which exceeds the median rating of Aa3 for US cities. <ul style="list-style-type: none"> <li>■ Notable credit factors include an extensive tax base, a very strong wealth and income profile and a robust financial position. This also reflects a negligible pension liability and small debt burden in accordance with the Moody’s Investor Service.</li> </ul> </li> <li>○ Both the <a href="#">Water</a> and <a href="#">Sewer</a> Utility debts reflect an Aa3 rating, matching the median rating of water and wastewater systems nationwide.</li> </ul> </li> <li>● Broomfield will continue to ensure that policies directed by the City Council help guide financial decisions as well as ensure that spending decisions continue to be made through a sound fiscal management lens.</li> </ul>	
<b>Prior Council Action</b>	
<ul style="list-style-type: none"> <li>● <a href="#">January 7, 2020</a>, City Council approved to provide additional funding for participation in the WGFP.</li> <li>● <a href="#">October 13, 2020</a>, City Council approved the Allotment Contract with the Northern Water Conservancy District for the WGFP.</li> <li>● <a href="#">October 27, 2020</a>, City Council approved staff to solicit financial services related to analyzing Broomfield’s debt and provide a recommendation on a financing mechanism for the WGFP.</li> </ul>	
<b>Financial Considerations</b>	
<ul style="list-style-type: none"> <li>● Program debt service payments on bonds through the Capital Improvement Program Plan. The amount would be dependent upon the amount of bonds issued, costs of issuance, and the interest rate that could be obtained at the sale of the bonds.</li> </ul>	
<b>Alternatives</b>	
<ul style="list-style-type: none"> <li>● Do not issue bonds, or issue bonds for a lesser amount. Restrict capital project spending to what is available through cash funding and/or lesser amount of bond funding.</li> </ul>	
<b>Proposed Actions/Recommendations</b>	
As desired by the City Council.	

# City & County of Broomfield

Debt Overview



Capital  
Markets

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# Sales Tax Revenue Bonds



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# Sales Tax Revenue Bonds – Summary of Issuances

## Overview of Outstanding Issuances

	Sales and Use Tax Bonds	
Issuance	Series 2017	Series 2012
Original Par Amount (\$MM)	\$74.04	\$108.565
Ratings (M/F/S&P)	▪ Aa3	▪ Aa3
Tax Status	▪ Tax Exempt	▪ Tax Exempt & Taxable
Purpose	▪ Dillon Road / Community Center	▪ Refunding
Final Maturity	▪ 2037	▪ 2031

## Sources of Repayment

- Established under 2012 ordinance of the City. One-third of the 3.5% Sales and Use Tax is pledged with Two-thirds of the remaining Sales and Use Tax, reduced by payments under various individual redevelopment and reimbursement agreements and certain administrative expenses.

## Credit Ratings – Moody's Investor Services

- Sales Tax ratings are primarily based upon the liquidity and debt service coverage of the sales tax revenue stream
- **Sales Tax Bonds are rated Aa3**
  - This is highly rated in comparison to other sales and use tax issuers

### Sales Tax Revenue Bonds, Series 2017

Rating - Moody's Aa3

Year End	Principal	Interest	Debt Service	Ending Balance
2021	2,685,000	3,124,700	5,809,700	64,180,000
2022	2,765,000	3,044,150	5,809,150	61,415,000
2023	2,850,000	2,961,200	5,811,200	58,565,000
2024	2,990,000	2,818,700	5,808,700	55,575,000
2025	3,140,000	2,669,200	5,809,200	52,435,000
2026	3,300,000	2,512,200	5,812,200	49,135,000
2027	3,465,000	2,347,200	5,812,200	45,670,000
2028 *	3,635,000	2,173,950	5,808,950	42,035,000
2029 *	3,815,000	1,992,200	5,807,200	38,220,000
2030 *	4,010,000	1,801,450	5,811,450	34,210,000
2031 *	4,210,000	1,600,950	5,810,950	30,000,000
2032 *	4,420,000	1,390,450	5,810,450	25,580,000
2033 *	4,640,000	1,169,450	5,809,450	20,940,000
2034 *	4,870,000	937,450	5,807,450	16,070,000
2035 *	5,115,000	693,950	5,808,950	10,955,000
2036 *	5,370,000	438,200	5,808,200	5,585,000
2037 *	5,585,000	223,400	5,808,400	-
<b>Total</b>	<b>66,865,000</b>	<b>31,898,800</b>	<b>98,763,800</b>	

\* Callable 12/01/2027 @ 100

Reserve Fund

5,718,545

### Sales Tax Revenue Bonds, Series 2012A

Rating - Moody's Aa3

Year End	Principal	Interest	Debt Service	Ending Balance
2021	5,140,000	2,654,625	7,794,625	65,370,000
2022	5,395,000	2,397,625	7,792,625	59,975,000
2023 *	5,640,000	2,154,850	7,794,850	54,335,000
2024 *	5,925,000	1,872,850	7,797,850	48,410,000
2025 *	6,215,000	1,576,600	7,791,600	42,195,000
2026 *	6,525,000	1,265,850	7,790,850	35,670,000
2027 *	6,720,000	1,070,100	7,790,100	28,950,000
2028	6,925,000	868,500	7,793,500	22,025,000
2029	7,125,000	660,750	7,785,750	14,900,000
2030	7,345,000	447,000	7,792,000	7,555,000
2031	7,555,000	226,650	7,781,650	-
<b>Total</b>	<b>70,510,000</b>	<b>70,510,000</b>	<b>70,510,000</b>	

\* Callable 12/01/2022 @ 100

Reserve Fund

7,888,130

# Annual Appropriation Credit



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# Annual Appropriation – Summary of Issuances

## Overview of Outstanding Issuances

Issuance	Annual Appropriation Credits		
	Series 2017	Series 2016	Series 2005
Original Par Amount (\$MM)	\$46.425	\$2.24	\$59.785
Ratings (M/F/S&P)	▪ Aa3	▪ NR	▪ Aa2
Tax Status	▪ Tax Exempt	▪ Tax Exempt	▪ Tax Exempt
Purpose	▪ Detention Facility / Rec Center	▪ Open Space	▪ Broomfield Events Center
Final Maturity	▪ 2027	▪ 2025	▪ 2030

## Sources of Repayment

- In lieu using another form of long-term debt, Broomfield has used annual appropriation debt typically issued through certificates of participation (COPs) to finance the construction of its new facilities. This type of debt gives Broomfield the flexibility to build capital facilities even when funds are not available on a pay-as-you-go basis. Annual Appropriation debt is paid from any legally available source of revenue. Typically initially from the general fund.

## Credit Ratings – Moody’s Investor Services

- Annual Appropriation debt is typically notched one or two levels below and issuer’s General Obligation rating. Broomfield currently carries a ‘Aa1’ general obligation credit rating. **Annual Appropriation debt ratings range from Aa2 – Aa3**
  - The median credit rating for general obligation issuers nationally is Aa3. Broomfield is two notches above that rating.

**Broomfield Urban Renewal Authority, Series 2005**  
(Broomfield Event Center Project)  
(BNP Letter of Credit Backing)

Year End	Principal	Interest	Debt Service	Ending Balance
2021	2,675,000	1,190,100	3,865,100	36,995,000
2022	2,810,000	1,109,850	3,919,850	34,185,000
2023	2,950,000	1,025,550	3,975,550	31,235,000
2024	3,100,000	937,050	4,037,050	28,135,000
2025	3,255,000	844,050	4,099,050	24,880,000
2026	3,420,000	746,400	4,166,400	21,460,000
2027	3,590,000	643,800	4,233,800	17,870,000
2028	3,770,000	536,100	4,306,100	14,100,000
2029	3,960,000	423,000	4,383,000	10,140,000
2030 *	10,140,000	304,200	10,444,200	-
<b>Total</b>	<b>39,670,000</b>	<b>7,760,100</b>	<b>47,430,100</b>	

**Certificates of Participation, Series 2016**  
(Broomfield-Westminster Open Space Foundation)  
No Rating - Vectra Bank Direct Placement

Year End	Principal	Interest	Debt Service	Ending Balance
2021	245,000	26,389	271,389	1,035,000
2022	255,000	22,102	277,102	780,000
2023	255,000	17,333	272,333	525,000
2024	260,000	12,131	272,131	265,000
2025	265,000	6,307	271,307	-
<b>Total</b>	<b>1,280,000</b>	<b>84,262</b>	<b>1,364,262</b>	

**Certificates of Participation, Series 2017**  
(Detention Facility, Recreation Center)  
Rating - Moody's Aa2

Year End	Principal	Interest	Debt Service	Ending Balance
2021	2,845,000	1,158,500	4,003,500	20,325,000
2022	2,995,000	1,016,250	4,011,250	17,330,000
2023	3,145,000	866,500	4,011,500	14,185,000
2024	3,295,000	709,250	4,004,250	10,890,000
2025	3,460,000	544,500	4,004,500	7,430,000
2026	3,635,000	371,500	4,006,500	3,795,000
2027	3,795,000	189,750	3,984,750	-
<b>Total</b>	<b>23,170,000</b>	<b>4,856,250</b>	<b>28,026,250</b>	

# Water Revenue Bonds



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# Water Revenue Bonds – Summary of Issuances

## Overview of Outstanding Issuances

City and County of Broomfield

Water Enterprise

Cash Flows

	2019	2020
<b>Revenues</b>		
Charges for Services	16,325,469	18,174,825
Development Fees (Tap Fees)	20,346,207	15,230,607
Other Services	236,221	252,211
Water Leases and Royalties	442,924	279,543
Miscellaneous	198,855	125,231
<b>Total Revenues</b>	<b>37,549,676</b>	<b>34,062,417</b>
<b>Expenses</b>		
Personnel Services	3,316,433	3,299,169
Supplies and Materials	987,018	887,253
Contractual Services	5,540,673	6,993,235
Utilities	600,472	670,723
Services Provided by General Fund (CCOB Services)	2,467,528	2,390,895
Water Purchases	6,589,603	6,445,695
<b>Total Expenses</b>	<b>19,501,727</b>	<b>20,686,970</b>
<b>Net Revenue Available for Debt Service</b>	<b>18,047,949</b>	<b>13,375,447</b>
<b>Debt Service</b>	<b>5,724,450</b>	<b>5,714,250</b>
<b>Net Cash Flow</b>	<b>12,323,499</b>	<b>7,661,197</b>
D/S Coverage (with Tap Fees)	3.15	2.34
D/S Coverage (without Tap Fees)	(0.40)	(0.32)
Beginning Cash on Hand	57,648,357	69,971,856
Plus: Net Cash Flow	12,323,499	7,661,197
Less: Windy Gap Project	-	-
Ending Cash on Hand	69,971,856	77,633,053
Days of Cash on Hand for Operating Expenses & D/S	1,417 3.9 Years	1,471 4.0 Years

## Sources of Repayment

- The Water Revenue bonds are payable from the Water Enterprise revenues.
- The revenue pledge is based upon net revenues of the system after the payment of operations & maintenance expenses.

## Credit Ratings – Moody's Investor Services

- Water revenue bonds are rated based primarily upon the system size, liquidity, debt service coverage and overall economy within Broomfield
- **Water Revenue bonds are rated Aa3**
  - The Aa3 rating matches the median rating for other Water Revenue issuances nationally

### Broomfield Water Enterprise Water Revenue Bonds, Series 2012

Rating - Moody's Aa3

Year End	Principal	Interest	Debt Service	Ending Balance
2021	5,185,000	532,500	5,717,500	5,465,000
2022	5,465,000	273,250	5,738,250	-
<b>Total</b>	<b>10,650,000</b>	<b>805,750</b>	<b>11,455,750</b>	

Reserve Fund

4,975,000

# Sewer Revenue Bonds



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# Sewer Revenue Bonds – Summary of Issuances

## Overview of Outstanding Issuances

### City and County of Broomfield

#### Sewer Enterprise

#### Cash Flows

	2019	2020
<b>Revenues</b>		
Charges for Services	9,445,248	10,017,838
Development Fees (Tap Fees)	14,792,165	12,950,245
Intergovernmental		14,754
Transfers In	1,403,177	1,404,591
Miscellaneous	694,969	612,403
<b>Total Revenues</b>	<b>26,335,559</b>	<b>24,999,831</b>
<b>Expenses</b>		
Sewer System Operations and Maintenance	1,184,678	1,014,786
Sewer Treatment	2,650,155	2,847,267
Industrial Pretreatment	189,440	186,735
Laboratory Operations	537,270	578,430
Storm Water	427,298	470,042
Administration and Billing	406,867	403,365
Other Expenses	1,600,864	1,107,245
Services Provided by General Fund	1,725,062	1,598,744
<b>Total Expenses</b>	<b>8,721,634</b>	<b>8,206,614</b>
<b>Net Revenue Available for Debt Service</b>	<b>17,613,925</b>	<b>16,793,217</b>
<b>Debt Service</b>	<b>3,852,413</b>	<b>3,858,013</b>
<b>Net Cash Flow</b>	<b>13,761,513</b>	<b>12,935,205</b>
<b>D/S Coverage (with Tap Fees)</b>	<b>4.57</b>	<b>4.35</b>
<b>D/S Coverage (without Tap Fees)</b>	<b>0.73</b>	<b>1.00</b>
<b>Beginning Cash on Hand</b>	<b>42,780,673</b>	<b>56,542,185</b>
Less: Restricted Debt Service Reserve Fund	(3,869,013)	
Less: Capital Projects		
Plus: Net Cash Flow	13,761,513	12,935,205
<b>Ending Cash on Hand</b>	<b>56,542,185</b>	<b>69,477,390</b>

## Sources of Repayment

- The Sewer Revenue bonds are payable from the Sewer Enterprise revenues.
- The revenue pledge is based upon net revenues of the system after the payment of operations & maintenance expenses.

## Credit Ratings – Moody's Investor Services

- Sewer revenue bonds are rated based primarily upon the system size, liquidity, debt service coverage and overall economy within Broomfield.
- **Sewer Revenue bonds are rated Aa3**
  - The Aa3 rating matches the median rating for other Wastewater Revenue issuances nationally

**Broomfield Sewer Enterprise**  
**Sewer and Wastewater Revenue Bonds, Series 2012**  
 Rating - Moody's Aa3

Year End	Principal	Interest	Debt Service	Ending Balance
2021	2,975,000	894,013	3,869,013	20,555,000
2022	1,655,000	775,013	2,430,013	18,900,000
2023 *	1,745,000	692,263	2,437,263	17,155,000
2024 *	1,840,000	605,013	2,445,013	15,315,000
2025 *	1,940,000	513,013	2,453,013	13,375,000
2026 *	2,040,000	416,013	2,456,013	11,335,000
2027 *	2,115,000	354,813	2,469,813	9,220,000
2028 *	2,185,000	291,363	2,476,363	7,035,000
2029 *	2,260,000	225,813	2,485,813	4,775,000
2030 *	2,345,000	155,188	2,500,188	2,430,000
2031 *	2,430,000	78,975	2,508,975	-
<b>Total</b>	<b>23,530,000</b>	<b>5,001,475</b>	<b>28,531,475</b>	

\* Callable 12/01/2022 @ 100

Reserve Fund

3,869,013

# Debt Policy Considerations



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## Debt Policy

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- The purpose of establishing a debt policy is to establish general guidelines for debt issuances. There are multiple types and forms of issuances that could be considered by the City and County of Broomfield in the future. The considerations should be consistent with applicable State and Local law as well as achieve the City's policy objectives. The document should be reviewed on a regular basis and updated as necessary. Some of the items to consider in a debt policy:
  - Legal & Regulatory Requirements
  - Factors relevant to evaluation a future in Debt Issuance
  - Capital Planning
  - Asset Life & Financing Term
  - Fixed versus Variable Interest Rates
  - Refinancing Savings Thresholds
  - Types of Obligations & security features
  - Credit Ratings
  - Sources of Repayment
  - Post Issuance Compliance
  - Derivatives
  - Debt Service Amortization (Level versus wrapped)

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# City & County of Broomfield

Windy Gap Firing Project  
Comparison of Financing Alternatives



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## Windy Gap Financing Options Comparison

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### **Option 1: Issue through the Municipal Subdistrict of Northern Colorado Water Conservancy District**

- Issue bonds through a pooled financing with an anticipated 'Aa3' rating
- Subject to the provisions outlined in the bond indentures and governing documents (negotiated with other entities)
- 30 year term with 90% of the debt repaid within the first 20 years
- Subject to step up provisions if any other entity within the pool is unable to pay Broomfield will be required to makeup the shortfall

### **Option 2: Issue C&C of Broomfield Water Enterprise Revenue Bonds**

- The City is currently rated Aa3
- Current debt retires in 2022 with net debt service of \$5.7 million per year
- Subject to the provisions outlined in the existing bond indentures
- Debt remains within the control of Broomfield including any future refinancing

## Windy Gap Financing Options Comparison

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### Pooled Financing with Northern Colorado Water Conservancy District vs Broomfield Stand-Alone Financing

#### **Pooled Financing Positives**

- Potentially Lower Rates from Pooling Several Highly Rated Entities into the Financing
- Other Participants are Required to Make-Up any Non-Payments by Broomfield

#### **Pooled Financing Considerations**

- Broomfield is Required to Make-Up any Non-Payments by Other Participants
- Broomfield's Liability for Make-Up Provisions Continues for 10 years after Broomfield's Repayment Term of 20 years
- No Repayment Flexibility that could incorporate Broomfield's Existing Water Revenue Bonds
- No Control Over Refinancing Timing
- No Control Over Refinancing Options
- Uncertainty about the Application of Refinancing Savings in the Future
- Lack of Complete Control Due to Other Participants
- Loss of Flexibility in Broomfield's Ability to Set Rates and Charges

#### **Other Considerations**

- Political Issues
- Collaboration on regional water solution
- Decision making

# Northern Colorado Water Conservancy District – Municipal Subdistrict

## Information provided by PFM in February Update

- Current capital structure assumed:
  - All participants will participate in the same term of debt.
  - All Participants sign same Agreement with step-up provision; one series of bonds sold to the marketplace for 30 year term
- 2 Groups of participants in either a 20- or 30-Year repayment term
  - 20 Year repayment amortizes 90% in 20 Years, and 10% in years 21-30
- 20-year group is billed on revised ‘20 year Financing Participation %s’
  - Step-up in Place for 30 years at the Financing Participation %s
  - 10% of principal must be repaid in years 21-30

20-Year Repayment	30-Year Repayment
Broomfield	Loveland
Platte River Power Authority	Greeley
Erie	Superior
Little Thompson Water District	Louisville
Lafayette	Fort Lupton

	Rating	Storage Capacity (AF)	Storage Capacity (%)	Construction Cost Share (\$mm)	Cash (\$mm)	Pooled Financing (mm)	Pooled Financing (%)	Subordinate Loan (\$mm)	Subordinate Loan (%)	Senior Financing (mm)	Senior Financing (%)
Broomfield	Aa3/-/-	26,464	29.40%	\$176.43	\$22.00	\$154.43	32.26%	\$28.75	32.26%	\$125.68	32.26%
Platte River Power Authority	Aa2/AA/A A	16,000	17.78%	\$106.67	\$27.00	\$79.67	16.64%	\$14.83	16.64%	\$64.84	16.64%
Loveland	-/-	10,000	11.11%	\$66.67	\$20.00	\$46.67	9.75%	\$8.69	9.75%	\$37.98	9.75%
Greeley	Aa2/AA+/-	9,189	10.21%	\$61.26		\$61.26	12.80%	\$11.40	12.80%	\$49.86	12.80%
Longmont	-/AA/-	7,500	8.33%	\$50.00	\$50.00	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
Erie	A1/-/-	6,000	6.67%	\$40.00		\$40.00	8.36%	\$7.45	8.36%	\$32.55	8.36%
Little Thompson Water District	-/AA/-	4,850	5.39%	\$32.33		\$32.33	6.75%	\$6.02	6.75%	\$26.31	6.75%
Superior	-/-	4,726	5.25%	\$31.51		\$31.51	6.58%	\$5.86	6.58%	\$25.64	6.58%
Louisville	-/AA+/AA+	2,835	3.15%	\$18.90		\$18.90	3.95%	\$3.52	3.95%	\$15.38	3.95%
Fort Lupton	-/A/-	1,190	1.32%	\$7.93		\$7.93	1.66%	\$1.48	1.66%	\$6.46	1.66%
Lafayette	-/AAA/-	900	1.00%	\$6.00		\$6.00	1.25%	\$1.12	1.25%	\$4.88	1.25%
Central Weld County Water District	-/-	346	0.38%	\$2.31	\$2.31	\$0.00	0.00%	\$0.00	0.00%	\$0.00	0.00%
<b>Total</b>		<b>90,000</b>	<b>100.00%</b>	<b>\$600.00</b>	<b>\$121.31</b>	<b>\$478.69</b>	<b>100.00%</b>	<b>\$89.11</b>	<b>100.00%</b>	<b>\$389.58</b>	<b>100.00%</b>

# Windy Gap Financing Options – Broomfield Issuance

Overview	<b>Purpose</b> - Finance the construction of Broomfield's portion of the Windy Gap project.	
	Par at Issuance	\$161,075,000
Structure	Tax Status	Tax Exempt
	Underlying Mode	Fixed Rate
	Redemption Provisions	Callable 12/1/2031
	Final Maturity	12/01/2042
Statistics	Dated Date	08/27/2021
	Interest Rate	2.50%
	Average Annual Debt Service	\$10,334,875
Security	Bond Ratings (At Issuance)	Aa3 / NR / NR
	Debt Service Reserve Fund	\$10,334,875
	Bond Insurer	-
	Credit Enhancer	-

- The following chart shows the overall debt service assuming a 'Aa3' rating if Broomfield were to issue debt as a standalone issuance.
- The Broomfield issuance is currently sized as level debt service.
- Amortization on the issuance can be modified if necessary to be extended or provide for a ramp-up period before debt levels off.

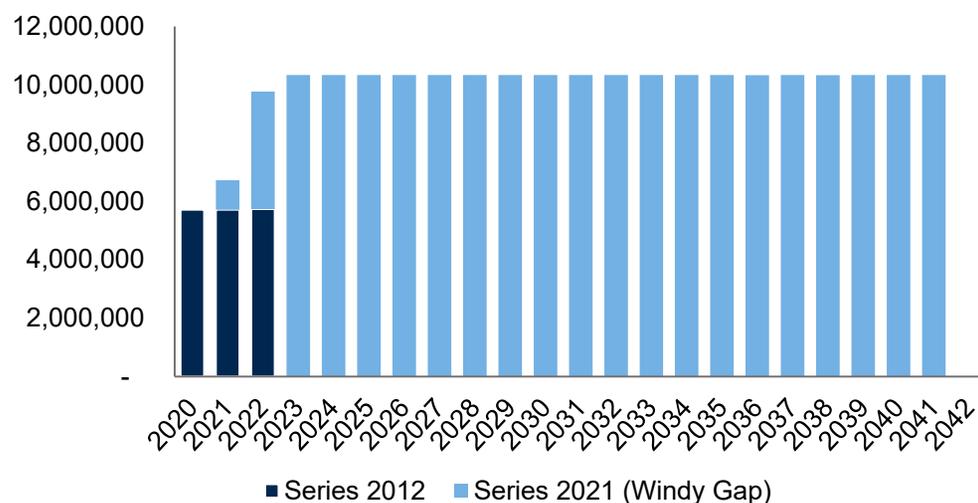
## City and County of Broomfield

### Water Enterprise

### Windy Gap Project

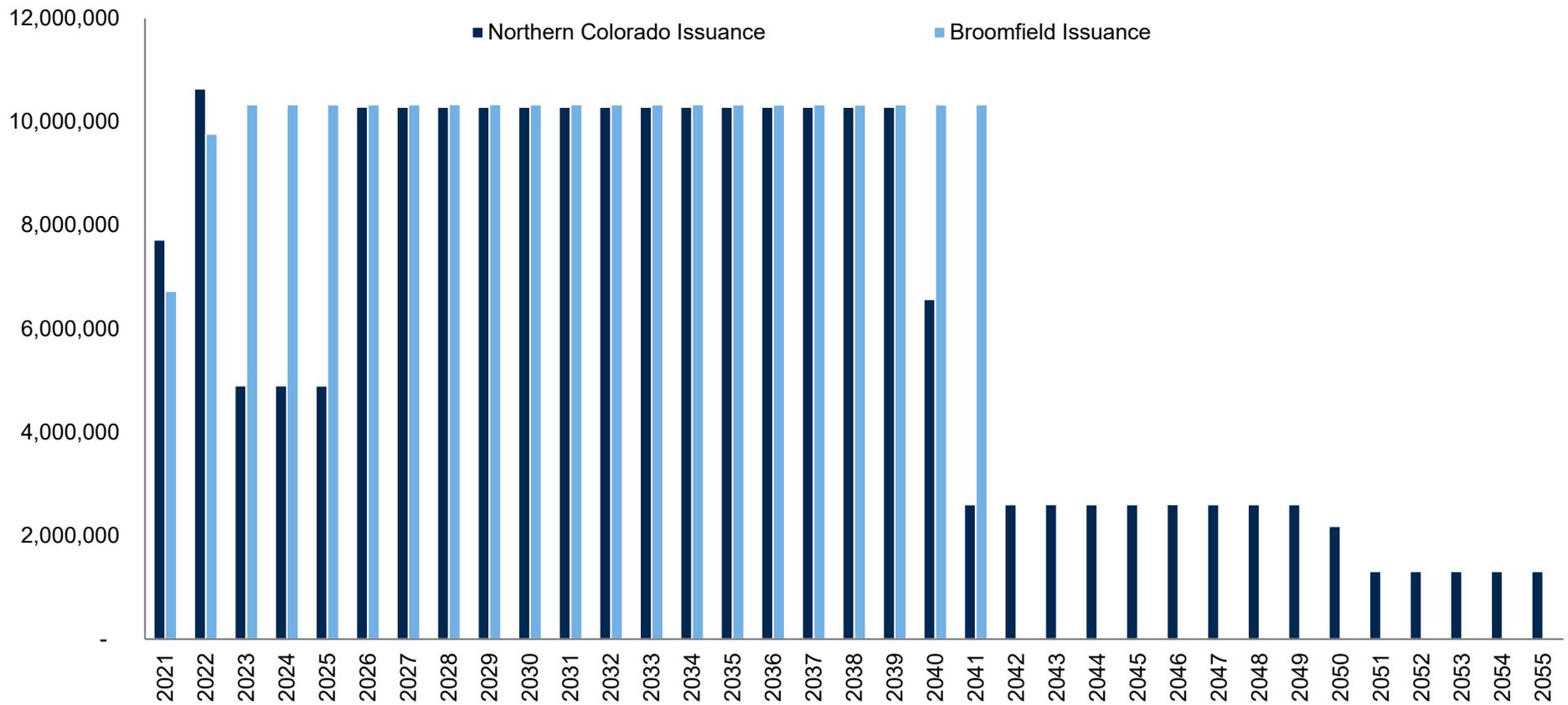
#### Cash Flows

	2019	2020	2021
<b>Revenues</b>			
Charges for Services	16,325,469	18,174,825	18,174,825
Development Fees (Tap Fees)	20,346,207	15,230,607	15,230,607
Other Services	236,221	252,211	252,211
Water Leases and Royalties	442,924	279,543	279,543
Miscellaneous	198,855	125,231	125,231
<b>Total Revenues</b>	<b>37,549,676</b>	<b>34,062,417</b>	<b>34,062,417</b>
<b>Expenses</b>			
Personnel Services	3,316,433	3,299,169	3,299,169
Supplies and Materials	987,018	887,253	887,253
Contractual Services	5,540,673	6,993,235	6,993,235
Utilities	600,472	670,723	670,723
Services Provided by General Fund (COOB Services)	2,467,528	2,390,895	2,390,895
Water Purchases	6,589,603	6,445,695	6,445,695
<b>Total Expenses</b>	<b>19,501,727</b>	<b>20,686,970</b>	<b>20,686,970</b>
<b>Net Revenue Available for Debt Service</b>	<b>18,047,949</b>	<b>13,375,447</b>	<b>13,375,447</b>
<b>Debt Service</b>	<b>5,724,450</b>	<b>5,714,250</b>	<b>6,724,219</b>
<b>Net Cash Flow</b>	<b>12,323,499</b>	<b>7,661,197</b>	<b>6,651,228</b>
D/S Coverage (with Tap Fees)	3.15	2.34	1.99
D/S Coverage (without Tap Fees)	(0.40)	(0.32)	(0.28)
Beginning Cash on Hand	57,648,357	69,971,856	77,757,221
Plus: Net Cash Flow	12,323,499	7,661,197	6,651,228
Less: Windy Gap Project	-	-	(22,000,000)
Ending Cash on Hand	69,971,856	77,633,053	62,408,449
Days of Cash on Hand for Operating Expenses & D/S	1,417 3.9 Years	1,471 4.0 Years	1,220 3.3 Years



# Debt Service Comparison

- The following chart compares the total debt service for Broomfield issuing through Northern Colorado vs. the Broomfield Water Enterprise. The debt service for each takes into account the exiting Series 2012 debt.
  - The issuance through Northern Colorado goes through 2055 vs. 2041 for Broomfield
  - The Broomfield issuance is currently sized as level debt service (can be modified as necessary)



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