

WATER & SEWER BOARD AGENDA

Wednesday, August 15, 2018

2:00 p.m.

DISTRICT 6

ADMINISTRATION BUILDING

1025 9th Avenue

Greeley, CO 80631

1. Roll Call: _____ Chairman Harold Evans _____ Vice Chairman Mick Todd
 _____ Mr. Bob Ruyle _____ Mr. Fred Otis
 _____ Mr. Joe Murphy _____ Mr. Tony Miller
 _____ Mr. Manuel Sisneros _____ Mayor John Gates
 _____ Mr. Roy Otto _____ Mrs. Victoria Runkle
2. Approval of Minutes
3. Approval of and/or Additions to Agenda
4. Action: Approve and Recommend to Council a Resolution Concerning the Acquisition of Easements for the Gold Hill Segment of the Bellvue Transmission Pipeline
5. Action: Approve Water Bond Resolution and Recommend to Council
6. Action: Approve Sewer Bond Resolution and Recommend to Council
7. Action: Approve Resolution to Modify Plant Investment Fees for Multi-Family Residential Development
8. Report: Transmission Systems
9. Legal Report
10. Executive Session
11. Director's Report
 - Grand Opening of City Center – September 4th
12. Such Other Business That May Be Brought Before The Board and Added to This Agenda by Motion of the Board



If, to effectively and fully participate in this meeting, you require an auxiliary aid or other assistance related to a disability, please contact Shannon Metcalf at 970-350-9818.

**City of Greeley
Water and Sewer Board
Minutes of July 18, 2018
Regular Board Meeting**

Chairman Harold Evans called the Water and Sewer Board meeting to order at 2:01 p.m. on Wednesday, July 18, 2018.

1. Roll Call

The Clerk called the roll and those present included:

Board Members:

Chairman Harold Evans, Vice Chairman Mick Todd, Fred Otis, Tony Miller, Joe Murphy, Bob Ruyle, Manny Sisneros, Mayor Gates, Roy Otto, Vic Runkle

Water and Sewer Department staff:

Water and Sewer Director Burt Knight, Deputy Director Sean Chambers, Water Rights Manager Jennifer Petrzela, Water and Sewer Services Coordinator Chrissy Lutz, Development Reviewer Jamie Boelstler, Water Resources Engineer Justin Scholz, Operations Manager Bob Neal, Business Manager Erik Dial, and Office Manager Shannon Metcalf

Legal Counsel:

Counsel to Water & Sewer Board Attorney Carolyn Burr, Environmental and Water Resources Attorney Jerrae Swanson, Environmental and Water Resources Attorney Dan Biwer and Environmental and Water Resources Attorney Aaron Goldman

Other Guests: Real Estate Technician Monique Perez, Director Community Development Brad Mueller and Doug Jeavons, BBC

2. Approval of Minutes

Mr. Miller made a motion, seconded by Mr. Todd, to approve the June 20, 2018 Water and Sewer Board meeting minutes as presented. The motion carried 6-0.

3. Approval of and/or Additions to Agenda

Item 10, Acquisition of Boyd and Allison Mayer Water Rights was removed from the agenda.

4. Action: Approve and Recommend to Council the Acquisition of Interest in Real Property for the North Greeley Sewer Phase IIB

Mr. Murphy joined the meeting at 2:02 pm.

Mr. Scholz explained that Greeley needs to acquire exclusive permanent easements and temporary construction easements of varying widths as part of the North Greeley Sewer Phase IIB project.

Mr. Otis recused himself because of a conflict of interest.

Chairman Todd made a motion, seconded by Mr. Miller, to approve and Recommend to Council the Acquisition of Interest in Real Property for the North Greeley Sewer Phase IIB. The motion carried 6-0.

5. Action: Approve Water and Sewer 2019 Operating Budget and 5 year CIP

Mr. Dial provided an overview of the 2019 Budget and 5 Year CIP. The model used the growth rate projection from Community Development. This will be the third year using water budget rates. The 2019 water budget rates will vary over four tiers from \$4.35/1,000 gallons for within budget water use to \$9.67/1,000 gallons for unsustainable water usage. Commercial rates will increase approximately 5.0% and industrial rates will increase 1%. The goal continues to be to keep the rate changes steady without large spikes.

Mr. Dial indicated that sewer customers will see moderate rate changes. Single Family will increase by 2.5%. Industrial and commercial rate increases will vary from 1% to 6%. The water Plant Investment Fee will drop from \$11,400 to \$10,800 and the sewer Plant Investment Fee will remain unchanged at \$5,700. System wide, the average residential water and sewer monthly bill will increase by \$2.89.

Vice Chairman Todd moved, and Mr. Sisneros seconded, to approve the Water and Sewer 2019 Operating Budget and 5 Year CIP and recommend the same to the City Manager. The motion carried 7-0.

6. Action: Approve Cash-in-Lieu Resolution

Doug Jeavons from BBC Research and Consulting described his findings from the review of the Greeley's water dedication and cash-in-lieu requirements in 2015 and the review of Greeley's current proposal for accepting cash-in-lieu and its pricing. Mr. Jeavons indicated that Greeley's proposal for setting the cash-in-lieu price is a hybrid of the

Incremental Cost Approach and the Equity Buy-in Approach, which are the two recognized methods for establishing fees such as these. Mr. Dial then discussed with the Board the cash-in-lieu pricing calculation and how it was derived. He indicated that the new cash-in-lieu price would be set at \$29,000 per acre foot if the Board approves the proposal.

Staff proposed rescinding Resolution No. 7, 2015, which established the price of cash-in-lieu to be based on the rolling 3-year average of Colorado-Big Thompson water, adopting a new method for setting the cash-in-lieu price based off the value of the water within Greeley's water portfolio and the cost of new water storage projects, and amending Resolution No. 14, 2014 to remove the requirement that cash-in-lieu payments in excess of 8 acre feet must be approved by the Water and Sewer Board. Further discussion followed between Board members and staff regarding the proposal.

Mr. Ruyle made a motion, seconded by Mr. Miller to approve Cash-in-Lieu Resolution. The motion carried 7-0.

7. Report: Water Supply Update

Ms. Petrzelka presented the quarterly Water Supply Update. Thru July 9, cumulative precipitation in Greeley was slightly above the 1997-2017 historical average at 8.62 inches. While reservoirs were able to fill, the snowpack melted ~2 weeks earlier than average. Combining the early snowmelt with above average temperatures has resulted in very dry conditions. The Colorado SWSI report for June showed the South Platte Basin at normal supply levels (.02), 1.1 lower than the same time last year (2.3). The Climate Prediction Center Short-term forecasts are predicting above average precipitation and temperature conditions for the next three months. Staff rented out 28,800 acre-feet of water for agriculture and target storage remains over 20,000 acre-feet going into Water Year 2019.

8. Legal Report:

Mr. Biwer updated the Board on the following:

Case No. 15CW3163: Greeley obtained a final decree from the Division 1 Water Court in Case No. 15CW3163, its second change of water rights in the Greeley Irrigation Company. Greeley changed the type, place, and manner of use for the water rights associated with 77.8 shares of GIC, which allows the City to use this water for municipal and all related uses. The terms and conditions of this final decree are consistent with the ditch-wide analysis and decree in 96CW658, commonly known as the Poudre Prairie decree. Greeley has now changed 125.12 shares in the Greeley Irrigation Company.

Mr. Goldman updated the Board on the following:

Transfer of Three Windy Gap Units. Pursuant to City Council Resolution No. 78 (1994), as recommended to Council by the Water & Sewer Board during its August 11, 1994 meeting, Greeley entered into an intergovernmental agreement to lease three Windy Gap Units to the City of Louisville with the option for Louisville to purchase the Units in 2017 ("Option Agreement"). The Option Agreement provided for an upfront payment to Greeley of \$788,000, with annual lease payments equal to annual charges billed to Greeley by the Northern Colorado Water Conservancy's Municipal Subdistrict. Louisville has provided Greeley notice of its intent to exercise its option to purchase the three Units. In keeping with the 2003 Water Master Plan's goal of using portfolio shifts to aid funding Greeley's participation in the Windy Gap Firming Project, the transfer of these three non-Firming Units will bring the City's total ownership of Windy Gap Units to forty-nine. None of Greeley's interests in the Windy Gap Firming Project will transfer to Louisville under this transaction. The ordinance directing the Mayor and City Clerk to file the appropriate transfer paperwork with the Subdistrict is scheduled to go before Council in August. With Council's approval of the ordinance, closing is anticipated in September.

Mayor Gates left the meeting at 3:31 p.m.

9. Executive Session

There were no items for Executive Session.

10. Director's Report

Mr. Knight congratulated Vice Chairman Todd and Mr. Miller for their recent re-appointment to the Water and Sewer Board by City Council.

11. Such Other Business That May Be Brought Before The Board and Added to This Agenda by Motion of the Board

Chairman Evans adjourned the meeting at 3:37 p.m.

Harold Evans, Chairman

Shannon Metcalf, Office Manager

WATER & SEWER BOARD AGENDA AUGUST 15, 2018

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 4

TITLE: ACTION: APPROVE AND RECOMMEND TO
COUNCIL A RESOLUTION CONCERNING THE
ACQUISITION OF EASEMENTS FOR THE
GOLD HILL SEGMENT OF THE BELLVUE
TRANSMISSION PIPELINE

RECOMMENDATION: APPROVE ACQUISITION AND RECOMMEND
TO CITY COUNCIL

ADDITIONAL INFORMATION:

Greeley will need to acquire exclusive permanent and temporary construction easements of varying widths in order to complete the Bellvue Water Transmission Pipeline – Gold Hill Phase.

Greeley Bellvue Pipeline Project, Gold Hill Segment

Easement Acquisition

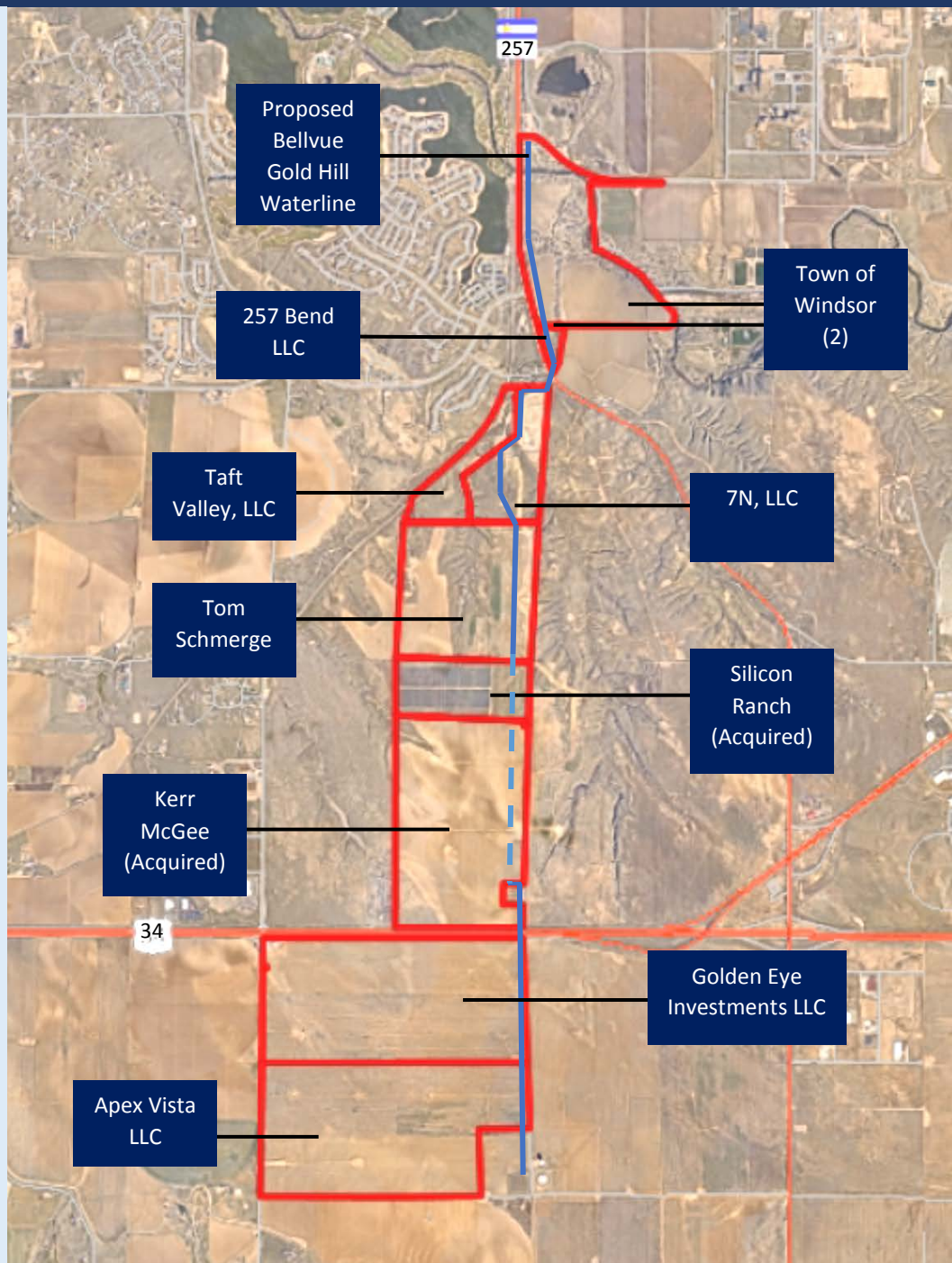
- **8 Properties identified where easements are required** ———

- Town of Windsor (2 parcels)
- 257 Bend LLC
- Taft Valley, LLC
- 7N, LLC
- Tom Schmerge
- Golden Eye Investments LLC
- Apex Vista LLC

- **Easements dedicated by plat** - - -

(Previous owner granted the City a 50' Permanent and 75' Temporary Easement by previous plat)

- Silicon Ranch Corporation
- Kerr McGee Oil & Gas Onshore LP



**CITY OF GREELEY, ACTING BY AND THROUGH
ITS WATER AND SEWER BOARD**

RESOLUTION NO. ___, 2018

CONCERNING THE ACQUISITION OF INTERESTS IN REAL PROPERTY LOCATED IN WELD COUNTY, COLORADO FOR WATER TRANSMISSION LINES, BY PURCHASE OR EXERCISE OF THE POWER OF EMINENT DOMAIN, PURSUANT TO SECTION 7 OF ARTICLE XVI, SECTION 15 OF ARTICLE II, AND SECTIONS 1 AND 6 OF ARTICLE XX OF THE COLORADO CONSTITUTION AND COLO. REV. STAT. § 38-1-101, et seq. (GREELEY BELLVUE PIPELINE, GOLD HILL SEGMENT)

WHEREAS, the City of Greeley (“the City”) is a Colorado home-rule municipality empowered, pursuant to Sections 1 and 6 of Article XX of the Colorado Constitution, to, *inter alia*, construct, purchase, acquire, lease, add to, maintain, conduct, and operate water works and everything required therefor, within or without its territorial limits, for the use of the City; and

WHEREAS, Section 15 of Article II and Section 7 of Article XVI of the Colorado Constitution further authorize the City to acquire water pipeline easements for domestic, irrigation, drainage, and other purposes; and

WHEREAS, Section 17-4 of the Greeley City Charter authorizes and requires the City Water and Sewer Board (“the Board”) to acquire, develop, convey, lease, and protect water and sewer assets, supplies, and facilities; and

WHEREAS, Section 17-1 of the Greeley City Charter authorizes the Board to qualify the Water and Sewer functions and operations as an ‘enterprise’ as that term is contained in Section 20 of Article X of the Colorado Constitution, and to provide for every function and operation of an enterprise, including but not limited to, the issuance of bonds and all other necessary and ordinary functions of the Water and Sewer operations, which enterprise is established by Section 14.04.050 of the Greeley Municipal Code; and

WHEREAS, the Board has determined that the development of additional water transmission lines and associated facilities from the City’s Bellvue Water Treatment Plant to the City, traversing properties located in Larimer and Weld Counties, is necessary for the continued overall operation of the water works, and more specifically for the delivery of treated domestic water to the citizens of the City and other served communities and individuals; and

WHEREAS, the Gold Hill Segment of the Greeley Bellvue Pipeline, which is generally depicted on Exhibit A, attached hereto and incorporate herein by reference, is one such area where additional treated water transmission lines and associated facilities will need to be located, and is an area that is generally experiencing growth and redevelopment into more intensive land uses; and

WHEREAS, the City's staff and counsel have determined that the additional treated water transmission lines described above will need to be installed in the ground at varying depths, and that, accordingly, the acquisition of interests in real property is necessary in order to construct and maintain such treated water transmission lines within the Gold Hill Segment of the Greeley Bellvue Pipeline depicted on Exhibit A; and

WHEREAS, the Board has determined that the aforementioned acquisition of interests in real property, either through purchase or exercise of the City's power of eminent domain, is necessary for the development and use of said treated water transmission lines.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

1. The Board hereby determines that it is necessary for the City to acquire, either through purchase or exercise of the power of eminent domain, permanent easements and temporary construction easements for the installation, operation, maintenance, repair, and replacement of treated water transmission lines, for the continued overall operation of the water works, and more specifically for the delivery of treated domestic water to the citizens of the City and other served communities and individuals.

2. The Board hereby determines that the acquisition of permanent easements and temporary construction easements is necessary within the Gold Hill Segment of the Greeley Bellvue Pipeline depicted on Exhibit A, either through purchase or exercise of the power of eminent domain, for the above-described purposes.

3. The City's staff and counsel are hereby authorized and directed to continue with the acquisition of the above-described interests in real property, either through purchase or exercise of the power of eminent domain. The Board hereby ratifies any previous actions by City staff in negotiating the acquisition of such interests in real property, and in providing notice of the City's intent to acquire such interests, in accordance with Colo. Rev. Stat. § 38-1-101, et seq.

PASSED AND ADOPTED, SIGNED AND APPROVED THIS ____ DAY OF AUGUST 2018.

ATTEST:

Secretary to the Board

Board Chairman

WATER & SEWER BOARD AGENDA AUGUST 15, 2018

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 5

TITLE: ACTION: APPROVE WATER BOND
RESOLUTION AND RECOMMEND TO
COUNCIL

RECOMMENDATION: APPROVE RESOLUTION

ADDITIONAL INFORMATION:

Enclosed is a resolution for the Water and Sewer Board to authorize and approve the issuance of water revenue bonds, Series 2018, in an aggregate principal amount not to exceed \$45,000,000, bearing interest at the rates and maturing on the dates in the amounts to be set forth in the final terms certificate, and on the terms and conditions provided in the bond ordinance.

Contained within the water capital program are a number of projects at the water treatment plants to replace aged infrastructure, permitting activities related to the expansion of Milton Seaman Reservoir, the City's Windy Gap Firing construction cost contribution, partial construction of the Gold Hill transmission line, and the water acquisition program.

These projects will need to be partially funded through bond revenues. The resolution states that the Water and Sewer Board authorizes and approves the issuance of the Series 2018 Water Revenue bonds, recognizing that the issuance of these bonds will impact the Water Fund's debt service payments and the rates required to support those payments.

**CITY OF GREELEY, ACTING BY AND THROUGH ITS
WATER AND SEWER BOARD**

RESOLUTION __, 2018

A RESOLUTION OF THE GREELEY WATER AND SEWER BOARD AUTHORIZING AND APPROVING THE ISSUANCE OF WATER REVENUE BONDS, SERIES 2018 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000, BEARING INTEREST AT THE RATES AND MATURING ON THE DATES AND IN THE AMOUNTS TO BE SET FORTH IN THE FINAL TERMS CERTIFICATE, AND ON THE TERMS AND CONDITIONS PROVIDED IN THE BOND ORDINANCE

BE IT RESOLVED BY THE WATER AND SEWER BOARD OF THE CITY OF GREELEY, COLORADO:

Section 1. Findings. The Water and Sewer Board (the “Board”) of the City of Greeley, Weld County, Colorado (the “City”), hereby finds and determines that:

(a) Pursuant to Section 5-18(d) of the Charter of the City (the “Charter”) an Ordinance expected to be considered for final adoption and approval by the City Council of the City (the “Council”) on or about September 4, 2018 (including all Exhibits thereto, the “Ordinance”), the Council authorized and approved the City of Greeley, Colorado, Water Revenue Bonds, Series 2018 (the “Series 2018 Bonds”), to be issued in an aggregate principal amount not to exceed \$45,000,000, bearing interest at the rates and maturing on the dates and in the amounts to be set forth in the Final Terms Certificate (as defined in the Ordinance), and upon the terms and conditions set forth in the Ordinance.

(b) Pursuant to Article XVII of the Charter, the City owns, operates and maintains a municipal water system (the “System”) as an “enterprise” within the meaning of article X, section 20 of the Colorado Constitution. The System has been designated as an enterprise by the Charter, by Chapter 14.04 of the Greeley City Code (the “Code”), and by related actions of the Council and the Board, and such designation is hereby ratified and confirmed. The Board has determined, and hereby determines, based in part upon advice of bond counsel, that the System currently meets all requirements applicable to an enterprise under said article X, section 20. Without limiting the generality of the foregoing, the Board has determined, and hereby determines, that in each fiscal year since the adoption of said article X, section 20, through and including the 2017 fiscal year, the System has received, and that for the current 2018 fiscal year the Board intends and reasonably expects that the System will receive, under 10% of annual revenue in grants from all Colorado state and local governments combined. Accordingly, no election is necessary under article X, section 20 of the Colorado Constitution to issue the Series 2018 Bonds.

(c) In addition to the other powers and duties vested in the Board, Section 17-4(a) of the Charter provides, in relevant part, that the Board shall have the power and shall be required to annually establish minimum water rates which must be sufficient to include all expenditures for:

(i) all operation and maintenance of the System;

(ii) all debt service requirements; and

(iii) additions to a reserve account in sufficient amounts to offset depreciation to the System, based on accepted principles of accounting for a water system.

(d) The Board is familiar with (i) the Project (as defined in the Ordinance); (ii) the financing of the Project to be effected through the issuance of the Series 2018 Bonds; (iii) the terms and conditions upon which the Series 2018 Bonds are to be issued; and (iv) the provisions of the Ordinance.

(e) Except for the Authority Bond, the Series 2012 Bonds, the Series 2014 Bonds and the Series 2016 Bonds (all as defined in the Ordinance), there are no other outstanding bonds, notes or other obligations secured by a pledge of or a lien on all or any part of the Net Revenues (as defined in the Ordinance) of the System, and there are no ordinances, resolutions, contracts, agreements, or other enactments or commitments inconsistent with the issuance of the Series 2018 Bonds or due performance under the Series 2018 Bonds or the Ordinance.

(f) Pursuant to Section 17-1 of the Charter, Chapter 14.04 of the Code, and the Ordinance, and to provide for compliance with Section 17-4(a) of the Charter, the Series 2018 Bonds, the Ordinance and the transactions contemplated thereby have been submitted to the Board for its authorization and approval. This resolution shall constitute such authorization and approval, and by adopting this resolution the Board has duly exercised its authority with respect to revenue bonds pursuant to Section 14.04.120 of the Code.

(g) Pursuant to Section 18-8-308, Colorado Revised Statutes (“C.R.S.”), all known potential conflicting interests, if any, with respect to the Series 2018 Bonds and the expenditure of proceeds thereof have been disclosed to the Board and to the Colorado Secretary of State. No member of the Board has a personal or private interest, as such terms are used in Section 24-18-109, C.R.S., in the Series 2018 Bonds, the Project, or any other subject matter of this resolution or the Ordinance, and no member of the Board has any interest, as such term is used in Section 24-18-201, C.R.S., in the Series 2018 Bonds, the Project or any other contract made or to be made pursuant to this resolution or the Ordinance.

Section 2. Approval, Authorization and Ratification. The Board hereby approves and authorizes the Project and the issuance of the Series 2018 Bonds, in an aggregate principal amount not to exceed \$45,000,000, bearing interest at the rates and maturing on the dates and in the amounts to be set forth in the Final Terms Certificate, and on the terms and conditions provided in the Ordinance; and the Board further hereby authorizes, approves and concurs in all terms and provisions of the Ordinance and the transactions contemplated thereby. Without limiting the generality of the foregoing, as security for the Series 2018 Bonds, the Board hereby specifically authorizes, approves and concurs in the pledge of Net Revenues of the System, the granting of an irrevocable and first lien (but not necessarily an exclusively first lien) on such Net Revenues, on a

parity with the lien of the Authority Bond, the Series 2012 Bonds, the Series 2014 Bonds and the Series 2016 Bonds, the covenants, restrictions and limitations relating to additional Parity Obligations and Subordinate Obligations (both as defined in the Ordinance), and the covenants relating to the establishment and collection of System rates and charges, all as provided in the Ordinance. All actions heretofore taken (not inconsistent with the provisions of the Ordinance) by the City, the Board, and officers, agents and employees of the City and the Board, directed toward the undertaking of the Project and toward the issuance of the Series 2018 Bonds for that purpose, the notice and conduct of the public sale of the Series 2018 Bonds, and the provisions of the Ordinance as finally adopted) are hereby ratified, approved and confirmed.

Section 3. Delegation. In connection with this resolution and the Series 2018 Bonds, the Board hereby elects, pursuant to Section 11-57-204, Colorado Revised Statutes, as amended (“C.R.S.”), to apply such portions of the Supplemental Act (as defined and provided in the Ordinance) as are relevant to and not inconsistent with the provisions of the Ordinance and this resolution, including without limitation Section 11-57-211, C.R.S. The officers of the City, including appropriate officers of the Board, are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of the Ordinance and this resolution, to comply with the Ordinance and the Series 2018 Bonds, and to comply with all requirements of applicable law in connection therewith, including, without limitation, the execution and delivery of such documents, agreements, certificates, affidavits and other instruments as may be necessary or desirable in connection therewith.

Section 4. Repeal of Inconsistent Actions. All resolutions, bylaws and other orders or actions of the Board in conflict with this resolution are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed to revive any resolution, bylaw or other order action heretofore repealed.

Section 5. Severability. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. Effective Date. The public sale of the Series 2018 Bonds being held on or about October 9, 2018, or such later date as is determined pursuant to the terms of the Ordinance, and the Series 2018 Bonds being scheduled for delivery on or about October 18, 2018 or such later date as is determined pursuant to the terms of the Ordinance, it is hereby determined that the immediate effectiveness of this resolution will promote the public health and safety of, and will benefit, the citizens and inhabitants of the City. This resolution shall become effective and be in full force and effect immediately upon its adoption.

APPROVED, ADOPTED AND SIGNED this _____, 2018.

By _____
Chairman, Water and Sewer Board of the
City of Greeley, Colorado

ATTEST:

By _____
Secretary, Water and Sewer Board of the
City of Greeley, Colorado

**SERIES 2018 WATER REVENUE BOND
SERIES ORDINANCE**

CITY OF GREELEY, COLORADO

acting by and through its

WATER ENTERPRISE

Authorizing
the issuance, sale and delivery of not to exceed
\$45,000,000
aggregate principal amount of
Water Revenue Bonds
Series 2018

Effective September __, 2018

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CITY OF GREELEY, COLORADO
ORDINANCE NO. _____, 2018

AN ORDINANCE PROVIDING FOR THE ISSUANCE BY THE CITY OF GREELEY, COLORADO OF ITS WATER REVENUE BONDS, SERIES 2018, IN A PRINCIPAL AMOUNT NOT TO EXCEED \$45,000,000, FOR THE PURPOSE OF FINANCING IMPROVEMENTS, BETTERMENTS, EXTENSIONS AND EXPANSIONS OF THE CITY'S WATER SYSTEM; PROVIDING FOR THE DELEGATION TO CITY OFFICERS OF AUTHORITY IN CONNECTION WITH THE COMPETITIVE SALE OF THE SERIES 2018 BONDS; PROVIDING FOR THE PAYMENT OF THE SERIES 2018 BONDS FROM NET REVENUES OF THE CITY'S WATER SYSTEM AND PLEDGING SUCH NET REVENUES THEREFOR; PROVIDING FOR THE FORM AND TERMS OF SUCH SERIES 2018 BONDS, SETTING FORTH COVENANTS AND PROVISIONS CONCERNING SUCH SERIES 2018 BONDS, NET REVENUES, AND WATER SYSTEM, AND PROVIDING FOR OTHER DETAILS IN CONNECTION THEREWITH; AND RATIFYING PRIOR ACTIONS RELATING TO THE FOREGOING.

BE IT ORDAINED BY THE CITY COUNCIL OF GREELEY, COLORADO:

Section 1. Findings. The City Council of the City of Greeley, Colorado (the "Council" and the "City," respectively) hereby finds and determines as follows:

(a) Section 5-18(d) of the Charter of the City (the "Charter") provides that the City may, without an election, issue securities made payable solely from revenues derived from the operation of projects or improvements or from any source or sources or any combination thereof, other than ad valorem taxes of the City; and Section 5-23(c) of the Charter provides that the sale of all bonds (with certain exceptions not relevant to the subject matter of this ordinance) shall be based upon competitive bids.

(b) Pursuant to Article XVII of the Charter, including amendments thereto adopted at the general election in 1993, the City owns, operates and maintains a municipal water system (the "System") as an "enterprise" within the meaning of Article X, Section 20 of the Colorado Constitution. The System has been designated as an enterprise by such 1993 Charter amendments, by Chapter 14.04 of the Greeley City Code, and by related actions of the Council and the City's Water and Sewer Board, and such designation is hereby ratified and confirmed. The Council has determined, and hereby determines, based in part upon advice of bond counsel, that the System currently meets all requirements applicable to an enterprise under said Article X, Section 20. Without limiting the generality of the foregoing, the Council has determined, and hereby determines, that in each fiscal year since the adoption of said Article X, Section 20, through and including the 2017 fiscal year, the System has received, and that for the current 2018 fiscal year the City intends and reasonably expects that the System will receive, under 10% of annual revenue in grants from all Colorado state and local governments combined. Accordingly, no

election is necessary under Article X, Section 20 of the Colorado Constitution to issue the below-defined Series 2018 Bonds.

(c) It is necessary and desirable for the best interests of the health, safety and welfare of the people of the City to finance the acquisition and construction of capital improvements, betterments, extensions and expansions of the System (the “Project”).

(d) For the purpose of effecting such Project, it is necessary to authorize the issuance of not to exceed \$45,000,000 aggregate principal amount of Water Revenue Bonds, Series 2018 (the “Series 2018 Bonds”) upon the terms provided herein.

(e) The Series 2018 Bonds shall be payable solely from and shall be secured by a pledge of and an irrevocable lien on the Net Revenues (as defined below) of the System. The Series 2018 Bonds shall not constitute a debt or indebtedness of the City within the meaning of any Charter, constitutional or statutory provision or limitation and are not secured by the full faith and credit of the City or by any taxing power of the City or any other government; nor shall the Series 2018 Bonds constitute a multiple-fiscal year direct or indirect debt or other financial obligation within the meaning of Article X, Section 20 of the Colorado Constitution; nor shall the Series 2018 Bonds be considered or held to be general obligations of the City; rather, the Series 2018 Bonds shall be payable only from the Net Revenues of the System.

(f) The City has heretofore duly authorized, issued, sold and delivered (i) its Special Revenue Governmental Agency Bond dated as of May 1, 1999, issued to the Colorado Water Resources and Power Development Authority and presently outstanding (the “Authority Bond”); (ii) its Water Revenue Bonds, Series 2012 (the “Series 2012 Bonds”); (iii) its Water Revenue Refunding Bonds, Series 2014 (the “Series 2014 Bonds”); and (iv) its Water Revenue Refunding Bonds, Series 2016 (the “Series 2016 Bonds”). There are no other outstanding bonds, notes or other obligations of the City secured by a pledge of or a lien on the Net Revenues. There are no ordinances, resolutions, contracts, agreements, or other enactments or commitments of the City which would prevent the City from issuing and performing its obligations with respect to the Series 2018 Bonds.

(g) Pursuant to § 18-8-308, Colorado Revised Statutes (“C.R.S.”), all known potential conflicting interests, if any, with respect to the Series 2018 Bonds and the expenditure of proceeds thereof have been disclosed to the Council and to the Colorado Secretary of State. No member of the Council has a personal or private interest, as such terms are used in § 24-18-109, C.R.S., in the Series 2018 Bonds, the Project, or any other subject matter of this ordinance, and no member of the Council has any interest, as such term is used in § 24-18-201, C.R.S., in the Series 2018 Bonds, the Project or any other contract made or to be made pursuant to this ordinance.

Section 2. Definitions. The terms defined in this Section shall have the meanings assigned in this Section for all purposes of this ordinance (the “Ordinance”), the Exhibits hereto and any amendatory or supplemental ordinance, except where the context by clear implication requires otherwise. Other terms are defined elsewhere in this Ordinance.

“*Authority Bond*” means the Governmental Agency Bond dated as of May 1, 1999, presently outstanding, issued and sold by the City to the Colorado Water Resources and Power Development Authority.

“*Bond*” or “*Bonds*” includes the Series 2018 Bonds and any other designated bonds or similar obligations of the City as the context requires.

“*Bond Account*” means the Series 2018 Bond Account created and designated as such pursuant to Section 18 hereof.

“*Business Day*” means any day other than a Saturday or Sunday or a day on which banks in Denver, Colorado are required or authorized to be closed.

“*Capital Improvements*” means the acquisition of land, easements, water rights, facilities, equipment and materials (other than ordinary repairs and replacements), and the construction, reconstruction or other acquisition of improvements, betterments and extensions, for use by or in connection with the System; including, without limitation, any of the foregoing which are constructed, reconstructed, acquired or owned on a cooperative basis with any other entities.

“*Code*” means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and applicable regulations and rulings thereunder.

“*Event of Default*” means any one or more of the events set forth in Section 26 hereof.

“*Federal Securities*” means (a) direct obligations of the United States for which its full faith and credit are pledged (or ownership interests in the same); or (b) obligations the principal of and interest on which are unconditionally guaranteed by, the United States (or ownership interests in the same). No Federal Securities may be callable prior to their scheduled maturities by the issuer thereof.

“*Final Terms Certificate*” means the certificate to be executed by the Director of Finance, dated on or before the date of delivery of the Series 2018 Bonds, setting forth (a) the determination by the Director of Finance of the winning bid for the Series 2018 Bonds; (b) the rates of interest on the Series 2018 Bonds and the premium, if any, to be paid therefor pursuant to such winning bid; (c) the aggregate principal amount and principal amount of each maturity of the Series 2018 Bonds, if reduced as provided in Section 5(a) hereof, and any related reduction in the premium bid for the Series 2018 Bonds; and (d) whether a Reserve Account is to be established in connection with the Series 2018 Bonds and the Minimum Reserve amount, if any. The Final Terms Certificate shall be construed as if it were a part of this Ordinance, provided that all provisions of the Final Terms Certificate shall be subject to the parameters and restrictions contained in this Ordinance.

“*Generally Accepted Accounting Principles*” means accounting principles, methods and terminology followed and construed for utilities and enterprises of governmental units, as established by the Governmental Accounting Standards Board, as amended from time to time.

“*Letter of Representations*” means the Letter of Representations from the City to The Depository Trust Company, or any similar agreement with any successor to The Depository Trust Company, together with schedules thereto and materials referred to therein.

“Maximum Debt Service Year” means the single calendar year, during the term of the Series 2018 Bonds, in which there is the greatest amount of total combined debt service on the Series 2018 Bonds, Parity Obligations, Subordinate Obligations, Other Water Obligations, and the Parity Obligations or Subordinate Obligations proposed to be issued.

“Minimum Reserve,” to the extent that a Reserve Account is established by Final Terms Certificate in connection with the Series 2018 Bonds, means the amount, calculated as of the initial delivery of the Series 2018 Bonds, equal to the least of (a) 10% of the proceeds of the Series 2018 Bonds, (b) 100% of the maximum annual principal and interest to come due on the Series 2018 Bonds in any calendar year, or (c) 125% of the average annual principal and interest requirements on the Series 2018 Bonds; provided that such amount may be reduced to the maximum amount permitted to be capitalized by the issuance of tax-exempt obligations under applicable provisions of federal tax laws and regulations. The dollar amount of the Minimum Reserve may be recalculated and reduced, but not increased, from time to time by the City as necessary to apply the Minimum Reserve to the remaining debt service requirements of the Series 2018 Bonds; provided that the Minimum Reserve shall not be reduced to an amount less than the least of (a) 10% of the proceeds of the Series 2018 Bonds, (b) 100% of the maximum annual principal and interest to come due on the Series 2018 Bonds in any calendar year, or (c) 125% of the average annual principal and interest requirements on the Series 2018 Bonds. The Minimum Reserve amount may be satisfied by the deposit of a Surety Bond as provided in Section 20 hereof.

“Net Revenues” for any period means the Revenues during such period minus Operating Expenses during such period.

“Operating Expenses” means, for any particular period, all reasonable and necessary current expenses of the City, paid or accrued, for operating, maintaining, and repairing the System, but only if such charges are made in conformity with Generally Accepted Accounting Principles. Such Operating Expenses include, but are not limited to, expenses for ordinary repairs, renewals and replacements of the System, salaries and wages, employees’ health, hospitalization, pension and retirement expenses, fees for services, materials and supplies, rents, administrative and general expenses, including legal and overhead expenses of the City directly related to the administration of the System, insurance expenses, legal, engineering, accounting, trustee, paying agent and financial advisory fees and expenses and costs of other consulting and technical services, taxes (except as set forth in the following sentence), payments in lieu of taxes and other governmental charges, payments to the United States Treasury pursuant to Section 148(f) of the Code or similar requirement to pay rebate, fuel costs, installment payments to make up operations and maintenance reserve shortfalls which may be required in connection with the Authority Bond, and any other current expenses or obligations required to be paid by the City by law, all to the extent properly allocable to the System. Operating Expenses do not include depreciation or obsolescence charges or reserves, amortization of intangibles or other bookkeeping entries of a similar nature, interest charges and charges for the payment of principal, or amortization, of bonded or other indebtedness of the City, costs, or charges made therefor, for capital additions, replacements, betterments, extensions or improvements to or retirements from the System which under Generally Accepted Accounting Principles are properly chargeable to the capital account or the reserve for depreciation, and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the System nor such property items, including taxes and fuel, which are capitalized pursuant to the then existing accounting practice of the City.

“Other Water Obligations” means obligations (whether currently outstanding or hereafter issued) which are not secured by a pledge of or a lien on all or any part of the Revenues, but the debt service on which is required, under then current provisions of the Charter, to be taken into account in establishing water rates.

“Outstanding” or *“outstanding”* when used with reference to the Series 2018 Bonds (or any other designated bonds or similar obligations of the City) and as of any particular date, means all the Series 2018 Bonds (or such other bonds or similar obligations) theretofore duly issued except:

(a) any Series 2018 Bond (or such other bonds or similar obligations) canceled or delivered to be canceled by the City, or on the City’s behalf, at or before such date;

(b) any Series 2018 Bond (or such other bonds or similar obligations) deemed to have been paid within the meaning of Section 29 hereof (or of any corresponding section of the ordinance or other enactment authorizing the issuance of such other bond or obligation); and

(c) any Series 2018 Bond (or such other bonds or similar obligations) in lieu of or in substitution for which another bond or obligation shall have been executed and delivered pursuant to Section 9 hereof (or of any corresponding section of the ordinance or other enactment authorizing the issuance of such other bond or obligation).

Notwithstanding the foregoing, any Bonds the principal of or interest on which have been paid by a bond insurer or similar entity shall be considered Outstanding to the extent such payment has not been reimbursed to such insurer or similar entity.

“Owner” or *“Registered Owner”* or *“Bondholder”* means any person who is the registered owner of any Bond as shown on the registration records kept by the Registrar. As further provided in Section 8 hereof, the initial Owner of the Series 2018 Bonds shall be Cede & Co. as nominee of The Depository Trust Company, the initial securities depository for the Series 2018 Bonds.

“Parity Obligations” means the Authority Bond, the Series 2012 Bonds, the Series 2014 Bonds, the Series 2016 Bonds and any additional bonds, notes, interim securities or other obligations hereafter issued by the City having a lien on all or any portion of the Net Revenues which is on a parity with the lien of the Series 2018 Bonds.

“Paying Agent” means Zions Bank in its capacity as the paying agent for the Series 2018 Bonds (or such other entity as may be appointed as a successor Paying Agent as provided in Section 31 hereof).

“Permitted Investments” means deposits or investments which are at the time legal deposits or investments for the City under applicable law.

“Purchaser” means the manager of the original purchasing account for the Series 2018 Bonds as determined by the Director of Finance based upon competitive bids received at the public sale of the Series 2018 Bonds as provided herein.

“Rebate Account” means the Series 2018 Rebate Account created and designated as such pursuant to Section 18 hereof.

“Record Date” means the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding an interest payment date.

“Project Account” means the Series 2018 Project Account created and designated as such pursuant to Section 17 hereof.

“Project” means the acquisition and construction of capital improvements, betterments, extensions and expansions of the System.

“Registrar” means Zions Bank in its capacity as the registrar and transfer agent for the Bonds (or such other entity as may be appointed as a successor Registrar as provided in Section 31 hereof).

“Reserve Account” means the Series 2018 Reserve Account, if any, created and designated by Final Terms Certificate as such pursuant to Section 18 hereof.

“Revenues” means all income and revenues directly or indirectly derived by the City from the operation and use of the System, or any part thereof, including, without limitation, any rates, fees (including plant investment fees), and charges for the services furnished by, or the use of, the System, and all income attributable to any past or future dispositions of property or rights or related contracts, settlements, or judgments held or obtained in connection with the System or its operations, including investment income accruing from moneys held to the credit of the City’s Water Fund and from moneys required to be paid into any fund or account pledged to the payment of the Series 2018 Bonds or Parity or Subordinate Obligations except to the extent otherwise provided in their respective authorizing proceedings; provided however, that there shall be excluded from Revenues any moneys borrowed and used for providing Capital Improvements; any moneys and securities, and investment income therefrom, in any escrow or similar account pledged to the payment of any refunded bonds or other legally defeased obligations; and any moneys received as grants or appropriations the use of which is limited or restricted by the grantor or donor to Capital Improvements or other purposes inconsistent with the inclusion of such moneys as Revenues.

“Series 2018 Bonds” means the City of Greeley, Colorado, Water Revenue Bonds, Series 2018, authorized by this Ordinance.

“System” means all of the City’s water facilities now owned or hereafter acquired, whether situated within or without the City boundaries, including all present or future improvements, extensions, enlargements, betterments, replacements or additions thereof or thereto.

“Special Record Date” means a special date fixed to determine the names and addresses of Owners for purposes of paying interest on a special interest payment date for the payment of defaulted interest.

“State” means the State of Colorado.

“*Subordinate Obligations*” means one or more additional bonds, notes, interim securities or other obligations, or series of any such obligations, issued by the City having a lien on all or any portion of the Net Revenues which is subordinate or junior to the lien of the Series 2018 Bonds.

“*Surety Bond*” means a Surety Bond as defined in Section 20 hereof, relating to the Reserve Account.

“*Water Fund*” means the existing Water Fund of the City, into which all Revenues are directed to be deposited as provided in Section 18 hereof.

“*Zions Bank*” means ZB, National Association dba Zions Bank.

Section 3. Ratification. All action (not inconsistent with the provisions of this Ordinance) heretofore taken by the City and the officers, employees and agents of the City directed toward the Project or the sale and delivery of the Series 2018 Bonds is hereby ratified, approved and confirmed.

Section 4. Authorization. In accordance with the Charter and Article XX of the Constitution of the State, and all other laws thereunto enabling, the Council, on behalf of the City, acting by and through the System as an enterprise, hereby authorizes the issuance of the Series 2018 Bonds in an aggregate principal amount not to exceed \$45,000,000 for the purpose of providing funds to finance the Project, including payment of costs of issuance of the Series 2018 Bonds as provided herein.

Section 5. Series 2018 Bond Details.

(a) The Series 2018 Bonds shall be issued only in fully registered form (i.e., registered as to payment of both principal and interest) in denominations of \$5,000 and integral multiples thereof (and further provided that no Series 2018 Bond may be in a denomination which exceeds the principal coming due on the same maturity date and no individual Series 2018 Bond may be issued for more than one maturity). The Series 2018 Bonds shall be dated their date of issuance. The Series 2018 Bonds shall be numbered in such manner as the Registrar shall determine. The Series 2018 Bonds shall bear interest (computed on the basis of a 360-day year consisting of twelve 30-day months) from their date to maturity or prior redemption per annum as determined by the Director of Finance as certified in the Final Terms Certificate (which shall be market rates determined upon competitive bidding) at a net effective interest rate not to exceed 4.5%, payable on February 1 and August 1 in each year commencing not later than August 1, 2019, except that Series 2018 Bonds which are reissued upon transfer, exchange or other replacement shall bear interest at the interest rates shown below from the most recent interest payment date to which interest has been paid, or if no interest has been paid, from the date of the Series 2018 Bonds. The Series 2018 Bonds shall mature serially on August 1 of each year commencing not later than August 1, 2019, with the final maturity thereof not later than August 1, 2038.

(b) The principal of any Series 2018 Bond shall be payable to the Owner thereof as shown on the registration records kept by the Registrar upon maturity thereof or prior redemption and upon presentation and surrender at the office of the Paying Agent. If the

principal of any Series 2018 Bond shall not be paid upon such presentation and surrender at or after maturity or prior redemption, interest thereon shall continue to accrue at the interest rate borne by said Series 2018 Bond until the principal thereof is paid in full. Payment of interest on any Series 2018 Bond shall be made to the Owner thereof by check or draft mailed by the Paying Agent, on or before each interest payment date (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to the Owner thereof at such Owner's address as it last appears on the registration records kept by the Registrar on the Record Date; but any such interest not so timely paid shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest. Such Special Record Date and the date fixed for the payment of the defaulted interest shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice shall be given to the Owners of the Series 2018 Bonds not less than 10 days prior to the Special Record Date by first-class mail to each such Owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Series 2018 Bond by such alternative means as may be mutually agreed to between the Owner of such Series 2018 Bond and the Paying Agent (provided, however, that the City will not be required to make funds available to the Paying Agent prior to one business day preceding the interest payment dates stated herein). All such payments shall be made in lawful money of the United States of America without deduction for the services of the Paying Agent or Registrar.

Section 6. Prior Redemption.

(a) ***Optional Redemption of the Series 2018 Bonds.*** The Series 2018 Bonds maturing on and after August 1, 2029 shall be subject to redemption prior to their respective maturities, at the option of the City, on and after August 1, 2028, in whole or in part at any time thereafter (if in part, in integral multiples of \$5,000, from any maturity or maturities or portions thereof as selected by the City and by lot within a maturity, giving proportionate weight to Series 2018 Bonds in denominations larger than \$5,000, in such manner as the Registrar shall determine), at a redemption price equal to the principal amount of each Series 2018 Bond or portion thereof so redeemed plus accrued interest thereon to the redemption date, without redemption premium. The City shall give written instructions concerning any such optional prior redemption to the Registrar at least 40 days prior to such redemption date (unless the Registrar agrees to accept such instructions at a later time). Such instructions to the Registrar may be made revocable by the City (except that such instructions must be made irrevocable in order to effect defeasance pursuant to Section 29 hereof).

(b) ***Redemption of Less Than all Series 2018 Bonds.*** In the case of Series 2018 Bonds of a denomination larger than \$5,000, each \$5,000 of principal shall be treated as a separate Series 2018 Bond for purposes of determining which Series 2018 Bonds of a particular maturity are to be redeemed on a particular redemption date pursuant to paragraph (a) or (b) of this Section. If less than all of the principal amount of any Series

2018 Bond is redeemed, the Registrar shall, without charge to the Owner of such Series 2018 Bond, authenticate and issue a replacement Series 2018 Bond or Bonds for the unredeemed portion thereof.

(c) ***Notice and Effect of Redemption.*** Notice of any prior redemption under paragraph (a) or (b) of this Section shall be given by the Registrar in the name of the City by sending a copy of such notice, by first-class, postage prepaid mail, not less than 30 days nor more than 60 days prior to the redemption date, to each Owner of any Series 2018 Bond all or a portion of which is called for prior redemption at such Owner's address as it last appears on the registration records kept by the Registrar. Failure to give such notice to the Owner of any Series 2018 Bond shall not affect the validity of the proceedings for the redemption of any other Bonds. Such notice shall specify the Series 2018 Bonds or portions thereof to be redeemed (if less than all are to be redeemed), and the date fixed for redemption, and shall further state that on such redemption date the principal due in connection with such redemption will become due and payable at the office of the Paying Agent, and that from and after such date interest on Series 2018 Bonds to be redeemed will cease to accrue. Accrued interest to the redemption date will be paid by check or draft mailed to the Owner (or by alternative means if so agreed to by the Paying Agent and the Owner). Notice having been given in the manner provided in this paragraph, the Series 2018 Bonds so called for redemption shall become due and payable on the redemption date so designated, and interest on such Series 2018 Bonds shall cease to accrue; and upon presentation thereof at the Paying Agent, the City shall pay the Series 2018 Bond or Bonds so called for redemption. All provisions of this Section as to notices, selection of Bonds or portions thereof to be redeemed, and other procedural provisions of this Section shall be subject to applicable procedures of the book-entry system provided for in Section 8 hereof.

Section 7. Execution and Authentication.

(a) The Series 2018 Bonds shall be executed in the name of and on behalf of the City and shall be signed by the Mayor of the City, shall be sealed with a manual or facsimile impression of the seal of the city, and shall be attested by the City Clerk. The signatures of the Mayor and the City Clerk on the Series 2018 Bonds may be manual or by facsimile. The Series 2018 Bonds bearing the manual or facsimile signatures of the officers in office at the time of the signing thereof shall be the valid and binding obligations of the City (subject to the requirement of authentication by the Registrar as hereinafter provided) notwithstanding that before the delivery thereof, or before the issuance thereof upon transfer or exchange, any or all of the persons whose manual or facsimile signatures appear thereon shall have ceased to fill their respective offices. The Mayor and the City Clerk shall, by the execution of a certificate pertaining to the Series 2018 Bonds, adopt as and for their respective signatures any facsimiles thereof appearing on the Series 2018 Bonds. At the time of the execution of such certificate, the Mayor and the City Clerk may each adopt as and for their respective facsimile signatures the facsimile signature of their respective predecessors in office in the event that such facsimile signature appears upon any of the Series 2018 Bonds.

(b) No Series 2018 Bond shall be valid or obligatory for any purpose unless the certificate of authentication, substantially in the form provided in Exhibit A hereto, has

been duly executed by the Registrar. The Registrar's certificate of authentication shall be deemed to have been duly executed by it if manually signed by a duly authorized representative of the Registrar, but it shall not be necessary that the same representative sign the certificate of authentication on all of the Bonds issued hereunder. By authenticating any Series 2018 Bonds pursuant to this Ordinance, the Registrar and the Paying Agent shall be deemed to have assented to the provisions of, and to have agreed to abide by and perform the duties assigned to them in, this Ordinance.

Section 8. Book-Entry System. Notwithstanding any other provision hereof, and except to the extent otherwise, the Series 2018 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 2018 Bond for each of the maturities set forth in Section 5 hereof or identified in any term bond designation permitted hereby. Upon initial issuance the ownership of each Series 2018 Bond shall be registered in the registration records kept by the Registrar in the name of Cede & Co. ("Cede"), as nominee of The Depository Trust Company (including its successors and assigns, "DTC"), which is hereby designated as the initial securities depository for the Series 2018 Bonds under the DTC book-entry system, which book-entry system is hereby authorized and agreed to by the City. The execution and delivery of the Representation Letter from the City to DTC, relating to such book-entry system, is hereby authorized (or, if a previously executed and delivered Representation Letter applies to the Series 2018 Bonds, such execution and delivery is hereby ratified and confirmed). Notwithstanding any other provision hereof to the contrary, so long as any Series 2018 Bond is registered in the name of Cede, as nominee of DTC, all payments and all notices with respect to such Series 2018 Bond shall be made and given, respectively, in the manner provided in such Representation Letter.

Section 9. Registration, Transfer and Exchange. Subject to the provisions of Sections 5 and 8 hereof:

(a) Records for the registration and transfer of the Series 2018 Bonds shall be kept by the Registrar, which is hereby appointed by the City as registrar (i.e., transfer agent) for the Series 2018 Bonds. Upon the surrender for transfer of any Bond at the office of the Registrar, duly endorsed for transfer or accompanied by an assignment or written instrument of transfer in form satisfactory to the Registrar and duly executed by the Owner or the Owner's attorney duly authorized in writing, the Registrar shall enter such transfer on the registration records and shall authenticate and deliver in the name of the transferee or transferees a new Series 2018 Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. Series 2018 Bonds may be exchanged at the office of the Registrar for an equal aggregate principal amount of Series 2018 Bonds of the same maturity of other authorized denominations. The Registrar shall authenticate and deliver a Series 2018 Bond or Bonds which the Owner making the exchange is entitled to receive, bearing a number or numbers not previously assigned. The Registrar may impose reasonable charges in connection with such exchanges and transfers of Series 2018 Bonds, which charges (as well as any tax or other governmental charge required to be paid with respect to such exchange or transfer) shall be paid by the Owner requesting such exchange or transfer.

(b) The Registrar shall not be required to transfer or exchange (i) all or any portion of any Series 2018 Bond subject to prior redemption during the period beginning

at the opening of business 15 days before the day of the mailing by the Registrar of notice calling any Series 2018 Bonds for prior redemption as herein provided and ending at the close of business on the day of such mailing; or (ii) all or any portion of a Series 2018 Bond after the mailing of notice calling such Series 2018 Bond or any portion thereof for prior redemption.

(c) Except as otherwise provided with respect to payment of interest pursuant to Section 5 hereof, and except as otherwise provided in Sections 29 and 33 hereof, the person in whose name any Series 2018 Bond shall be registered on the registration records kept by the Registrar shall be deemed and regarded as the absolute owner thereof for the purpose of making payment thereof and for all other purposes. Payment of or on account of principal or interest on any Series 2018 Bond shall be made only to or upon the written order of the Owner thereof or such Owner's legal representative, but such registration may be changed upon transfer of such Series 2018 Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Series 2018 Bond to the extent of the sum or sums so paid.

(d) If any Series 2018 Bond shall be lost, stolen, destroyed or mutilated, the Registrar shall, upon receipt of such evidence, information or indemnity relating thereto as it or the City may reasonably require, authenticate and deliver a replacement Series 2018 Bond or Bonds of a like aggregate principal amount and of the same maturity, bearing a number or numbers not previously assigned. If such lost, stolen, destroyed or mutilated Bond shall have matured or shall have been called for redemption, or is about to mature or be called for redemption, the Registrar may direct that such Series 2018 Bond be paid by the Paying Agent in lieu of replacement. The Registrar and the City may require that the Owner of any such Bond pay their reasonable fees, charges and expenses relating to their activities pursuant to this paragraph.

(e) The officers of the City are authorized to deliver to the Registrar fully executed but unauthenticated Series 2018 Bonds in such quantities as may be convenient to be held in custody by the Registrar pending use as herein provided.

(f) Whenever any Series 2018 Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Registrar for transfer, exchange or replacement as provided herein, such Series 2018 Bond shall be promptly canceled and destroyed by the Paying Agent or Registrar, and a record of such cancellation shall be furnished by the Paying Agent or Registrar to the City.

Section 10. Negotiability. Subject to the registration provisions hereof, the Series 2018 Bonds shall be fully negotiable and shall have all the qualities of negotiable paper, and the Owners thereof shall possess all rights enjoyed by the holders of negotiable instruments under the provisions of the Colorado Uniform Commercial Code. The principal of and interest on the Series 2018 Bonds shall be paid, and the Series 2018 Bonds shall be transferable, free from and without regard to any equities between the City and the original or any intermediate Owner of any Series 2018 Bonds or any setoffs or cross-claims.

Section 11. Form of Series 2018 Bonds. The Series 2018 Bonds shall be in substantially the form set forth in Exhibit A hereto, with such omissions, insertions, endorsements and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Ordinance, or as may be necessary or appropriate to carry out the purposes of this Ordinance or to conform to the rules and requirements of any governmental authority, of DTC (or any substitute securities depository as provided herein), or any applicable usage or requirement of law (including, without limiting the generality of the foregoing, such modifications and additions as may be necessary or appropriate to conform to the provisions of second reading amendments to this Ordinance and the completed Exhibits hereto).

Section 12. Series 2018 Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Owners of any and all of the Series 2018 Outstanding Bonds, all of which, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction, except as otherwise expressly provided in or pursuant to this Ordinance.

Section 13. Pledge of Net Revenues; Special Obligations.

(a) The City hereby irrevocably pledges the Net Revenues and moneys in the Bond Account, on the terms provided herein, for the payment of the principal of and interest on the Series 2018 Bonds, and for payment of Surety Bond Costs, if any, with respect to the Reserve Account as provided in Sections 18(b)(SECOND) and 20 hereof. Such pledge shall create an irrevocable and first lien (but not necessarily an exclusively first lien) on the Net Revenues, on a parity with the lien of the Authority Bond and the lien of Parity Obligations currently Outstanding (and possibly on a parity with the lien of other Parity Obligations which may be issued in the future as provided in Section 25 hereof). This pledge shall be valid and binding from and after the date of the first delivery of the Series 2018 Bonds, and the Net Revenues, as received by the City, shall immediately be subject to the lien of this pledge without any physical delivery thereof or any filing or further act. Net Revenues in amounts sufficient to make all of the payments to the Bond Account and the Rebate Account and for any reimbursement of Surety Bond Payments and payment of related Surety Bond Costs as required under Section 20 hereof are hereby appropriated for said purposes, and said amounts for each year shall be included in the annual budget and appropriation ordinances or measures to be adopted or passed by the Council in each year respectively until the Series 2018 Bonds have been paid in full or otherwise discharged as herein provided.

(b) The Series 2018 Bonds shall be special, limited obligations of the City, payable and collectible solely out of Net Revenues and moneys in the Bond Account as provided herein. The Series 2018 Bonds shall not constitute a debt or an indebtedness of the City, Weld County, the State or any political subdivision of the State within the meaning of the Charter or any constitutional or statutory provision or limitation, and are not secured by the full faith and credit of the City or by any taxing power of the City or any other government; nor shall the Series 2018 Bonds constitute a multiple-fiscal year direct or indirect debt or other financial obligation within the meaning of Article X, Section 20 of the Colorado Constitution; nor shall such obligations be considered or held to be general obligations of the City; rather, such obligations shall be payable only from

the Net Revenues of the System. The Owners of the Series 2018 Bonds may not look to any general fund of the City for the payment of the Series 2018 Bonds, nor do the Owners of the Series 2018 Bonds have any right to require or compel the exercise of the ad valorem property taxing power or any other taxing power of the City or of any other taxing entity for payment of the Series 2018 Bonds.

(c) None of the covenants, agreements, representations and warranties contained herein or in the Series 2018 Bonds shall ever impose or be construed as imposing any liability, obligation or charge against the City (except to the extent of the Net Revenues and the moneys in the Bond Account pledged pursuant to paragraph (a) of this Section) or its general credit; nor shall the Series 2018 Bonds be payable out of any general fund of the City, or any funds derived from taxation, or any funds other than the Net Revenues. The payment of the Series 2018 Bonds is not secured by any encumbrance, mortgage or other pledge of any property, except the Net Revenues and the moneys in the Bond Account as provided herein.

Section 14. Preliminary Official Statement; Official Statement. The proposed form of Preliminary Official Statement of the City relating to the issuance and sale of the Series 2018 Bonds has been presented to the meeting of the Council at which this Ordinance is approved on first introduction, and is on file in the office of the City Clerk. The Preliminary Official Statement, in substantially the form so presented with such additional changes as are made prior to final passage of this Ordinance, is hereby deemed by the City to be a “nearly final official statement” for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The distribution and use by the Purchaser for the reoffering of the Series 2018 Bonds to the public of the final Official Statement (the “Official Statement”), in substantially the form of the Preliminary Official Statement, but with such amendments, additions and deletions as are consistent with the facts, as are not inconsistent herewith and as are approved by the Mayor as evidenced by the Mayor’s execution of the Official Statement, is hereby authorized and approved, and the Mayor is authorized to sign the final Official Statement on behalf of the City.

Section 15. Delegated Duties. Pursuant to the Supplemental Public Securities Act, part 2 of article 57 of title 11, Colorado Revised Statutes (“C.R.S.”), as amended (the “Supplemental Act”), as well as the City’s ‘powers as a home rule municipality under article XX of the Colorado Constitution, and in order to provide for the sale of the Series 2018 Bonds expeditiously and to the best financial advantage of the City, the Council hereby delegates to the Director of Finance the power and duty to determine and accept the winning bid for the Series 2018 Bonds, and to determine and approve the final aggregate principal amount, annual principal maturities, mandatory sinking fund redemption provisions, interest rates, and purchase price (i.e., premium, if any) of the Series 2018 Bonds, which determinations and approvals shall be consistent with the provisions of the Charter and with the parameters and restrictions of this Ordinance, and which determinations and approvals shall be evidenced by the execution by the Director of Finance of the Final Terms Certificate. Pursuant to Section 5-23(a) of the Charter, the Director of Finance shall determine that the interest rate for the Series 2018 Bonds does not exceed the market rate. Pursuant to Section 5-23(b) of the Charter, the purchase price for the Series 2018 Bonds shall not be less than their par value. As provided in Section 11-57-205, C.R.S., as amended, the delegations of authority provided in this Section 15 shall be effective for one year from the final adoption of this ordinance, and if the Series 2018 Bonds are not sold within such one-year period, the Series

2018 Bonds may not be sold without additional Council authorization (which authorization, together with other provisions supplemental to this Ordinance, may be by resolution adopted by the Council). The City hereby elects, pursuant to Section 11-57-204, C.R.S., to apply such portions of the Supplemental Act as are relevant to and not inconsistent with the provisions of this Ordinance, including without limitation Sections 11-57-205, 11-57-206, 11-57-207, 11-57-208, 11-57-209, 11-57-210 and 11-57-212, C.R.S., as amended. The delegations provided for in Section 3(b)(vi) shall be in addition to the delegations to City officers provided for in other provisions of this Ordinance.

The officers, employees and agents of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limiting the generality of the foregoing, the preparation and delivery of the Series 2018 Bonds, such action as shall be necessary or desirable to maintain the tax-exempt status of the Series 2018 Bonds, the entering into and execution of appropriate agreements and such other actions as are necessary or appropriate with respect to the any Surety Bond, the entering into and execution of appropriate agreements as to the City's continuing disclosure undertaking, the entering into and execution of appropriate agreements as to the book-entry system for the Series 2018 Bonds or the services and compensation of the Registrar and Paying Agent, the execution of such certificates as may be required by the Purchaser, including without limitation certificates relating to the signing of the Series 2018 Bonds, the tenure and identity of municipal officials, the delivery of the Series 2018 Bonds and receipt of the purchase price therefor, the tax exempt status of the Series 2018 Bonds, the accuracy and completeness of the Official Statement, and relevant pending or threatened litigation or the absence thereof. Any officer of the City designated as "Acting" may take any action authorized or directed by this Ordinance (including, without limitation, execution or authentication of the Series 2018 Bonds) under the title of such officer's office, with or without notation of the "Acting" designation. Without limiting the generality of the foregoing, in the absence, unavailability or disability of any officer of the City authorized or directed to take any action pursuant to this Ordinance (including, without limitation, execution or authentication of the Series 2018 Bonds or execution of any other document, instrument or certificate), such action may be taken by an officer designated as "pro tem" or "Acting" for such office, or by any deputy or assistant for such office.

Section 16. Delivery of Series 2018 Bonds. When the Series 2018 Bonds have been duly executed and authenticated, they shall be delivered to the Purchaser on receipt of the agreed purchase price. The funds realized from the sale of the Series 2018 Bonds shall be applied solely for the purposes set forth in Section 17 hereof and for no other purposes whatsoever. Neither the Purchaser nor any subsequent Owner of any of the Series 2018 Bonds shall be responsible for the application or disposal by the City, or any of its officers or employees, of any such funds.

Section 17. Disposition of Series 2018 Bond Proceeds. The proceeds derived from the sale of the Bonds, upon the receipt thereof, shall immediately be deposited and accounted for in the following order of priority:

- (a) There shall be deposited into the Bond Account and applied to the payment of interest on the Series 2018 Bonds (a) all accrued interest on the Series 2018 Bonds, if any and (b) any premium paid on the purchase of the Series 2018 Bonds, to the extent so directed by the Director of Finance;

(b) The remaining proceeds of the Series 2018 Bonds shall be deposited in a special account hereby created in the Water Fund to be designated as the City of Greeley, Water Revenue Bonds, Series 2018, Project Account (the “Project Account”), to pay costs of the Project (after reimbursing the Water Fund for costs of the Project previously paid from the Water Fund, and payment of premiums for any Surety Bond and other costs of issuance of the Series 2018 Bonds and other incidental costs necessary or appropriate in connection with the Project and the financing thereof). Moneys in the Project Account, and interest or investment income thereon, are not included within the Revenues and do not constitute security for the Series 2018 Bonds; and

(c) Moneys and investments in the Project Account shall be held and applied by the City to the Project. Upon completion of the Project, the balance of moneys in the Project Account, if any, shall be transferred to the Bond Account.

Section 18. Flow of Funds.

(a) The City hereby creates the following special accounts within the Water Fund:

- (i) the “Series 2018 Rebate Account” (the “Rebate Account”);
- (ii) the “Series 2018 Bond Account” (the “Bond Account”);
- (iii) the Project Account; and

(iv) to the extent provided by Final Terms Certificate, the “Series 2018 Reserve Account” (the “Reserve Account”).

(b) The City shall credit to the Water Fund all Revenues immediately upon receipt. The Revenues shall be applied, on or before the last day of each month, first to the payment of Operating Expenses as they become due and payable, including payments to the Rebate Account as required by Section 23 hereof. After such payments, the City shall apply the remaining moneys (i.e., the Net Revenues) in the following order of priority:

FIRST, to the credit of the Bond Account in the amounts and at the times required by Section 19 hereof; and concurrently, to the credit of the Colorado Water Resources and Power Development Authority 1999 Loan Account, Bond Accounts associated with all Parity Bonds, and any similar fund or account (including any sinking fund) hereafter created for the payment of other Parity Obligations, in the amounts and at the times required in connection with such Parity Obligations;

SECOND, to the Surety Bond issuer, if any, to the extent required to reimburse any Surety Bond Payments and to pay other Surety Bond Costs in the amounts and at the times required by Section 20 hereof, and concurrently, to the credit of any reserve or similar fund or account hereafter created to secure other Parity Obligations (or for repayment pursuant to any insurance policy, surety bond, letter or line of credit, or similar credit facility utilized in lieu of such fund or

account), in the amounts and at the times required in connection with such Parity Obligations;

THIRD, to the credit of any other funds or accounts hereafter established for the payment of the principal of, premium, if any, and interest on any Subordinate Obligations, including any sinking fund, reserve fund or similar fund or account established therefor, in the amounts and at the times required by the ordinance or other enactment authorizing the issuance of such Subordinate Obligations; and

FOURTH, to the credit of any other fund or account as may be designated by the City, to be used for any lawful purpose (which may include, without limitation, the payment of debt service on the Other Water Obligations).

Section 19. Bond Account. The City shall credit to the Bond Account from the Net Revenues, the following amounts at the following times:

(a) monthly, commencing on the last day of the month immediately succeeding the delivery of the Series 2018 Bonds, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the interest due and payable on the Outstanding Series 2018 Bonds on the next succeeding interest payment date; and

(b) monthly, commencing on the last day of the month immediately succeeding the delivery of the Series 2018 Bonds, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the principal due and payable on the Outstanding Series 2018 Bonds on the next succeeding principal payment date.

Net Revenues sufficient to make payments of principal and interest due on the Series 2018 Bonds shall be deposited with the Paying Agent not later than the Business Day prior to the payment date.

The Bond Account shall secure only the Series 2018 Bonds and not any Parity or Subordinate Obligations.

Section 20. Reserve Account; Surety Bond and Reimbursements.

(a) To the extent provided by Final Terms Certificate, the Reserve Account shall be maintained in an amount equal to the Minimum Reserve as a continuing reserve to be used to prevent deficiencies in the payment of the principal of and interest on the Series 2018 Bonds resulting from the failure to credit to the Bond Account sufficient funds to pay such principal and interest as the same become due. The Reserve Account shall secure only the Series 2018 Bonds and not any Parity or Subordinate Obligations.

(b) Notwithstanding the provisions of paragraph (a) of this Section or any other provision of this Ordinance, all requirements of this Ordinance concerning moneys to be held in or paid into the Reserve Account may be met through utilization of a Surety Bond. “Surety Bond” means the surety bond issued by an insurance company or financial institution selected by the Director of Finance, giving due regard and making findings with respect to the economies to the City of utilizing a Surety Bond and the lack of adverse

effects thereof on the ratings of the Series 2018 Bonds, by Final Terms Certificate, guaranteeing certain payments into the Reserve Account with respect to the Series 2018 Bonds as provided therein and subject to the limitations set forth therein. The Surety Bond shall be in an aggregate principal amount at least equal to the Minimum Reserve and shall be held by the Paying Agent in a separate account to be designated the Series 2018 Bond Reserve Account which shall be deemed a part of the Reserve Account. By accepting delivery of the Surety Bond, the Paying Agent shall be deemed to agree to perform all duties required of a paying agent with respect to the Surety Bond.

(c) As long as the Surety Bond shall be in full force and effect, the City and the Paying Agent agree to comply with the following provisions:

(i) Pursuant to the terms of the Surety Bond, the amount of such payment by the Surety Bond issuer ("Surety Bond Payment") is to be equal to the Debt Service Payment less (1) that portion of the Debt Service Payment paid by the City, and (2) other funds legally available to the Paying Agent for payment to the Owners, all as certified by the Paying Agent.

(ii) The City and the Paying Agent shall, after submitting to the Surety Bond issuer a demand for payment as provided in paragraph (i) above, make available to the Surety Bond issuer all records relating to the funds and accounts maintained under this Ordinance.

(iii) The Paying Agent shall, upon receipt of moneys received from the draw on the Surety Bond, as specified in the Demand for Payment, either credit the Bond Account to the extent of moneys received pursuant to such Demand or apply such moneys directly to payment of the Series 2018 Bonds.

(iv) The Reserve Account shall be deemed replenished by the City's reimbursement to the Surety Bond issuer of principal, interest and the Surety Bond issuer's reasonable expenses in connection with such Surety Bond Payment, as further provided in paragraph (d) of this Section (collectively, the "Surety Bond Costs"). The City's obligation to pay such Surety Bond Costs shall be limited to Net Revenues and shall be made in the order of priority set forth in Section 18(b)(SECOND) hereof. The Surety Bond issuer shall cooperate in advising the City from time to time of the amount of Surety Bond Costs, if any, then due and owing, and if the City fails to reimburse the Surety Bond issuer within 30 days after receipt of an itemized statement pursuant to Section 20(c)(ii), interest shall be computed on such amount from the date of any payment made by the Surety Bond issuer at the rate set forth in the Surety Bond or the commitment therefor.

(d) This Ordinance shall not be discharged pursuant to Section 29 hereof until all Surety Bond Costs due and owing to the Surety Bond issuer shall have been paid in full. The City's obligation to pay such amounts shall survive payment in full of the Series 2018 Bonds.

Section 21. General Administration of Funds and Accounts.

(a) The Water Fund, the Rebate Account, the Bond Account and the Project Account shall be held in the custody of the City. Each periodic payment shall be credited to the proper fund or account not later than the date designated therefor, except that when any such date shall be a day which is not a Business Day, then such payment shall be made on or before the next succeeding Business Day.

(b) Securities or obligations purchased as an investment of moneys in the Water Fund or in any account thereof created by this Ordinance shall be deemed at all times to be a part of such Fund or account, except to the extent otherwise provided herein. Moneys in the Water Fund, the Rebate Account, the Bond Account and the Project Account not immediately needed may be deposited or invested and reinvested by the City in deposits or investments which are at the time Permitted Investments, subject to the provisions of this Section and Section 23 hereof. Interest and any profit realized or any loss resulting from investments in the Water Fund and the Bond Account shall be credited or charged to each such Fund or account, respectively (provided that interest or profit realized from investments in the Bond Account shall be deemed credited to the Water Fund for accounting purposes, subject to immediate transfer back to the Bond Account). Interest and profit realized and any loss resulting from investments in the Rebate Account shall be credited or charged to such account, except to the extent otherwise provided in Section 23 hereof.

(c) No payment need be made into the Bond Account if the amounts in the Bond Account total a sum at least equal to the entire amount of the Outstanding Series 2018 Bonds, as to all debt service requirements (both accrued and unaccrued) to their respective maturities or to any redemption date or redemption dates on which the City shall have exercised or shall have obligated itself to exercise its redemption option; in which case moneys in the Bond Account in an amount at least equal to such debt service requirements shall be used solely to pay such debt service requirements as the same become due; and any moneys in excess thereof in the Bond Account may be withdrawn and used for any lawful purpose, and thereafter nothing herein shall preclude the use of any other moneys derived from the Net Revenues for any lawful purpose, as determined by the City.

(d) Neither the City nor any officer or employee of the City shall be liable or responsible for any loss resulting from any investment or reinvestment made in accordance with this Ordinance.

(e) The moneys in any fund or account herein authorized shall consist of lawful money of the United States or Permitted Investments or both such money and such Permitted Investments. Moneys deposited in a demand or time deposit account in or evidenced by a certificate of deposit of a commercial bank, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

(f) Nothing herein prevents the accumulation in any fund or account herein designated of any money at a faster rate than the rate or minimum rate, as the case may be, provided therefor.

Section 22. Rates and Charges. The City covenants that it shall establish and collect rates and charges for the use or the sale of the products and services of the System, which together with other moneys available therefor (exclusive of any unappropriated fund balances), are expected to produce Revenues for each calendar year which will be at least sufficient for such calendar year to pay the sum of:

- (a) all amounts estimated to be required to pay Operating Expenses during such calendar year;
- (b) a sum equal to 110% of the debt service due on the Series 2018 Bonds for such calendar year and debt service coming due during such calendar year on the Authority Bond, and any other Parity Obligations, in each case computed as of the beginning of such calendar year;
- (c) any Surety Bond Costs (as defined in Section 20 hereof) due and owing with respect to the Surety Bond, any amounts due and owing with respect to the reserve policies or amounts to be paid into any debt service reserve fund or account for other Parity Obligations (or other amounts due and owing pursuant to any insurance policy, surety bond, letter or line of credit, or similar credit facility utilized in lieu of such fund or account);
- (d) a sum equal to the debt service on the Other Water Obligations and any Subordinate Obligations for such calendar year computed as of the beginning of such calendar year; and
- (e) amounts necessary to pay and discharge all charges and liens on the System currently coming due and required to be paid out of the Revenues during such calendar year.

In the event that Revenues collected during a calendar year are not sufficient to meet the requirements of the rate covenant set forth above in this Section, the City shall, within 90 days of the end of such calendar year, cause an independent firm of accountants or consulting engineers, to prepare a rate study for the purpose of recommending a schedule of rates, fees and charges for the use of the System which in the opinion of the firm conducting the study will be sufficient to provide Revenues to be collected in the next succeeding calendar year which will provide compliance with said rate covenant. The City shall within six months of receipt of such study, adopt rates, fees and charges for the use of the System, based upon the recommendations contained in such study, which provide compliance with said rate covenant.

Section 23. Tax Covenants and Rebate Account.

- (a) The City covenants for the benefit of the Owners of the Bonds that the City will not take or direct any action or omit to take or direct any action with respect to the Project, the System, the Series 2018 Bonds, the proceeds thereof, or any other funds of the City if such action or omission (i) would cause the interest on the Series 2018 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Code; (ii) would cause interest on the Series 2018 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to

the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income; (iii) would subject the City to any penalties under Section 148 of the Code; or (iv) would cause interest on the Series 2018 Bonds to lose its exclusion from Colorado taxable income or Colorado alternative minimum taxable income under present Colorado law. The City further covenants, represents and warrants that the procedures set forth in any certificate signed by an officer of the City implementing the above covenant shall be complied with to the extent necessary to maintain the exemption of interest on the Series 2018 Bonds from federal income taxation or to avoid the application of any penalties under the Code (except to the extent noted in the foregoing provisions of this paragraph). All of the covenants contained in this Section shall remain in full force and effect, notwithstanding the payment in full or other defeasance of any of the Series 2018 Bonds, until all obligations of the City in fulfilling such covenants have been met.

(b) All of the amounts on deposit in the Water Fund or in any fund or account created under this Ordinance, and all amounts pledged to the payment of the Series 2018 Bonds, shall be invested in compliance with the requirements of Section 23(a). Amounts on deposit in the Rebate Account shall be treated as committed for Operating Expenses, and shall not be subject to the lien and pledge of this Ordinance, to the extent that such amounts are required to be paid to the United States Treasury.

(c) The City shall withdraw from the Water Fund for deposit into the Rebate Account, as Operating Expenses, amounts required to be deposited into the Rebate Account from time to time. The City shall cause amounts on deposit in the Rebate Account to be forwarded to the United States Treasury at the times and in the amounts and manner set forth in the certificate implementing the covenants of this Section. Upon receipt of an opinion of nationally recognized bond counsel that the balance in the Rebate Account is in excess of the amount required by Section 23(a) to be included therein, such excess shall be transferred to the Bond Account.

Section 24. Additional Covenants and Agreements. The City hereby further irrevocably covenants and agrees with each and every Owner that so long as any of the Series 2018 Bonds remain Outstanding:

(a) The City shall, in accordance with prudent water utility practice (i) at all times operate, manage and maintain the System and the properties thereof and any business in connection therewith in an efficient and economical manner; (ii) maintain the System in good repair, working order and operating condition; (iii) from time to time make all necessary and proper repairs, renewals, replacement, additions, betterments and improvements with respect to the System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted; provided, however, that this covenant shall not be construed as requiring the City to expend any funds which are derived from sources other than the operation of the System or from receipts of the System which are not pledged hereunder, and provided further that nothing in this Ordinance shall be construed as preventing the City from doing so.

(b) The rates, connection or other fees, or other tolls or charges for the services furnished by, or for the use of, the System or any part, products or facilities thereof, within or without the boundaries of the City, shall be reasonable and just, taking into account and consideration the cost and value of the System, the proper and necessary allowances for depreciation and the amounts necessary to comply with Section 22 hereof, including the payment of debt service on the Series 2018 Bonds, Parity Obligations, Subordinate Obligations and Other Water Obligations.

(c) The City shall not sell or alienate any of the property constituting any part or all of the System in any manner or to any extent that would materially adversely affect the security provided for the payment of the Series 2018 Bonds unless such property has been replaced by other similar property of at least equal value or has ceased to be necessary for the efficient operation of the System; provided, however, that the proceeds of any such sale of property shall be included in Revenues and shall be deposited into the Water Fund. Nothing in this Ordinance shall be construed to adversely affect security interests in System properties granted prior to delivery of the Series 2018 Bonds.

(d) The City shall promptly render bills for services furnished by, or the use of, the System or any part, products or facilities thereof, shall use all legal means to assure prompt payment thereof, shall take such action as may be necessary to make delinquent rates, connection or other fees, or other tolls or charges for the services furnished by, or the use of, the System or any part, products or facilities thereof, a lien upon the real property served, and to the extent permitted by law, shall discontinue service to any user who becomes delinquent in the payment of such charges until the delinquency and all interest, costs and expenses incident thereto have been paid in full. Subject to the requirements of the City's rate covenant in Section 22 hereof, this Ordinance shall not be construed to prohibit the City from providing service without charge to City-owned property open to use by the public, nor from negotiating reasonable settlements of delinquent accounts.

(e) The City shall keep accurate records and accounts for the System, separate and distinct from its other records and accounts, in such manner that the Revenues and the Net Revenues may at all times be readily and accurately determined. Such System records shall be maintained in accordance with Generally Accepted Accounting Principles and shall be audited annually by an independent accountant, which audit may be part of the annual audit of the general records and accounts of the City.

(f) The City shall maintain or cause to be maintained in force insurance policies with responsible insurers or self-insurance programs providing against risk of direct physical loss, damage or destruction of the System, at least to the extent that similar insurance is usually carried by utilities constructing, operating and maintaining water system facilities of the nature of the System, including liability coverage, all to the extent available at reasonable cost. Nothing herein shall be deemed to preclude the City from asserting against any party a defense which may be available to the City, including, without limitation, a defense of sovereign immunity.

Section 25. Additional Bonds. Nothing in this Ordinance shall be construed to restrict or limit the issuance by the City of any obligations not secured by a lien on any portion of the Net

Revenues, including, without limitation, Other Water Obligations. The following covenants, restrictions and limitations shall apply with respect to the issuance of obligations secured by a lien on all or any portion of the Net Revenues.

(a) The City covenants that it will not issue any obligations having a lien on all or any portion of the Net Revenues which is superior to the lien of the Series 2018 Bonds.

(b) The City covenants that it will not issue any Parity Obligations or Subordinate Obligations unless: (i) no Event of Default shall have occurred and be continuing, and the City is then in substantial compliance with the covenants of this Ordinance; and (ii) the City is then current in the accumulation of all amounts required by this Ordinance to be credited to the Bond Account and the Rebate Account, and all amounts required to be credited to other funds and accounts for the Authority Bond and any other Parity Obligations, Subordinate Obligations or Other Water Obligations at the time Outstanding.

(c) Subject to the provisions of Section 25(e) concerning refundings, the City covenants that it will not issue any obligations having a lien on all or any portion of the Net Revenues which is on a parity with the lien of the Series 2018 Bonds (i.e. Parity Obligations) unless the Net Revenues for any 12 consecutive months out of the 18 months preceding the month in which such Parity Obligations are proposed to be issued is at least equal to the sum of (i) 110% of the debt service for the Maximum Debt Service Year of (A) the Outstanding Series 2018 Bonds and, to the extent Outstanding during such 12-month period, the Authority Bond and all other Parity Obligations; and (B) the Parity Obligations proposed to be issued; and (ii) 100% of the debt service for the Maximum Debt Service Year of all then Outstanding Subordinate Obligations and Other Water Obligations, plus 100% of any Surety Bond Costs (as defined in Section 20 hereof) at the time due and owing with respect to the Surety Bond and similar repayment obligations and other amounts at the time due and owing with respect to the reserve or insurance policy for any Parity Obligations. For purposes of Sections 25(c) and (d), Net Revenues may be adjusted to reflect any rate increases adopted prior to the issuance of such proposed Parity Obligations.

(d) The City covenants that it will not issue any obligations having a lien on all or any portion of the Net Revenues which is subordinate to the lien of the Series 2018 Bonds (i.e., Subordinate Obligations) unless the Net Revenues for any 12 consecutive months out of the 18 months preceding the month in which such Subordinate Obligations are proposed to be issued were at least equal to 100% of the debt service for the Maximum Debt Service Year of (i) the Series 2018 Bonds and, to the extent Outstanding during such 12-month period, the Authority Bond all other Parity Obligations, Subordinate Obligations, and Other Water Obligations; and (ii) the Subordinate Obligations proposed to be issued; plus 100% of any Surety Bond Costs (as defined in Section 20 hereof) at the time due and owing with respect to the Surety Bond and similar repayment obligations and other amounts at the time due and owing with respect to the reserve or insurance policy for any Parity or Subordinate Obligations.

(e) If at any time after the Series 2018 Bonds, or any part thereof, shall have been issued and remain Outstanding, the City shall find it desirable to refund any of such Series 2018 Bonds or any Parity Obligations, nothing in this Ordinance shall be construed in such a manner as to prevent such refunding, and any parity refunding obligations so issued to refund Series 2018 Bonds or Parity Obligations shall enjoy complete equality of lien with the portion of any obligations of the same parity issue or issues which are not refunded; provided, however, that, so long as any Series 2018 Bonds are Outstanding, refunding obligations secured by a lien on all or any portion of the Net Revenues may be issued on a parity with any portion of the Series 2018 Bonds or Parity Obligations remaining unrefunded only if:

(i) *Prior Consent.* The City first receives the consent of the Owners of the unrefunded Bonds, and the consent of Owners of any unrefunded Parity Obligations (or bond insurer thereof if so provided); or

(ii) *Requirements Not Increased.* The debt service payments on such refunding obligations do not exceed the debt service payments on the Series 2018 Bonds or Parity Obligations being refunded on any interest payment date, and the lien of the refunding obligations on all or any portion of the Net Revenues is not raised to a higher priority than the lien thereon of any obligations thereby refunded; or

(iii) *Parity Test.* The refunding obligations are issued in compliance with all applicable requirements of Sections 25(b) and (c) hereof.

(f) A written certificate of the City's Director of Finance that the applicable conditions set forth in this Section are met (including any adjustment of Net Revenues based on a rate increase as provided in paragraph (c) above) shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver Parity Obligations or Subordinate Obligations.

Section 26. Events of Default. An Event of Default shall exist if:

(a) the City fails to pay the principal, premium, if any, or interest on any Series 2018 Bond or on any Parity Obligation when due;

(b) the City defaults in the due and punctual performance of any of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Ordinance on its part to be performed (other than those provided in Section 26(a) and except as otherwise provided in Section 30 hereof), and if such default continues for 30 days after written notice, specifying such default and requiring the same to be remedied, is given to the City by the Owners of at least 25% in aggregate principal amount of the Series 2018 Bonds then Outstanding; provided that if such default cannot be cured within such 30 days, and during that period corrective action has commenced to remedy such default and subsequently is diligently pursued to the completion of such performance, an Event of Default shall not be deemed to have occurred.

(c) The City commences voluntary proceedings under any applicable federal or state bankruptcy, insolvency or other similar law.

Section 27. Remedies. Upon the happening and continuation of any Event of Default, as provided in Section 26 hereof, then the Owners of not less than 25% in aggregate principal amount of the Series 2018 Bonds then Outstanding, including without limitation, a trustee or trustees therefor, may proceed against the City to protect and enforce the rights of any Owner of Series 2018 Bonds under this Ordinance by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the specific performance of any covenant or agreement contained herein, or for the appointment of a receiver of the System (consent to such an appointment being hereby granted), or for any proper legal or equitable remedy as such Owners, trustee or trustees may deem most effectual to protect and enforce such rights, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Series 2018 Bond, or to require the City to act as if it were the trustee of an express trust, or any combination of such remedies, or as otherwise may be authorized by any applicable statute or other provision of law; provided, however, that there shall be no right to acceleration of payment as a remedy for any Event of Default. All such proceedings at law or in equity shall be instituted, had and maintained for the ratable benefit of all Owners of the Series 2018 Bonds.

The failure of any Owner of any Outstanding Series 2018 Bond to proceed in any manner herein provided shall not relieve the City or any of its officers, agents or employees of any obligation to perform or carry out any duty, obligation or other commitment herein. Each right or privilege of any Owner of any Series 2018 Bond (or trustee therefor) is in addition and cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any Owner of any Series 2018 Bond shall not be deemed a waiver of any other right or privilege of such Owner. Upon the happening of any Event of Default as provided in Section 26 hereof, the City will do and perform all proper acts on behalf of and for the Owners of the Outstanding Series 2018 Bonds to protect and preserve the security created for the payment of the Series 2018 Bonds and to insure the payment of the Series 2018 Bonds promptly as the same become due. If any remedial action is discontinued, the City and the Owners of the Series 2018 Bonds shall be restored to their positions prior to taking such action.

To the extent that additional remedies not provided for in this Ordinance (including, without limitation, any acceleration remedy) are provided for in the future with respect to Parity Obligations, the proceedings under which such Parity Obligations are issued shall provide that such remedies must be exercised for the equal and ratable benefit of the Series 2018 Bonds as well as such Parity Obligations.

Section 28. Amendments.

(a) The City may amend or modify any provision of this Ordinance without the consent of or notice to the Owners, as follows:

(i) to grant to or confer upon the Owners any additional rights, remedies, powers, authority or security which may lawfully be granted or conferred;

- (ii) to cure any formal defect, omission or ambiguity in this Ordinance;
- (iii) to add to the covenants and agreements of the City set forth in this Ordinance;
- (iv) to subject to this Ordinance additional revenues, properties or collateral; or
- (v) to maintain the then current rating or to obtain any higher rating of the Series 2018 Bonds by one or more national or regional rating agencies.

The City may also amend or modify any provision of this Ordinance without any consent of or notice to the Owners and to effect any other changes in this Ordinance which, in the opinion of an attorney or firm of attorneys whose experience in matters relating to the issuance of obligations of states and their political subdivisions is nationally recognized, do not materially and prejudicially affect the rights of the Owner of any Series 2018 Bond.

(b) In addition, the City may otherwise amend or modify any provision of this Ordinance with the written consent of the Owners of not less than 75% of the principal amount of the Series 2018 Bonds then Outstanding; provided, however, that the written consent of the Owners of 100% of the principal amount of the Series 2018 Bonds then Outstanding and materially adversely affected thereby is required:

- (i) to create a lien upon the Net Revenues ranking prior to the lien created by this Ordinance;
- (ii) to reduce the principal amount of the Series 2018 Bonds required for consent to any amendment or modification of this Ordinance; or
- (iii) to establish priorities between Series 2018 Bonds;

and further provided, that the maturity of any Series 2018 Bond may be extended, or the principal amount or interest rate of any Series 2018 Bond may be reduced, if and only if the written consent of the Owners of all Series 2018 Bonds materially adversely affected thereby is obtained.

Section 29. Defeasance. When the principal of and interest on any Series 2018 Bonds have been duly paid, the pledge and lien and all obligations hereunder with respect to such Series 2018 Bonds shall be discharged, and such Series 2018 Bonds shall no longer be deemed to be Outstanding within the meaning of this Ordinance. There shall be deemed to be such due payment of any Series 2018 Bonds when the City has placed in escrow or in trust with a commercial bank, located within or without the State and exercising trust powers, an amount sufficient (including the known minimum yield from Federal Securities in which such amount wholly or in part may be initially invested) to meet all requirements of principal of and interest on such Series 2018 Bonds as the same become due to their final maturities (including any amounts due pursuant to any mandatory sinking fund redemption) or upon any optional redemption dates as of which the City shall have exercised or shall have obligated itself to exercise its prior redemption option. The

Federal Securities shall become due at or prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the City and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such schedule. In the event that there is a defeasance of only part of the Series 2018 Bonds of any maturity, the Registrar shall, if requested by the City, institute a system to preserve the identity of the individual Series 2018 Bonds or portions thereof so defeased, regardless of changes in Series 2018 Bond numbers attributable to transfers and exchanges of Series 2018 Bonds; and the Registrar shall be entitled to reasonable compensation and reimbursement of expenses from the City in connection with such system.

Section 30. Continuing Disclosure Undertaking. The Mayor or other appropriate officer of the City is hereby authorized and directed to execute and deliver a certificate, agreement or other instrument to evidence the City's continuing disclosure undertaking (the "Undertaking") as required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, and the City hereby covenants to comply with such Undertaking. Any failure by the City to perform in accordance with the Undertaking shall not constitute an Event of Default under Section 26 of this Ordinance, and the rights and remedies provided by Section 27 of this Ordinance upon the occurrence of an Event of Default shall not apply to any such failure. Each Owner (including for this purpose the beneficial owners of the Series 2018 Bonds) shall be beneficiaries of the Undertaking and may enforce specific performance of the obligations contained in the Undertaking directly against the City by any judicial proceeding available.

Section 31. Registrar and Paying Agent. Zions Bank shall serve as the initial Registrar and Paying Agent for the Series 2018 Bonds, and the Director of Finance and designees of the Director of Finance shall be authorized representatives of the City for purposes of providing direction to the Registrar and Paying Agent. Upon 30 days' prior written notice to the Owners, Zions Bank (or any successor) may resign as Registrar or Paying Agent, or both (provided that no such resignation shall be effective until a successor Registrar and Paying Agent is appointed), and the City shall appoint a successor Registrar or Paying Agent, or both, which successor Registrar or Paying Agent shall be a bank or trust company located in and in good standing in the United States and having shareholders' equity (e.g., capital stock, surplus and profits), however denominated, not less than \$10,000,000. It shall not be required that the same institution serve as both Registrar and Paying Agent hereunder, but the City shall have the right to have the same institution serve as both Registrar and Paying Agent hereunder.

Section 32. Contract with Owners. After the Series 2018 Bonds have been issued, this Ordinance shall constitute an irrevocable contract between the City and the Owners of the Series 2018 Bonds, and, except as otherwise provided herein, shall be and remain irrepealable until the Series 2018 Bonds and the interest thereon shall have been fully paid, satisfied and discharged. No provisions of any constitution, statute, charter, ordinance, resolution or any order or measure enacted after the issuance of the Series 2018 Bonds shall in any manner be construed as limiting or impairing the obligation of the City to keep and perform the covenants contained in this Ordinance.

Section 33. Parties Interested Herein. Except for the provisions of Section 30 hereof with respect to beneficial owners of the Series 2018 Bonds and except for provisions confirming rights with respect to Parity Obligations, nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon or to give or grant to any person or entity, other than the City, the Paying Agent, the Registrar, the Surety Bond issuer, so long as it is not in default under the Surety Bond, and the Owners from time to time of the Series 2018 Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent, the Registrar, the Surety Bond issuer and each Owner from time to time of the Series 2018 Bonds.

Section 34. Severability. If any section, subsection, paragraph, clause or provision of this Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 35. Statutes Superseded; Inconsistent Enactments Suspended. Pursuant to Article XX of the State Constitution and the Charter, all statutes of the State which might otherwise apply in connection with the Series 2018 Bonds are hereby superseded to the extent inconsistent with this Ordinance. Any ordinances or other enactments of the City inconsistent with this Ordinance or the transactions contemplated hereby are hereby superseded to the extent of such inconsistency and shall to such extent be inapplicable to such transactions.

Section 36. Limitation of Actions. As provided in Section 5-21 of the Charter, no action or proceedings, at law or in equity, to review any acts or proceedings, or to question the validity of or enjoin the issuance or payment of the Series 2018 Bonds issued in accordance with their terms, or for any other relief against any acts or proceedings of the City done or had under Part Four (Sections 5-18 through 5-23, inclusive) of Article V of the Charter, shall be maintained against the City, unless commenced within 30 days after the performance of the act or final passage of the resolution or ordinance complained of, or else be thereafter perpetually barred.

Section 37. Publication and Effective Date. Following passage of this Ordinance on first reading, it shall be published in full in the Greeley Daily Tribune, a legal newspaper of general circulation in the City. There shall be added to the publication of this Ordinance before its consideration for final passage, a notice of hearing in substantially the following form:

The Council will consider said ordinance for final passage and hold a public hearing thereon at a regular Council meeting to be held at the School District No. 6 Board of Education Meeting Room, on _____, _____, 2018, commencing at the hour of ____ p.m.

Immediately upon its final passage, this Ordinance shall be recorded in the City book of ordinances kept for that purpose, shall be authenticated by the signatures of the Mayor and the City Clerk, and shall be published in full in the Greeley Daily Tribune. The City Clerk is hereby authorized to include in such publications any additional information the City Clerk may deem necessary or appropriate. This Ordinance shall take effect on the fifth day following its final publication.

INTRODUCED on _____, 2018.

ADOPTED AND APPROVED on _____, 2018.

[CITY SEAL]

Mayor

Attest:

By _____
City Clerk

EXHIBIT A

SERIES 2018 BOND FORM

**TRANSFER OF THIS SERIES 2018 BOND OTHER THAN BY
REGISTRATION IS NOT EFFECTIVE**

**UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTY OF WELD**

CITY OF GREELEY

**WATER REVENUE BOND
SERIES 2018**

No. R-_____

\$_____

Interest Rate

Maturity Date

Dated

CUSIP

August 1, _____ 1, 20__

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The City of Greeley, in the County of Weld, State of Colorado (the "City"), for value received, hereby promises to pay to the Registered Owner (named above), or registered assigns, but solely from the sources and in the manner hereinafter provided, the Principal Amount (stated above) on the Maturity Date (stated above) unless this Series 2018 Bond shall have been previously called for redemption, and solely from said sources and in the manner hereinafter provided to pay interest on said Principal Amount from the date hereof at the per annum Interest Rate (stated above) until the Principal Amount is paid. Interest on this Series 2018 Bond, calculated on the basis of a 360-day year consisting of twelve 30-day months, is payable semiannually on February 1 and August 1 in each year (the "Interest Payment Dates") commencing _____ 1, 20__. The principal hereof is payable at maturity or prior redemption and upon presentation and surrender hereof at the office of the paying agent for the Series 2018 Bonds (the "Paying Agent") or at the office of any successor paying agent appointed by the City. If upon presentation and surrender at or after maturity payment of this Series 2018 Bond is not made as herein provided, interest shall continue hereon at the Interest Rate until the Principal Amount hereof is paid in full.

Interest on this Series 2018 Bond shall be paid on each Interest Payment Date (or, if such Interest Payment Date is not a business day, on the next succeeding business day), by check or draft mailed to the Registered Owner of this Series 2018 Bond at such Registered Owner's address as it appears on the registration records maintained by the registrar and transfer agent for the Series 2018 Bonds (the "Registrar"), as of the close of business on the fifteenth day of the calendar month next preceding each Interest Payment Date (whether or not a business day) (the "Record Date"),

regardless of any transfer or exchange of this Series 2018 Bond between such Record Date and such Interest Payment Date. Any such interest not so punctually paid shall cease to be payable to the Registered Owner as of such Record Date, and shall be payable to the Registered Owner as of a Special Record Date for the payment of such defaulted interest. Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of such defaulted interest, and notice of the Special Record Date shall be given to the Registered Owners of the Series 2018 Bonds of the series of which this is one (the "Series 2018 Bonds") not less than 10 days prior to the Special Record Date by first-class mail to each such Registered Owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for payment of such defaulted interest.

The principal of and interest on this Series 2018 Bond are payable in lawful money of the United States of America, without deduction for the services of the Paying Agent or the Registrar. The principal of and interest on this Series 2018 Bond shall be paid, and this Series 2018 Bond is transferable, free from and without regard to any equities, setoffs or cross-claims between the City and the original or any intermediate owner hereof.

The Series 2018 Bonds maturing on and after August 1, 20__ are callable for redemption prior to their respective maturities, at the option of the City, on and after August 1, 20__, in whole or in part at any time thereafter (if in part, in integral multiples of \$5,000, from any maturity or maturities or portions thereof as selected by the City and by lot within a maturity, giving proportionate weight to Series 2018 Bonds in denominations larger than \$5,000, in such manner as the Registrar shall determine), at a redemption price equal to the principal amounts so redeemed plus accrued interest thereon to the redemption date, without redemption premium.

In the case of Series 2018 Bonds of a denomination larger than \$5,000, each \$5,000 of principal shall be treated as a separate Series 2018 Bond for purposes of determining which Series 2018 Bonds of a particular maturity are to be redeemed on a particular optional or mandatory sinking fund redemption date. If less than all of the principal amount of any Series 2018 Bond is redeemed, the Registrar shall, without charge to the Registered Owner of such Series 2018 Bond, authenticate and issue a replacement Series 2018 Bond or Series 2018 Bonds for the unredeemed portion thereof. Redemption shall be made upon not more than 60 days nor less than 30 days mailed notice to each Registered Owner of Series 2018 Bonds to be redeemed at the address shown on the registration records maintained by the Registrar, in the manner and upon the conditions provided in the Ordinance. Failure to give such notice by mailing to the Registered Owner of any Series 2018 Bond (or certain other entities as provided in the Ordinance), or any defect therein, shall not affect the validity of the proceedings for the redemption of any other Series 2018 Bonds. Redemption procedures are subject to applicable procedures under the below-described book-entry system.

The Series 2018 Bonds are authorized and issued for the purpose of financing the cost of improvements, betterments, extensions and expansions of the City's water system (the "System"), as defined and described in the Ordinance, all under the authority of and in full conformity with applicable provisions of the Constitution and laws of the State of Colorado and the Charter and ordinances of the City.

The Series 2018 Bonds are special, limited obligations of the City payable solely from the Revenues of the System after deduction of Operating Expenses of the System (as further defined and provided in the Ordinance, the “Net Revenues”) and from moneys in the Series 2018 Bond Account established by the Ordinance. The Series 2018 Bonds constitute an irrevocable and first lien (but not an exclusively first lien) on the Net Revenues, on a parity with the lien thereon of the Governmental Agency Bond dated as of May 1, 1999 issued by the City to the Colorado Water Resources and Power Development Authority and with the lien thereon of the all other Parity Obligations. Subject to conditions set forth in the Ordinance, additional obligations may be issued in the future having a lien on Net Revenues on a parity with or subordinate to the lien of the Series 2018 Bonds.

The Series 2018 Bonds do not constitute a debt or indebtedness of the City, Weld County, the State or any political subdivision of the State within the meaning of the City’s Charter or any constitutional or statutory provision or limitation, and are not secured by the full faith and credit of the City or by any taxing power of the City or any other government; nor do the Series 2018 Bonds constitute a multiple-fiscal year direct or indirect debt or other financial obligation within the meaning of Article X, Section 20 of the State Constitution, nor shall the Series 2018 Bonds be considered or held to be general obligations of the City. The owners of the Series 2018 Bonds may not look to any general fund of the City for the payment of the debt service requirements of the Series 2018 Bonds, nor do they have the right to require or compel the exercise of the ad valorem property taxing power or any other taxing power of the City or of any other taxing entity for payment of the Series 2018 Bonds.

This Series 2018 Bond is subject to all terms and provisions of the Ordinance but contains only a summary of certain terms and provisions thereof. Reference is hereby made to the Ordinance, and to any and all modifications and amendments thereof, for the complete terms and provisions to which this Series 2018 Bond is subject, including, among others, terms and provisions with respect to the custody and application of proceeds of the Series 2018 Bonds, the receipt and disposition of System revenues, the nature and extent of the security, the terms and conditions under which additional obligations secured by a lien on the Net Revenues may be issued, the rights, duties, obligations and immunities of the City and its officers, and the rights and remedies of the Registered Owners of the Series 2018 Bonds; and by the acceptance of this Series 2018 Bond the owner hereof assents to all provisions of the Ordinance.

To the extent and in the manner provided by the Ordinance, the provisions of the Ordinance may be amended or modified by action of the City. The pledge of the Net Revenues and the other obligations and covenants of the City under the Ordinance may be discharged at or prior to the final maturity of the Series 2018 Bonds upon the making of provision for payment of the Series 2018 Bonds on the terms and conditions set forth in the Ordinance.

This Series 2018 Bond must be registered in the name of the owner as to both principal and interest on the registration records maintained by the Registrar in conformity with the provisions stated herein and endorsed hereon and subject to the terms and conditions set forth in the Ordinance.

No transfer of this Series 2018 Bond shall be valid unless made on the registration records maintained by the Registrar by the Registered Owner or such Registered Owner’s attorney duly

authorized in writing. This Series 2018 Bond may be transferred or exchanged by the Registered Owner hereof upon surrender of this Series 2018 Bond for transfer or exchange at the office of the Registrar or a successor transfer agent, duly endorsed or accompanied by a written instrument of transfer or authorization for exchange in form satisfactory to the Registrar and executed by the Registered Owner hereof or such Registered Owner's attorney duly authorized in writing. Thereupon a new fully registered Series 2018 Bond or Series 2018 Bonds of authorized denomination or denominations of the same aggregate principal amount and maturity and bearing interest at the same rate will be issued to the transferee, or, if exchanged, the Registered Owner, subject to the terms and conditions and on payment of such charges as may be imposed by the Registrar as provided in the Ordinance. The City, the Paying Agent and the Registrar may deem and treat the person in whose name this Series 2018 Bond is registered (whether or not this Series 2018 Bond shall be overdue) as the absolute owner hereof for the purpose of making payment and for all other purposes (except to the extent otherwise provided hereinabove and in the Ordinance with respect to Record Dates and Special Record Dates for the payment of interest, and except as otherwise provided in the Ordinance with respect to certain continuing disclosure matters and with respect to certain rights of the Series 2018 Bond Insurer), and neither the City, the Paying Agent nor the Registrar shall be affected by any notice to the contrary.

The Registrar will not be required to transfer or exchange (a) all or any portion of any Series 2018 Bond subject to prior redemption during the period beginning at the opening of business fifteen days before the day of the mailing by the Registrar of notice calling any Series 2018 Bonds for prior redemption and ending at the close of business on the day of such mailing; or (b) all or any portion of a Series 2018 Bond after the mailing of notice calling such Series 2018 Bond or any portion thereof for prior redemption.

Notwithstanding the foregoing, so long as the ownership of the Series 2018 Bonds is maintained in book-entry form by The Depository Trust Company ("DTC") or a nominee thereof, (a) this Series 2018 Bond may be transferred in whole but not in part only to DTC or a nominee thereof or to a successor securities depository or its nominee; (b) the City and the Registrar may treat and consider DTC as the absolute owner hereof for the purpose of payment, for the purpose of giving notices of redemption and other matters with respect to this Series 2018 Bond, for purposes of registering transfers hereof, and for all other purposes whatsoever (except as otherwise provided in the Ordinance with respect to certain continuing disclosure matters and with respect to certain rights of the Series 2018 Bond Insurer); and (c) the Registrar shall pay all principal of and interest hereon only to or upon the order of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment hereon to the extent of the sum or sums so paid. **NEITHER THE CITY, THE PAYING AGENT NOR THE REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DTC'S PARTICIPANTS OR INDIRECT PARTICIPANTS, TO THE PERSONS FOR WHOM THEY ACT AS NOMINEES, OR TO ANY BENEFICIAL OWNERS OF THE SERIES 2018 BONDS, WITH RESPECT TO PAYMENTS TO OR THE PROVIDING OF NOTICE FOR DTC'S PARTICIPANTS OR INDIRECT PARTICIPANTS OR THEIR NOMINEES OR THE BENEFICIAL OWNERS OF THE SERIES 2018 BONDS.**

It is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Series 2018 Bond.

This Series 2018 Bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the Registrar shall have manually signed the Certificate of Authentication hereon.

IN WITNESS WHEREOF, the City Council of the City of Greeley, Colorado has caused this Series 2018 Bond to be executed with the manual or facsimile signature of the Mayor of the City and to be attested by the manual or facsimile signature of the City Clerk under an impression of the seal of the City or a facsimile thereof, all as of the date set forth above.

[SEAL]

Mayor

Attest:

City Clerk

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is one of the Series 2018 Bonds described in the within-mentioned Ordinance, and this Series 2018 Bond has been duly registered on the registration records kept by the undersigned as Registrar for such Series 2018 Bonds.

ZB, NATIONAL ASSOCIATION DBA ZIONS
BANK, as Registrar

By _____
Authorized Representative

Date of Authentication
and Registration: _____, 2018

PREPAYMENT PANEL

The following installments of principal (or portion thereof) of this Series 2018 Bond have been prepaid in accordance with the terms of the Ordinance authorizing the issuance of this Series 2018 Bond.

Date of Prepayment	Principal Prepaid	Signature of Authorized Representative of DTC

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ the within Series 2018 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Series 2018 Bond on the records kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Signature must be guaranteed by a
member of a Medallion Signature
Program

Address of transferee:

Social Security or other tax
identification number of transferee:

NOTE: The signature to this Assignment
must correspond with the name as written on
the face of the within Series 2018 Bond in
every particular, without alteration or
enlargement or any change whatsoever.

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Registrar for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

[Attach Affidavits of Publication of Bond Ordinance —
_____, 2016 and _____, 2016]

WATER & SEWER BOARD AGENDA AUGUST 15, 2018

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 6

TITLE: ACTION: APPROVE SEWER BOND
RESOLUTION AND RECOMMEND TO
COUNCIL

RECOMMENDATION: APPROVE RESOLUTION

ADDITIONAL INFORMATION:

Enclosed is a resolution for the Water and Sewer Board to authorize and approve the issuance of the first-lien sewer improvement revenue bonds, Series 2018, in an aggregate principal amount not to exceed \$12,000,000, bearing interest at the rates and maturing on the dates and in the amounts to be set forth in a final terms certificate, and on the terms and conditions provided in the general and series ordinances of the City.

Contained within the sewer capital program are a number of projects at the Water Pollution Control Facility to improve treatment processes and to prepare for upcoming enhanced nutrient removal standards. Additionally, trunk sewer lines and a lift station are being added to the wastewater collections system to serve areas south of Highway 34 adjacent to 71st Avenue.

These projects will need to be partially funded through bond revenues. The resolution states that the Water and Sewer Board authorizes and approves the issuance of the Series 2018 Sewer Improvement Revenue bonds, recognizing that the issuance of these bonds will impact the Sewer Fund's debt service payments and the rates required to support those payments.

**CITY OF GREELEY, ACTING BY AND THROUGH ITS
WATER AND SEWER BOARD**

RESOLUTION __, 2018

A RESOLUTION OF THE GREELEY WATER AND SEWER BOARD AUTHORIZING AND APPROVING THE ISSUANCE OF FIRST-LIEN SEWER IMPROVEMENT REVENUE BONDS, SERIES 2018, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000, BEARING INTEREST AT THE RATES AND MATURING ON THE DATES AND IN THE AMOUNTS TO BE SET FORTH IN A FINAL TERMS CERTIFICATE, AND ON THE TERMS AND CONDITIONS PROVIDED IN THE GENERAL AND SERIES ORDINANCES OF THE CITY

BE IT RESOLVED BY THE WATER AND SEWER BOARD OF THE CITY OF GREELEY, COLORADO:

Section 1. Findings. The Water and Sewer Board (the “Board”) of the City of Greeley, Weld County, Colorado (the “City”), hereby finds and determines that:

(a) The Board is in receipt of a copy of the following ordinance, which is scheduled for introduction at the City Council’s regular meeting on August 21, 2018: the Series 2018 First-Lien Sewer Improvement Revenue Bond Ordinance (the “Series Ordinance” and together with the Sewer System General Revenue Bond Ordinance (the “Sewer General Ordinance”), the “Ordinances”) pursuant to which it is proposed that the Council authorize and approve pursuant to Section 5-18(d) of the Charter of the City (the “Charter”) the City of Greeley, Colorado, First-Lien Sewer Improvement Revenue Bonds, Series 2018 (the “Series 2018 Bonds”), to be issued in an aggregate principal amount not to exceed \$12,000,000, bearing interest at the rates and maturing on the dates and in the amounts to be set forth in a Final Terms Certificate (as defined in the Ordinances), and upon the terms and conditions set forth in the Ordinances.

(b) Pursuant to Article XVII of the Charter, the City owns, operates and maintains a municipal sanitary sewer system (the “System”) as an “enterprise” within the meaning of article X, section 20 of the Colorado Constitution. The System has been designated as an enterprise by the Charter, by Chapter 14.04 of the Greeley City Code (the “Code”), and by related actions of the Council and the Board, and such designation is hereby ratified and confirmed. The Board has determined, and hereby determines, based in part upon advice of bond counsel, that the System currently meets all requirements applicable to an enterprise under said article X, section 20. Without limiting the generality of the foregoing, the Board has determined, and hereby determines, that in each fiscal year since the adoption of said article X, section 20, through and including the 2017 fiscal year, the System has received, and that for the current 2018 fiscal year the Board intends and reasonably expects that the System will receive, under 10% of annual revenue in grants from all Colorado state and local governments combined. Accordingly, no election is necessary under article X, section 20 of the Colorado Constitution to issue the Series 2018 Bonds.

(c) In addition to the other powers and duties vested in the Board, Section 17-4(a) of the Charter provides, in relevant part, that the Board shall have the power and shall be required to annually establish minimum sewer rates which must be sufficient to include all expenditures for:

(i) all operation and maintenance of the System;

(ii) all debt service requirements; and

(iii) additions to a reserve account in sufficient amounts to offset depreciation to the System, based on accepted principles of accounting for a water system.

(d) The Board is thoroughly familiar with (i) the Project (as defined in the Series Ordinance); (ii) the financing of the Project to be effected through the issuance of the Series 2018 Bonds; (iii) the terms and conditions upon which the Series 2018 Bonds are to be issued; and (iv) the provisions of the Ordinances.

(e) There are no other outstanding bonds, notes or other obligations secured by a pledge of or a lien on all or any part of the Net Revenues (as defined in the Ordinances) of the System, and there are no ordinances, resolutions, contracts, agreements, or other enactments or commitments inconsistent with the issuance of the Series 2018 Bonds or due performance under the Series 2018 Bonds or the Ordinances.

(f) Pursuant to Section 17-1 of the Charter, Chapter 14.04 of the Code, and the Ordinance, and to provide for compliance with Section 17-4(b) of the Charter, the Series 2018 Bonds, the Ordinances and the transactions contemplated thereby have been submitted to the Board for its authorization and approval. This resolution shall constitute such authorization and approval, and by adopting this resolution the Board has duly exercised its authority with respect to revenue bonds pursuant to Section 14.04.120 of the Code.

(g) For purposes of Section 5-18(e) of the Charter, the estimated period of usefulness of the Project is not less than fifty years from the date of delivery of the Series 2018 Bonds.

(h) Pursuant to Section 18-8-308, Colorado Revised Statutes ("C.R.S."), all known potential conflicting interests, if any, with respect to the Series 2018 Bonds and the expenditure of proceeds thereof have been disclosed to the Board and to the Colorado Secretary of State. No member of the Board has a personal or private interest, as such terms are used in Section 24-18-109, C.R.S., in the Series 2018 Bonds, the Project, or any other subject matter of this resolution or the Ordinances, and no member of the Board has any interest, as such term is used in Section 24-18-201, C.R.S., in the Series 2018 Bonds, the Project or any contract made or to be made pursuant to this resolution or the Ordinances.

Section 2. Approval, Authorization and Ratification. The Board hereby approves and authorizes the Project and the issuance of the Series 2018 Bonds, in an aggregate principal amount not to exceed \$12,000,000, bearing interest at the rates and maturing on the dates and in the

amounts to be set forth in the Final Terms Certificate, and on the terms and conditions provided in the Ordinance; and the Board further hereby authorizes, approves and concurs in all terms and provisions of the Ordinance and the transactions contemplated thereby. Without limiting the generality of the foregoing, as security for the Series 2018 Bonds, the Board hereby specifically authorizes, approves and concurs in the pledge of Net Revenues of the System, the granting of an irrevocable and first lien (but not necessarily an exclusively first lien) on such Net Revenues, the covenants, restrictions and limitations relating to additional Parity Obligations and Subordinate Obligations (both as defined in the Ordinances), and the covenants relating to the establishment and collection of System rates and charges, all as provided in the Ordinances. All actions heretofore taken (not inconsistent with the provisions of the Ordinances) by the City, the Board, and officers, agents and employees of the City and the Board, directed toward the undertaking of the Project and toward the issuance of the Series 2018 Bonds for that purpose, the notice and conduct of the public sale of the Series 2018 Bonds, and the provisions of the Ordinances as finally adopted) are hereby ratified, approved and confirmed.

Section 3. Delegation. In connection with this resolution and the Series 2018 Bonds, the Board hereby elects, pursuant to Section 11-57-204, Colorado Revised Statutes, as amended (“C.R.S.”), to apply such portions of the Supplemental Act (as defined and provided in the Ordinances) as are relevant to and not inconsistent with the provisions of the Ordinance and this resolution, including without limitation Section 11-57-211, C.R.S. The officers of the City, including appropriate officers of the Board, are hereby authorized and directed to take all action necessary or appropriate to effectuate the provisions of the Ordinance and this resolution, to comply with the Ordinances and the Series 2018 Bonds, and to comply with all requirements of applicable law in connection therewith, including, without limitation, the execution and delivery of such documents, agreements, certificates, affidavits and other instruments as may be necessary or desirable in connection therewith.

Section 4. Repeal of Inconsistent Actions. All resolutions, bylaws and other orders or actions of the Board in conflict with this resolution are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed to revive any resolution, bylaw or other order action heretofore repealed.

Section 5. Severability. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 6. Effective Date. The public sale of the Series 2018 Bonds is scheduled to be held on or about October 9, 2018, or such later date as is determined pursuant to the terms of the Ordinances, and the Series 2018 Bonds are scheduled for delivery on or about September 12, 2018 or such later date as is determined pursuant to the terms of the Ordinances. It is hereby determined that the immediate effectiveness of this resolution will promote the public health and safety of, and will benefit, the citizens and inhabitants of the City. This resolution shall become effective and be in full force and effect immediately upon its adoption.

APPROVED, ADOPTED AND SIGNED this August 15, 2018.

By _____
Chairman, Water and Sewer Board of the
City of Greeley, Colorado

ATTEST:

By _____
Secretary, Water and Sewer Board of the
City of Greeley, Colorado

**SERIES 2018 FIRST-LIEN SEWER IMPROVEMENT
REVENUE BOND SERIES ORDINANCE**

CITY OF GREELEY, COLORADO

acting by and through its

SANITARY WATER ENTERPRISE

Authorizing
the issuance, sale and delivery of not to exceed
\$12,000,000
aggregate principal amount of
First-Lien Sewer Improvement Revenue Bonds
Series 2018

Effective September __, 2018

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ORDINANCE NO. ___, 2018

AN ORDINANCE AUTHORIZING THE ISSUANCE AND SALE BY THE CITY OF GREELEY, COLORADO, ACTING BY AND THROUGH ITS SANITARY WATER ENTERPRISE, OF FIRST-LIEN SEWER IMPROVEMENT REVENUE BONDS, SERIES 2018, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,000,000, FOR THE PURPOSE OF FINANCING, IN WHOLE OR IN PART, THE COST OF ADDITIONS AND IMPROVEMENTS TO THE SEWER SYSTEM OPERATED BY THE SANITARY WATER ENTERPRISE, PLEDGING CERTAIN FUNDS AND REVENUES OF THE ENTERPRISE TO THE PAYMENT OF SUCH BONDS. PRESCRIBING THE FORM OF SUCH BONDS, AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH.

WHEREAS, the City of Greeley, Colorado (the “City”) is a home rule municipality duly organized and existing pursuant to Article XX of the Constitution (the “Constitution”) of the State of Colorado (the “State”) and its home rule charter (the “Charter”); and

WHEREAS, the City Council (the “Council”) of the City has previously acted by ordinance to recognize and confirm the existence of the Sanitary Water Enterprise of the City (the “Enterprise”), such ordinance being codified in Title 14, Chapter 14.04 of the City Code (the “Code”) of the City; and

WHEREAS, the Code authorizes the issuance of revenue bonds for the purpose of financing additions and improvements to the sanitary water systems operated by the Enterprise; and

WHEREAS, the Council, acting as such and as the governing body of the Enterprise, deems it necessary and appropriate to authorize the issuance of Sewer Improvement Revenue Bonds, Series 2018 (the “Series 2018 Bonds”) upon the terms described herein, for the purpose of defraying, in whole or in part, the cost of additions and improvements to the City’s sewer system (the “System”); and

WHEREAS, such Series 2018 Bonds are permitted, under the Charter, the Code and Article X, Section 20 of the Constitution, to be issued without an election; and

WHEREAS, the capital improvements to be financed by the Series 2018 Bonds are estimated to have a useful life in the aggregate of at least 40 years; and

WHEREAS, pursuant to Ordinance No. 10, 2015 (the “General Ordinance”), adopted prior to the adoption of this Ordinance, the Council has established a consistent procedure for the issuance of revenue bonds and other obligations to finance and refinance additions and improvements to the System;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GREELEY, COLORADO, ACTING BY AND THROUGH THE CITY OF GREELEY, COLORADO SANITARY WATER ENTERPRISE:

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Definitions. Capitalized terms used herein and not otherwise defined shall have the meanings, respectively, provided in the General Ordinance. In this Series Ordinance the following additional terms have the following respective meanings unless the context clearly requires otherwise:

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking relating to the Official Statement and the Series 2018 Bonds, in substantially the form filed with the City Clerk at the time of introduction of this Series Ordinance.

“General Ordinance” means Ordinance No. 10, 2015, of the City, as it may be amended from time to time.

“Liquidity Requirement” means the amount of unrestricted cash balances required to be maintained in the Wastewater Fund under Section 4.02 hereof.

“Official Statement” means the Official Statement of the City relating to the Series 2018 Bonds.

“Paying Agent” initially means ZB, National Association dba Zions Bank.

“Purchaser” means the original purchaser of the Series 2018 Bonds identified by a Final Terms Certificate.

“Registrar” initially means ZB, National Association dba Zions Bank.

“Series Ordinance” means this Series Ordinance.

“Series 2018 Capital Project” means the capital additions to the System, constituting a portion of the System Capital Program, financed in whole or in part with proceeds of the Series 2018 Bonds.

“Series 2018 Capital Project Account” means the special account created and required to be maintained by Section 3.02 hereof.

“Series 2018 Costs of Issuance Subaccount” means the subaccount created within the Series 2018 Capital Project Account and required to be maintained by Section 3.03 hereof.

“Series 2018 Bonds” means the First-Lien Sewer Improvement Revenue Bonds, Series 2018.

“Series 2018 Debt Service Reserve Account” means, to the extent designated by Final Terms Certificate, a special account created and required to be maintained in the manner provided by Section 3.04 hereof.

“*Series 2018 Excess Investment Earnings Account*” means the special account created and required to be maintained by Section 3.05 hereof.

“*Series 2018 Reserve Requirement*” means, initially, and except as it may be adjusted pursuant to Section 3.04 hereof, an amount equal to the least of (a) 10% of the principal amount of the Series 2018 Bonds, (b) the Maximum Annual Debt Service Requirements of the Series 2018 Bonds, or (c) 125% of the Average Annual Debt Service Requirements of the Series 2018 Bonds.

“*System Capital Program*” means a series of capital projects to be financed from a combination of proceeds of the Series 2018 Bonds and other funds, which may include, without limitation, the acquisition, equipping, improvement or construction of portions of the System. The scope and specific details of the System Capital Program shall be subject to change by action of the Council.

“*Tax Code*” means the Internal Revenue Code of 1986, as amended.

“*Transfer Agent*” initially means ZB, National Association dba Zions Bank.

ARTICLE II

THE SERIES 2018 BONDS

Section 2.01. The System Capital Program and the Series 2018 Capital Project. The City Council of the City hereby authorizes and directs that the Series 2018 Capital Project (which may consist of any portion of the System Capital Program) be carried out with the net proceeds of the Series 2018 Bonds and any other legally available moneys of the City necessary for such purpose.

Section 2.02. Sale of Series 2018 Bonds; Application of Series 2018 Bond Proceeds. The Series 2018 Bonds are authorized to be sold to the Purchaser at a price not less than 100% of their aggregate principal amount plus accrued interest, if any, to the date of their delivery to the Purchaser, as determined by Final Terms Certificate. The net proceeds received by the City from the sale of the Series 2018 Bonds after deduction of costs of issuance and underwriting discount shall be applied as follows: (a) accrued interest on the Series 2018 Bonds shall be deposited in the Debt Service Account; (b) Series 2018 Bond proceeds sufficient to meet the Series 2018 Reserve Requirement, if any, shall be deposited to the Series 2018 Debt Service Reserve Account; and (c) the remaining Series 2018 Bond proceeds shall be deposited, to the extent necessary to accomplish the Series 2018 Capital Project, into the Series 2018 Capital Project Account. Any excess funds remaining upon completion of the Series 2018 Capital Project may be used for any lawful purpose of the City or the Enterprise.

Section 2.03. Authorization; Election To Apply Supplemental Public Securities Act. The Series 2018 Bonds, payable as to all Debt Service Requirements solely out of the Net Pledged Revenues, are hereby authorized to be issued in an aggregate principal amount not to exceed \$12,000,000, the actual amount of the Series 2018 Bonds to be determined by Final Terms Certificate. The City hereby elects to apply all provisions of the Supplemental Public Securities Act, to the extent not inconsistent herewith, to the Series 2018 Bonds.

Section 2.04. Bond Details.

(a) **Generally.** The provisions of the General Ordinance are hereby incorporated into this Series Ordinance. The Series 2018 Bonds shall be First-Lien Revenue Obligations within the meaning of the General Ordinance, secured by a first and prior (but not necessarily exclusive) lien upon the Net Pledged Revenues. The Series 2018 Bonds shall be issued by the City Council of the City, as the governing body of the Enterprise, pursuant to the Code, in fully registered form in denominations of \$5,000 or any integral multiple thereof; provided that no Series 2018 Bond shall be issued in any denomination larger than the aggregate principal amount of Series 2018 Bonds maturing on a single maturity date and that no Series 2018 Bond shall be made payable on more than one maturity date.

Pursuant to the recommendations of the Committee on Uniform Security Identification Procedures, CUSIP numbers may be printed on the Series 2018 Bonds.

If determined by Final Terms Certificate, the Series 2018 Bonds may be issued in book-entry form through the facilities of The Depository Trust Company, and the appropriate officials of the City shall thereupon be authorized to execute such documents as are necessary to issue and deliver the Series 2018 Bonds in such form.

The Series 2018 Bonds shall be Fixed Rate Obligations.

The Series 2018 Bonds shall mature on August 1 in the years and in the aggregate principal amounts provided by Final Terms Certificate; provided that the Series 2018 Bonds may mature within any period permitted by the Charter and Code but in any event not later than August 1, 2038. The Series 2018 Bonds shall bear interest from the date as of which they are dated or the Interest Payment Date to which interest has been paid next preceding their respective dates, whichever is later, to their respective maturity dates, except if redeemed prior thereto, at rates not exceeding 5.50% per annum, as determined by Final Terms Certificate.

Said interest shall be payable commencing not later than August 1, 2019, and semiannually thereafter at any convenient semiannual interval determined by a Final Terms Certificate. If upon presentation at maturity the principal of any Series 2018 Bond is not paid as provided therein, interest shall continue thereon at the same interest rate until the principal thereof is paid in full.

The Debt Service Requirements of the Series 2018 Bonds shall be payable to the Owners of the Series 2018 Bonds in lawful money of the United States of America by the Paying Agent. The final installments of principal and interest shall be payable to the Owner of each Series 2018 Bond upon presentation and surrender thereof at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest shall be payable to the Owner of each Series 2018 Bond determined as of the close of business on the Regular Record Date irrespective of any transfer of ownership of the Series 2018 Bond subsequent to the Regular Record Date and prior to such Interest Payment Date, by check or draft mailed to such Owner at the address appearing on the

registration books of the City maintained by the Registrar. Any interest not paid when due and any interest accruing after maturity shall be payable to the Owner of each Series 2018 Bond entitled to receive such interest determined as of the close of business on the Special Record Date irrespective of any transfer of ownership of the Series 2018 Bond subsequent to the Special Record Date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the Special Record Date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by certified or registered first-class, postage prepaid mail, at least 10 days prior to the special record date, to the Purchaser and to the Owner of each Series 2018 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing at the address appearing on the registration books of the City. Any premium shall be payable to the Owner of each Series 2018 Bond redeemed upon presentation and surrender thereof upon prior redemption. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice shall be made or given on the next succeeding Business Day.

(b) ***Redemption; Notice of Redemption.*** The Series 2018 Bonds may be made subject to optional redemption prior to their maturity at a price or prices equal to the principal amount of the Series 2018 Bonds so redeemed plus a premium not to exceed 2% of the principal amount thereof, plus accrued interest to the date of redemption, at such times and in such manner as provided by Final Terms Certificate. The Series 2018 Bonds may also be made subject to mandatory redemption from sinking fund installments or otherwise, at such times and in such manner, at prices not exceeding the principal amount of the Series 2018 Bonds so redeemed plus accrued interest to the date of redemption, as provided by a Final Terms Certificate.

Series 2018 Bonds which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$5,000. Such Series 2018 Bonds shall be treated as representing a corresponding number of separate Bonds in the denomination of \$5,000 each. Any such Series 2018 Bond to be redeemed in part shall be surrendered for partial redemption in the manner hereinafter provided for transfers of ownership. Upon payment of the redemption price of any such Series 2018 Bond redeemed in part the Owner thereof shall receive a new Series 2018 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2018 Bond surrendered.

Notice of redemption shall be given by the Paying Agent in the name of the City by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 30 days prior to the Redemption Date, to the Purchaser and to the Owner of each of the Series 2018 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice, at the addresses appearing on the registration books of the City maintained by the Registrar. Such notice shall specify the number or numbers of the Series 2018 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption and shall further state that on the Redemption Date there will be due and payable upon each Series 2018 Bond or part thereof so to be redeemed the principal amount or part thereof plus accrued interest thereon to the Redemption Date

plus any premium due and that from and after such date interest will cease to accrue. For so long as the Series 2018 Bonds are in book-entry form through The Depository Trust Company or its nominee, any redemption notice may be given, in lieu of such mailing, by sending a copy thereof by Federal Express or other nationally recognized overnight delivery service, or by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2018 Bonds are in book-entry form, the Paying Agent is hereby authorized to comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of Series 2018 Bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so mailed with respect to any Series 2018 Bond shall not affect the validity of the redemption proceedings with respect to any other Series 2018 Bond. Any Series 2018 Bonds redeemed prior to their respective maturity dates by call for prior redemption or otherwise shall not be reissued and shall be cancelled the same as Series 2018 Bonds paid at or after maturity.

(c) ***Interest Rates.*** Pursuant to Section 5-23 of the Charter, the Series 2018 Bonds shall be sold at an interest rate which does not exceed the market rate. The Series 2018 Bonds shall be issued with a true interest cost not to exceed 5.50% per annum. The actual true interest cost for the Series 2018 Bonds shall be determined by Final Terms Certificate.

(d) ***Execution and Authentication.*** The Series 2018 Bonds shall be executed by and on behalf of the Council as the governing body of the Enterprise, with the facsimile signature of the Mayor, shall bear a facsimile of the seal of the City, shall be attested with the facsimile signature of the City Clerk, and shall be authenticated with the manual signature of a duly authorized signatory of the Registrar. Should any officer whose facsimile signature appears on the Series 2018 Bonds cease to be such officer before delivery of the Series 2018 Bonds to the Purchaser, such facsimile signature shall nevertheless be valid and sufficient for all purposes. No Series 2018 Bond shall be valid or become obligatory for any purpose or be entitled to any security or benefit under this Series Ordinance unless and until the certificate of authentication on such Series 2018 Bond shall have been duly executed by the Registrar, and such executed certificate upon any such Series 2018 Bond shall be conclusive evidence that such Series 2018 Bond has been authenticated and delivered under this Series Ordinance. The certificate of authentication on any Series 2018 Bond shall be deemed to have been duly executed by the Registrar if signed by an authorized signatory thereof, but it shall not be necessary that the same signatory sign the certificate of authentication on all of the Series 2018 Bonds.

(e) ***Registration, Transfer and Exchange.*** Upon their execution and authentication and prior to their delivery, the Series 2018 Bonds shall be registered for the purpose of payment of principal and interest by the Registrar. Thereafter, the Series 2018 Bonds shall be transferable only upon the registration books of the City maintained by the Registrar at the request of the Owner thereof or such Owner's duly authorized attorney-in-fact or legal representative. The Transfer Agent shall accept a Series 2018 Bond for registration or transfer only if the Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership, or a trust. A

Series 2018 Bond may be transferred upon surrender thereof together with a written instrument of transfer duly executed by the Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The Transfer Agent shall not be required to transfer ownership of any Series 2018 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2018 Bond selected for redemption on or after the date of such mailing. The Owner of any Series 2018 Bond or Bonds may also exchange such Series 2018 Bond or Bonds for another Series 2018 Bond or Bonds of authorized denominations. Transfers and exchanges shall be made at the expense of the transferor or exchanger, and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2018 Bonds. No transfer of any Series 2018 Bond shall be effective until entered on the registration books of the City maintained by the Registrar. In the case of every transfer or exchange, the Registrar shall authenticate and the Transfer Agent shall deliver to the new owner a new Series 2018 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same per annum rate as the Series 2018 Bond or Bonds surrendered. Such Series 2018 Bond or Bonds shall be dated as of their date of authentication. New Series 2018 Bonds delivered upon any transfer or exchange shall be valid obligations, evidencing the same obligations as the Series 2018 Bonds surrendered, shall be secured by this Series Ordinance, the General Ordinance and any Final Terms Certificate and shall be entitled to all of the security and benefit hereof to the same extent as the Series 2018 Bonds surrendered. The City may deem and treat the person in whose name any Series 2018 Bond is last registered upon the books of the City as the absolute owner thereof for the purpose of receiving payment of the principal of and interest on such Series 2018 Bond and for all other purposes, and all such payments so made to such person or upon his order shall be valid and effective to satisfy and discharge the liability of the City upon such Series 2018 Bond to the extent of the sum or sums so paid, and the City shall not be affected by any notice to the contrary.

(f) ***Resignation of Agents.*** If the Paying Agent, Registrar or Transfer Agent shall resign, or if the City shall reasonably determine that the Paying Agent, Registrar or Transfer Agent has become incapable of fulfilling its duties hereunder, the City may, upon notice mailed to each Owner of Series 2018 Bonds at the addresses last shown on the registration books of the City, appoint a successor paying agent, registrar or transfer agent. Every such successor paying agent, registrar or transfer agent shall be a Commercial Bank or an official of the City. It shall not be required that the same person serve as paying agent, registrar and transfer agent hereunder, but the City shall have the right to appoint and have the same person serve as paying agent, registrar and transfer agent hereunder.

(g) ***Replacement of Series 2018 Bonds.*** If any Series 2018 Bond shall have been lost, destroyed or wrongfully taken, the City shall provide for the replacement

thereof upon receipt of the evidence of such loss, destruction or wrongful taking, along with an indemnity bond and reimbursement for expenses reasonably satisfactory to it.

(h) ***Recitals in Bonds.*** Each Series 2018 Bond shall recite in substance that such Series 2018 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, that such Series 2018 Bond does not constitute a debt or an indebtedness or multiple fiscal-year debt or other financial obligation of the City within the meaning of any constitutional, Charter or statutory provision or limitation, that such Series 2018 Bond is not payable in whole or in part from the proceeds of general property taxes, and that the full faith and credit of the City is not pledged for the payment of the principal of or interest on such Series 2018 Bond. Each Series 2018 Bond shall further recite that it is issued under the authority of the Colorado Constitution, the Charter, the Code, the Supplemental Securities Act, the General Ordinance and this Series Ordinance.

Section 2.05. Form of Series 2018 Bonds. The Series 2018 Bonds shall be in substantially the form set forth in this Section, with such changes thereto, not inconsistent herewith, as may be necessary or desirable and approved by the officials of the City executing the same (whose manual or facsimile signatures thereon shall constitute conclusive evidence of such approval). All covenants, statements, representations and agreements contained in the Series 2018 Bonds are hereby approved and adopted as the covenants, statements, representations and agreements of the City.

[FORM OF BOND]

(Text of Face)

**UNITED STATES OF AMERICA
STATE OF COLORADO
COUNTY OF WELD
CITY OF GREELEY
SANITARY WATER ENTERPRISE
SEWER IMPROVEMENT REVENUE BOND
SERIES 2018**

No. R-_____ \$_____

Interest Rate

Maturity Date

Original Date

CUSIP

REGISTERED OWNER:

****CEDE & CO.****

Tax Identification Number: 13-2555119

PRINCIPAL SUM:

****_____ DOLLARS****

The City Council of the City of Greeley, in the County of Weld and State of Colorado, acting as the governing body of the Sanitary Water Enterprise of said City, for value received, hereby promises to pay to the Registered Owner (specified above), or registered assigns, solely from the special funds provided therefor, as hereinafter set forth, the Principal Sum (specified above), in lawful money of the United States of America, on the Maturity Date (specified above), with interest thereon from the Original Date (specified above), or the interest payment date to which interest has been paid next preceding the authentication date hereof, whichever is later, to the Maturity Date, except if redeemed prior thereto, at the per annum Interest Rate (specified above), payable semiannually on the first day of February and the first day of August of each year, commencing on _____, 20____, or the first such date after the date hereof, whichever is later, in the manner provided herein. If upon presentation at maturity payment of the Principal Sum is not made as provided herein, interest continues at the Interest Rate until the Principal Sum is paid in full.

[Bonds of this series maturing in the years _____ through _____ are not subject to optional redemption prior to their respective maturity dates. Bonds of this series maturing in the year _____ and thereafter are subject to optional redemption prior to their respective maturity dates, in whole or in part in inverse order of maturity and by lot within a maturity, on _____ 1, 20____, and on any interest payment date thereafter, at a price equal to the principal amount of each Series 2018 Bond so redeemed plus accrued interest thereon to the redemption date plus a premium expressed as a percentage of the principal amount of each Series 2018 Bond so redeemed, depending on the redemption date, as follows:

Redemption Dates

Premiums

Bonds of this series which are redeemable prior to their respective maturity dates may be redeemed in part if issued in denominations which are integral multiples of \$5,000. In such case the Series 2018 Bond is to be surrendered in the manner provided for transfers of ownership. Upon payment of the redemption price the Registered Owner is to receive a new Series 2018 Bond or Bonds of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Series 2018 Bond surrendered.]

Notice of redemption of any Bonds of this series is to be given by the Paying Agent by sending a copy of such notice by certified or registered first-class postage prepaid mail, at least 30 days prior to the redemption date, to _____, _____, _____, the Original Purchaser hereof, and to the registered owner of each of the Series 2018 Bonds being redeemed determined as of the close of business on the day preceding the first mailing of such notice at the address appearing on the registration books of the City. Such notice is to specify the number or numbers of the Series 2018 Bonds to be redeemed, whether in whole or in part, and the date fixed for redemption, and is further to state that on the redemption date there will be due and payable upon each Series 2018 Bond or part thereof so to be redeemed the principal

amount or part thereof plus accrued interest thereon to the redemption date plus any premium due and that from and after such date interest will cease to accrue. For so long as the Series 2018 Bonds are in book-entry form through The Depository Trust Company or its nominee, such notice may be given, in lieu of such mailing, by sending a copy thereof, by Federal Express or other nationally recognized overnight delivery service, or by electronic means, to The Depository Trust Company or its nominee. In addition, if the Series 2018 Bonds are in book-entry form, the Paying Agent is authorized to comply with any operational procedures and requirements of The Depository Trust Company relating to redemption of bonds and notice thereof. Failure to mail or send any notice as aforesaid or any defect in any notice so mailed or sent with respect to any Series 2018 Bond does not affect the validity of the redemption proceedings with respect to any other Series 2018 Bond.

The principal of, interest on and any premium due in connection with the redemption of this Series 2018 Bond are payable to the Registered Owner by ZB, National Association dba Zions Bank, Denver, Colorado, or its successors, as Paying Agent. The principal and the final installment of interest are payable to the Registered Owner upon presentation and surrender of this Series 2018 Bond at maturity or upon prior redemption. Except as hereinbefore and hereinafter provided, the interest is payable to the Registered Owner determined as of the close of business on the regular record date, which is the first day of the calendar month next preceding the interest payment date, irrespective of any transfer of ownership hereof subsequent to the regular record date and prior to such interest payment date, by check or draft mailed to the Registered Owner at the address appearing on the registration books of the City maintained by ZB, National Association dba Zions Bank, Denver, Colorado, or its successors, as Registrar. Any interest hereon not paid when due and any interest hereon accruing after maturity is payable to the Registered Owner determined as of the close of business on the special record date, which is to be fixed by the Paying Agent for such purpose, irrespective of any transfer of ownership of this Series 2018 Bond subsequent to such special record date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by certified or registered first-class postage prepaid mail, at least 10 days prior to the special record date, to ZB, National Association dba Zions Bank, Denver, Colorado, and to the Registered Owner of each Series 2018 Bond upon which interest will be paid determined as of the close of business on the day preceding such mailing, at the addresses appearing on the registration books of the City. Any premium is payable to the Registered Owner upon presentation and surrender of this Series 2018 Bond upon prior redemption. If the date for making or giving any payment, determination or notice described herein is not a Business Day, such payment, determination or notice is to be made or given on the next succeeding day which is a Business Day.

Payment of the principal of, interest on and any premium due in connection with the redemption of this Series 2018 Bond is to be made solely from, and as security for such payment there are irrevocably (but not necessarily exclusively) pledged, pursuant to the Sewer System General Ordinance (the "General Ordinance") and the Series Ordinance pertaining to the Bonds of this Series (the "Series Ordinance"), as supplemented by the Final Terms Certificate (the "Final Terms Certificate") pursuant to which this Series 2018 Bond is delivered (the General Ordinance, the Series Ordinance and the Final Terms Certificate being referred to collectively as the "Ordinances"), two special accounts, thereby identified as the Debt Service Account and the

Debt Service Reserve Account, into which the City Council, acting as the governing body of the Sanitary Water Enterprise of the City, has covenanted in the Ordinances to pay, from certain revenues derived from the operation and use of and otherwise pertaining to the Sewer System (the "System") of the City (the "Income") after provision is made only for the payment of all necessary and reasonable current expenses of operating, maintaining and repairing the System (such remaining revenues being referred to as the "Net Pledged Revenues"), sums sufficient to pay when due the principal of, interest on and any premium due in connection with the redemption of the Series 2018 Bonds and any parity securities payable from such revenues, and to accumulate and maintain a specified reserve for such purposes. In addition, the City may at its option augment such funds with any other moneys of the City legally available for expenditure for the purposes thereof as provided in the Ordinances.

It is hereby recited, certified and warranted that for the payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2018 Bond, the City has created and will maintain said special funds and will deposit the Net Pledged Revenues therein, and out of said special funds, as an irrevocable charge thereon, will pay the principal of, interest on, and any premium due in connection with the redemption of this Series 2018 Bond in the manner provided by the Ordinances.

The Bonds of this issue are equitably and ratably secured by a lien on the Net Pledged Revenues, and such Bonds constitute an irrevocable and first lien, but not necessarily an exclusive first lien, upon the Net Pledged Revenues. Bonds and other obligations, in addition to the Bonds of this issue, subject to expressed conditions, may be issued and made payable from the Net Pledged Revenues having a lien thereon subordinate and junior to the lien of the Bonds of this issue or, subject to additional expressed conditions, having a lien thereon on a parity with the lien of such Bonds in accordance with the provisions of the Ordinances.

The City Council covenants and agrees with the Registered Owner hereof that it will keep and will perform all of the covenants of this Series 2018 Bond and of the Ordinances described below.

This Series 2018 Bond is authorized and issued for the purpose of defraying the cost of constructing and installing additions and improvements to the Sewer System of the City under the authority of and in full conformity with the Constitution of the State of Colorado, the City Charter, the City Code of the City, and all other laws of the State of Colorado thereunto enabling and pursuant to Ordinances, hereinafter identified, duly adopted prior to the issuance of this Series 2018 Bond.

Reference is hereby made to the Ordinances for a description of the provisions, terms and conditions upon which the Bonds of this issue are issued and secured, including, without limitation, the nature and extent of the security for the Series 2018 Bonds, provisions with respect to the custody and application of the proceeds of the Series 2018 Bonds, the collection and disposition of the revenues and moneys charged with and pledged to the payment of the principal of, interest on, and any premium due in connection with the redemption of the Series 2018 Bonds, the terms and conditions on which the Series 2018 Bonds are issued, a description of the special funds referred to above and the nature and extent of the security and pledge afforded thereby for the payment of the principal of, interest on, and any premium due in

connection with the redemption of the Series 2018 Bonds, and the manner of enforcement of said pledge, as well as the rights, duties, immunities and obligations of the City and the members of its Council and also the rights and remedies of the Registered Owners of the Series 2018 Bonds.

To the extent and in the respects permitted by the Ordinances, the provisions thereof, or any instrument amendatory thereof or supplemental thereto, may be modified or amended by action of the City Council of the City taken in the manner and subject to the conditions and exceptions provided therein. The pledge of revenues and other obligations of the City and its Sanitary Water Enterprise under the Ordinances may be discharged at or prior to the maturity or prior redemption of the Series 2018 Bonds upon the making of provision for the payment of the Series 2018 Bonds on the terms and conditions set forth in the Ordinances.

It is hereby recited, certified and warranted that all the requirements of law have been fully complied with by the proper officers of the City and the Sanitary Water Enterprise of the City in the issuance of this Series 2018 Bond; that it is issued pursuant to and in strict conformity with the Constitution and all other laws of the State of Colorado, including the City Charter, the City Code and the Ordinances; that this Series 2018 Bond does not contravene any constitutional or statutory provision or limitation of the State of Colorado, or any provision or limitation of the City Charter; and that this Series 2018 Bond is issued under the authority of the Ordinances.

This Series 2018 Bond is issued pursuant to the Supplemental Public Securities Act, Part 2 of Article 57, Title 11, C.R.S., and this recital shall be conclusive evidence of the validity and the regularity of issuance of this Series 2018 Bond after its delivery for value.

This Series 2018 Bond is transferable only upon the registration books of the City by ZB, National Association dba Zions Bank, Denver, Colorado, or his, her or its successors, as Transfer Agent, at the request of the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative, upon surrender hereof together with a written instrument of transfer duly executed by the Registered Owner or such Owner's duly authorized attorney-in-fact or legal representative with guaranty of signature satisfactory to the Transfer Agent, containing written instructions as to the details of the transfer, along with the social security number or federal employer identification number of the transferee and, if the transferee is a trust, the names and social security numbers of the settlors and the beneficiaries of the trust. The Transfer Agent shall accept this Series 2018 Bond for registration or transfer only if the Registered Owner is to be an individual, a corporation, a partnership, a limited liability company, a limited liability partnership or a trust. The Transfer Agent is not required to transfer ownership of this Series 2018 Bond during the 15 days prior to the first mailing of any notice of redemption or to transfer ownership of any Series 2018 Bond selected for redemption on or after the date of such mailing. The Registered Owner may also exchange this Series 2018 Bond for another Series 2018 Bond or Bonds of authorized denominations. Transfers and exchanges are to be made at the expense of the transferor or exchanger, and the Transfer Agent may also require payment of a sum sufficient to defray any tax or other governmental charge that may hereafter be imposed in connection with any transfer or exchange of Series 2018 Bonds. No transfer of this Series 2018 Bond is to be effective until entered on the registration books of the City maintained by the Registrar. In the case of every transfer or exchange, the Registrar shall authenticate and the Transfer Agent shall deliver to the new Registered Owner a new Series 2018 Bond or Bonds of the same aggregate principal amount, maturing in the same year, and bearing interest at the same

per annum rate as the Series 2018 Bond or Bonds surrendered. Such Series 2018 Bond or Bonds shall be dated as of their date of authentication. The City may deem and treat the person in whose name this Series 2018 Bond is last registered upon the books of the City as the absolute owner hereof for the purpose of receiving payment of the principal of, interest on, and any premium due in connection with the redemption of this Series 2018 Bond and for all other purposes, and all such payments so made to such owner or upon such owner's order will be valid and effective to satisfy and discharge the liability of the City upon this Series 2018 Bond to the extent of the sum or sums so paid, and the City will not be affected by any notice to the contrary.

This Series 2018 Bond is a special and limited obligation payable solely out of and secured by an irrevocable, but not necessarily exclusive, pledge of the Net Pledged Revenues, as more specifically provided in the Ordinances. This Series 2018 Bond does not constitute a debt or an indebtedness or a multiple-fiscal year debt or other financial obligation of the City within the meaning of any constitutional, charter or statutory provision or limitation. This Series 2018 Bond is not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for the payment of the principal of or interest on this Series 2018 Bond.

IN WITNESS WHEREOF, the City Council of the City of Greeley, Colorado, acting by and through the Sanitary Water Enterprise of said City, has caused this Series 2018 Bond to be executed in its name and on its behalf with the facsimile signature of the Mayor of the City, to be sealed with the facsimile seal of the City, and to be signed and attested with the facsimile signature of the City Clerk of the City.

[SEAL]

CITY OF GREELEY, COLORADO,
ACTING BY AND THROUGH ITS
SANITARY WATER ENTERPRISE

By _____
Mayor,
City of Greeley, Colorado

Attest:

By _____
City Clerk,
City of Greeley, Colorado

CERTIFICATE OF AUTHENTICATION

This Series 2018 Bond is one of the Series 2018 Bonds issued pursuant to the Ordinances herein described. [Printed on the reverse hereof][Attached hereto] is the complete text of the opinion of bond counsel, a signed copy of which, dated the date of the first delivery of the Series 2018 Bonds herein described, is on file with the undersigned.

Dated: _____

ZB, National Association dba Zions Bank, as
Registrar

By _____
_____, Authorized Signatory

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this Series 2018 Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	-	as tenants in common						
TEN ENT	-	as tenants by the entireties						
JT TEN	-	as joint tenants with the right of survivorship and not as tenants in common						
UNIF GIFT MIN ACT	-	<table><tr><td>_____</td><td>Custodian</td><td>_____</td></tr><tr><td>(Cust)</td><td></td><td>(Minor)</td></tr></table>	_____	Custodian	_____	(Cust)		(Minor)
_____	Custodian	_____						
(Cust)		(Minor)						

under Uniform Gifts to Minors Act

(State)

Additional abbreviations may also be used
though not on the above list.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Registered Owner sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR
OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Name and Address of Assignee)

the attached Series 2018 Bond and does hereby irrevocably constitute and appoint _____, _____, _____, or its successor, to transfer said Series 2018 Bond on the books kept for registration thereof.

Dated: _____

Signature guaranteed:

Signature must be guaranteed by a
member of a Medallion Signature
Program

[BANK, TRUST COMPANY OR FIRM]

By _____
NOTICE: The signature to this assignment must correspond with the name of the Registered Owner as it appears upon the face of the attached Series 2018 Bond in every particular without alteration or enlargement or any change whatever.

TRANSFER FEE REQUIRED

[END OF FORM OF BOND]

Section 2.06. Series 2018 Bonds Equally Secured. The Series 2018 Bonds shall be secured by an irrevocable and first lien (but not necessarily an exclusive first lien) upon the Net Pledged Revenues to the full extent provided in Section 5.01 of the General Ordinance, which lien shall be binding and enforceable as provided therein. The covenants and agreements herein

set forth to be performed on behalf of the City and the Enterprise shall be for the equal benefit, protection and security of the Owners of any and all of the Series 2018 Bonds, all of which, regardless of the time or times of their maturity, shall be of equal rank without preference, priority or distinction of any of the Series 2018 Bonds over any other thereof, except as otherwise expressly provided in or pursuant to this Series Ordinance.

Section 2.07. Special Obligations. All of the Series 2018 Bonds, as to all Debt Service Requirements thereof, shall be payable solely out of the Net Pledged Revenues. The Owners of the Series 2018 Bonds may not look to the general fund or any other fund of the City for the payment of the Debt Service Requirements, except the special funds and accounts pledged therefor. The Series 2018 Bonds shall not constitute a debt or indebtedness or multiple-fiscal year debt or other financial obligation of the City within the meaning of any constitutional, Charter or statutory provision or limitation, and the Series 2018 Bonds shall not be considered or held to be general obligations of the City, but shall constitute special and limited obligations of the City, acting by and through the Enterprise. The Series 2018 Bonds are not payable in whole or in part from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for payment of the Series 2018 Bonds.

ARTICLE III

SPECIAL ACCOUNTS

The proceeds of the Series 2018 Bonds and the Income shall be deposited by the City in the accounts described in this Article III, to be accounted for in the manner and priority set forth in this Article III.

Neither the Purchaser nor any subsequent Owner of any Series 2018 Bonds shall be in any manner responsible for the application or disposal by the City or by any of its officers, agents or employees of the moneys derived from the sale of the Series 2018 Bonds or of any other moneys designated in this Article III.

Section 3.01. Series 2018 Debt Service Subaccounts. There are hereby established within the Debt Service Account a Series 2018 Interest Subaccount and a Series 2018 Principal Subaccount. The Series 2018 Interest Subaccount shall be used to account for funds of the Debt Service Account allocable to payments of interest on the Series 2018 Bonds, and the Series 2018 Principal Subaccount shall be used to account for funds of the Debt Service Account allocable to payments of principal of the Series 2018 Bonds. The funds in the Series 2018 Interest Subaccount and the Series 2018 Principal Account are hereby appropriated for such purposes.

Section 3.02. Series 2018 Capital Project Account. The proceeds of the Series 2018 Bonds, including capitalized interest but excepting the sums, if any, required to be deposited in the Debt Service Account or the Series 2018 Debt Service Reserve Account, shall be deposited in the Series 2018 Capital Project Account hereby created and shall be maintained, used and withdrawn only as provided herein solely for the purpose of paying or reimbursing the City for payments of the Cost of the Series 2018 Capital Project for which the Series 2018 Bonds are issued, and are pledged therefor. The funds so deposited are hereby appropriated for the purposes authorized by this Series Ordinance and the General Ordinance. The appropriation

shall be deemed a continuing appropriation and shall be effective until such funds are expended or such purposes are accomplished. Any such proceeds remaining in the Series 2018 Capital Project Account after completion of such Series 2018 Capital Project, excluding investment earnings which may be required to be rebated to the federal government, shall be deposited in the Debt Service Account and used for the purposes of the Debt Service Account or shall be used to the extent feasible to call and redeem First-Lien Revenue Obligations in advance of maturity. The City shall use any proceeds of the Series 2018 Bonds credited to the Series 2018 Capital Project Account, without further order, to pay the Debt Service Requirements of the Series 2018 Bonds as the same become due whenever and to the extent moneys in the Debt Service Account and the Debt Service Reserve Account or moneys otherwise available therefor are insufficient for that purpose, unless such proceeds shall be needed to defray obligations accrued and to accrue under any contracts then existing and pertaining to the Series 2018 Capital Project for which the Series 2018 Bonds are issued. Any moneys so used shall be restored to the Series 2018 Capital Project Account from the first Net Pledged Revenues thereafter received and not needed to meet the requirements provided in Sections 3.02, 3.03, 3.04 and 3.06 of the General Ordinance.

Section 3.03. Series 2018 Costs of Issuance Subaccount. The portion of the proceeds of the Series 2018 Bonds reasonably required to pay the costs of issuance thereof shall be deposited in the Series 2018 Costs of Issuance Subaccount, which is hereby established within the Series 2018 Capital Project Account, and used, to the extent required, for the payment of Costs of Issuance of the Series 2018 Bonds, and to the extent of any excess, for any other Costs of the Series 2018 Capital Project.

Section 3.04. Series 2018 Debt Service Reserve Account. Pursuant to Section 3.04 of the General Ordinance, and only if provided by Final Terms Certificate, there shall be established in connection with the Series 2018 Bonds a Debt Service Reserve Account to be known as the Series 2018 Debt Service Reserve Account. The Series Ordinance authorizing any Series of Additional First-Lien Revenue Obligations may provide that such Additional First-Lien Revenue Obligations are secured by the Series 2018 Debt Service Reserve Account as a common reserve on the same basis and subject to the same requirements as the Series 2018 Bonds, or may provide for a separate Debt Service Reserve Account for such Additional First-Lien Revenue Obligations. Subject to the payments required by Sections 3.02 and 3.03 of the General Ordinance and except as provided in Section 3.05 thereof, from the Net Pledged Revenues or the proceeds of the Series 2018 Bonds, or both, there shall be credited from time to time to the Series 2018 Debt Service Reserve Account moneys sufficient to accumulate and maintain the Series 2018 Debt Service Reserve Account at an amount at least equal to the Series 2018 Reserve Requirement. The dollar amount of the Series 2018 Reserve Requirement may be recalculated and reduced, but not increased, from time to time by the City as necessary to apply the Series 2018 Reserve Requirement to the remaining Debt Service Requirements of the Series 2018 Bonds; provided that the Series 2018 Reserve Requirement shall not be reduced to an amount less than the lesser of (a) the Maximum Annual Debt Service Requirements of the Series 2018 Bonds, or (b) 125% of the Average Annual Debt Service Requirements of the Series 2018 Bonds. The moneys required to be deposited to the Series 2018 Debt Service Reserve Account, excluding any investment earnings which may be transferred to the Series 2018 Excess Investment Earnings Account to be rebated to the federal government, shall be set aside, accumulated and, if necessary, reaccumulated from time to time and maintained as a continuing

reserve to be used, except as otherwise expressly provided in the General Ordinance or this Series Ordinance, only to prevent deficiencies in payment of the Debt Service Requirements of the Series 2018 Bonds then Outstanding resulting from failure to deposit into the Debt Service Account sufficient funds to pay such Debt Service Requirements as the same become due, and such funds are hereby appropriated for such purpose.

Section 3.05. Series 2018 Excess Investment Earnings Account. The Director of Finance shall transfer into and pay from the Series 2018 Excess Investment Earnings Account hereby created within the Wastewater Fund the amount of required arbitrage rebate, if any, due to the federal government pursuant to Section 148(f)(2) of the Tax Code, and the applicable Treasury regulations (the “Regulations”) promulgated thereunder. The Director of Finance shall determine such amounts in the manner required by said sections and related regulations and Section 4.01(f) hereof. Transfer of the required arbitrage rebate amounts shall be made from the Series 2018 Capital Project Account, the Debt Service Account and the Series 2018 Debt Service Reserve Account; provided, however, that required arbitrage rebate payments shall be made to the federal government from legally available funds regardless of whether there are any remaining proceeds or other funds attributable to the Series 2018 Bonds that are available for the purpose.

All amounts in the Series 2018 Excess Investment Earnings Account, including income earned from investment thereof, shall be held by the Director of Finance free and clear of any lien created by this Series Ordinance, and the Director of Finance shall remit the same to the federal government from time to time as provided in Section 4.01(f) hereof; provided that any amounts remaining in the Series 2018 Excess Investment Earnings Account after payment of, or in excess of, all arbitrage rebate payments reasonably expected to be due in connection with the Series 2018 Bonds shall be available for any lawful purpose of the Enterprise or the City. The amounts, if any, in the Series 2018 Excess Investment Earnings Account are hereby appropriated for such purposes.

ARTICLE IV

SERIES 2018 COVENANTS

Section 4.01. Federal Income Tax Covenants. In addition to the various covenants made by it in the General Ordinance, the City covenants to and for the benefit of the Owners of the Series 2018 Bonds as follows:

(a) **General.** The City intends that the interest on the Series 2018 Bonds shall be excludable from gross income for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Tax Code, and Regulations. The City covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Series 2018 Bonds to be includable in gross income, as defined in Section 61 of the Tax Code, for federal income tax purposes. In particular, the City covenants and agrees to comply with each requirement of this Section 4.01; provided, however, that the City shall not be required to comply with any particular requirement of this Section 4.01 if the City has received an opinion of nationally recognized bond counsel (“Counsel’s Opinion”) that such

(f) **Arbitrage Rebate.** If the City does not qualify for an exception to the requirements of Section 148(f) of the Tax Code relating to the required rebate to the United States of America, the City will take all necessary steps to comply with the requirement that certain amounts earned by the City on the investment of the “gross proceeds” of the Series 2018 Bonds (within the meaning of Section 148(f)(6)(B) of the Tax Code), be rebated to the federal government. Specifically, the City will (i) maintain records regarding the investment of the gross proceeds of the Series 2018 Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Series 2018 Bonds separately from records of amounts on deposit in the funds and accounts of the City allocable to other bond issues of the City or moneys which do not represent gross proceeds of any bonds of the City; (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Series 2018 Bonds which is required to be rebated to the federal government; and (iii) pay, not less often than every fifth anniversary date of the delivery of the Series 2018 Bonds or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the City will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Series 2018 Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

(g) **Information Reporting.** The City covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the fifteenth day of the second calendar month after the close of the calendar quarter in which the Series 2018 Bonds are issued, an information statement concerning the Series 2018 Bonds, all under and in accordance with Section 149(e) of the Tax Code and the applicable Regulations promulgated thereunder.

(h) **Continuing Obligation.** Notwithstanding any other provision of this Series Ordinance, the City’s obligations under the covenants and provisions of this Section 4.01 shall survive the defeasance and discharge of the Series 2018 Bonds.

Section 4.02. Liquidity Requirement. Only to the extent provided by Final Terms Certificate, the City shall have an unrestricted and unencumbered cash balance in the Wastewater Fund, as of the end of each Fiscal Year, at least equal to the Liquidity Requirement. The Liquidity Requirement shall be calculated at the close of each Fiscal Year for the ensuing Fiscal Year, and shall be an amount, if any, established by Final Terms Certificate, not exceeding three months’ average Operation and Maintenance Expenses of the System, based upon the adjusted budget for the ensuing Fiscal Year. This Section imposes no requirement that the City maintain such amounts between the annual test dates. The failure to meet the Liquidity Requirement shall not constitute an Event of Default hereunder so long as the City is making reasonable efforts to meet the Liquidity Requirement or restore the cash balances of the Wastewater Fund to the Liquidity Requirement.

noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2018 Bonds or if the City has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 4.01 will satisfy the applicable requirements of the Tax Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's opinion shall constitute compliance with the corresponding requirement specified in this Section 4.01.

(b) ***No Private Use or Payment and No Private Loan Financing.*** The City covenants and agrees that it will make such use of the proceeds of the Series 2018 Bonds including interest or other investment income derived from Series 2018 Bond proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Series 2018 Bonds will not be "private activity bonds" or be deemed to finance any "private loan" within the meaning of the Tax Code and the Regulations promulgated thereunder. Moreover, the City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Series 2018 Bonds are delivered, that the proceeds of the Series 2018 Bonds will not be used in a manner that would cause the Series 2018 Bonds to be "private activity bonds" within the meaning of Section 141 of the Tax Code and the Regulations promulgated thereunder.

(c) ***No Federal Guarantee.*** The City covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Series 2018 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code and the applicable Regulations thereunder, except as permitted by Section 149(b)(3) of the Tax Code and such Regulations.

(d) ***No Hedge Bonds.*** The City covenants and agrees that it has not taken and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Series 2018 Bonds to be "hedge bonds" within the meaning of Section 149(g) of the Tax Code and the applicable Regulations thereunder.

(e) ***No Arbitrage.*** The City covenants and agrees that it will make such use of the proceeds of the Series 2018 Bonds including interest or other investment income derived from Series 2018 Bond proceeds, regulate investments of proceeds of the Series 2018 Bonds, and take such other and further action as may be required so that the Series 2018 Bonds will not be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code and the applicable Regulations promulgated thereunder. Moreover, the City shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Series 2018 Bonds are delivered, the City will reasonably expect that the proceeds of the Series 2018 Bonds will not be used in a manner that would cause the Series 2018 Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Tax Code and the applicable Regulations promulgated thereunder.

ARTICLE V
MISCELLANEOUS

Section 5.01. Sale of Series 2018 Bonds. The Series 2018 Bonds shall be sold to the Purchaser at competitive sale at a price, to be determined by a Final Terms Certificate, not less than 100% of their principal amount plus accrued interest to the date of their delivery to the Purchaser. The Mayor and the Clerk, on behalf of the Enterprise, are authorized pursuant to this Series Ordinance and a Final Terms Certificate to take all such actions as reasonably required for the purpose of specifying the terms and conditions of sale of the Series 2018 Bonds and effecting their delivery to the Purchaser.

Section 5.02. Character of Agreement. None of the covenants, agreements, representations or warranties contained herein or in the Series 2018 Bonds shall ever impose or shall be construed as imposing any liability, obligation or charge against the City (except for the special funds pledged therefor) or against the general credit of the City payable out of its general funds or out of any funds derived from its general property taxes.

Section 5.03. No Pledge of Property. The payment of the Series 2018 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the City except for the Net Pledged Revenues and other funds expressly pledged hereunder. No property of the City, subject to such exception with respect to the Net Pledged Revenues and other funds, as provided herein and in the General Ordinance, shall be liable to be forfeited or taken in payment of the Series 2018 Bonds.

Section 5.04. Delegated Duties. The officers of the City are hereby authorized and directed to enter into such agreements and take all action necessary or appropriate to effectuate the provisions of this Series Ordinance and to comply with the requirements of law, including, without limitation:

(a) ***Preparation of Series 2018 Bonds.*** The preparation of the Series 2018 Bonds, including the printing upon or attachment to each such Bond of a copy of the approving legal opinion of bond counsel, duly certified by the Registrar;

(b) ***Execution, Registration and Delivery of Series 2018 Bonds.*** The execution and registration of the Series 2018 Bonds and the delivery of the Series 2018 Bonds to the Purchaser pursuant to the provisions of this Series Ordinance;

(c) ***Information.*** The assembly and dissemination of financial and other information concerning the City and the Series 2018 Bonds;

(d) ***Official Statement and Continuing Disclosure Undertaking.*** The preparation of an Official Statement for the use of prospective buyers of the Series 2018 Bonds, including, without limitation, the Purchaser and in connection therewith, the delivery and performance of the Continuing Disclosure Undertaking; and

(e) ***Closing Certificates.*** The execution of such certificates as may be reasonably required by the Purchaser, relating, inter alia, to:

- (i) the signing of the Series 2018 Bonds;
- (ii) the tenure and identity of the officials of the City;
- (iii) if in accordance with fact, the absence of litigation, pending or threatened, affecting the validity of the Series 2018 Bonds;
- (iv) the excludability of interest on the Series 2018 Bonds from gross income for federal income tax purposes and the exemption of such interest from State income tax;
- (v) the delivery of the Series 2018 Bonds and the receipt of the Series 2018 Bond purchase price; and
- (vi) the accuracy and adequacy of information provided in the Official Statement prepared for prospective buyers of the Series 2018 Bonds.

Section 5.05. Paying Agent, Registrar and Transfer Agent Provisions. In the event the acting Paying Agent is a corporate bank or trust and not an authorized officer of the City, the Paying Agent shall serve as the initial Registrar, Paying Agent and Transfer Agent for the Series 2018 Bonds, and the Director of Finance and designees of the Director of Finance shall be authorized representatives of the City for purposes of providing direction to the Registrar and Paying Agent. Upon 30 days' prior written notice to the Owners, the Paying Agent (or any successor) may resign as Registrar, Paying Agent or Transfer Agent, or all (provided that no such resignation shall be effective until a successor Registrar, Paying Agent and Transfer Agent is appointed), and the City shall appoint a successor Registrar, Paying Agent or Transfer Agent, or all, which successor Registrar, Paying Agent or Transfer Agent shall be a bank or trust company located in and in good standing in the United States and having shareholders' equity (e.g., capital stock, surplus and profits), however denominated, not less than \$10,000,000. It shall not be required that the same institution serve as Registrar, Paying Agent and Transfer Agent hereunder, but the City shall have the right to have the same institution serve as Registrar, Paying Agent and Transfer Agent hereunder

Section 5.06. Successors. Whenever herein the City is named or is referred to, such provision shall be deemed to include any successors of the City, whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of and other provisions for the benefit of the City contained herein shall bind and inure to the benefit of any officer, board, district, commission, authority, agency, instrumentality or other Person or Persons to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the City or of its respective successors, if any, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions hereof.

Section 5.07. Rights and Immunities. Except as herein otherwise expressly provided, nothing herein expressed or implied is intended or shall be construed to confer upon or to give to any Person, other than the City, and the Owners from time to time of the Series 2018 Bonds, any right, remedy or claim under or by reason hereof or any covenant, condition or stipulation hereof. All of the covenants, stipulations, promises and agreements herein contained by and on behalf of

the City shall be for the sole and exclusive benefit of the City, and any Owner of any of the Series 2018 Bonds.

No recourse shall be had for the payment of the Debt Service Requirements of the Series 2018 Bonds or for any claim based thereon or otherwise upon this Series Ordinance authorizing their issuance or any other ordinance or instrument pertaining thereto, against any individual member of the Council or the Water and Sewer Board, or any officer or other agent of the City or the Enterprise, past, present or future, either directly or indirectly through the City, or otherwise, whether by virtue of any constitution, statute or rule of law or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the Series 2018 Bonds and as a part of the consideration of their issuance specially waived and released.

Section 5.08. Ratification. All action not inconsistent with the provisions of this Series Ordinance heretofore taken by the City or its officers, and otherwise by the City directed toward the Series 2018 Capital Project, the adoption of this Ordinance or the issuance of the Series 2018 Bonds for the purposes described herein is hereby ratified, approved and confirmed.

Section 5.09. Facsimile Signatures. Pursuant to the Uniform Facsimile Signature of public Officials Act, Part 1, Article 55, Title 11, C.R.S., as amended, the Mayor and the City Clerk shall forthwith, and in any event prior to the time the Series 2018 Bonds are delivered to the Purchaser, file with the Colorado Secretary of State their manual signatures certified by them under oath.

Section 5.10. Ordinance Irrepealable. This Series Ordinance is, and shall constitute, a legislative measure of the City and after any of the Series 2018 Bonds are issued, this Series Ordinance shall constitute an irrevocable contract between the City and the Owner or Owners of the Series 2018 Bonds; and this Series Ordinance, if any Series 2018 Bonds are in fact issued, shall be and shall remain irrepealable until the Series 2018 Bonds, as to all Debt Service Requirements, shall be fully paid, cancelled and discharged, as herein provided.

Section 5.11. Repealer. All ordinances, resolutions, bylaws, orders, and other instruments, or parts thereof, inconsistent herewith, except the General Ordinance, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance, resolution, bylaw, order, or other instrument, or part thereof, heretofore repealed.

Section 5.12. Severability. If any section, paragraph, clause or other provision of this Series Ordinance shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Series Ordinance.

Section 5.13. Effective Date; Expiration. This Series Ordinance shall take effect five days after publication following final passage. This Series Ordinance shall expire to the extent that the Series 2018 Bonds authorized herein are not issued by December 31, 2018.

Section 5.14. Publication by Reference. Pursuant to Section 3.17(g) of the Charter of the City, the second publication of this Series Ordinance shall be in full.

Section 5.15. Disposition of Ordinance. This Series Ordinance, immediately on its final passage, shall be numbered and recorded in the Book of Ordinances kept for that purpose, authenticated by the signatures of the Mayor and Clerk, and shall be published as required by law.

INTRODUCED, READ AND ORDERED PUBLISHED this ____ day of _____,
2018.

PASSED AND ORDERED PUBLISHED BY REFERENCE this ____ day of
_____, 2018.

[SEAL]

CITY OF GREELEY, COLORADO,
ACTING BY AND THROUGH ITS
SANITARY WATER ENTERPRISE

By _____
Mayor

Attest:

By _____
City Clerk

Approved as to Form:

By _____
(Assistant) City Attorney

WATER & SEWER BOARD AGENDA AUGUST 15, 2018

ENCLOSURE X NO ENCLOSURE

ITEM NUMBER: 7

TITLE: ACTION: APPROVE RESOLUTION TO
MODIFY PLANT INVESTMENT FEES FOR
MULTI-FAMILY RESIDENTIAL
DEVELOPMENT

RECOMMENDATION: APPROVE RESOLUTION

ADDITIONAL INFORMATION:

Staff is proposing a change to the calculation of multi-family plant investment fees (PIF) in response to a forthcoming increase in higher density multi-family residential developments in the City. The amendment would modify the PIF calculation for multi-family residential to be consistent with commercial and industrial water and sewer customers.

**CITY OF GREELEY, ACTING BY AND THROUGH
ITS WATER AND SEWER BOARD**

RESOLUTION NO. ___, 2018

**A RESOLUTION AMENDING WATER AND SEWER BOARD
RESOLUTION 4, 2017 TO MODIFY WATER AND SEWER PLANT INVESTMENT
FEES FOR MULTI-FAMILY RESIDENTIAL DEVELOPMENT**

WHEREAS, the City of Greeley (“City”) is a Colorado home-rule municipality empowered, pursuant to Sections 1 and 6 of Article XX of the Colorado Constitution, to construct, purchase, acquire, lease, add to, maintain, conduct, and operate water works and everything required therefor, within or without its territorial limits, for the use of the City; and

WHEREAS, Sections 14.04.080(4) and (5) of the Greeley Municipal Code require the Water and Sewer Board to establish water and sewer plant investment fees by resolution; and

WHEREAS, Section 14.04.090 of the Greeley Municipal Code requires the Water and Sewer Board to adopt minimum rates, fees and charges the Board deems necessary to cover the costs of inspections, tap installations, operations, maintenance and extensions of the water and sanitary sewer systems; and

WHEREAS, the Water and Sewer Board adopted Resolution 4, 2017, A Resolution Approving Water and Sewer Rates for 2018, on December 20, 2017, in which the Board, *inter alia*, set minimum water and sewer rates and plant investment fees for new treated water and sanitary sewer service in the City; and

WHEREAS, Water and Sewer staff has utilized a methodology to calculate water and sewer plant investment fees for new multi-family residential developments that is based on a broad array of relevant factors associated with the costs of providing municipal water and sewer service, including, without limitation, the average density of multi-family residential developments and the varying impacts that such density has on the City’s system and service; and

WHEREAS, the City has seen a recent increase in multi-family residential developments within the City at a notably higher density than it has in the past, and that increase has impelled Water and Sewer staff to review the methodology by which it calculates water and sewer plant investment fees for new multi-family residential developments; and

WHEREAS, Water and Sewer staff, as a result of this review, has recommended that the methodology be modified to more accurately account for the impacts that new multi-family residential developments will have on the City’s municipal water and sewer system and service into the future; and

WHEREAS, Water and Sewer staff has accordingly recommended that the water and sewer plant investment fees for multi-family residential development that were set forth in Water and Sewer Board Resolution 4, 2017 be modified as described below.

NOW, THEREFORE, BE IT RESOLVED BY THE WATER AND SEWER BOARD OF THE CITY OF GREELEY, COLORADO:

1. Section I.2. of Appendix A to Water and Sewer Board Resolution 4, 2017, as is more particularly shown on Exhibit A attached hereto and incorporated herein by reference, is stricken in its entirety. Minimum plant investment fees for multi-family residential water service shall be charged in accordance with the water tap size(s) associated with such development, as provided by Section I of Appendix A to Resolution 4, 2017.

2. Section F of Appendix B to Water and Sewer Board Resolution 4, 2017 is revised as is more particularly shown on Exhibit A attached hereto and incorporated herein by reference. Plant investment fees for multi-family residential sanitary sewer service shall be charged in accordance with the sanitary sewer tap size(s) associated with such development, as provided by the revised Section F of Appendix B to Resolution 4, 2017.

3. Except as explicitly amended by this Resolution, the terms of Water and Sewer Board Resolution 4, 2017, A Resolution Approving Water and Sewer Rates for 2018, remain in full force and effect.

4. This Resolution shall take immediate effect upon its passage and execution.

PASSED AND ADOPTED, SIGNED AND APPROVED THIS ____ DAY OF AUGUST 2018.

ATTEST:

Secretary to the Board

Board Chairman

EXHIBIT A
to
WATER AND SEWER BOARD
RESOLUTION __, 2018

APPENDIX A

I. PLANT INVESTMENT FEE SCHEDULE FOR WATER

~~2. Multi Family Plant Investment Fees: An individual structure that contains more than one living unit (whether apartment, townhouse, mobile home, or condominium) may be served by a single tap. The inside city plant investment fee will be \$5,700 per unit, not to exceed the maximum number of units allowed per tap. This fee shall not apply when an existing commercial tap is converted to residential use, provided a professional architect or engineer certifies the existing tap is sufficient to support the intended use.~~

APPENDIX B

F. WASTEWATER PLANT INVESTMENT FEE

The following minimum plant investment fee schedule for sewer taps is hereby established;
~~except where more than one living unit will be served by the tap.~~

<u>Water Tap Size</u>	<u>Wastewater Plant Investment Fee</u>
3/4"	\$5,700
1"	\$9,550
1½"	\$19,100
2"	\$30,500
3"	\$66,850
4"	\$114,600
6"	\$238,700

An individual structure that contains more than one living unit (whether apartment, townhouse, mobile home, or condominium) may be served by a single tap. ~~The plant investment fee will be calculated on the basis of \$2,850 per unit.~~

**CITY OF GREELEY, COLORADO
ACTING BY AND THROUGH ITS WATER AND SEWER BOARD**

RESOLUTION 4, 2017

A RESOLUTION APPROVING WATER AND SEWER RATES FOR 2018

WHEREAS, the City of Greeley ("City") is a Colorado home rule municipality empowered pursuant to Sections 1 and 6 of Article XX of the Colorado Constitution to, *inter alia*, construct, purchase, acquire, lease, add to, maintain, conduct, and operate water works and everything required therefor, within or without its territorial limits, for use of the City; and

WHEREAS, Section 17-4 of the City Charter and Sections 14.04.080 and 14.04.110 of the Greeley Municipal Code authorize and require the Water and Sewer Board ("Board") to, *inter alia*, annually establish minimum water and sewer rates by resolution, which must be sufficient to include expenditures for all operations and maintenance of the water and sewer system, all debt service, and additions to a reserve account in sufficient amounts to offset depreciation to the water and sewer system; and

WHEREAS, Section 17-4 of the City Charter authorizes and requires the Board to acquire, develop, convey, lease, and protect water and sewer assets, supplies, and facilities; and

WHEREAS, Section 14.04.090 of the Greeley Municipal Code requires the Board to adopt minimum rates, fees and charges the Board deems necessary to cover the costs of inspections, tap installations, operations, maintenance and extensions of the water and sanitary sewer systems; and

WHEREAS, the Board has advised the City Council of its long-term capital improvement plans, pursuant to Section 17-7 of the City Charter; and

WHEREAS, the Board's long-term capital improvement plan for water contains extensive new construction and rehabilitation within the next five years, including construction of filter plant upgrades; and

WHEREAS, the Board's long-term water storage and water acquisition plan contains acquisition of new water supplies, as well as the construction and expansion of water storage reservoirs;

WHEREAS, the Board recognizes that it is financially prudent to anticipate future capital expenditures with moderate rate increases over several years rather than incur unusually large bond issues at a later time, which would require a large rate increase to fund the debt service; and

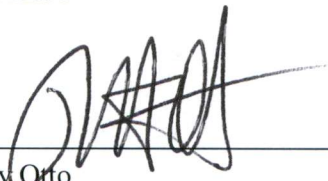
WHEREAS, the Board's 10-year Financial Plan for funding operations, construction, water acquisition, and replacement programs calls for rate increases over the next several years to accomplish the programs anticipated;

NOW THEREFORE, BE IT RESOLVED BY THE WATER AND SEWER BOARD OF THE CITY OF GREELEY, COLORADO, AS FOLLOWS.

1. The water rates for 2018 shall be as shown in Appendix A to this resolution.
2. The sewer rates for 2018 shall be as shown in Appendix B to this resolution.
3. The water and sewer fees and charges for 2018 shall be as shown in Appendix C to this resolution.
4. Water and sewer rate increases shall be allocated among the various customer classes in accordance with their service demand as determined by the City's rate model shown in the attached rate appendices.
5. The 2018 plant investment fees for water shall be as shown in Appendix A of this resolution.
6. The 2018 plant investment fees for sewer shall be as shown in Appendix B of this resolution.
7. The new water and sewer rates shall take effect on January 1, 2018.
8. The new plant investment fees shall take effect on March 1, 2018 to provide the public with at least 45 days' notice of the new fees.


PASSED AND ADOPTED, SIGNED AND APPROVED THIS 20th DAY OF DECEMBER 2017.

ATTEST



Roy Otto
Secretary to the Board

CITY OF GREELEY
WATER AND SEWER BOARD



Harold Evans
Chairman, Water and Sewer Board

APPENDIX A

2018 WATER RATES

A. WITHIN THE CITY OF GREELEY

Customer Class

Rate per 1,000 Gallons

Inside the City Single-Family Residential Water Budget

Tier One ($\leq 100\%$ of Water Budget)	\$4.09
Tier Two (101-130% of Water Budget)	\$5.00
Tier Three (131-150% of Water Budget)	\$6.82
Tier Four ($> 150\%$ of Water Budget)	\$9.09

Inside the City Residential not on Water Budget

\$4.34

Inside the City Commercial

\$4.20

Inside the City Industrial

\$3.16

In addition, the following service charges shall be billed regardless of the volume of water consumed.

Service Charges for Monthly Billed Period:

<u>Meter Size</u>	<u>Inside City</u>
5/8"	\$13.55
3/4"	\$13.55
1"	\$13.90
1½"	\$18.00
2"	\$19.65
3"	\$54.25
4"	\$63.15
6"	\$79.55
8"	\$101.10
10"	\$129.55
12"	\$167.00

B. OUTSIDE THE CITY OF GREELEY

Customer Class

Rate per 1,000 Gallons

Outside the City Residential

\$10.26

Outside the City Commercial

\$10.11

Sharkstooth Pipeline Company (Contributed Water Rights)

\$3.59

Mountain View Meadows (Not Contributed Water Rights)

\$8.99

Agriculture Special Contract (Greeley-Loveland by Agreement)

\$4.31

Kodak Alaris	\$3.28
Town of Windsor	\$3.99
City of Evans	\$3.59
Town of Milliken	\$4.84

In addition, the following service charges shall be billed regardless of the volume of water consumed.

Service Charges for Monthly Billed Period:

<u>Meter Size</u>	<u>Outside City</u>
5/8"	\$14.40
3/4"	\$14.40
1"	\$14.75
1½"	\$19.10
2"	\$20.85
3"	\$57.55
4"	\$66.95
6"	\$84.35
8"	\$107.20
10"	\$137.35
12"	\$177.05

C. RAW WATER PREREQUISITE

Raw water dedication is a prerequisite to receiving water service pursuant to City of Greeley Municipal Code Section 14.24.100, regardless of whether the service requested is for treated or non-potable water.

D. RAW WATER SURCHARGE FOR CERTAIN TREATED WATER USERS

All non-residential customers and residential customers subject to the large parcel exception who initiate or change the type of service after March 2, 1989, and/or who use more water in a calendar year (based upon billing records) than the annual allotment stated in Paragraph B, Section 14.24.100 and Paragraph C, Section 14.24.185 of the Greeley Municipal Code, shall be assessed a raw water surcharge of \$8.37 per 1,000 gallons on the volume of water used in excess of the annual allotment. This surcharge is based on the market price of Colorado-Big Thompson (CBT) water.

E. RAW WATER SURCHARGE FOR NON-POTABLE USERS

All non-potable customers, residential or commercial, who use more water in a calendar year than the amount of raw water contributed (based upon billing records) shall be assessed a raw water surcharge of \$3.42 per 1,000 gallons on the excess usage. This surcharge is based on the market price for Greeley and Loveland Irrigation Company shares.

F. NON-POTABLE SERVICE

The non-potable water usage charge shall be \$3.04 per 1,000 gallons for the volume of water used. A monthly service charge of \$19.65 shall be assessed on every non-potable account during the period of its operation, regardless of the volume of water used. The City reserves the right to decide which customers will be allowed to receive non-potable water, depending on location, cost, and budgetary considerations.

G. TURN-ON CHARGE

The minimum turn-on charge is hereby established at \$45.00. This charge is applicable to all turn-ons, including, but not limited to:

1. Non-payment shut-off and turn-on;
2. Emergency and non-emergency repairs except in the case of a meter failure or meter repair;
3. Lawn taps, except in the case of multiple lawn taps on the same property, only one charge will be required per service call.

No charge will be assessed for the turn-on and turn-off of non-potable service.

H. WATER SOLD FROM HYDRANTS

Water sold from City fire hydrants shall be charged as follows:

1. \$18.63 per 1,000 gallons for customers who have not made raw water contributions.
2. \$10.26 per 1,000 gallons for customers who annually turn over CBT water equal to annual usage or for construction water used on sites which have contributed raw water.
3. Meter rentals will be \$15.00 per workday or \$75.00 per week.

I. PLANT INVESTMENT FEE SCHEDULE FOR WATER

1. **Minimum Plant Investment Fees Based on Tap Size:** The following are minimum plant investment fees for treated water service.

<u>Tap Size</u>	<u>Water Plant Investment Fee</u>
3/4"	\$11,400
1"	\$19,100
1½"	\$38,000
2"	\$60,900
3"	\$133,400
4"	\$228,600
6"	\$476,300

2. **Multi-Family Plant Investment Fees:** An individual structure that contains more than one living unit (whether apartment, townhouse, mobile home, or condominium) may be served by a single tap. The inside city plant investment fee will be \$5,700 per unit, not to exceed the maximum number of units allowed per tap. This fee shall not apply when an existing commercial tap is converted to residential use, provided a professional architect or engineer certifies the existing tap is sufficient to support the intended use.
3. **Limited Use/R.O.W. Improvement Tap (Commercial Customer Class):** Plant investment fees for ¾-inch taps for such purposes as fountains and irrigation of medians (areas up to 2,500 square

feet) within the City of Greeley are \$5,700. If the annual usage of such a tap exceeds 60,000 gallons, the standard raw water surcharge in Paragraph D will apply to the excess usage. Should the annual usage exceed 60,000 gallons in any consecutive two-year period, then the tap will no longer be considered a limited use tap. The balance of the Plant Investment Fee for a standard ¾-inch tap will be due immediately, subject to the current fee schedule.

J. PLANT INVESTMENT FEES FOR NON-POTABLE

Plant Investment Fees for non-potable service shall be based on the cost of the system constructed to provide non-potable service. The Plant Investment Fee will be the pro rata share of the non-potable system construction, based upon irrigated acreage, as determined by agreement. If the non-potable system has not yet been constructed and construction costs are not known, the Plant Investment Fee is set at \$11,400 per acre of irrigated turf.

APPENDIX B

2018 SANITARY SEWER RATES

A. RESIDENTIAL SANITARY SEWER RATES – WITHIN THE CITY OF GREELEY.

1. a. **Single Family Metered Rate;** applicable to all residential users receiving metered water in which not more than one family unit is housed on the same lot or in the same building: \$11.55 per billing period plus \$1.95 per thousand gallons of water use per billing period, not to exceed winter billing period consumption.

b. All new single family units which receive metered water will be assessed either the flat rate of \$23.10 per billing period or the metered rate of \$11.55 per billing period plus \$1.95 per thousand gallons of water use per billing period, whichever is less, until the end of their first complete winter billing period. At that time their rate will change to a fixed charge plus a volume rate equal to that being assessed all other single-family residences receiving metered water.

c. All single-family units with metered consumption less than 1,000 gallons in their most recent winter billing period shall be billed for actual consumption in subsequent billing periods, not to exceed an amount equal to 3,000 gallons of consumption.
2. a. **Multi-Family Metered Rate;** applicable to all residential users receiving metered water in which two or more family units are housed on the same lot or in the same building: \$11.55 per sewer connection plus \$2.29 per thousand gallons of water use per billing period, not to exceed winter billing period consumption.

b. All new multi-family units which receive metered water will be assessed either the flat rate of \$23.10 per family unit per billing period or the actual metered rate of \$11.55 per sewer connection per billing period plus \$2.29 per thousand gallons of water use per billing period, whichever is less, until the end of their first complete winter billing period. At that time their rate will change to a fixed charge plus a volume rate equal to that being assessed all other multi-family units receiving metered water.

B. COMMERCIAL SANITARY SEWER RATES – WITHIN THE CITY OF GREELEY.

1. **Class I Commercial Rate;** applicable to car washes, cleaners, laundromats, schools, colleges, churches, retail stores, offices, beauty shops, financial institutions, membership organizations without dining facilities, service stations (without repair), motels (without dining), and bed and breakfasts which provide a continental breakfast: \$11.55 per sewer connection per billing period plus \$2.28 per thousand gallons of water use per billing period.
2. **Class II Commercial Rate;** applicable to bars and taverns (without dining), service stations (with repair), animal clinics, hospital/convalescent homes, photo finishing, light manufacturing, retail stores (with dining), convenience stores, and bed and breakfasts which cook a daily breakfast: \$11.55 per sewer connection per billing period plus \$3.12 per thousand gallons of water use per billing period.

3. **Class III Commercial Rate**; applicable to restaurants, hotels (with dining), bars and taverns (with dining), membership organizations (with dining): \$11.55 per sewer connection per billing period plus \$3.99 per thousand gallons of water use per billing period.
4. **Class IV Commercial Rate**; applicable to food markets, butchers, bakers, and food manufacturing: \$11.55 per sewer connection per billing period plus \$4.83 per thousand gallons of water use per billing period.
5. **Class V Commercial Rate**; applicable to mortuaries and miscellaneous heavy commercial manufacturing: \$11.55 per sewer connection per billing period plus \$5.57 per thousand gallons of water user per billing period.
6. **Commercial Contract Rate**; applicable to commercial users which do not receive City water. The administrative authority, with the approval of the City Council, shall contract with such users for sanitary sewer service.
7. **Irrigation Exemption**; if a customer owns and waters a lawn 15,000 square feet or more in size, the charge to that customer shall be calculated using the water use of that customer for their immediately preceding winter billing period.

C. RESIDENTIAL SANITARY SEWER RATES – OUTSIDE THE CITY OF GREELEY.

1.
 - a. **Single Family Metered Rate**; applicable to all residential users receiving metered water in which not more than one family unit is housed on the same lot or in the same building: \$14.44 per billing period plus \$2.23 per thousand gallons of water use per billing period, not to exceed winter billing period consumption.
 - b. All new single family units which receive metered water will be assessed either the flat rate of \$28.88 per billing period or the metered rate of \$14.44 per billing period plus \$2.23 per thousand gallons of water use per billing period, whichever is less, until the end of their first complete winter billing period. At that time their rate will change to a fixed charge plus a volume rate equal to that being assessed all other single-family residences receiving metered water.
 - c. All single-family units with metered consumption less than 1,000 gallons in their most recent winter billing period shall be billed for actual consumption in subsequent billing periods, not to exceed an amount equal to 3,000 gallons of consumption.
2.
 - a. **Multi-Family Metered Rate**; applicable to all residential users receiving metered water in which two or more family units are housed on the same lot or in the same building: \$14.44 per sewer connection plus \$2.94 per thousand gallons of water use per billing period, not to exceed winter billing period consumption.
 - b. All new multi-family units which receive metered water will be assessed either the flat rate of \$28.88 per family unit per billing period or the actual metered rate of \$14.44 per sewer connection per billing period plus \$2.94 per thousand gallons of water use per billing period, whichever is less, until the end of their first complete winter billing period. At that time their rate will change to a fixed charge plus a volume rate equal to that being assessed all other multi-family units receiving metered water.

D. COMMERCIAL SANITARY SEWER RATES – OUTSIDE THE CITY OF GREELEY.

1. **Class I Commercial Rate;** applicable to car washes, cleaners, laundromats, schools, colleges, churches, retail stores, offices, beauty shops, financial institutions, membership organizations without dining facilities, service stations (without repair), motels (without dining), and bed and breakfasts which provide a continental breakfast: \$14.44 per sewer connection per billing period plus \$2.93 per thousand gallons of water use per billing period.
2. **Class II Commercial Rate;** applicable to bars and taverns (without dining), service stations (with repair), animal clinics, hospital/convalescent homes, photo finishing, light manufacturing, retail stores (with dining), convenience stores, and bed and breakfasts which cook a daily breakfast: \$14.44 per sewer connection per billing period plus \$3.86 per thousand gallons of water use per billing period.
3. **Class III Commercial Rate;** applicable to restaurants, hotels (with dining), bars and taverns (with dining), membership organizations (with dining): \$14.44 per sewer connection per billing period plus \$4.77 per thousand gallons of water use per billing period.
4. **Class IV Commercial Rate;** applicable to food markets, butchers, bakers, and food manufacturing: \$14.44 per sewer connection per billing period plus \$6.04 per thousand gallons of water use per billing period.
5. **Class V Commercial Rate;** applicable to mortuaries and miscellaneous heavy commercial manufacturing: \$14.44 per sewer connection per billing period plus \$6.96 per thousand gallons of water user per billing period.
6. **Commercial Contract Rate;** applicable to commercial users which do not receive City water. The administrative authority, with the approval of the City Council, shall contract with such users for sanitary sewer service.
7. **Irrigation Exemption;** if a customer owns and waters a lawn 15,000 square feet or more in size, the charge to that customer shall be calculated using the water use of that customer for their immediately preceding winter billing period.

E. INDUSTRIAL SANITARY SEWER RATES.

1. **SIC 2026 Rate;** applicable to dairy plants receiving metered water: \$11.55 per sewer connection per billing period plus \$14.16 per thousand gallons of water use per billing period.
2. **SIC 2013 Rate;** applicable to prepared food manufacturers receiving metered water: \$11.55 per sewer connection per billing period plus \$14.13 per thousand gallons of water use per billing period.
3. **SIC 7218 Rate;** applicable to industrial laundries receiving metered water: \$11.55 per sewer connection per billing period plus \$4.00 per thousand gallons of water use per billing period.

4. **SIC 2034 Rate;** applicable to dehydrated food producers receiving metered water: \$11.55 per sewer connection per billing period plus \$3.00 per thousand gallons of water use per billing period.
5. **SIC 3111 Rate;** applicable establishments engaged in brine preserving, tanning, curing, and finishing hides and skins into leather. This also includes leather converters, who buy hides and skins and have them processed into leather on a contract basis by others. \$11.55 per sewer connection per billing period, plus \$0.87 per thousand gallons of water used per billing period, plus \$0.32 per pound of BOD, plus \$0.24 per pound of TSS, and \$1.36 per pound of NH3.

Fees specific to the SIC 3111 customer include an annual irrigation replacement charge of \$23,358 which will be billed in monthly increments of \$1,946.50 if irrigation water is used. SIC 3111 shall also pay a temporary capacity charge in lieu of a plant investment fee. The capacity charge shall be \$211 monthly for every 1,000 gallons treated per day. SIC 3111 will pay for only the capacity used in any month.

6. **Industrial Contract Rate;** applicable to industrial users that do not receive City water. The administrative authority, with the approval of the City Council, shall contract with such users for sanitary sewer service.

The minimum charge and the flat rate charge stated above shall be prorated over the calendar year in equal amounts. The incremental rate per thousand gallons shall apply to measured consumption within billing periods regardless of the billing period duration.

F. WASTEWATER PLANT INVESTMENT FEE.

The following minimum plant investment fee schedule for sewer taps is hereby established, except where more than one living unit will be served by the tap.

<u>Water Tap Size</u>	<u>Wastewater Plant Investment Fee</u>
3/4"	\$5,700
1"	\$9,550
1½"	\$19,100
2"	\$30,500
3"	\$66,850
4"	\$114,600
6"	\$238,700

An individual structure that contains more than one living unit (whether apartment, townhouse, mobile home, or condominium) may be served by a single tap. The plant investment fee will be calculated on the basis of \$2,850 per unit.

APPENDIX C

2018 WATER AND SEWER DEPARTMENT FEES AND CHARGES

A. Water charges for meter failure or leak adjustments

1. Varies – Water charge will be based on the average consumption for the same period in two prior years and billed at the 2018 rates.

B. Water tap installation fees

1. ¾" = \$170
2. 1" = \$185
3. 1 ½" = \$260
4. 2" = \$345
5. 4"-12" = \$450

C. Sewer tap installation fees

1. 4" = \$225
2. 6" = \$235
3. 4" to 6" on 15" or larger mains = \$350

D. Wastewater acceptance fee (hailed wastewater)

1. \$0.065/gallon

E. Water and sewer line crossing permits

1. Permit fee = \$50 per application
2. Inspection fee = \$100 per crossing

F. Food service establishments discharge videos

1. Best management practices video = \$20
2. Personalized video = \$30

G. Construction cost recovery

1. Cost recovery for water and sewer assets will vary according to the development or site

H. Engineering design review fee

1. Varies – Review fee will be based on the length of the review and the cost of the engineer

I. Water Meter Fees

1. Varies – The meter fees are a pass through cost. The customer will pay the cost the City of Greeley pays to purchase the meters.

J. Publications

1. Printed - \$25
2. Electronic – Free

K. Other fees and charges

1. Fees charged for special circumstances outside the normal fee schedule

WATER & SEWER BOARD AGENDA AUGUST 15, 2018

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 9

TITLE: LEGAL REPORT

POSSIBLE ACTION: STATEMENTS OF OPPOSITION, IF ANY

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA AUGUST 15, 2018

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 10

TITLE: EXECUTIVE SESSION

RECOMMENDATION: INFORMATION ONLY

ADDITIONAL INFORMATION:

WATER & SEWER BOARD AGENDA AUGUST 15, 2018

ENCLOSURE X

NO ENCLOSURE

ITEM NUMBER: 11

TITLE: DIRECTOR'S REPORT

RECOMMENDATION: INFORMATIONAL ONLY

ADDITIONAL INFORMATION:

- City Center Grand Opening – September 4th (flyer attached)

CITY CENTER PHASE 1 GRAND OPENING



Tuesday, September 4th, 2018



4-5:30PM
Community Tours

5:30-6PM
Art Dedication,
Council Chambers
Ribbon Cutting,
Refreshments

6:30PM
First regular
City Council meeting
in new location

About the Project: 'City Center' is a multi-faceted project to consolidate city administrative functions from dispersed locations to a single compact campus to make better use of technology, improve customer service, accessibility and safety, and reduce building and operational overhead and maintenance costs. Help us celebrate this new chapter in Greeley's growth as a City!



AndersonMasonDale
Architects



HENSEL PHELPS
Plan. Build. Manage.

WEMBER
OWNERS REPRESENTATIVE



1001 11th Avenue

WATER & SEWER BOARD AGENDA AUGUST 15, 2018

ENCLOSURE _____

NO ENCLOSURE X

ITEM NUMBER: 12

TITLE: SUCH OTHER BUSINESS THAT MAY BE
 BROUGHT BEFORE THE BOARD AND
 ADDED TO THIS AGENDA BY MOTION OF
 THE BOARD

RECOMMENDATION: TO BE DETERMINED

ADDITIONAL INFORMATION: