



REQUEST FOR PROPOSALS

UNDERWRITING SERVICES

Solicitation No.: R-16-007-PC

Addendum I | June 6, 2016

QUESTIONS AND ANSWERS

These are the questions that were received by the deadline for the Underwriting Services RFP.

Question #1:

In the CIP and Funding table on Page 2 of 21 of the RFP, what does the Bond Capacity line item refer to?

Answer #1:

The Bond Capacity line item in the CIP and Funding table refers to the percentage of the Capital Improvement Program that will be funded with proceeds from previously issued bonds.

Question #2:

Is there an updated 5-year pro forma financial projection since the Series 2016AB Official Statement?

Answer #2:

SAWS most recent financial statements can be found on the SAWS website at: http://www.saws.org/who_we_are/Financial_Reports/

Question #3:

With regard to the question in Section 7, for alternative financing structures, would SAWS be willing to issue a Dodd-Frank letter in order to allow us to discuss derivative products?

Answer #3:

SAWS has engaged a Qualified Independent Representative through PFM Swap Advisors, however, SAWS does not anticipate undertaking executing Dodd-Frank letters during the RFP process. Please focus your responses to Section 7 on alternative bond structures outside of derivatives.

Question #4:

What is the current balance of the debt service reserve fund for the Senior Lien Bonds and the Junior Lien bonds, and how much of each reserve is funded with cash vs. a surety policy?

Answer #4:

The Reserve Fund is fully funded with a combination of cash, investments, and reserve fund surety policies issued by qualified providers. As of May 31, 2016, the balance of the debt service reserve fund for the Senior Lien Bonds and the Junior Lien bonds is as follows:

Debt Service Reserve Fund – Senior Lien:	\$ 67,400,970
Debt Service Reserve Fund – Junior Lien:	<u>20,484,032</u>
Total	\$ 87,885,002

In addition, the debt service reserve requirement for the following bonds is funded with surety policies:

- Water System Junior Lien Revenue and Refunding Bonds, Series 2007
- Water System Junior Lien Revenue and Refunding Bonds, Series 2007A
- Water System Revenue Refunding Bonds, Series 2007
- Water System Junior Lien Revenue Refunding Bonds, Series 2010

Question #5:

Are the disclosure questions counted as a part of the 25 page limit?

Answer #5:

The Disclosure questions should be included in the body of the response and would be included in the 25 page limit.

END OF QUESTIONS AND ANSWERS

END ADDENDUM I