
**REQUEST FOR PROPOSAL
FOR
UNDERWRITING SERVICES**

**CENTRAL WEBER SEWER IMPROVEMENT DISTRICT, UTAH
SEWER REVENUE AND REFUNDING BONDS**

AUGUST 18, 2023



GENERAL INFORMATION

Central Weber Sewer Improvement District (the “District”) is soliciting underwriting firms through this Request for Proposal (“RFP”) to provide underwriting services in connection with the District’s planned issuance of up to \$35,000,000* Tax-Exempt Sewer Revenue Bonds, Series 2023. The District intends to hire one or more firms to serve as underwriters for the transaction. Interested firms are asked to read the following information and respond accordingly.

Calendar of Events (subject to change)

Distribution of Requests for Proposal:	August 18, 2023
Proposal Due Date:	August 25, 2023 (2:00pm Mountain)
Expected Underwriter Selection:	August 28, 2023
Bond Pricing Target (currently contemplated):	September 5-21, 2023

Proposal Submission

Proposals are due no later than **2:00pm Mountain Time on Friday, August 25, 2023**. The District will not consider proposals received after this deadline.

The District will not reimburse respondents for proposal preparation. Joint proposals will not be accepted. All material that is submitted in response to this RFP will become the sole property of the District. The District reserves the right to change its underwriting selection at any time. The District also reserves the right to cancel or modify its plan of finance based on market conditions or other factors.

Due to the requested quick turn-around, responses are limited to **4 pages** (exclusive of needed appendices and a cover letter) with a minimum of 12-point font. Please submit your proposals as outlined below:

1 PDF email to the following individuals:

Kevin Hall, *General Manager*
Central Weber Sewer Improvement District
kevinh@centralweber.com | 801-731-3011

Camille Cook, *Finance Director*
Central Weber Sewer Improvement District
camillec@centralweber.com | 801-731-3011

Any questions regarding this RFP should be directed to Mr. Hall and Ms. Cook. Responses to all questions will be distributed to all responding firms.

Regarding this RFP, any contact with the District elected officials, staff, or District consultants other than Mr. Hall is prohibited and may be grounds for disqualification from the RFP process. The District expressly reserves the right to utilize any and all ideas submitted unless covered by legal patent or proprietary rights which must be clearly noted in the proposal submitted in response to the RFP. The District intends to hire one or more underwriters for the Series 2023 sewer revenue and refunding bond transaction.

The District’s Municipal Advisor is *Stifel, Nicolaus & Company, Incorporated*.



OVERVIEW OF THE DISTRICT

Central Weber Sewer Improvement District (the “District”), was organized in 1953. The District provides primarily wholesale sewer treatment services to its approximately 213,000 customers in 14 cities and 2 special districts along the northern Wasatch Front.

The District’s sewer system includes a wastewater treatment facility capable of processing 65 million gallons of water per day (“MGD”), approximately 54 miles of outfall sewer lines and eight pump stations.

Information with regard to the District, its operations, and certain financial information (annual reports, annual disclosure reports, etc.) can be found on the District’s website: www.centralweber.com.

SERIES 2023 BONDS

The District plans to issue tax-exempt fixed rate sewer revenue bonds to finance construction of its sewer plant and system improvements.

Details of the bonds include:

Anticipated Pricing: Between September 5-21, 2023

Closing: September 27, 2023 (subject to change)

New Project: Sewer plant and system improvements

Security and Source of Payment: The Series 2023 Bonds will be payable and secured solely by a pledge and assignment of the Revenues from the System and monies on deposit in the funds and accounts held by the Trustee under the Resolution. The Series 2023 Bonds will be issued on a parity with any other series of bonds, which may be issued from time to time under the Master Resolution. The Revenues of the System may be applied to pay the Operation and Maintenance Expenses of the System, to the extent needed, before being applied to pay principal and interest on the Series 2023 Bonds.

Debt Service Reserve Fund: There is no Debt Service Reserve Requirement for the Series 2023 Bonds.

Outstanding Parity Bonds. Below is a list of the District’s currently outstanding parity bonds and the outstanding amortization for each of those bond issues.



Outstanding Sewer Revenue Bonds (Parity Bonds)			
Series	Original Par	Outstanding Par	Final Maturity
2017A	32,360,000	26,570,000	3/1/2033
2017C	32,980,000	26,245,000	3/1/2034
2019	23,575,000	20,160,000	3/1/2035
2021	21,000,000	19,255,000	3/1/2041
Total	\$109,915,000	\$92,230,000	

*Preliminary; subject to change.

FISCAL YEAR	Series 2021A	Series 2019A	Series 2017C	Series 2017A	Series 2000	TOTAL DEBT SERVICE
2023	1,718,800	2,238,000	3,030,075	3,256,425	510,000	10,753,300
2024	1,715,900	2,231,625	3,028,200	3,257,550	510,000	10,743,275
2025	1,716,500	2,232,250	3,028,075	3,258,300	510,000	10,745,125
2026	1,710,600	2,234,500	3,028,075	3,258,425	510,000	10,741,600
2027	1,722,900	2,233,250	3,032,825	3,257,675	510,000	10,756,650
2028	1,723,200	2,233,375	3,032,075	3,255,800	510,000	10,754,450
2029	1,716,800	2,234,625	3,030,700	3,266,200	510,000	10,758,325
2030	1,718,600	2,236,750	3,027,588	3,255,000	510,000	10,747,938
2031	1,718,400	2,234,625	3,029,225	3,259,400	510,000	10,751,650
2032	1,250,700	2,233,125	3,030,050	3,259,000	118,696	9,891,571
2033	1,250,800	2,236,875	3,029,250	3,253,800	0	9,770,725
2034	1,249,500	2,235,625	3,028,875	0	0	6,514,000
2035	1,251,700	2,229,375	0	0	0	3,481,075
2036	1,247,400	0	0	0	0	1,247,400
2037	1,256,400	0	0	0	0	1,256,400
2038	1,253,600	0	0	0	0	1,253,600
2039	1,254,100	0	0	0	0	1,254,100
2040	1,252,800	0	0	0	0	1,252,800
2041	1,254,600	0	0	0	0	1,254,600
2042	0	0	0	0	0	0
2043	0	0	0	0	0	0
2044	0	0	0	0	0	0
2045	0	0	0	0	0	0
TOTAL	27,983,300	29,044,000	36,355,013	35,837,575	4,708,696	133,928,584

Ratings: The District currently has ratings from S&P and Fitch (AA and AAA, respectively) on their outstanding sewer revenue bonds. Updated ratings for the Series 2023 Bonds are expected on September 30, 2023.



Estimated Amortization:

Date	Principal
03/01/2024	1,070,000.00
03/01/2025	1,005,000.00
03/01/2026	1,060,000.00
03/01/2027	1,115,000.00
03/01/2028	1,170,000.00
03/01/2029	1,230,000.00
03/01/2030	1,295,000.00
03/01/2031	1,360,000.00
03/01/2032	1,430,000.00
03/01/2033	1,505,000.00
03/01/2034	1,580,000.00
03/01/2035	1,660,000.00
03/01/2036	1,745,000.00
03/01/2037	1,835,000.00
03/01/2038	1,930,000.00
03/01/2039	2,030,000.00
03/01/2040	2,130,000.00
03/01/2041	2,240,000.00
03/01/2042	2,355,000.00
03/01/2043	2,475,000.00
Total	\$32,220,000.00

SCOPE OF SERVICES

Senior Managing Underwriter

The District intends to hire one or more underwriters for the transaction(s). The underwriter(s) shall perform the following services as directed by the District and its Municipal Advisor:

1. Propose structuring alternatives and innovations that minimize the cost of capital while maintaining future financing flexibility.
2. Prepare schedules based on alternative structures.
3. Adhere to the District’s financing schedules and calendar of events.
4. Prepare pricing memos, discuss marketing conditions, compile market comparables, and prepare preliminary pricing scales, (if applicable: syndicate rules, syndicate price views) and marketing compensation.
5. Assist in the drafting and review of relevant documents.
6. Identify the market and potential investors that are most likely to purchase any and all securities offered at rates most favorable to the District.
7. Conduct bond sale conference calls
8. Assess and report on market conditions, investor demand and their impact on the economics and/or optimal timing of the District’s financing.
9. Market and distribute bonds (providing access to IPREO Game Day).
10. Commit capital as necessary to maintain the lowest possible interest rates for the District.
11. Execute a bond purchase agreement.
12. Provide post-pricing analysis including pricing, orders, allotments, designations, etc.



EVALUATION AND SELECTION

Evaluation Criteria

An Evaluation Committee will evaluate all proposals and select the underwriter.

The Evaluation Committee will evaluate proposals based on an assessment of responses to the “Proposal Requirements” beginning on Page 5, including:

1. Proposed Finance Team and Availability (25%)
2. Firm Underwriting Experience and Performance (30%)
3. Marketing Capabilities, Approach, and Strategies (25%)
4. Proposed Fees, Proposed Pricing, and Structuring Recommendations (15%)
5. Other (5%)

Oral interviews are not anticipated.

Selection Process & Timeline

The Evaluation Committee will review all proposals received. Any proposal that does not meet the requirements of the RFP or that does not address the questions as posed will be rejected.

The Evaluation Committee will evaluate all responsive and responsible proposals based on the “Evaluation Criteria” as referenced above, and may afford firms the opportunity to clarify the contents of their proposal for the purpose of assuring a full understanding of their response to the RFP. The Evaluation Committee will rank all proposals from highest to lowest evaluation score, with the highest scoring firm being awarded the underwriting contract.

All firms submitting a response will be notified via email once an underwriter has been selected. The District expects to make a final decision on the underwriter no later than August 28, 2023.

The underwriter will be required to participate in conference calls, meetings, and other discussions as necessary, and to review the preliminary official statement and other pertinent documents. Selection as underwriter for this engagement does not indicate an engagement for any other future issuance of bonds. The District reserves the right to maintain, modify, or cancel its underwriter selection. The District also reserves the right to add, subtract or combine projects. The District has no financial or other obligation to the firm(s) selected if the proposed bonds are not offered or sold.

Any questions regarding the selection process should be directed to Mr. Kevin Hall and Ms. Cook.



PROPOSAL REQUIREMENTS

Below is a list of the information to be provided by responding firms. Please draft your proposals clearly and concisely in response to the questions below. A proposal that does not include all the information required below shall be deemed non-responsive and subject to rejection.

Proposers shall indicate in their proposals what information, if any, is proprietary and confidential. Proposers are hereby advised that the District is subject to the State of Utah's open records law, the Government Records Access Management Act ("GRAMA"). Information marked as "Confidential" and/or "Proprietary" will be treated as such to the extent consistent with GRAMA.

Required Information

1) Proposed Finance Team and Availability

- a. Include a list or table of your proposed finance team (investment bankers, underwriters, quantitative analysts, etc.) that will be assigned to the District's financing. Summarize each individual's experience with utility financings.
- b. Assuming the winning underwriter is alerted early on August 28, 2023, please suggest three (3) dates/times for a due diligence phone call during the week of August 28th.

2) Underwriting Experience and Performance

- a. Provide a summary table of your firm's sole/senior managing experience over the last three (3) years (8/1/2020-present) listing the total number of transactions and total par amounts for the following: (i) Negotiated utilities revenue financings, (ii) Negotiated utilities revenue bonds in the State of Utah, (iii) Negotiated revenue bonds in the State of Utah, and (iv) Negotiated revenue bonds between \$15-\$40 million.
- b. Provide one (1) brief case study for your firm's most recent sole/senior managed utility transaction comparable to the District's proposed Series 2023 Bonds.

3) Marketing Capabilities, Approach, and Strategies

- a. Provide a brief overview of your firm's marketing and distribution capabilities.
- b. Describe your marketing plan, approach, and strategies your firm will take in pre-marketing and marketing the District's bonds.
- c. Indicate your underwriting desk's availability to price the District's Series 2023 Bonds during the targeted period September 5-21st. Indicate the suggested date(s) that the District should target for the pricing of the proposed Bonds during the targeted period and explain your suggestion(s) relative to the market and your firm's pricing calendar.

4) Proposed Fees, Proposed Pricing, and Structuring

- a. **Proposed Fees:** Provide a detailed description of your proposed underwriting fees for the deal size described above.



Include a breakdown of your suggested takedowns for each maturity, management fees, and all associated expenses (by component) that your firm will charge in connection with your role as underwriter (including whether you will require underwriter's counsel, the name of the firm and attorney, the estimated cost, and whether underwriter's counsel will be paid out of your underwriting expenses or costs of issuance). Please indicate whether your proposed fees will affect (positively or negatively) your firm's willingness and ability to underwrite unsold balances on the day of pricing.

- b. ***Proposed Pricing Scale and Structure***: Please indicate how your firm would expect the District's proposed bonds to price as a spread to the MMD (March interpolated) scale assuming (i) yields as of the close of business on Thursday, August 24, 2023, (ii) bond rating of AA/AAA (S&P/Fitch), (iii) a 10-Year Optional Redemption, and (iv) 5% coupons in each maturity (adhering to the estimated amortization on Page 4).

5) Other

- a. Disclose any investigations and or inquiries of your firm in the last five years by any regulatory entity. Please describe how such investigations or inquiries may impact the sale of the District's bonds.

COMPLIANCE WITH PUBLIC CONTRACT BOYCOTT RESTRICTIONS

To the extent the winning proposal for the Bonds constitutes a contract to acquire or dispose of a good or service for which written certification is required under Section 63G-27-201 of the Utah Code, the proposal submitted by the selected underwriter shall be deemed to be the written certification by the selected underwriter, including any wholly-owned subsidiary, majority-owned subsidiary, parent company or affiliate of the selected underwriter (collectively, the "*Underwriter*"), that:

- (a) the Underwriter is not currently engaged in (i) a boycott of the State of Israel; or (ii) an economic boycott;
- (b) the Underwriter agrees not to engage in a boycott of the State of Israel for the duration of such contract; and
- (c) the Underwriter agrees to notify the Issuer in writing if the Winning Bidder begins engaging in an economic boycott (which notice may be grounds for termination of the contract).

For purposes of this Request for Proposals:

- (a) "*Boycott action*" means refusing to deal, terminating business activities, or limiting commercial relations.
- (b) "*Boycott of the State of Israel*" means engaging in a boycott action targeting (i) the State of Israel; and (ii)(A) companies or individuals doing business in or with the State



of Israel; or (B) companies authorized by, licensed by, or organized under the laws of the State of Israel to do business.

(c) *“Boycotted company”* means a company that (i) engages in the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, mining, or agriculture; (ii) engages in, facilitates, or supports the manufacture, distribution, sale, or use of firearms; (iii) does not meet or commit to meet environmental standards, including standards for eliminating, reducing, offsetting, or disclosing greenhouse gas-emissions, beyond applicable state and federal law requirements; or (iv) does not facilitate or commit to facilitate access to abortion or sex characteristic surgical procedures.

(d) *“Economic boycott”* means, without an ordinary business purpose (i) engaging in a boycott action targeting (A) a boycotted company; or (B) another company because the company does business with a boycotted company; or (ii) taking an action intended to penalize, inflict economic harm to, or change or limit the activities of (A) a boycotted company; or (B) another company because the company does business with a boycotted company.

Certain other terms used herein and not otherwise defined have the meanings assigned such terms in Section 63G-27-102 of the Utah Code. At the request of the Issuer, the Underwriter agrees to execute such further written certification as may be deemed necessary or convenient for the Issuer to establish compliance with Title 63G, Chapter 27 of the Utah Code.