

AGENDA

Denver Board of Water Commissioners

Denver Water Board Room, 1600 W 12th Avenue, Denver, CO 80204 and

Video Conference: <http://zoom.us/join>, Meeting ID: 851 5941 9305 - Passcode: 839370 or

Dial in (669) 900-6833 - Meeting ID: 851 5941 9305 - Passcode: 839370

Members of the public are welcome to attend either in person or by video conference

Wednesday, December 7, 2022 – 9:00 a.m.

I. INTRODUCTORY BUSINESS

A. Call to Order and Determination of Quorum

B. Public Comment and Communications

At this point in the agenda, the Board may allow members of the public to address the Board on any item of interest within the jurisdiction of the Board, and not on the agenda for action. Speakers wishing to address a specific Action Item will be invited to address the Board when the item is being considered. Three minutes are allowed for each person unless the President determines otherwise.

1. Distributor Communications
2. Citizen Advisory Committee Communications

C. Ceremonies, Awards, and Introductions

D. Annual Meeting

1. Agenda
2. Minutes from December 1, 2021

II. ACTION ITEMS

A. Consent Items

Items listed below are considered routine and may be enacted by one motion and vote. If any Board member desires discussion beyond explanatory questions, or corrections to the Minutes, the President may order that item to be considered in a separate motion and vote.

1. Minutes from November 9, 2022
2. Minutes from November 16, 2022
3. Nineteenth Authorization for Additional Contract Funds for Iconics Inc. – Contract 500408

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B. Individual Approval Items

- | | | |
|--|-----------------|------------|
| 1. Appointments to the Citizens Advisory Committee (CAC) | Ashley Denault | 5 minutes |
| a. Re-Appointment to CAC – West Slope Representative | | |
| b. Appointment to CAC – West Slope Representative | | |
| c. Appointment to CAC – Environmental Representative | | |
| 2. Approval of 2022 State Revolving Fund Loan Resolution | Usha Sharma | 10 minutes |
| 3. Approval of 2023 Budget | Stephanie Abram | 15 minutes |

III. POLICY MATTERS

IV. EXECUTIVE UPDATE

A. CEO Update

B. CFO Update

1. Monthly Financial Report – October 31, 2022

C. Operations Update

V. BRIEFING PAPERS & REPORTS

A. Briefing Paper

B. Report

VI. ADJOURNMENT

VII. TRUSTEE MATTERS

I. ACTION ITEMS

1. Meeting as Trustee: Minutes from August 24, 2022 Trustee Meeting

II. INFORMATION ITEMS

- | | | | |
|----|---|----------------------------------|------------|
| 1. | <u>Meeting as Plan Sponsor</u> : 3Q 2022 Performance Report for 401(k) Plan and 457 Plan – Portfolio Evaluations, Inc. | Aneta Rettig | 5 minutes |
| 2. | <u>Meeting as Trustee</u> : DB Plan – 3Q 2022 Performance Report | Rob Hungerbuhler,
Segal Marco | 20 minutes |
| 3. | <u>Meeting as Trustee and/or Plan Sponsor</u> : 3Q 2022 Summary Retirement Program Report for DB Plan, 401(k) Plan and 457 Plan | | |

VIII. EXECUTIVE SESSION

The Board may adjourn the regular meeting and reconvene in executive session on topics authorized by D.R.M.C Sec. 2-34.

- A. Confidential Report

AGENDA

Annual Meeting

Denver Board of Water Commissioners

Video Conference: <http://zoom.us/join>, Meeting ID: 851 5941 9305 - Passcode: 839370 or

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Wednesday, December 7, 2022 – 9:00 a.m.

I. Call to Order

II. Election of Officers

President and First Vice President Secretary and Assistant Secretaries

Present Officers

Gary M. Reiff	President
Craig A. Jones	First Vice-President
Dominique Gómez	Vice-President
Tyrone Gant	Vice-President
Stephanie Donner	Vice-President

Present Secretary and Assistant Secretaries

James S. Lochhead	Secretary
Julie A. Anderson	Assistant Secretary
Angela C. Bricmont	Assistant Secretary
Brian D. Good	Assistant Secretary
Richard B. Marsicek	Assistant Secretary
Robert J. Mahoney	Assistant Secretary
Thomas J. Roode	Assistant Secretary

III. Other Business

IV. Adjournment

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 7, 2022

Board Item: II-A-3

Nineteenth Authorization for Additional Contract Funds for Iconics Inc. Contract 500408

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to renew Denver Water's SupportWorX Premier Plan with Iconics Inc.

Denver Water has utilized the Genesis software suite by Iconics to develop and maintain the HMI or Human Machine Interface computer screens for the operators at each of the Water Treatment Plants, Water Distribution, and Source of Supply for over 20 years. This suite of tools is needed to create graphical representations of the various treatment, distribution, and hydro power generation processes, and to provide the means for remote monitoring, and control of each process and facility. The Iconics SupportWorX Premier Plan license agreement provides unlimited use of this suite of software tools in addition to telephone technical support, free product upgrades for major new feature releases, service packs updates, a 30% discount on official ICONICS training classes and more.

Budget and Schedule:

The amount requested for this Nineteenth authorization is \$137,383.20, bringing the total contract amount to \$1,430,746.21. This proposed authorization would also extend the contract with Iconics Inc. through December 21, 2023. Funds for this service will come from the proposed 2023 budget for IT Industrial Control Systems business unit, which will have sufficient funds to pay the \$137,383.20 estimated to be needed in 2023.

S/MWBE Information:

Small/Minority and Women-owned Business Enterprise goals are not applicable for this item.

Recommendation:

Staff recommends that the Board approve the Nineteenth Authorization to Contract 500408 with Iconics Inc. for Iconics SupportWorX Premier Plan for an extension of the contract period through December 21, 2023, and for an addition of \$137,383.20 for a total amended contract amount not to exceed \$1,430,746.21.

Approvals

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input checked="" type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: Dec. 14, 2022

Board Item: II-B-1-a

Reappointment to the Citizens Advisory Committee – West Slope Representative

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to reappoint Alan Hassler, one of two West Slope representatives, to the Citizens Advisory Committee (CAC) for a second three-year term.

Denver Water's CAC is a 10-member volunteer committee that advises Denver Water staff and the Board of Water Commissioners on a variety of issues while encouraging and coordinating public participation in the organization's policymaking and planning processes.

The CAC was created as part of the 1979 Foothills Agreement that, among other things, required Denver Water to form a citizens group charged with representing public interests in specific categories of stakeholder groups: Denver citizen representatives (3), West Slope representatives (2), suburban customer representative (1), environmental representative (1), public interest group representative (1), distributor representative (1), and Homebuilders Association of Metro Denver representative (1). The CAC recommends candidates to the Board, and the Board has appointing authority for the CAC. CAC members are appointed for one three-year term, with the opportunity to serve a second three-year term if recommended by the CAC and approved by the Board.

Mr. Hassler is a resident of Kremmling, CO, in Grand County. He was the County Attorney for Grand County and worked in private practice with a focus on business, small estates, and real estate law. Mr. Hassler's background also includes experience with the Blue River Decree and the Colorado River Cooperative Agreement, as well as work with municipal, agricultural, and recreational water users. He currently serves on the Kremmling Fire Protection District Board and helps with local community events. The CAC voted unanimously to recommend Mr. Hassler for a second term, which would go through December 2025.

Budget and Schedule:

There is no budgetary impact for this item.

S/MWBE Information:

Small/Minority and Women-owned Business Enterprise goals are not applicable for this item.

Recommendation:

Staff recommends the Board appoint Alan Hassler for a second three-year term for one of two West Slope representative positions on the CAC.

Approvals:

- | | |
|--|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

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DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: Dec. 7, 2022

Board Item: II-B-1-b

Appointment to the Citizens Advisory Committee – West Slope Representative

Action by Consent

Individual Action

Purpose and Background:

Denver Water's Citizens Advisory Committee (CAC) is a 10-member volunteer committee that advises Denver Water staff and the Denver Board of Water Commissioners on a variety of issues while encouraging and coordinating public participation in the organization's policymaking and planning processes.

The CAC was created as part of the 1979 Foothills Agreement that, among other things, required Denver Water to form a citizens group charged with representing public interests in specific categories of stakeholder groups: Denver citizen representatives (3), West Slope representatives (2), suburban customer representative (1), environmental representative (1), public interest group representative (1), distributor representative (1) and Homebuilders Association of Metro Denver representative (1). The CAC recommends candidates to the Board, and the Board has appointing authority for the CAC.

According to CAC bylaws, qualifications for the West Slope representative include residing in Summit, Grand, Eagle, Mesa, Delta, Montrose or Garfield counties, being a United States citizen and being a resident of Colorado for five years or more. The bylaws also specify that the West Slope representative must reflect both geographical diversity and diversity in background, experience and perspective regarding issues for the West Slope that impact Denver Water (e.g., watershed management, agriculture, forestry health, etc.). The person must not be employed by Denver Water at the time of serving and must have the ability and willingness to have contact with stakeholders.

One of the two current West Slope representatives, Gary Wilkinson, has decided not to pursue a second term. His first term will end December 2022. To fill this upcoming vacancy, the CAC advertised the position through traditional and social media, as well as word of mouth. In order to reestablish staggered terms for committee members, this position was advertised as a two-year interim term, with the possibility of reappointment for a second three-year term. Because the other West Slope position is currently held by a resident of Grand County, the application sought residents of Summit, Eagle, Mesa, Delta, Montrose or Garfield counties only.

The CAC received four applications for the position. After interviewing all four applicants, the interview committee elected to move two applicants forward for the full committee's consideration. The CAC voted to put forward Mike Eytel for the Board's consideration.

Mr. Eytel, a resident of Summit County, brings an expansive background in water issues on both sides of the Divide. He recently left his position at the Colorado River Conservation District after a 15-year tenure. During that time, he developed and implemented the Upper Colorado Wild & Scenic Alternative Management Plan and was a collaborative partner in the development of Learning By Doing. Mr. Eytel was also involved in the creation of the Colorado River Cooperative Agreement. He currently serves on the Middle Park Water Conservancy District Board of Directors and is Co-Chair of the Colorado Water Congress Water Quality Committee. A brief statement of his interest and resume are attached.

Budget and Schedule:

There is no budgetary impact for this item.

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S/MWBE Information:

Small/Minority and Women-owned Business Enterprise goals are not applicable for this item.

Recommendation:

It is recommended the Board appoint Mike Eytel for one two-year term for the West Slope representative position, previously held by Gary Wilkinson.

Approvals:

- | | |
|--|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: Dec. 7, 2022

Board Item: II-B-1-c

Appointment to the Citizens Advisory Committee – Environmental Representative

Action by Consent

Individual Action

Purpose and Background:

Denver Water's Citizens Advisory Committee (CAC) is a 10-member volunteer committee that advises Denver Water staff and the Denver Board of Water Commissioners on a variety of issues while encouraging and coordinating public participation in the organization's policymaking and planning processes.

The CAC was created as part of the 1979 Foothills Agreement that, among other things, required Denver Water to form a citizens group charged with representing public interests in specific categories of stakeholder groups: Denver citizen representatives (3), West Slope representatives (2), suburban customer representative (1), environmental representative (1), public interest group representative (1), distributor representative (1) and Homebuilders Association of Metro Denver representative (1). The CAC recommends candidates to the Board, and the Board has appointing authority for the CAC.

According to CAC bylaws, qualifications for the environmental representative include being involved with a group considered by the CAC to be an environmental group, being a United States citizen and being a resident of Colorado for five years or more. The person must not be employed by Denver Water at the time of serving and must have the ability and willingness to have contact with stakeholders.

The term for the current environmental representative, Rich Newton, will end in December 2022. To fill this upcoming vacancy, the CAC advertised the position through traditional and social media, as well as word of mouth. The CAC received one application for the position. The applicant, Charles Garcia, was considered for the Denver citizen representative position filled in 2021 and was viewed as a strong applicant by the committee even though the position was filled by another candidate.

On the strength of Mr. Garcia's previous application and interview, as well as his current qualifications, the CAC would like to put forward Mr. Garcia as the environmental representative for the Board's consideration. Mr. Garcia is a past commissioner with the Colorado Parks and Wildlife Commission and past board member of Ducks Unlimited. He is a current board member of Great Outdoors Colorado, a board member of the Headwaters Chapter of Trout Unlimited, and a committee member of the Greater Rocky Mountain Resource Advisory Committee of the National Forest Service. Mr. Garcia is a licensed attorney and certified public accountant. In the past, he was a manager of safety at the City and County of Denver. A brief statement of his interest and resume are attached.

Budget and Schedule:

There is no budgetary impact for this item.

S/MWBE Information:

Small/Minority and Women-owned Business Enterprise goals are not applicable for this item.

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Recommendation:

Staff recommends the Board appoint Charles Garcia for one three-year term for the environmental representative position.

Approvals:

- | | |
|--|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input type="checkbox"/> Angela C. Bricmont, Chief Financial Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 7, 2022

Board Item: II-B-2

Approval of 2022 State Revolving Fund Loan Resolution

Action by Consent

Individual Action

Purpose and Background:

The purpose of this Board item is to recommend the Board adopt the 2022 State Revolving Fund Loan Resolution (2022 SRF) authorizing the Loan Agreement with The Colorado Water Resources and Power Development Authority (CWRPDA) and delegating authority to execute the Loan.

In 2020, Denver Water began implementation of the Lead Reduction Program (LRP), which was approved by state and federal agencies in December 2019. Denver Water seeks to replace all lead service lines (LSLs) in the Denver Water service area at no direct cost to customers. Out of the approximately 312,000 service lines in the system, an estimated 64,000 to 84,000 of these are lead. The current annual replacement rate is approximately 4,500 LSLs and the LRP is expected to be complete by the end of 2034.

The Bipartisan Infrastructure Law (BIL) established federal funding for the replacement of lead service lines to be administered through the State Drinking Water Revolving Fund (DWRWF). The CWRPDA Board approved a loan to Denver Water on October 7, 2022, which includes both loan and principal forgiveness components. The loan will finance replacement of LSLs in specifically designated federal work areas. The Board's obligations under the Loan Agreement and the Governmental Agency Bond (collectively referred to as the Financing Documents) constitute a special limited obligation payable from Net Revenue. As such, according to the terms of the Master Bond Resolution Authorizing Amendment and Restatement of the Master Bond Resolution adopted on March 27, 2017, the Financing Documents are considered to be a parity bond because they are secured by Net Revenue and are on parity with other outstanding bonds.

Some of the key provisions of the 2022 SRF Loan Resolution are:

- Authorizes execution and delivery of a DWRWF loan in the approximate amount of \$76.1 million, \$40 million in the form of principal forgiveness and \$36.1 million in loan, amortized over 30 years at a fixed interest rate of 2.75%.
- Delegates responsibilities to execute certain loan related documents to the Chief Finance Officer and the Treasurer.
- Approves the form of the Financing Documents and other documents authorizing the execution of the Loan Agreement and the execution and delivery of the Bond.
- Authorizes certain administrative responsibilities to limited members of staff to facilitate draw down of funds once the loan is executed.

Budget and Schedule:

The proposed 2023 budget includes an estimated first loan draw of \$5 million in the second quarter of 2023. Funds to pay loan fees and interest will come from the annual budget for Debt Service. The total 2022 SRF Loan funds are anticipated to be expended by September 2025.

Recommendation:

Staff recommends that the Board adopt the attached 2022 SRF Loan Resolution authorizing execution and delivery of a Loan Agreement between the Board and the Colorado Water Resources and Power Development Authority.

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The Loan, which was approved by the CWRPDA Board on October 7, 2022, is in the amount of \$76,123,628, of which \$40,000,000 will be in the form of principal forgiveness. The loan will be amortized over 30 years at a fixed interest rate of 2.75% and will finance a portion of the expenditures related to LRP.

Approvals

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input checked="" type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |

TITLE: RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN AGREEMENT WITH THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY

A RESOLUTION DESIGNATED “2022 SRF LOAN RESOLUTION” AUTHORIZING THE EXECUTION AND DELIVERY OF A LOAN FROM THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY; AUTHORIZING THE FORM AND EXECUTION OF THE LOAN AGREEMENT AND GOVERNMENTAL AGENCY BOND TO EVIDENCE SUCH LOAN.

ADOPTED AND APPROVED ON DECEMBER 7, 2022 BY THE CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

Board President

CEO/Manager

The Board of Water Commissioners finds that:

- A. The water works system and plant is operated under the complete charge and control of the Board and includes the property and personnel under control of the Board to be referred to generally as Denver Water, all pursuant to Sections 10.1.1 through 10.1.22 of the Charter.
- B. Denver Water is, and is operated as, an “enterprise” of the City as provided in Section 20, Article X of the constitution of the State and a “water activity enterprise” as provided in Section 37-45.1-102(4), C.R.S.
- C. The Board has adopted the Master Bond Resolution, which Master Bond Resolution is in full force and effect.
- D. The Board finds and determines that it is in the best interest of Denver Water to make certain improvements to its System including the Project.
- E. The Board has made an application to the CWRPDA, a body corporate and political subdivision of the State, for the Loan to finance all or a portion of that cost of the Project.
- F. The Board has determined that in order to finance the Project, it is necessary and advisable and in the best interests of Denver Water to enter into the Loan Agreement with the CWRPDA, pursuant to which CWRPDA shall loan Denver Water an amount of not to exceed \$76,123,628.00, and to issue the Bond to CWRPDA to evidence its repayment obligations under the Loan Agreement.
- G. The Board’s obligations under the Loan Agreement and the Bond shall constitute a special limited revenue obligation of the Board payable from the Pledged Property, which consists of the Net Revenue.
- H. Except for the Outstanding Parity Bonds and the Subordinate Credit Facility Obligation, neither the Board nor the City has pledged or in any way hypothecated revenues derived and to be derived directly or indirectly from the operation of the System to the payment of any securities or for any other purpose, with the result that the Net Revenue may be pledged lawfully and irrevocably for the payment of Parity Bonds, including the Loan and the Bond; provided that the Board has met the conditions for the issuance of additional Parity Bonds set forth in the Master Bond Resolution as supplemented from time to time by Parity Bonds Resolutions and the Loan may be made payable from the Net Revenue.
- I. The Bond is a Parity Bond pursuant to the terms of the Master Bond Resolution.
- J. The Board has determined that the Board has met, or will be able to meet prior to the execution and delivery of the Loan, the conditions set forth in Section 4.02(a)

Adopted by the Board on December 7, 2022

through (d) of the Master Bond Resolution for the issuance of additional Parity Bonds, to be evidenced by the delivery of a written certificate of the Chief Finance Officer or the Treasurer at the time of the execution and delivery of the Loan, which certificate shall conclusively determine the right of the Board to authorize, execute, and deliver the Loan as a Parity Bond under the Parity Bonds Resolution.

- K. The Board has heretofore issued the Outstanding Parity Bonds payable from and secured by a pledge of the Net Revenue.
- L. Except for the Outstanding Parity Bonds, the Board has not pledged nor hypothecated the Net Revenue derived or to be derived from the operation of the System, or any part thereof, to the payment of any bonds or for any other purpose, with the result that the Net Revenue may now be pledged lawfully and irrevocably to the payment of the Bond.
- M. The Board is not delinquent in the payment of any principal or interest requirements under the Outstanding Parity Bonds.
- N. The forms of the Financing Documents are on file with the Board.
- O. The Board desires to approve the form of the Financing Documents and other documents referenced therein, authorize the execution of the Loan Agreement, and authorize the execution and delivery of the Bond.

Based on the foregoing findings, the Board resolves:

1. Recitals Incorporated. The foregoing recitals are made part of this Resolution.
2. Short Title, Supplemental Resolution. This resolution shall be known as and may be cited by the short title "2022 SRF Loan Resolution."

This 2022 SRF Loan Resolution is supplemental to, and is adopted in accordance with the provisions of, the Master Bond Resolution, as amended and supplemented from time to time by Supplemental Resolutions (the Master Bond Resolution, as so amended and supplemented, being referred to herein as the "Parity Bonds Resolution").

3. Definitions. All defined terms in this Supplemental Resolution have the meanings set forth in the Master Bond Resolution or the Loan Agreement, except as otherwise expressly provided herein. The terms defined in this section shall have the designated meanings for all purposes of this 2022 SRF Loan Resolution, except where the context by clear implication requires otherwise.

"Bond" means the Governmental Agency Bond issued to the CWRPDA to evidence the Loan.

Adopted by the Board on December 7, 2022

“CWRPDA” means the Colorado Water Resources and Power Development Authority, a body corporate and political subdivision of the State of Colorado with corporate succession duly created and validly existing under and by virtue of the laws of the State of Colorado.

“Financing Documents” means the Loan Agreement and the Bond.

“Loan” means the loan made by the CWRPDA to the Board to finance all or any portion of the cost of the Project pursuant to the Loan Agreement.

“Loan Agreement” means the Loan Agreement between the Board and the Colorado Water Resources and Power Development Authority pursuant to which the Board is expected to execute and deliver the Bond.

“Master Bond Resolution” means the Master (03-22-17) Bond Resolution Authorizing Amendment and Restatement of Master Bond Resolution adopted by the Board on March 22, 2017, relating to the issuance of Parity Bonds, constituting the amendment and restatement in full of the Prior Master Bond Resolution as defined therein, as the Master Bond Resolution may be heretofore amended and supplemented in accordance with its terms.

“Outstanding Parity Bonds” means all Parity Bonds outstanding at any time or from time to time, including, as of the date of this Series 2022 SRF Resolution, the Series 2008A Bonds, the Series 2012A-B Bonds, the Series 2014A Bonds, the Series 2016A-B Bonds, the Series 2017A-B Bonds, the Series 2020A-B Bonds, the Series 2021A Bonds, and the Series 2022A Bonds.

“Parity Bonds Resolution” means the Master Bond Resolution, as amended and supplemented from time to time by the Supplemental Resolutions.

“Subordinate Credit Facility Obligation” means the Credit Agreement between PNC Bank and the Board dated as of December 12, 2018 and effective January 1, 2019, which authorizes certain draws upon the subordinate credit facility, which draws are subordinate and junior to the lien on the Net Revenue of the Outstanding Parity Bonds, and which balance is zero as of the date of this Resolution.

“Supplemental Resolution(s)” means each Supplemental Resolution as defined in the Master Bond Resolution and, collectively, all such Supplemental Resolutions, including this 2022 SRF Loan Resolution.

4. Approvals, Authorizations, and Amendments. The Board hereby determines to enter into the Loan and execute and deliver the Financing Documents and to use the proceeds of the Loan to finance a portion of the Project (as defined in the Loan Agreement). The forms of the Financing Documents presented at this meeting are incorporated herein by reference and are hereby approved. The payment

Adopted by the Board on December 7, 2022

provisions of the Loan and the Bond shall be as set forth in Exhibit C to the Loan Agreement.

The President, the Chief Finance Officer and the Secretary are hereby authorized and directed to execute the Financing Documents in the principal amount of \$76,123,628.00, with an interest rate of 2.75%, and a term of 30 years as described in the Loan Agreement, and further to execute and authenticate such other documents or certificates as are deemed necessary or desirable in connection therewith. The Financing Documents shall be executed in substantially the forms approved at this meeting.

The execution of any instrument or certificate or other document in connection with the matters referred to herein by the President, the Chief Finance Officer, and the Secretary and by the City Auditor, shall be conclusive evidence of the approval by the Board of such instrument.

5. Election to Apply the Supplemental Act. Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S. (the "Supplemental Act") provides that a public entity may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act to the financing. The Board hereby elects to apply all of the provisions of the Supplemental Act to the Financing Documents.

6. Conclusive Recital. Pursuant to Section 11-57-210 of the Supplemental Act, the Bond and the Loan Agreement shall contain recitals that the Bond is issued pursuant to certain provisions of the Supplemental Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bond after its delivery for value.

7. Master Bond Resolution and Bond Supplemental Resolution to Constitute a Contract; Equal Security. In consideration of the acceptance of the Bond by the CWRPDA, the Master Bond Resolution and the Supplemental Resolutions, including this 2022 SRF Loan Resolution (or, collectively, the Parity Bonds Resolution), together with the Bond, shall be deemed to be and shall constitute a contract between the Board and the Owners of the Parity Bonds, including the Bond. The pledge made by the Board in the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions, and this 2022 SRF Loan Resolution, and the covenants and agreements to be performed by the Board as so set forth in the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions, and this 2022 SRF Loan Resolution shall be for the equal and proportionate benefit, security, and protection of all Owners of the Parity Bonds, including the Bond, without preference, priority, or distinction as to security or otherwise of any of the Parity Bonds over any of the others by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by the Parity Bonds Resolution.

Adopted by the Board on December 7, 2022

8. Ratification and Approval of Prior Actions. All actions heretofore taken by the Board, the officers, the employees, and the members of the Board relating to the authorization, execution, and delivery of the Bond and not inconsistent with the provisions of the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions, and this 2022 SRF Loan Resolution, are hereby ratified, approved, and confirmed.

9. Pledge of Revenues. The creation, perfection, enforcement, and priority of the pledge of revenues to secure or pay the Bond and the Loan Agreement provided herein shall be governed by Section 11-57-208 of the Supplemental Act and this Ordinance. The amounts pledged to the payment of the Bond and the Loan Agreement shall immediately be subject to the lien of such pledge without any physical delivery, filing, or further act. The lien of such pledge shall have the priority described in the Loan Agreement. The lien of such pledge shall be valid, binding, and enforceable as against all persons having claims of any kind in tort, contract, or otherwise against the Board irrespective of whether such persons have notice of such liens.

10. The Pledge Effected by the Parity Bonds Resolution. The Bond is a special and limited obligation of the Board, payable from and secured by the revenues and funds pledged therefor. The Board covenants to pay promptly the Debt Service Requirements of the Bond at the place, on the dates and in the manner specified in the Loan Agreement, the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions and this 2022 SRF Loan Resolution, and the Bond. The Debt Service Requirements of Bond shall be payable only out of the Debt Service Account, into which the Board has covenanted in the Parity Bonds Resolution to deposit the Net Revenue in amounts sufficient to pay promptly, when due, the Debt Service Requirements of the Parity Bonds, including the Bond. The Parity Bonds, including the Bond, shall constitute an irrevocable lien upon the Net Revenue, but not an exclusive lien, on parity with all Outstanding Parity Bonds that may be issued pursuant to the Parity Bonds Resolution and the Net Revenue has been pledged to the payment of the Parity Bonds, including the Bond.

11. Recording. This 2022 SRF Loan Resolution, immediately on its passage, shall be recorded in the books of resolutions of the Board, respectively, kept for that purpose, and shall be authenticated by the signatures of the President and Secretary.

12. Electronic Transactions. Any electronic signature affixed to any Authorized Document shall carry the full legal force and effect of any original, handwritten signature. This provision is made pursuant to Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act. It is hereby determined that the transactions described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid

Adopted by the Board on December 7, 2022

counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

13. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Act, no legal or equitable action brought with respect to any legislative acts or proceedings in connection with the Financing Documents shall be commenced more than thirty days after the issuance of the Bond.

14. Limited Obligation; Special Obligation. The Loan Agreement and Bond are payable solely from the Net Revenue, and the Loan Agreement and Bond do not constitute a debt within the meaning of any constitutional or statutory limitation or provision. No officers or agents of Denver Water shall be subject to any pecuniary liability in connection with any agreement, covenant, or undertaking by the Board, or by them, contained in any document executed in connection with the authorization, execution, and delivery of the Financing Documents or this 2022 SRF Loan Resolution, or with respect to any action taken or omitted to be taken in good faith with reference thereto.

15. Board Representative. Pursuant to Exhibit B of the Loan Agreement, Angela Bricmont as the Chief Finance Officer, Usha Sharma as the Treasurer, Ross Kuhn as a Finance Supervisor, and Aneta Rettig as a Finance Supervisor, and each of their successors in function, are hereby designated as the Authorized Officers (as defined in the Loan Agreement) for the purpose of performing any act or executing any document relating to the Loan, the Board, or the Financing Documents. A copy of this Resolution shall be furnished to CWRPDA as evidence of such designation.

16. Estimated Life of Improvements. It is hereby determined that the estimated life of the Project to be financed with the proceeds of the Loan is not less than the final maturity of the Loan.

17. Direction to Take Authorizing Action. The appropriate officers of Denver Water and members of the Board are hereby authorized and directed to take all other actions necessary or appropriate to effectuate the provisions of this Resolution, including but not limited to such certificates and affidavits as may reasonably be required by CWRPDA.

18. Severability. If any section, paragraph, clause or provision of this 2022 SRF Loan 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 Supplemental Resolution, the intent being that the same are severable.

Adopted by the Board on December 7, 2022

19. Repealer. All orders, resolutions, by laws and regulations of the Board, or parts thereof, inconsistent with this 2022 SRF Loan Resolution are hereby repealed to the extent only of such inconsistency.

20. Resolution Irrepealable. After the Bond is issued, this Ordinance shall constitute an irrevocable contract between the Board and CWRPDA, and shall be and remain irrepealable until the Bond and the interest thereon, as applicable, shall have been fully paid, satisfied, and discharged. No provisions of any constitution, statute, charter, ordinance, resolution, or other measure enacted after the issuance of the Bond shall in any manner be construed as impairing the obligations of the Board to keep and perform the covenants contained in this Resolution.

21. Effective Date. This 2022 SRF Loan Resolution shall take effect immediately upon its adoption and approval.

DRINKING WATER REVOLVING FUND

LOAN AGREEMENT

BETWEEN

**COLORADO WATER RESOURCES AND POWER
DEVELOPMENT AUTHORITY**

AND

**CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND
THROUGH ITS BOARD OF WATER COMMISSIONERS**

DATED

December 15, 2022

LOAN AGREEMENT

THIS LOAN AGREEMENT is made and entered into as of this 15th day of December 2022, by and between **COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY** (the "Authority"), a body corporate and political subdivision of the State of Colorado, and the **CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS** (the "Governmental Agency").

WITNESSETH THAT:

WHEREAS, the United States, pursuant to the federal Safe Drinking Water Act of 1996, assists state and local participation in the financing of the costs of drinking water system projects and said federal Drinking Water Act requires each state to establish a drinking water revolving fund to be administered by an instrumentality of the State.

WHEREAS, the Authority was created to initiate, acquire, construct, maintain, repair, and operate or cause to be operated certain water resource projects, and to finance the cost thereof;

WHEREAS, Section 37-95-107.8, Colorado Revised Statutes, has created a Drinking Water Revolving Fund to be administered by the Authority;

WHEREAS, the Authority has determined to loan certain sums to governmental agencies in Colorado to finance all or a portion of the costs of certain water resource projects, which loans are subject to the requirements of applicable federal law, regulations, and guidelines then in effect;

WHEREAS, the Authority has authorized certain funds to be applied through its Drinking Water Revolving Fund to qualified governmental agencies as Principal Forgiveness, as defined below;

WHEREAS, the Colorado Legislature has approved a Project Eligibility List that includes the water resource project proposed by the Governmental Agency to be financed hereunder;

WHEREAS, the Governmental Agency has made timely application to the Drinking Water Revolving Fund for a loan to finance a portion of the cost of a certain water resource project, the Authority has approved the Governmental Agency's application for a loan from available funds in the Drinking Water Revolving Fund in an amount not to exceed the amount of the loan commitment set forth in Exhibit B hereto to finance all or a portion of the cost of such project, and the Authority has approved the application of Principal Forgiveness funds to that portion of the Loan as set forth in Exhibit B;

WHEREAS, the Governmental Agency will issue its bond to the Authority to evidence said loan from the Authority;

NOW THEREFORE, for and in consideration of the award of the loan by the Authority, the Governmental Agency agrees to perform its obligations under this Loan Agreement in accordance with the conditions, covenants and procedures set forth herein and attached hereto as a part hereof, as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. The following terms as used in this Loan Agreement shall, unless the context clearly requires otherwise, have the following meanings:

"Act" means the "Colorado Water Resources and Power Development Authority Act," being Section 37-95-101 et seq. of the Colorado Revised Statutes, as the same may from time to time be amended and supplemented.

"Authority" means the Colorado Water Resources and Power Development Authority, a body corporate and political subdivision of the State of Colorado duly created and validly existing under and by virtue of the Act.

"Authorized Officer" means, in the case of the Governmental Agency, the person whose name is set forth in Paragraph (7) of Exhibit B hereto or such other person or persons authorized pursuant to a resolution or ordinance of the governing body of the Governmental Agency to act as an Authorized Officer of the Governmental Agency to perform any act or execute any document relating to the Loan, the Governmental Agency Bond, or this Loan Agreement, whose name is furnished in writing to the Authority.

"Commencement Date" means the date of commencement of the term of this Loan Agreement, as set forth in Paragraph (1) of Exhibit B attached hereto and made a part hereof.

"Cost" means those costs that are eligible to be funded from draws under the Federal Capitalization Agreement capitalizing the Drinking Water Revolving Fund and are reasonable, necessary and allocable to the Project and are permitted by generally accepted accounting principles to be costs of the Project.

"Custodian" means Wells Fargo Bank National Association, or any successor appointed by the Authority as custodian of the direct loan portion of the Drinking Water Revolving Fund.

"Event of Default" means any occurrence or event specified in Section 5.01 hereof.

"Federal Capitalization Agreement" means the instrument or agreement established or entered into by the United States of America Environmental Protection Agency with the Authority to make capitalization grant payments pursuant to the Safe Drinking Water Act, as amended (42 U.S.C. Section 300f et seq.)

"Governmental Agency" means the entity that is a party to and is described in the first paragraph of this Loan Agreement, and its successors and assigns.

"Governmental Agency Bond" means the bond executed and delivered by the Governmental Agency to the Authority to evidence the Loan, the form of which is attached hereto as Exhibit D and made a part hereof.

"Loan" means the loan made by the Authority to the Governmental Agency to finance or refinance a portion of the Cost of the Project pursuant to this Loan Agreement. For all purposes of this Loan Agreement, the amount of the Loan at any time shall be the amount of the loan commitment set forth in Paragraph (4) of Exhibit B attached hereto and made a part of this Loan Agreement, less any Principal Forgiveness applied to the Loan by the Authority pursuant to Exhibit B.

"Loan Agreement" means this Loan Agreement, including the Exhibits attached hereto, as it may be supplemented, modified, or amended from time to time in accordance with the terms hereof.

"Loan Closing" means the date upon which the Governmental Agency shall issue and deliver the Governmental Agency Bond.

"Loan Repayments" means the payments payable by the Governmental Agency pursuant to Section 3.03 of this Loan Agreement, including payments payable under the Governmental Agency Bond.

"Loan Term" means the term of this Loan Agreement provided in Paragraph (5) of Exhibit B attached hereto and made a part hereof, subject to the Principal Forgiveness clause set forth in Paragraph (10) of Exhibit B, if applicable. If the Loan is prepaid in its entirety pursuant to Section 3.07, the Loan Term shall automatically terminate.

"Pledged Property" means the source of repayment described in Paragraph (3) of Exhibit A to this Loan Agreement attached hereto and made a part hereof.

"Prime Rate" means the prevailing commercial interest rate announced by the Wall Street Journal from time to time, or, if the Wall Street Journal ceases announcing a prime rate, shall be the prevailing commercial interest rate announced by Citibank, N.A. as its prime lending rate.

"Principal Forgiveness" means forgiveness of the Governmental Agency's obligation to repay that portion of the principal amount of the Loan. This may take the form of **"Up-Front Principal Forgiveness"** in the amount identified in Part (4)(a) of Exhibit B, attached hereto and

made a part hereof, which amount shall be applied at Closing, or as **"Post-Closing Principal Forgiveness"** in a manner to be effectuated in the Authority's discretion as provided in paragraph (10) of Exhibit B, or both.

"Project" means the project of the Governmental Agency described in Paragraph (1) of Exhibit A attached hereto and made a part hereof, all or a portion of the Cost of which is financed or refinanced by the Authority through the making of the Loan under this Loan Agreement.

"Project Loan Account" means the Project Loan Account established within the Drinking Water Revolving Fund.

"System" means the water works system and plant operated under the complete charge and control of the Governmental Agency, including the property and personnel under control of the Governmental Agency, referred to generally as Denver Water, all pursuant to Sections 10.1.1 through 10.1.22 of the Home Rule Charter of the City and County of Denver, Colorado, described in Paragraph (2) of Exhibit A attached hereto and made a part hereof as such System may be modified, replaced, or expanded from time to time.

Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations, corporations, agencies and districts. Words importing one gender shall include the other gender.

ARTICLE II

REPRESENTATIONS AND COVENANTS OF GOVERNMENTAL AGENCY

SECTION 2.01. Representations of Governmental Agency. The Governmental Agency represents for the benefit of the Authority:

(a) Organization and Authority.

(i) The Governmental Agency is a governmental agency as defined in the Act and as described in the first paragraph of this Loan Agreement.

(ii) The Governmental Agency has full legal right and authority and all necessary licenses and permits required as of the date hereof to own, operate, and maintain the System, other than licenses and permits relating to the construction and acquisition of the Project that the Governmental Agency expects to receive in the ordinary course of business; to carry on its activities relating thereto; and to undertake and complete the Project. The Governmental Agency has full legal right and authority to execute and deliver this Loan Agreement; to execute, issue, and deliver the Governmental Agency Bond; and to carry out and consummate all transactions contemplated by this Loan Agreement and the Governmental Agency Bond. The Project is on the drinking water project eligibility list approved by the General Assembly of the

State of Colorado pursuant to the Act and is a project that the Governmental Agency may undertake pursuant to Colorado law, and for which the Governmental Agency is authorized by law to borrow money.

(iii) The proceedings of the Governmental Agency's governing members approving this Loan Agreement and the Governmental Agency Bond, and authorizing their execution, issuance, and delivery on behalf of the Governmental Agency, and authorizing the Governmental Agency to undertake and complete the Project, or to cause the same to be undertaken and completed, have been duly and lawfully adopted and approved in accordance with the laws of Colorado, and such proceedings were duly approved and published, if necessary, in accordance with applicable Colorado law, at a meeting or meetings that were duly called pursuant to necessary public notice and held in accordance with applicable Colorado law, and at which quorums were present and acting throughout.

(iv) This Loan Agreement has been, and the Governmental Agency Bond when delivered at the Loan Closing will have been, duly authorized, executed, and delivered by an Authorized Officer of the Governmental Agency; and, assuming that the Authority has all the requisite power and authority to authorize, execute, and deliver, and has duly authorized, executed, and delivered, this Loan Agreement, this Loan Agreement constitutes, and the Governmental Agency Bond when delivered to the Authority will constitute, the legal, valid, and binding obligations of the Governmental Agency in accordance with their respective terms; and the information contained under "Description of the Loan" on Exhibit B attached hereto and made a part hereof is true and accurate in all material respects.

(b) Full Disclosure.

To the knowledge of the Governmental Agency, there is no fact that the Governmental Agency has not disclosed to the Authority in writing on the Governmental Agency's application for the Loan or otherwise that materially adversely affects the properties, activities, prospects, or condition (financial or otherwise) of the Governmental Agency or the System, or the ability of the Governmental Agency to make all Loan Repayments, or the ability of the Governmental Agency otherwise to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond.

(c) Pending Litigation.

Except as disclosed to the Authority in writing, there are no proceedings pending, or, to the knowledge of the Governmental Agency threatened, against or affecting the Governmental Agency, in any court, or before any governmental authority or arbitration board or tribunal, that, if adversely determined, would materially adversely affect the properties, activities, prospects, or condition (financial or otherwise) of the Governmental Agency or the System, or the ability of the Governmental Agency to make all Loan Repayments, or the ability of the Governmental Agency otherwise to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond.

(d) Compliance with Existing Laws and Agreements.

The authorization, execution, and delivery of this Loan Agreement and the Governmental Agency Bond by the Governmental Agency, the observance and performance by the Governmental Agency of its duties, covenants, obligations, and agreements thereunder, and the consummation of the transactions provided for in this Loan Agreement and in the Governmental Agency Bond; the compliance by the Governmental Agency with the provisions of this Loan Agreement and the Governmental Agency Bond; and the undertaking and completion of the Project; will not result in any breach of any of the terms, conditions, or provisions of, or constitute a default under, or result in the creation or imposition of any lien, charge, or encumbrance upon, any property or assets of the Governmental Agency pursuant to any existing ordinance or resolution, trust agreement, indenture, mortgage, deed of trust, loan agreement, or other instrument (other than the lien and charge of this Loan Agreement and the Governmental Agency Bond) to which the Governmental Agency is a party or by which the Governmental Agency, the System, or any of the property or assets of the Governmental Agency may be bound, and such action will not result in any violation of the provisions of the charter or other document pursuant to which the Governmental Agency was established, or of any laws, ordinances, resolutions, governmental rules, regulations, or court orders to which the Governmental Agency, the System, or the properties or operations of the Governmental Agency, are subject.

(e) No Defaults.

No event has occurred and no condition exists that, upon authorization, execution, and delivery of this Loan Agreement and the Governmental Agency Bond, or receipt of the amount of the Loan, would constitute an Event of Default hereunder. The Governmental Agency is not in violation of, and has not received notice of any claimed violation of, any term of any agreement or other instrument to which it is a party, or by which it, the System, or its property, may be bound, which violation would materially adversely affect the properties, activities, prospects, or condition (financial or otherwise) of the Governmental Agency or the System, or the ability of the Governmental Agency to make all Loan Repayments, or the ability of the Governmental Agency otherwise to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond.

(f) Governmental Consent.

The Governmental Agency has obtained all permits and approvals required to date by any governmental body or officer for the making, observance, and performance by the Governmental Agency of its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond, or for the undertaking or completion of the Project and the financing or refinancing thereof; and the Governmental Agency has complied with all applicable provisions of law requiring any notification, declaration, filing, or registration with any governmental body or officer in connection with the making, observance, and performance by the Governmental Agency of its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond, or with the undertaking or completion of the Project and the

financing or refinancing thereof. Other than those relating to the construction and acquisition of the Project, which the Governmental Agency expects to receive in the ordinary course of business, no consent, approval, or authorization of, or filing, registration, or qualification with, any governmental body or officer that has not been obtained is required on the part of the Governmental Agency as a condition to the authorization, execution, and delivery of this Loan Agreement and the Governmental Agency Bond, the undertaking or completion of the Project or the consummation of any transaction herein contemplated.

(g) Compliance with Law.

The Governmental Agency:

(i) is in compliance with all laws, ordinances, governmental rules, and regulations to which it is subject, the failure to comply with which would materially adversely affect the ability of the Governmental Agency to conduct its activities or to undertake or complete the Project, or the condition (financial or otherwise) of the Governmental Agency or the System; and

(ii) has obtained all licenses, permits, franchises, or other governmental authorizations presently necessary for the ownership of its property, or for the conduct of its activities that, if not obtained, would materially adversely affect the ability of the Governmental Agency to conduct its activities or to undertake or complete the Project, or the condition (financial or otherwise) of the Governmental Agency or the System.

(h) Use of Proceeds.

The Governmental Agency will apply the proceeds of the Loan from the Authority as described in Exhibit B attached hereto and made a part hereof (i) to finance all or a portion of the Cost; and (ii) where applicable, to reimburse the Governmental Agency for a portion of the Cost, which portion was paid or incurred in anticipation of reimbursement by the Authority.

SECTION 2.02. Particular Covenants of the Governmental Agency.

(a) Pledge of Source of Repayment.

The Governmental Agency irrevocably pledges and grants a lien upon the source of repayment described in Paragraph (3) of Exhibit A for the punctual payment of the principal of and the interest on the Loan, and all other amounts due under this Loan Agreement and the Governmental Agency Bond according to their respective terms.

(b) Performance Under Loan Agreement.

The Governmental Agency covenants and agrees to maintain the System in good repair and operating condition; to cooperate with the Authority in the observance and performance of the respective duties, covenants, obligations and agreements of the Governmental Agency and the

Authority under this Loan Agreement; and, to comply with the covenants described in the Exhibits to this Loan Agreement.

(c) Completion of Project and Provision of Moneys Therefor.

The Governmental Agency covenants and agrees to exercise its best efforts in accordance with prudent water utility practice to complete the Project and to provide from the Pledged Property or other sources available to it all moneys, in excess of the total amount of loan proceeds it receives under the Loan, required to complete the Project.

(d) Disposition of the System.

Except for the disposal of the portions of the System that the Governmental Agency determines are no longer necessary for the operation of the System during the Loan Term, the Governmental Agency shall not sell, lease, abandon, or otherwise dispose of, all or substantially all, or any substantial portion, of the System owned or controlled by the Governmental Agency, or any other system that provides revenues to provide for the payment of this Loan Agreement or the Governmental Agency Bond, except on ninety (90) days' prior written notice to the Authority and, in any event, shall not so sell, lease, abandon, or otherwise dispose of the same unless the following conditions are met: (i) the Governmental Agency shall assign this Loan Agreement in accordance with Section 4.02 hereof and its rights and interests hereunder to the purchaser or lessee of the System, and such purchaser or lessee shall expressly assume all duties, covenants, obligations, and agreements of the Governmental Agency under this Loan Agreement in writing; and (ii) the Authority shall by appropriate action determine that such sale, lease, abandonment or other disposition will not adversely affect the Authority's ability to meet its duties, covenants, obligations, and agreements under the Act, the Federal Clean Water Act, the Safe Drinking Water Act, or any agreement between the Authority or the State of Colorado relating to any capitalization grant received by the Authority or the State of Colorado under the Federal Clean Water Act or the Safe Drinking Water Act, and in its sole discretion, approve such sale, lease, abandonment, or other disposition.

(e) Inspections; Information.

The Governmental Agency shall permit the Authority to examine, visit, and inspect, at any and all reasonable times, the property, if any, constituting the Project, to the extent the property is owned or controlled by the Governmental Agency. If a portion of the Project (such as a lead service line owned or controlled by a third party) is located on property owned by a third party, the Authority may examine, visit, and inspect that portion only from a publicly owned right-of-way, if available. The Governmental Agency does not make any representations regarding accessibility to portions of the Project located on property owned by a third party. The Governmental Agency shall permit the Authority to inspect and make copies of, any accounts, books, and records, including (without limitation) its records regarding receipts, disbursements, contracts, investments, and any other matters relating thereto and to its financial standing, and shall supply such reports and information as the Authority may reasonably require in connection therewith. In addition, the Governmental Agency, upon request, shall provide the Authority with copies of any

official statements or other forms of offering prospectus relating to any other bonds, notes, or other indebtedness of the Governmental Agency secured from the Pledged Property and issued after the date of this Loan Agreement. At the discretion of the Authority, the Governmental Agency may be required to provide unaudited quarterly financial reports to the Authority.

(f) Cost of Project.

The Governmental Agency certifies that the Estimated Cost of the Project, as listed in Paragraph (3) of Exhibit B hereto and made a part hereof, is a reasonable and accurate estimation, and that upon direction of the Authority it shall supply the Authority with a certificate from its engineer stating that such cost is a reasonable and accurate estimation, taking into account investment income to be realized during the course of the Project, and other money that would, absent the Loan, have been used to pay the Estimated Cost of the Project.

(g) Reimbursement for Ineligible Costs.

The Governmental Agency shall promptly reimburse the Authority for any portion of the Loan that is determined not to be a Cost of the Project and that would not be eligible for funding from draws under the Drinking Water Revolving Fund. Such reimbursement shall be promptly repaid to the Authority upon written request of the Authority.

(h) Advertising.

The Governmental Agency agrees not to advertise the Project for bids until plans and specifications for the Project, if such plans and specifications require approval, have been approved by the State Department of Public Health and Environment.

(i) Commencement of Construction.

Within twelve (12) months after the Loan Closing, the Governmental Agency shall initiate construction of the Project.

(j) Interest in Project Site.

As a condition of the Loan, the Governmental Agency will demonstrate to the satisfaction of the Authority before advertising for bids for construction that the Governmental Agency has or will have a fee simple or such other estate or interest, which may include written consent and authorization from a third-party owner, in the site of the Project, including necessary easements, rights-of-way, or licenses, as the Authority finds sufficient to assure undisturbed use and possession for the purpose of construction and operation of the Project for the estimated life of the Project.

(k) No Lobbying.

No portion of the Loan shall be used for lobbying or propaganda as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

(l) Operation and Maintenance of System.

The Governmental Agency covenants and agrees that it shall, in accordance with prudent water utility practice: (i) at all times operate the properties of its System and any business in connection therewith in an efficient manner; (ii) maintain its System in good repair, working order and operating condition; (iii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments, and improvements with respect to its System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted; provided, however, this covenant shall not be construed as requiring the Governmental Agency to expend any funds that are derived from sources other than the operation of its System or other receipts of such System that are not pledged under subsection (a) of this Section 2.02, and provided further that nothing herein shall be construed as preventing the Governmental Agency from doing so.

(m) Records; Accounts.

During the Loan Term, the Governmental Agency shall keep accurate records and accounts for its System (the "System Records"), separate and distinct from its other records and accounts (the "General Records"). Such System Records shall be maintained in accordance with generally accepted accounting principles, generally accepted government accounting standards related to the reporting of infrastructure assets and System Records and General Records shall be made available for inspection by the Authority at any reasonable time.

(n) Audits.

If the Governmental Agency's System Records or General Records are audited annually by an independent accountant, then it shall furnish a copy of such annual audit(s) including all written comments and recommendations of the accountant preparing the audit to the Authority within 270 days of the close of the fiscal year audited, and the Governmental Agency shall cause its independent auditor to file with the Authority a report to the effect that the Governmental Agency is not in default of its Rate Covenant, Paragraph (1) of Exhibit F; Operations and Maintenance Reserve Fund Covenant, Paragraph (5) of Exhibit F; or Lien Representation, Paragraph (4) of Exhibit F under this Loan Agreement, which report may be a part of the annual audit or a separate document.

(o) Insurance.

During the Loan Term, the Governmental Agency 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 its System, at least to the extent that similar

insurance is usually carried by utilities constructing, operating, and maintaining utility system facilities of the nature of the Governmental Agency's System, including liability coverage. The Governmental Agency shall pay all insurance premiums for coverage required hereby from revenues derived from the operation of the System. Nothing herein shall be deemed to preclude the Governmental Agency from asserting against any party, other than the Authority, a defense that may be available to the Governmental Agency, including, without limitation, a defense of governmental immunity.

(p) Notice of Material Adverse Change.

During the Loan Term, (i) the Governmental Agency shall promptly notify the Authority of any material adverse change in the activities, prospects, or condition (financial or otherwise) of the Governmental Agency relating to its System, or its ability to observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement; (ii) the Governmental Agency shall promptly notify the Authority of any material adverse change in the activities, prospects, or condition (financial or otherwise) of the Governmental Agency relating to its ability to make all Loan Repayments from the Pledged Property, or its ability to otherwise observe and perform its duties, covenants, obligations, and agreements under this Loan Agreement and the Governmental Agency Bond.

(q) Hiring Requirements.

The Governmental Agency agrees to comply with the requirements found at Title 8, Article 17, Colorado Revised Statutes.

(r) Additional Covenants and Requirements.

Additional covenants and requirements are included on Exhibit F attached hereto and made a part hereof. The Governmental Agency agrees to observe and comply with each such additional covenant and requirement included on Exhibit F.

(s) Continuing Representations.

The representations of the Governmental Agency contained herein shall be true at the time of the execution of this Loan Agreement and the Governmental Agency covenants not to take any action that would cause them not to be true at all times during the term of this Loan Agreement.

(t) Capacity Development.

The Governmental Agency covenants to maintain its technical, financial, and managerial capability to ensure compliance with the requirements of the Safe Drinking Water Act of 1996 under Section 1452(a)(3)(A)(i).

(u) Archeological Artifacts.

In the event that archeological artifacts or historical resources are unearthed during construction excavation, the Governmental Agency shall stop or cause to be stopped, construction activities and will notify the State Historic Preservation Office and the Authority of such unearthing.

ARTICLE III

LOAN TO GOVERNMENTAL AGENCY; AMOUNTS PAYABLE; GENERAL AGREEMENTS

SECTION 3.01. The Loan. The Authority hereby agrees to loan and disburse to the Governmental Agency in accordance with Section 3.02 hereof, and the Governmental Agency agrees to borrow and accept from the Authority, the Loan in the principal amount equal to the Loan Commitment set forth in Paragraph (4) of Exhibit B attached hereto and made a part hereof as such Loan Commitment may be revised to reflect a reduction in the Cost of the Project prior to the initial Loan Repayment; provided, however, that the Authority shall be under no obligation to make the Loan if (i) the Governmental Agency does not deliver its Governmental Agency Bond to the Authority on the Loan Closing, or (ii) an Event of Default has occurred and is continuing under this Loan Agreement. The Governmental Agency shall use the proceeds of the Loan strictly in accordance with Section 2.01(h) hereof.

SECTION 3.02. Disbursement of the Loan. The Authority has created in the Drinking Water Revolving Fund a Project Loan Account for this Project from which the Costs of the Project shall be paid. Amounts shall be transferred into the Project Loan Account and disbursed to the Governmental Agency upon receipt of a requisition executed by an Authorized Officer, and approved by the Authority and the State Department of Public Health and Environment, in the form set forth in Exhibit G; provided that the Disbursement of the Loan may be withheld if the Governmental Agency is not complying with any of the covenants and conditions in the Loan Agreement.

SECTION 3.03. Amounts Payable.

(a) The Governmental Agency shall repay the principal due on the Loan after accounting for the reduction in the principal of the Loan due to application of Up-Front Principal Forgiveness at Closing, semi-annually on March 15 and September 15 in accordance with the schedule set forth on Exhibit C attached hereto and made a part hereof, as the same may be amended or modified, commencing on the Loan Repayment Commencement Date set forth in Paragraph (8) of Exhibit B.

The Governmental Agency shall execute the Governmental Agency Bond to evidence its obligations to make Loan Repayments and the obligations of the Governmental Agency under the Governmental Agency Bond shall be deemed to be amounts payable under this Section 3.03. Each

Loan Repayment shall be deemed to be a credit against the corresponding obligation of the Governmental Agency under this Section 3.03 and shall fulfill the Governmental Agency's obligation to pay such amount hereunder and under the Governmental Agency Bond. Each payment made pursuant to this Section 3.03 shall be applied to the payment of principal as set forth in Exhibit C.

(b) In addition to the payments required by subsection (a) of this Section 3.03, the Governmental Agency shall pay a late charge for any payment that is received by the Authority later than the tenth (10th) day following its due date, in an amount equal to the greater of twelve percent (12%) per annum or the Prime Rate plus one half of one percent per annum on such late payment from its due date to the date it is actually paid; provided, however, that such late charge shall not be in excess of the maximum rate permitted by law as of the date hereof.

(c) Loan Repayments pursuant to this Section 3.03 shall be made by electronic means (either by bank wire transfer or by Automated Clearing House "ACH" transfer).

SECTION 3.04. Loan Repayment – Principal Forgiveness. The Authority has determined to apply Up-Front Principal Forgiveness to the principal amount of the Loan in an amount identified in Exhibit B, Part (4)(a). The amount of Up-Front Principal Forgiveness set forth in Exhibit B, Part (4)(a), will not need to be repaid. Further, at the discretion of the Authority, and if such funds are available and the Governmental Agency is deemed eligible, the Loan may be forgiven in an amount up to 100% of the principal amount of the Loan pursuant to the terms and conditions of the current Capitalization Grant, in a manner to be effectuated as set forth in Paragraph 10 of Exhibit B attached hereto and made a part hereof. At the Authority's sole discretion, and subject to Exhibit B, Paragraph 10(c), and only if the amount to be forgiven is 100%, the Authority also may waive payment of any interest accrued on the amount of principal forgiven through the Effective Date of Post-Closing Principal Forgiveness (defined in Exhibit B, Paragraphs 10(a)(i) and (b)(i)).

SECTION 3.05. Unconditional Obligations. The Loan Repayments and all other payments required hereunder are payable solely from the Pledged Property. The obligation of the Governmental Agency to make the Loan Repayments and all other payments required hereunder shall be absolute and unconditional and shall not be abated, rebated, set-off, reduced, abrogated, terminated, waived, diminished, postponed or otherwise modified in any manner or to any extent whatsoever, while any payments due under the Loan Agreement remain unpaid regardless of any contingency, act of God, event or cause whatsoever, including (without limitation) any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, the taking by eminent domain or destruction of or damage to the Project, commercial frustration of the purpose, any change in the laws of the United States of America or of the State of Colorado or any political subdivision of either or in the rules or regulations of any governmental authority, any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Project or this Loan Agreement or any rights of set-off, recoupment, abatement or counterclaim that the Governmental Agency might otherwise have against the Authority or any other party or parties; provided, however, that payments hereunder shall not constitute a waiver of any such rights.

SECTION 3.06. Disclaimer of Warranties and Indemnification. The Governmental Agency acknowledges and agrees that (i) the Authority makes no warranty or representation, either express or implied as to the value, design, condition, merchantability, or fitness for particular purpose, or fitness for any use, of the Project or any portions thereof, or any other warranty or representation with respect thereto; (ii) in no event shall the Authority or its agents be liable or responsible for any direct, incidental, indirect, special, or consequential damages in connection with or arising out of this Loan Agreement, or the Project, or the existence, furnishing, functioning, or use of the Project, or any item or products or services provided for in this Loan Agreement; and (iii) to the extent authorized by law, the Governmental Agency shall indemnify, save, and hold harmless the Authority against any and all claims, damages, liability, and court awards, including costs, expenses, and attorney fees incurred as a result of any act or omission by the Governmental Agency, or its employees, agents, or subcontractors pursuant to the terms of this Loan Agreement, provided, however, that the provisions of this clause (iii) are not intended to and shall not be construed as a waiver of any defense or limitation on damages provided for under and pursuant to the Colorado Governmental Immunity Act (Section 24-10-101, et seq. C.R.S.), or under the laws of the United States or the State of Colorado.

SECTION 3.07. Limited Option to Prepay Loan Repayments. Loan principal due on or after March 15, 2029, may be pre-paid at the option of the Governmental Agency with no less than a 60-day notice to the Authority. Prepayments shall equal the amount of principal to be pre-paid plus accrued interest to March 15, 2029, or the date fixed for prepayment, whichever is later. Loan principal payments made in advance of the later of March 15, 2029, or a selected optional prepayment date shall include all interest that is scheduled to be due on the pre-paid principal through March 15, 2029, or a subsequent optional prepayment date.

SECTION 3.08. Source of Payment of Governmental Agency's Obligations. The Authority and the Governmental Agency agree that the amounts payable by the Governmental Agency under this Loan Agreement, including, without limitation, the amounts payable by the Governmental Agency pursuant to Section 3.03, Section 3.05, Section 3.06, and Section 5.04 of this Loan Agreement are payable solely from the Pledged Property, and are not payable from any other source whatsoever; provided, however, that the Governmental Agency at its option, may elect to make payment from any source available to it.

SECTION 3.09. Delivery of Documents. Concurrently with the execution and delivery of this Loan Agreement, the Governmental Agency will cause to be delivered to the Authority each of the following items:

(a) an opinion of the Governmental Agency's counsel substantially in the form set forth in Exhibit E-1 hereto (such opinion or portions of such opinion may be given by one or more counsel); provided, however, that the Authority may in its discretion permit variances in such opinion from the form or substance of such Exhibit E-1 if such variances are not to the material detriment of the interests of the Authority;

- (b) an opinion of the Governmental Agency's Bond Counsel substantially in the form set forth in Exhibit E-2 hereto. Such opinion must be rendered by Bond Counsel listed in the Directory of Bond Counsel published by the Bond Buyer (the "Red Book");
- (c) executed counterparts of this Loan Agreement;
- (d) copies of the resolutions or ordinances of the governing body of the Governmental Agency authorizing the execution and delivery of this Loan Agreement and the Governmental Agency Bond, certified by an Authorized Officer of the Governmental Agency; and
- (e) such other certificates, documents, opinions, and information as the Authority may require.

Upon receipt of the foregoing documents, the Authority shall obligate the amount of the Loan Commitment set forth in Paragraph (4) of Exhibit B, and make the amount of the Loan available for the Project in accordance with the terms of this Loan Agreement.

SECTION 3.10. Limited Recourse. No recourse shall be had for the payment of the principal of or interest on the Governmental Agency Bond or for any claim based thereon or upon any obligation, covenant, or agreement contained in this Loan Agreement against any individual past, present, or future officer, employee, or agent of the Governmental Agency, but any recourse shall be solely against the Governmental Agency.

ARTICLE IV

ASSIGNMENT

SECTION 4.01. Assignment and Transfer by Authority. The Governmental Agency expressly acknowledges that other than the right, title, and interest of the Authority under Section 3.05, Section 5.04, and Section 5.07, all right, title, and interest of the Authority in, to, and under this Loan Agreement and the Governmental Agency Bond, including, without limitation, the right to receive payments required to be made by the Governmental Agency hereunder, and to compel or otherwise enforce observance and performance by the Governmental Agency of its other duties, covenants, obligations, and agreements hereunder, may be transferred, assigned, and reassigned in whole or in part by the Authority at its sole discretion to one or more assignees or subassignees at any time subsequent to their execution without the necessity of obtaining the consent of, but after giving prior written notice to, the Governmental Agency.

The Authority shall retain the right to compel or otherwise enforce observance and performance by the Governmental Agency of its duties, covenants, obligations, and agreements under Section 3.05 and Section 5.04.

SECTION 4.02. Assignment by Governmental Agency. Neither this Loan Agreement nor the Governmental Agency Bond may be assigned by the Governmental Agency for any reason, unless

the following conditions shall be satisfied: (i) the Authority shall have approved said assignment in writing; (ii) the assignee shall be a governmental agency as defined by the Act, and the assignee shall have expressly assumed in writing the full and faithful observance and performance of the Governmental Agency's duties, covenants, agreements, and obligations under the Loan Agreement; (iii) immediately after such assignment, the assignee shall not be in default in the performance or observance of any duties, covenants, obligations, or agreements of the Governmental Agency under the Loan Agreement; and (iv) the Authority shall receive an opinion of counsel to the effect that such assignment will not violate the provisions of any agreement entered into by the Authority with, or condition of any grant received by the Authority from, the United States of America relating to the Federal Capitalization Agreement or any capitalization grant received by the Authority or the State under the Safe Drinking Water Act.

No assignment shall relieve the Governmental Agency from primary liability for any of its obligations under this Loan Agreement, and in the event of such assignment, the Governmental Agency shall continue to remain primarily liable for the performance and observance of its obligations to be performed and observed under this Loan Agreement.

ARTICLE V

DEFAULTS AND REMEDIES

SECTION 5.01. Event of Default. If any of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default":

(a) failure by the Governmental Agency to pay, or cause to be paid, any Loan Repayment required to be paid hereunder when due, which failure shall continue for a period of thirty (30) days;

(b) failure by the Governmental Agency to make, or cause to be made, any required payments of interest and principal, redemption premium, if any, and interest on any bonds, notes, or other obligations of the Governmental Agency for borrowed money (other than the Loan and the Governmental Agency Bond), after giving effect to the applicable grace period, the payments of which are secured by the Pledged Property;

(c) failure by the Governmental Agency to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under this Loan Agreement other than as referred to in Paragraph (a) of this Section, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Governmental Agency; provided, however, that if the failure stated in such notice is correctable, but cannot be corrected within the applicable period, the Authority may consent to an extension of such time if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until the Event of Default is corrected;

(d) any representation made by or on behalf of the Governmental Agency contained in this Loan Agreement, or in any instrument furnished in compliance with or with reference to this Loan Agreement or the Loan, is false or misleading in any material respect; or

(e) (i) a petition is filed by or against the Governmental Agency under any federal or state bankruptcy or insolvency law, or other similar law in effect on the date of this Loan Agreement or thereafter enacted, unless in the case of any such petition filed against the Governmental Agency such petition shall be dismissed within thirty (30) days after such filing, and such dismissal shall be final and not subject to appeal; or (ii) the Governmental Agency shall become insolvent, or bankrupt or make an assignment for the benefit of its creditors; or (iii) a custodian (including, without limitation, a receiver, liquidator, or trustee of the Governmental Agency or any of its property) shall be appointed by court order, or take possession of the Governmental Agency, or its property or assets, if such order remains in effect, or such possession continues, for more than thirty (30) days.

SECTION 5.02. Notice of Default. The Governmental Agency shall give the Authority prompt telephonic notice of the occurrence of any Event of Default referred to in Section 5.01 at such time as any senior administrative or financial officer of the Governmental Agency becomes aware of the existence thereof. Any telephonic notice pursuant to this Section 5.02 shall be confirmed by the Governmental Agency in writing as soon as practicable.

SECTION 5.03. Remedies on Default. Whenever an Event of Default referred to in Section 5.01 hereof shall have occurred and be continuing, the Authority shall have the right to withhold disbursement of Loan funds remaining, and take such other action at law or in equity as may appear necessary to enforce the performance and observance of any duty, covenant, obligation, or agreement of the Governmental Agency hereunder, including, without limitation, appointment ex parte of a receiver of the System.

SECTION 5.04. Attorney's Fees and Other Expenses. In the Event of Default, the Governmental Agency shall on demand pay to the Authority the reasonable fees and expenses of attorneys, and other reasonable expenses (including, without limitation, the reasonably allocated costs of in-house counsel and legal staff) incurred by the Authority in the collection of Loan Repayments or any other sum due hereunder, or in the enforcement of the performance or observation of any other duties, covenants, obligations, or agreements of the Governmental Agency.

SECTION 5.05. Application of Moneys. Any moneys collected by the Authority pursuant to Section 5.03 hereof shall be applied (a) first, to pay any attorney's fees, or other fees and expenses owed by the Governmental Agency pursuant to Section 5.04 hereof, (b) second, to pay principal due and payable on the Loan, and (c) third, to pay any other amounts due and payable under this Loan Agreement.

SECTION 5.06. No Remedy Exclusive; Waiver; Notice. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement, or now or hereafter existing at law or in equity. No delay or omission to exercise any right, remedy, or power

accruing upon any Event of Default shall impair any such right, remedy, or power, or shall be construed to be a waiver thereof, but any such right, remedy, or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article V.

SECTION 5.07. Retention of Authority's Rights. Notwithstanding any assignment or transfer of this Loan Agreement pursuant to the provisions hereof, or anything else to the contrary contained herein, the Authority shall have the right upon the occurrence of an Event of Default to take any action, including (without limitation) bringing an action against the Governmental Agency at law or in equity, as the Authority may, in its discretion, deem necessary to enforce the obligations of the Governmental Agency to the Authority pursuant to Section 5.04, Section 3.03, and Section 3.05 hereof.

SECTION 5.08. Default by the Authority. In the event of any default by the Authority under any covenant, agreement, or obligation of this Loan Agreement, the Governmental Agency's remedy for such default shall be limited to injunction, special action, action for specific performance, or any other available equitable remedy, designed to enforce the performance or observance of any duty, covenant, obligation, or agreement of the Authority hereunder, as may be necessary or appropriate. The Authority shall on demand pay to the Governmental Agency the reasonable fees and expenses of attorneys, and other reasonable expenses, in the enforcement of such performance or observation.

ARTICLE VI

MISCELLANEOUS

SECTION 6.01. Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when hand-delivered or mailed by registered or certified mail, postage prepaid, to the Governmental Agency at the address specified on Exhibit B attached hereto and made a part hereof, and to the Authority, at the following address:

Colorado Water Resources and Power
Development Authority
1580 N. Logan Street, Suite 820
Denver, Colorado 80203
Attention: Executive Director

Such address may be changed by notice in writing.

SECTION 6.02. Binding Effect. This Loan Agreement shall inure to the benefit of, and shall be binding upon, the Authority and the Governmental Agency, and their respective successors and assigns.

SECTION 6.03. Severability. In the event any provision of this Loan Agreement shall be held illegal, invalid, or unenforceable by any court of competent jurisdiction, such holding shall not invalidate, render unenforceable, or otherwise affect, any other provision hereof.

SECTION 6.04. Amendments, Supplements and Modifications. This Loan Agreement may not be amended, supplemented, or modified without the prior written consent of the Authority and the Governmental Agency.

SECTION 6.05. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

SECTION 6.06. Applicable Law and Venue. This Loan Agreement shall be governed by and construed in accordance with the laws of the State of Colorado, including the Act. Venue for any action seeking to interpret or enforce the provisions of this Loan Agreement shall be in the Denver District Court.

SECTION 6.07. Consents and Approvals. Whenever the written consent or approval of the Authority shall be required under the provisions of this Loan Agreement, such consent or approval may only be given by the Authority unless otherwise provided by law, or by rules, regulations or resolutions of the Authority.

SECTION 6.08. Captions. The captions or headings in this Loan Agreement are for convenience only and shall not in any way define, limit, or describe, the scope or intent of any provisions or sections of this Loan Agreement.

SECTION 6.09. Further Assurances. The Governmental Agency shall, at the request of the Authority, authorize, execute, acknowledge, and deliver, such further resolutions, conveyances, transfers, assurances, financing statements, and other instruments, as may be necessary or desirable for better assuring, conveying, granting, assigning, and confirming, the rights and agreements, granted or intended to be granted, by this Loan Agreement and the Governmental Agency Bond.

SECTION 6.10. Recitals. This Loan Agreement is authorized pursuant to and in accordance with the Constitution of the State of Colorado and all other laws of the State of Colorado thereunto enabling. Specifically, but not by way of limitation, this Loan Agreement is authorized by the Governmental Agency pursuant to the Home Rule Charter of the City and County of Denver, Colorado, Title 37, Article 45.1 C.R.S., and Title 11, Article 57, Part 2, C.R.S and shall so recite in the Governmental Agency Bond. Such recitals shall conclusively impart full compliance with all provisions and limitations of such laws and shall be conclusive evidence of the validity and regularity of the issuance of the Governmental Agency Bond, and the Governmental Agency Bond delivered by the Governmental Agency to the Authority containing such recital shall be incontestable for any cause whatsoever after its delivery for value.

IN WITNESS WHEREOF, the Authority and the Governmental Agency have caused this Loan Agreement to be executed, sealed and delivered, as of the Commencement Date set forth on Exhibit B hereto.

**COLORADO WATER RESOURCES AND
POWER DEVELOPMENT AUTHORITY**

(SEAL)

By: _____
Executive Director

ATTEST:

By: _____
Assistant Secretary

ATTESTED:

**CITY AND COUNTY OF DENVER,
COLORADO, ACTING BY AND
THROUGH ITS BOARD OF WATER
COMMISSIONERS**

By: _____
Secretary

By: _____
President

APPROVED:

REGISTERED AND COUNTERSIGNED:
CITY AND COUNTY OF DENVER

By: _____
Chief Finance Officer

By: _____
Auditor

APPROVED AS TO FORM:

By: _____
Office of General Counsel

IN WITNESS WHEREOF, the Authority and the Governmental Agency have caused this Loan Agreement to be executed, sealed and delivered, as of the Commencement Date set forth on Exhibit B hereto.

**COLORADO WATER RESOURCES AND
POWER DEVELOPMENT AUTHORITY**

(SEAL)

By: _____
Executive Director

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By: _____
Assistant Secretary

ATTESTED:

**CITY AND COUNTY OF DENVER,
COLORADO, ACTING BY AND
THROUGH ITS BOARD OF WATER
COMMISSIONERS**

By: _____
Secretary

By: _____
President

APPROVED:

REGISTERED AND COUNTERSIGNED:
CITY AND COUNTY OF DENVER,
COLORADO

By: _____
Chief Finance Officer

By: _____
Auditor

APPROVED AS TO FORM:

By: _____
Office of General Counsel

EXHIBIT A

(1) **Description of the Project**

In 2020, Denver Water began implementation of its Lead Reduction Program (LRP), which was approved by state and federal agencies in December 2019. Denver Water seeks to replace all lead service lines in the Denver Water service area at no direct cost to customers. Out of the approximately 312,000 service lines Denver Water has in its system, an estimated 63,000 to 82,000 of these are lead. Denver Water currently replaces approximately 4,500 lead service lines per year. The Project will allow Denver Water to add additional work areas to increase the number of lead service line replacements each year and complete the LRP sooner than the 2034 projected time frame.

(2) **Description of the System**

"System" shall mean, the water works system and plant which is operated under the complete charge and control of the Board and which includes the property and personnel under control of the Board to be referred to generally as Denver Water, all pursuant to Section 10.1.1 through 10.1.22 of the Charter of the City and County of Denver, Colorado.

(3) **Pledged Property**

The Pledged Property shall consist of Net Revenue, as defined below:

"*Net Revenue*" means the Gross Revenue after deducting the Operation and Maintenance Expenses.

"*Gross Revenue*" means all income and revenues directly or indirectly derived by the Governmental Agency from the operation and use of the System, or any part thereof, including without limitation, any rates, fees, system development charges, participation payment, tap fees, availability fees, tools and charges for the services furnished by, or the use of, the System, and all proceeds realized from any past or future dispositions of System property or rights, or related contracts, settlements, or judgments, and including investment income accruing from moneys held to the credit of the Water Works Fund; provided however, that there shall be excluded from Gross Revenue: any moneys borrowed and used for providing Capital Improvements; any money and securities, and investment income therefrom, in any refunding fund, escrow account, or similar account, pledged to the payment of any bonds or other obligations; any Financial Products Receipts, any Financial Products Termination Payment, and any moneys received as grants or appropriations from the United States, the State of Colorado, other local governments or enterprises, or other sources, the use of which is limited or restricted to the provision of Capital Improvements or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys shall be received as payments for the use of the System, services rendered thereby, the availability of any such service, or the disposal of any commodities therefrom.

"*Capital Improvements*" means the acquisition of land, easements, facilities and equipment (other than ordinary repairs and replacements), and the construction or reconstruction of improvements, betterments, and extensions, for use by, or in connection with, the System.

"*Operation and Maintenance Expenses*" means all reasonable and necessary current expenses of the Governmental Agency, paid or accrued, for operating, maintaining and repairing the System, including

without limitation legal and overhead expenses of the Governmental Agency related to the administration of the System, insurance premiums, payments of claims under a self-insurance program, audits, charges of depository banks and paying agents, professional services, salaries and administrative expenses, labor and the cost of materials and supplies for current operations, payments of rebate obligations to the United States of America as further provided in any Supplemental Resolution and any related Tax Certificate of the Board in respect of the Parity Bonds and any similar payment of rebate obligations provision of any resolution (and related tax certificate) in respect of the Capital Improvements Lease Payments, rental payments under operating leases and administrative costs and expenses related thereto; provided however, that there shall be excluded from Operation and Maintenance Expenses any allowance for depreciation, non-cash overhead expenses of the System, payments in lieu of taxes or franchise fees, expenses incurred in connection with Capital Improvements, payments due in connection with any bonds or other obligations issued or entered into to provide Capital Improvements, Capital Improvements Lease Payments, and charges for the accumulation of reserves.

For purposes of this definition, “Capital Improvements Lease Payments” means the principal and interest components of the annual lease payments due under any lease entered into by the Board, as lessee, in order to provide Capital Improvements.

EXHIBIT B

DESCRIPTION OF THE LOAN

- (1) Commencement Date: December 15, 2022

- (2) Name and Address of Governmental Agency:

City and County of Denver, Colorado, Acting By and Through Its Board of Water Commissioners
1600 W. 12th Ave.
Denver, CO 80204

- (3) Estimated Cost of the Project: \$76,200,000

- (4) Maximum Principal Amount of Loan Commitment: \$76,123,628
 - (a) Up-Front Principal Forgiveness to be Applied at Closing: \$40,000,000

 - (b) Maximum Total Principal to be Repaid after Application of Up-Front Principal Forgiveness:
\$36,123,628

- (5) Loan Term: 30 years.

- (6) Interest Rate: 2.75% annually

- (7) Authorized Officers: Angela Bricmont, Chief Finance Officer

Usha Sharma, Treasurer
Ross Kuhn, Finance Supervisor
Aneta Rettig, Finance Supervisor

- (8) Loan Repayment Commencement Date: March 15, 2023

- (9) Execution Date: December 15, 2022

(10) Principal Forgiveness:

(a) Up-Front Principal Forgiveness: The amount of principal of the Loan identified as Up-Front Principal Forgiveness in Part (4)(a) above will be forgiven at Closing, provided the Governmental Agency has met each of its obligations and covenants necessary to effect Closing. Exhibit C to the Loan Agreement sets forth the repayment schedule after allowing for the reduction of total Loan principal by the amount of Up-Front Principal Forgiveness applied.

(b) Post-Closing Principal Forgiveness: At the discretion of the Authority, and if such funds are available and the Governmental Agency is deemed eligible, the Loan may be forgiven in an amount up to 100% of the outstanding principal amount of the Loan. At the Authority's sole discretion, and subject to subparagraph (10)(b)(i), below, and only if the amount forgiven is 100% of the outstanding principal of the Loan, the Authority also may waive payment of interest accrued on the amount of principal forgiven through the Effective Date of Post-Closing Principal Forgiveness (defined in Paragraph 10(b)(i)). The Authority will provide written notice (the "Notice of Post-Closing Principal Forgiveness") to the Governmental Agency once the Authority determines to exercise its discretion to grant Post-Closing Principal Forgiveness, that funds are available, and that the Governmental Agency is eligible for such action. The Notice of Post-Closing Principal Forgiveness will set forth the amount, up to 100%, of the outstanding principal amount of the Loan to be forgiven, and whether any accrued interest will be waived. Upon the Governmental Agency's receipt of the Notice of Post-Closing Principal Forgiveness from the Authority, the following terms shall apply:

(i) If 100% of the principal amount of the Loan is forgiven, then:

- A. The award of Post-Closing Principal Forgiveness shall be effective as of the date of the Notice of Post-Closing Principal Forgiveness (the "Effective Date of 100% Principal Forgiveness");
- B. The Authority shall amend the repayment schedule set forth in Exhibit C to acknowledge the Post-Closing Principal Forgiveness award and the Effective Date of 100% Principal Forgiveness and the waiver of any accrued interest as applicable;
- C. The Authority shall amend the Loan Term to extend from the date of Loan Execution until the date the Water Quality Control Division of the Colorado Department of Health and Environment (the "WQCD") issues certification that all required documents have been submitted and the Governmental Agency has met all Project and Loan requirements;
- D. The Governmental Agency Bond will be released at the expiration of the Loan Term, as amended; and
- E. As of the Effective Date of 100% Principal Forgiveness, the following Loan Agreement sections will no longer apply: Section 2.02. (n) Audits; Section 3.03. Amounts Payable; Exhibit A (3) Pledged Property; Exhibit F (1) Rate Covenant; Exhibit B (5) Loan Term; Exhibit B (6) Interest Rate; Exhibit B (8) Loan Repayment Commencement; Exhibit C Repayment Schedule; and all references thereof.

- (ii) If the Governmental Agency receives Post-Closing Principal Forgiveness for less than 100% of the outstanding principal amount of the Loan, then:
 - A. The effective date of the Post-Closing Principal Forgiveness shall be the date of the Notice of Post-Closing Principal Forgiveness from the Authority (the “Effective Date of Partial Principal Forgiveness”); and
 - B. Upon the Effective Date of Partial Principal Forgiveness, the Loan Term shall remain as set forth in this Agreement, but the Authority shall amend the Loan Repayment Schedule set forth in Exhibit C to include a revised amortization schedule for the remaining principal amount.
 - C. If the Effective Date of Principal Forgiveness, either 100% or Partial, occurs after the Loan Repayment Commencement Date, and the Governmental Agency has paid one or more of the scheduled payments, the Post-Closing Principal Forgiveness, as well as any waived interest accrued on the amount of principal forgiven through the Effective Date of Principal Forgiveness, will be net of any such payments. The Authority will not reimburse the Governmental Agency any amount paid by the Governmental Agency.

EXHIBIT C
DRINKING WATER REVOLVING FUND
LOAN REPAYMENT SCHEDULE
CITY AND COUNTY OF DENVER, COLORADO ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS
Loan Number: #DL22F476

On or before the first of each date, commencing on March 15, 2023, the
Governmental Agency shall pay the amount set forth below:

LOAN DATE:	12/15/2022
TOTAL LOAN AMOUNT:	\$76,123,628
UP-FRONT BIL PRINCIPAL FORGIVENESS:	\$40,000,000
REPAYABLE LOAN PRINCIPAL AMOUNT:	\$36,123,628
INTEREST RATE:	2.75%
TERM (YEARS):	30

PAYMENT DATES	PAYMENT	PRINCIPAL	REMAINING PRINCIPAL	CALCULATED INTEREST
			\$36,123,628.00	
3/15/2023	\$296,027.36	\$130,460.73	\$35,993,167.27	\$165,566.63
9/15/2023	\$894,566.98	\$399,660.93	\$35,593,506.34	\$494,906.05
3/15/2024	\$894,566.98	\$405,156.27	\$35,188,350.07	\$489,410.71
9/15/2024	\$894,566.98	\$410,727.17	\$34,777,622.90	\$483,839.81
3/15/2025	\$894,566.98	\$416,374.67	\$34,361,248.23	\$478,192.31
9/15/2025	\$894,566.98	\$422,099.82	\$33,939,148.41	\$472,467.16
3/15/2026	\$894,566.98	\$427,903.69	\$33,511,244.72	\$466,663.29
9/15/2026	\$894,566.98	\$433,787.37	\$33,077,457.35	\$460,779.61
3/15/2027	\$894,566.98	\$439,751.94	\$32,637,705.41	\$454,815.04
9/15/2027	\$894,566.98	\$445,798.53	\$32,191,906.88	\$448,768.45
3/15/2028	\$894,566.98	\$451,928.26	\$31,739,978.62	\$442,638.72
9/15/2028	\$894,566.98	\$458,142.27	\$31,281,836.35	\$436,424.71
3/15/2029	\$894,566.98	\$464,441.73	\$30,817,394.62	\$430,125.25
9/15/2029	\$894,566.98	\$470,827.80	\$30,346,566.82	\$423,739.18
3/15/2030	\$894,566.98	\$477,301.69	\$29,869,265.13	\$417,265.29
9/15/2030	\$894,566.98	\$483,864.58	\$29,385,400.55	\$410,702.40
3/15/2031	\$894,566.98	\$490,517.72	\$28,894,882.83	\$404,049.26
9/15/2031	\$894,566.98	\$497,262.34	\$28,397,620.49	\$397,304.64
3/15/2032	\$894,566.98	\$504,099.70	\$27,893,520.79	\$390,467.28
9/15/2032	\$894,566.98	\$511,031.07	\$27,382,489.72	\$383,535.91
3/15/2033	\$894,566.98	\$518,057.75	\$26,864,431.97	\$376,509.23
9/15/2033	\$894,566.98	\$525,181.04	\$26,339,250.93	\$369,385.94
3/15/2034	\$894,566.98	\$532,402.28	\$25,806,848.65	\$362,164.70
9/15/2034	\$894,566.98	\$539,722.81	\$25,267,125.84	\$354,844.17
3/15/2035	\$894,566.98	\$547,144.00	\$24,719,981.84	\$347,422.98
9/15/2035	\$894,566.98	\$554,667.23	\$24,165,314.61	\$339,899.75
3/15/2036	\$894,566.98	\$562,293.90	\$23,603,020.71	\$332,273.08
9/15/2036	\$894,566.98	\$570,025.45	\$23,032,995.26	\$324,541.53
3/15/2037	\$894,566.98	\$577,863.30	\$22,455,131.96	\$316,703.68
9/15/2037	\$894,566.98	\$585,808.92	\$21,869,323.04	\$308,758.06
3/15/2038	\$894,566.98	\$593,863.79	\$21,275,459.25	\$300,703.19
9/15/2038	\$894,566.98	\$602,029.42	\$20,673,429.83	\$292,537.56
3/15/2039	\$894,566.98	\$610,307.32	\$20,063,122.51	\$284,259.66
9/15/2039	\$894,566.98	\$618,699.05	\$19,444,423.46	\$275,867.93
3/15/2040	\$894,566.98	\$627,206.16	\$18,817,217.30	\$267,360.82
9/15/2040	\$894,566.98	\$635,830.24	\$18,181,387.06	\$258,736.74
3/15/2041	\$894,566.98	\$644,572.91	\$17,536,814.15	\$249,994.07
9/15/2041	\$894,566.98	\$653,435.79	\$16,883,378.36	\$241,131.19
3/15/2042	\$894,566.98	\$662,420.53	\$16,220,957.83	\$232,146.45
9/15/2042	\$894,566.98	\$671,528.81	\$15,549,429.02	\$223,038.17
3/15/2043	\$894,566.98	\$680,762.33	\$14,868,666.69	\$213,804.65
9/15/2043	\$894,566.98	\$690,122.81	\$14,178,543.88	\$204,444.17
3/15/2044	\$894,566.98	\$699,612.00	\$13,478,931.88	\$194,954.98
9/15/2044	\$894,566.98	\$709,231.67	\$12,769,700.21	\$185,335.31
3/15/2045	\$894,566.98	\$718,983.60	\$12,050,716.61	\$175,583.38
9/15/2045	\$894,566.98	\$728,869.63	\$11,321,846.98	\$165,697.35
3/15/2046	\$894,566.98	\$738,891.58	\$10,582,955.40	\$155,675.40
9/15/2046	\$894,566.98	\$749,051.34	\$9,833,904.06	\$145,515.64
3/15/2047	\$894,566.98	\$759,350.80	\$9,074,553.26	\$135,216.18
9/15/2047	\$894,566.98	\$769,791.87	\$8,304,761.39	\$124,775.11
3/15/2048	\$894,566.98	\$780,376.51	\$7,524,384.88	\$114,190.47
9/15/2048	\$894,566.98	\$791,106.69	\$6,733,278.19	\$103,460.29
3/15/2049	\$894,566.98	\$801,984.40	\$5,931,293.79	\$92,582.58
9/15/2049	\$894,566.98	\$813,011.69	\$5,118,282.10	\$81,555.29
3/15/2050	\$894,566.98	\$824,190.60	\$4,294,091.50	\$70,376.38
9/15/2050	\$894,566.98	\$835,523.22	\$3,458,568.28	\$59,043.76
3/15/2051	\$894,566.98	\$847,011.67	\$2,611,556.61	\$47,555.31
9/15/2051	\$894,566.98	\$858,658.08	\$1,752,898.53	\$35,908.90
3/15/2052	\$894,566.98	\$870,464.63	\$882,433.90	\$24,102.35
9/15/2052	\$894,567.37	\$882,433.90	\$0.00	\$12,133.47
Total	\$53,075,479.57	\$36,123,628.00		\$16,951,851.57

EXHIBIT D

GOVERNMENTAL AGENCY BOND

FOR VALUE RECEIVED, the undersigned **CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS** (the "Governmental Agency"), hereby promises to pay to the order of the **COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY** (the "Authority") the principal amount of Seventy-six Million One-hundred Twenty Three Thousand Six-hundred Twenty Eight and 00/100 Dollars (\$76,123,628), of which amount includes a \$40,000,000 reduction in the total principal of the Loan due to the application of Up-Front Principal Forgiveness in the amount set forth in Exhibit B, Part (4)(a), or such lesser amount as shall be loaned to the Governmental Agency pursuant to the Loan Agreement dated as of December 15, 2022, by and between the Authority and the Governmental Agency (the "Loan Agreement"), at the times and in the amounts determined as provided in the Loan Agreement, at two and three quarters percent interest (2.75%), and late charges on late payments as provided in Section 3.03 (b) of the Loan Agreement, payable on the dates and in the amounts determined as provided in the Loan Agreement.

This Governmental Agency Bond is issued pursuant to the Loan Agreement and is issued in consideration of the loan made thereunder (the "Loan") and to evidence the obligations of the Governmental Agency set forth in Section 3.03 thereof. This Governmental Agency Bond is subject to assignment or endorsement in accordance with the terms of the Loan Agreement. All of the definitions, terms, conditions, and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as a part of this Governmental Agency Bond.

Pursuant to the Loan Agreement, disbursements to the Governmental Agency shall be made in accordance with written instructions upon the receipt by the Authority of requisitions from the Governmental Agency executed and delivered in accordance with the requirements set forth in Section 3.02 of the Loan Agreement.

This Governmental Agency Bond is entitled to the benefits, and is subject to the conditions, of the Loan Agreement. The obligations of the Governmental Agency to make the payments required hereunder shall be absolute and unconditional without any defense or right of set-off, counterclaim, or recoupment by reason of any default by the Authority under the Loan Agreement, or under any other agreement between the Governmental Agency and the Authority, or out of any indebtedness or liability at any time owing to the Governmental Agency by the Authority, or for any other reason.

This Governmental Agency Bond is subject to optional prepayment under the terms and conditions, and in the amounts, provided in Section 3.07 of the Loan Agreement. The obligation of the Governmental Agency to make payments under the Loan Agreement and this Governmental Agency Bond is payable solely from the Pledged Property, except for reserves created in connection with the Loan.

This Governmental Agency Bond does not constitute a debt or an indebtedness of the Governmental Agency within the meaning of any constitutional or statutory limitation or provision, and shall not be considered or held to be a general obligation of the Governmental Agency. The payment of this Governmental Agency Bond is not secured by an encumbrance, mortgage or other pledge of property except for such property and moneys pledged for the payment of the Governmental Agency Bond.

For the payment of this Governmental Agency Bond, the Governmental Agency shall enforce the Rate Covenant set forth in Paragraph (1) of Exhibit F to the Loan Agreement, shall promptly collect all revenues of the System, and shall take all necessary action to collect any revenues that are in default.

If an “Event of Default” as defined in Section 5.01 of the Loan Agreement occurs, the remedies on default set forth in Section 5.03 of the Loan Agreement shall be available to enforce the obligations of the Governmental Agency that are evidenced by this Governmental Agency Bond.

This Governmental Agency Bond is issued under the authority of and in full conformity with the Constitution and laws of the State of Colorado, including without limitation, the Home Rule Charter of the City and County of Denver, Colorado, Title 31, Article 35, Part 4, C.R.S.; Title 37, Article 45.1; certain provisions of Title 11, Article 57, Part 2, C.R.S. (the “Supplemental Public Securities Act”), and pursuant to the Loan Agreement. Pursuant to §11-57-210, of the Supplemental Public Securities Act, this recital is conclusive evidence of the validity and regularity of the issuance of the Governmental Agency Bond after its delivery for value. Pursuant to §31-35-413, C.R.S., this recital conclusively imparts full compliance with all the provisions of said statutes, and this Governmental Agency Bond issued containing such recital is incontestable for any cause whatsoever after its delivery for value.

IN WITNESS WHEREOF, the Governmental Agency has caused this Governmental Agency Bond to be duly executed, sealed and delivered, as of this 15th day of December 2022.

(SEAL)

**CITY AND COUNTY OF DENVER,
COLORADO, ACTING BY AND THROUGH
ITS BOARD OF WATER COMMISSIONERS**

By: _____

President of the Board

Countersigned by:

By: _____

Auditor of the City and County of Denver,
Colorado

EXHIBIT E-1

OPINION OF GENERAL COUNSEL

December 15, 2022

Colorado Water Resources and
Power Development Authority

Ladies and Gentlemen:

I am an attorney admitted to practice in the State of Colorado and I have acted as counsel to **CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS** (the "Governmental Agency"), which has entered into a Loan Agreement (as hereinafter defined) with the **COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY** (the "Authority"), and have acted as such in connection with the authorization, execution and delivery by the Governmental Agency of its Loan Agreement and Governmental Agency Bond (as hereinafter defined).

In so acting I have examined, or caused to be examined, the Constitution and laws of the State of Colorado and the home rule charter and proceedings of the Governmental Agency. I have also examined originals, or copies certified or otherwise identified to my satisfaction, of the following:

- (a) the Loan Agreement, dated as of December 15, 2022 (the "Loan Agreement") by and between the Authority and the Governmental Agency;
- (b) the proceedings of the governing body of the Governmental Agency relating to the approval of the Loan Agreement and the execution, issuance and delivery thereof on behalf of the Governmental Agency, and the authorization of the undertaking and completion of the Project (as defined in the Loan Agreement);
- (c) the Governmental Agency Bond, dated as of December 15, 2022 (the "Governmental Agency Bond") issued by the Governmental Agency to the Authority to evidence the Loan (as defined in the Loan Agreement);
- (d) the proceedings of the governing body of the Governmental Agency relating to the issuance of the Governmental Agency Bond and the execution, issuance and delivery thereof to the Authority (the Loan Agreement and the Governmental Agency Bond are referred to herein collectively as the "Loan Documents");
- (e) all outstanding instruments relating to the bonds, notes or other indebtedness of or relating to the Governmental Agency.

I have also examined and relied upon originals, or copies certified or otherwise authenticated to my satisfaction, of such other records, documents, certificates and other instruments, and made such investigation of law as in my judgment I have deemed necessary or appropriate to enable me to render the opinions expressed below.

Based upon the foregoing, I am of the opinion that:

(1) The Governmental Agency is a "governmental agency" within the meaning of the Authority's enabling legislation and is an enterprise of the City and County of Denver, Colorado, with the full legal right and authority to execute the Loan Documents.

(2) The Governmental Agency has the full legal right and authority to carry on the business of the System (as defined in the Loan Agreement) as currently being conducted and as proposed to be conducted, and to undertake and complete the Project.

(3) The proceedings of the Governmental Agency's governing body authorizing the Governmental Agency to undertake and complete the Project were duly and lawfully adopted and approved in accordance with a resolution of the Governmental Agency approved on December 7, 2022 at a meeting duly called pursuant to necessary public notice and held in accordance with applicable Colorado law at which quorums were present and acting throughout and were published in accordance with applicable Colorado law.

(4) The proceedings of the Governmental Agency's governing body approving the Loan Documents and authorizing their execution, issuance and delivery on behalf of the Governmental Agency have been duly and lawfully adopted and approved in accordance with the authorizing resolution and applicable Colorado law, at meetings duly called pursuant to necessary public notice and held in accordance with applicable Colorado law, and at which quorums were present and acting throughout in accordance with applicable Colorado law.

(5) To the best of my knowledge, after such investigation as I have deemed appropriate, the authorization, execution and delivery of the Loan Documents by the Governmental Agency, the observation and performance by the Governmental Agency of its duties, covenants, obligations and agreements thereunder and the consummation of the transactions contemplated therein and the undertaking and completion of Project do not and will not contravene any existing law or any existing order, injunction, judgment, decree, rule or regulation of any court or governmental or administrative agency, authority or person having jurisdiction over the Governmental Agency or its property or assets or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any existing bond resolution, trust agreement, indenture, mortgage, deed of trust, ordinance, order, or other agreement to which the Governmental Agency is a party or by which it, the System, or its property or assets is bound.

(6) To the best of my knowledge, after such investigation as I have deemed appropriate, all approvals, consents or authorizations of, or registrations of or filings with, any governmental or public agency, authority or person required to date on the part of the Governmental Agency

in connection with the authorization, execution, delivery and performance of the Loan Documents and the undertaking and completion of the Project, other than licenses and permits relating to the construction and acquisition of the Project which I expect the Governmental Agency to receive in the ordinary course of business, have been obtained or made.

(7) To the best of my knowledge, after such investigation as I have deemed appropriate, except as disclosed in writing to the Authority, there is no litigation or other proceeding pending or threatened in any court or other tribunal of competent jurisdiction (either State or Federal) that (1) questions the creation, organization or existence of the Governmental Agency; or the validity, legality or enforceability of the Loan Documents; or the undertaking or completion of the Project; or (2) if adversely determined, could (a) materially adversely affect (i) the financial position of the Governmental Agency; (ii) the ability of the Governmental Agency to perform its obligations under the Loan Documents; (iii) the security for the Loan Documents; or (iv) the transactions contemplated by the Loan Documents; or (b) impair the ability of the Governmental Agency to maintain and operate its system.

This opinion is rendered on the basis of Federal law and the laws of the State of Colorado as enacted and construed on the date hereof. I express no opinion as to any matter not set forth in the numbered paragraphs herein.

I hereby authorize Carlson, Hammond, & Paddock, L.L.C., General Counsel to the Authority, to rely on this opinion as if I had addressed this opinion to them in addition to you.

Very truly yours,

Jessica Brody

EXHIBIT E-2
December 15, 2022

Colorado Water Resources and Power
Development Authority
1580 N. Logan Street, Suite 820
Denver, Colorado 80203

City and County of Denver, Colorado
Acting By and Through Its Board of Water Commissioners
Loan Agreement dated as of December 15, 2022 with the
Colorado Water Resources and Power Development Authority

Ladies and Gentlemen:

We have acted as bond counsel to the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners (the “Governmental Agency”), in connection with its authorization, execution and delivery of a Loan Agreement (the “Loan Agreement”) dated as of December 15, 2022, between the Governmental Agency and the Colorado Water Resources and Power Development Authority (the “Authority”) and its issuance to the Authority of a governmental agency bond in the initial principal amount of \$36,123,628 (the “Bond”) in connection therewith, as authorized by resolution passed and adopted by the Board of Commissioners of the Governmental Agency on December 7, 2022. In such capacity, we have examined the Governmental Agency’s certified proceedings and such other documents and such law of the State of Colorado and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them by the Loan Agreement. The Loan Agreement and the Bond are collectively referred to herein as the “Loan Documents.”

Regarding questions of fact material to our opinions, we have relied upon the certified proceedings of the Governmental Agency and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Governmental Agency is a “governmental agency” within the meaning of the Authority’s enabling legislation.

2. The Governmental Agency has full legal right and authority to execute the Loan Documents and to observe and perform its duties, covenants, obligations and agreements thereunder.

3. The Governmental Agency has pledged the Pledged Property for the punctual payment of the principal of and interest on the Loan and all other amounts due under the Loan Documents according to their respective terms, and the Loan Agreement creates a valid lien on such Pledged Property on a parity with the lien thereon of the Outstanding Parity Obligations. No filings or recordings are required under the Colorado Uniform Commercial Code in order to create or perfect a lien on the Pledged Property, and all actions have been taken as required by Section 11-57-208, Colorado Revised Statutes.

4. The Loan Documents have been duly authorized, executed and delivered by authorized officers of the Governmental Agency; and, assuming in the case of the Loan Agreement, that the Authority has all the requisite power and authority to authorize, execute and deliver, and has duly authorized, executed and delivered the Loan Agreement, the Loan Documents constitute legal, valid and binding obligations of the Governmental Agency enforceable in accordance with their respective terms.

5. The execution and delivery of the Loan Documents are not subject to the limitations of Article X, Section 20 of the Colorado Constitution (“TABOR”) because the Governmental Agency constitutes an enterprise under TABOR as of the date hereof. The performance of the obligations of the Governmental Agency under the Loan Documents is not subject to the limitations of TABOR as long as the Governmental Agency continues to qualify as an enterprise under TABOR. If the Governmental Agency ceases to qualify as an enterprise under TABOR, the Loan Documents will continue to constitute legal, valid and binding obligations of the Governmental Agency enforceable in accordance with their respective terms subject to the revenue and spending limitations of TABOR; provided, however, that if the Governmental Agency at any time ceases to qualify as an enterprise under TABOR, (a) the Governmental Agency may impose any increased fees, rates and charges of the System without voter approval; (b) all revenues of the Governmental Agency used to pay Loan Repayments by the Governmental Agency are to be included in the Governmental Agency’s fiscal year spending limit under Section 7(d) of TABOR, except that creation of bonded debt increases fiscal year spending by the amount of debt service so funded and debt service changes and reductions are exceptions to, and not part of, the Governmental Agency’s revenue and spending base and limits; and (c) if the Governmental Agency is required to reduce spending in order to comply with its fiscal year spending limit under Section 7(b) of TABOR, the Governmental Agency will first be required to reduce spending for purposes for which it does not have an obligation under law or by contract prior to reducing spending required to comply with the other covenants contained in the Loan Documents.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the Governmental Agency pursuant to the Loan Documents are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights generally, and by equitable principles, whether considered at law or in equity.

No opinion is expressed herein regarding the validity or enforceability of Section 3.06 of the Loan Agreement or any other provision thereof which purports to require the Governmental Agency to indemnify or hold any person harmless.

We are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of any statements made in connection with the Loan Documents or any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Loan Documents, except those specifically addressed herein.

This opinion letter is issued as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or changes in law that may hereafter occur.

In connection with the execution and delivery of the Loan Documents, we have represented the Governmental Agency which is our sole client in this transaction. Delivery of this letter to you does not establish an attorney-client relationship between the Authority and this firm. In connection with the Loan, the Authority has been represented by Carlson, Hammond & Paddock, L.L.C., as General Counsel, which is hereby authorized to rely on the legal conclusions expressed herein in its capacity as General Counsel to the Authority.

This opinion letter is furnished to you solely for your information and benefit in connection with the initial execution and delivery of the Loan Documents and may not be relied upon by you for any other purpose or relied upon by any other person (other than the Authority's General Counsel) without the prior written consent of this firm.

Respectfully submitted,

BUTLER SNOW LLP

EXHIBIT F

ADDITIONAL COVENANTS AND REQUIREMENTS

(1) Rate Covenant.

The Governmental Agency shall establish and collect such rates, fees, and charges for the use or the sale of the products and services of the System as, together with other moneys available therefor, are expected to produce Gross Revenue (as defined in Paragraph (3) of Exhibit A to this Loan Agreement) for each calendar year that will be at least sufficient for such calendar year to pay the sum of:

(a) all amounts estimated to be required to pay Operation and Maintenance Expenses (as defined in Paragraph (3) of Exhibit A of this Loan Agreement) during such calendar year;

(b) a sum equal to 110% of the debt service due on the Governmental Agency Bond for such calendar year and debt service coming due during such calendar year on any obligations secured by a lien on the Pledged Property which lien is on a parity with the lien of this Loan Agreement on the Pledged Property, in each case computed as of the beginning of such calendar year;

(c) the amount, if any, to be paid during such calendar year into any debt service reserve account in connection with any obligations secured by a lien on the Pledged Property which lien is on a parity with the lien of this Loan Agreement on the Pledged Property;

(d) a sum equal to the debt service on any obligations secured by a lien on the Pledged Property which lien is subordinate to the lien of this Loan Agreement on the Pledged Property 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 or other indebtedness not described above payable out of the Gross Revenue during such calendar year.

(2) Rate Study.

In the event that Gross Revenue collected during a fiscal year is not sufficient to meet the requirements set forth in the Rate Covenant contained in Paragraph (1) of this Exhibit F to the Loan Agreement, the Governmental Agency shall, within 90 days of the end of such fiscal 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 that, in the opinion of the firm conducting the study will be sufficient to provide Gross Revenue to be collected in the next succeeding fiscal year that will provide compliance with the Rate Covenant described in Paragraph (1) of this Exhibit F to this Loan Agreement. Such a study shall be delivered to the Authority. The Governmental Agency 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, that provide compliance with said Rate Covenant. Notwithstanding the foregoing, the Authority may, from time to time, in its sole and absolute discretion and pursuant to such terms and restrictions it may specify, waive in writing the requirement that a rate study be performed by the Governmental Agency.

(3) Additional Bonds.

- (a) Senior Lien Bonds.** The Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge, on the Pledged Property that is superior to the lien or charge of this Loan Agreement on the Pledged Property.
- (b) Parity Lien Bonds.** The Governmental Agency covenants that it will not issue any obligations payable out of or secured by a lien or charge on the Pledged Property that is on a parity with the lien or charge of this Loan Agreement on the Pledged Property, unless the Governmental Agency certifies to the Authority that Net Revenue (as defined in Paragraph (3) of Exhibit A to this Loan Agreement) for any 12 month period ending with the most recently completed calendar quarter for which financial statements are available, together with any other available funds, is sufficient to pay an amount representing not less than 120% of the Combined Average Annual Debt Service Requirements for (i) this Loan Agreement and (ii) all other outstanding obligations of the Governmental Agency payable out of, or secured by a lien or charge on, the Pledged Property that is on a parity with the lien or charge of this Loan Agreement on the Pledged Property, and (iii) such proposed obligations to be issued as described in this subsection (3)(b).

For purposes of this section (3)(b), capitalized terms have the meanings ascribed to them in the Master Bond Resolution of the Board.

(c) Subordinate Lien Bonds. The Governmental Agency covenants that it will not issue any obligations payable out of, or secured by a lien or charge on, the Pledged Property that is subordinate to the lien or charge of this Loan Agreement on the Pledged Property, unless the Governmental Agency certifies to the Authority that for any 12 consecutive months out of the 18 months preceding the month in which such obligations are to be issued Net Revenue (as defined in Paragraph (3) of Exhibit A to this Loan Agreement) was at least 100% of the maximum annual debt service due in any one year on (a) all obligations outstanding during such period that are payable out of, or secured by a lien or charge on, the Pledged Property and (b) such proposed obligations to be issued.

(d) Net Revenue Adjustment. In calculating revenue coverage for purposes of the issuance of additional parity or subordinate lien bonds, the Governmental Agency may adjust Net Revenue to reflect any rate increases adopted in connection with the issuance of additional obligations by adding to the actual Net Revenue for the period examined an estimated sum equal to 100% of the estimated increase in Net Revenue that would have been realized during such period had the adopted rate increase been in effect during all of such period.

(e) Refunding Bonds. Notwithstanding the foregoing, the Governmental Agency may issue refunding obligations payable out of, or secured by a lien or charge on, the Pledged Property, without compliance with the requirements stated above, provided that the debt service payments on such refunding obligations do not exceed the debt service payments on the refunded obligations during any calendar year.

(4) Lien Representation.

1. The Governmental Agency has disclosed the following bonds, notes or other evidence of indebtedness of the Governmental Agency issued, or contractual obligations incurred, having a lien on the Source of Repayment of equal rank with the lien and charge on the Source of Repayment of the Governmental Agency Bond: (i) City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2008A, (ii) City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2012A, (iii) City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2012B, (iv) City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2014A, (v) City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2016A, (vi) City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2016B, (vii) City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2017A, (viii) City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2017B, (ix) City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2020A, (x) City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2020B, (xi) City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2021A, (xii) City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2022A (the “Parity Lien Obligations”). The Source of Repayment is free and clear of any pledge, lien, charge, or encumbrance thereon, or with respect thereto, other than that of the Parity Lien Obligations, that is of equal rank with the obligation of the Governmental Agency Bond. Further, the Source of Repayment is free and clear of any pledge, lien, charge, or encumbrance thereon, or with respect thereto, that is prior to the obligation of the Governmental Agency Bond.

(5) Operation and Maintenance Reserve Fund. The Governmental Agency shall maintain an operation and maintenance reserve in an amount equal to three months of operation and maintenance expenses, excluding depreciation, of the System as set forth in the annual budget for the current fiscal year. Said reserve may be in the form of unobligated fund balances, or other unobligated cash or securities (i.e. capital reserves), or may be in a separate segregated fund and shall be maintained as a continuing reserve for payment of any lawful purpose relating to the System. If the operation and maintenance reserve falls below this requirement, the shortfall shall

be made up in 24 substantially equal monthly installments beginning the second month after such shortfall.

(6) Davis Bacon & Related Acts (DBRA). The Governmental Agency will comply with the requirements of the Davis Bacon & Related Acts, codified at 40 U.S.C. §§ 3140 through 3148.

(7) Cost Overruns. Any cost overruns associated with the Project will be the responsibility of the Governmental Agency and any additional costs to defend against contract claims will not be reimbursed through this or any future funding.

(8) Audit Requirements. For each year in which the Governmental Agency requests a disbursement from the Project Loan Subaccount, the Governmental Agency shall conduct its annual audit in accordance with the federal Single Audit Act, 31 U.S.C. 7501 et seq.

(9) American Iron and Steel Requirement. The Governmental Agency will comply with - Section 436 of P.L. 113-76, Consolidated Appropriations Act, 2014, (the “Appropriations Act”) and related State Revolving Fund Policy Guidelines, which require that all of the iron and steel products (as defined in the Appropriations Act and Guidelines) used in the Project must be produced in the United States unless the Governmental Agency has requested and received a waiver from the requirement pursuant to the “waiver process” described in the Appropriations Act and Guidelines.

(10) Construction Schedule.

The Governmental Agency has provided the following estimated dates regarding the project:

- a) Advertisement for Bids Publication Date: November 30, 2022
- b) Construction Contract Award Date: February 8, 2023
- c) Construction Start Date: April 1, 2023
- d) Construction Completion Date: September 30, 2025

(11) Technical Managerial and Financial Capacity Requirement. As described in the Technical/Managerial/Financial (TMF) Capacity Evaluation Report dated August 22, 2022, there were no mandatory TMF requirements.

(12) Buy American Build America Act. The Governmental Agency will comply with the terms of its waiver issued pursuant to the Build America Buy America Act, enacted as part of the Bipartisan Infrastructure Law.

(13) Bipartisan Infrastructure Law – Lead Service Line Replacement. The Governmental Agency will comply with all federal requirements applicable to the Bipartisan Infrastructure Law (the Infrastructure Investment and Jobs Act) (Public Law 117-58) and related regulations and guidance, during the Loan Term.

EXHIBIT G
DWRF Form of Requisition

THE CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS (the “Governmental Agency”)

Please submit to the following addresses:

Submit Online To:

https://ceos.colorado.gov/CO/CEOS/Public/Client/CO_CIMPLE/Shared/Pages/Main/Login.aspx

If there are any questions or technical issues, please submit your backup document via one of the methods below.

Email To: cdphe_grantsandloans@state.co.us (preferred backup method)

Or Mail To: Colorado Department of Public Health and Environment
Grants and Loans Unit WQCD-OA-B2
Attn: Project Manager
4300 Cherry Creek Drive South
Denver, Colorado 80246-1530

Or Fax To: 303-782-0390 (Call CDPHE Project Manager to confirm delivery)

Cc: CDPHE Project Manager

Cc: E-mail requisition form (Exhibit G) to the Colorado Water Resources and Power Development Authority at requisitions@cwrpda.com

This requisition is made in accordance with Section 3.02 of the Loan Agreement executed by the Colorado Water Resources and Power Development Authority on December 15, 2022. Terms defined in the Loan Agreement and not otherwise defined herein shall have the same meanings when used herein.

The Governmental Agency hereby states as follows:

1. This is Requisition No _____.
2. The amount requisitioned hereunder is _____.
3. The person, firm or corporation to whom the amount requisitioned is due, or to whom a reimbursable and advance has been made, is _____.
4. The payee of the requisitioned amount is _____.
5. The manner of payment to the payee is to be wire transferred to:

Bank:
ABA No.:
Account No.:
Account Name:
Contact:

6. Attached hereto is the appropriate documentation demonstrating that the amount requisitioned hereunder is currently due or has been advanced by the Governmental Agency.
7. The amount hereby requisitioned is a proper Cost of the Project to be paid only from amounts deposited in the Project Account established for the Governmental Agency in the **Drinking Water Revolving Fund**.
8. On the date hereof, there does not exist any Event of Default under the Loan Agreement nor any condition which, with the passage of time or the giving of notice, or both, would constitute an Event of Default thereunder.
9. Estimate of total project completion percentage: _____%
- 10. The undersigned is an Authorized Officer of the Governmental Agency duly authorized in the Loan Agreement to submit the Requisition.**
11. The Governmental Agency reaffirms that all representations made by it in the Loan Agreement are true and accurate as of the date of this requisition, and that it shall continue to observe and perform all of its duties, covenants, obligations and agreements thereunder, at all times during the entire term of said Loan Agreement.

Dated: _____.

**CITY AND COUNTY OF DENVER, COLORADO,
ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS**

By: _____.

Title: _____ & Authorized Officer

Print Name: _____

You should receive all payments no later than 10 working days after receipt of requisition unless otherwise notified.

1. The undersigned approves the disbursement of the requisitioned amount from the Project Loan Account established in the **Drinking Water Revolving Fund** Project Account.

**COLORADO WATER RESOURCES AND POWER DEVELOPMENT
AUTHORITY**

By: _____
Finance Director

Dated: _____

For Colorado Department of Public Health and Environment, Water Quality Control Division purposes only:

Payment approved by: _____

Dated: _____

DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: December 7, 2022

Board Item: II-B-3

Approval of 2023 Budget

Action by Consent

Individual Action

Purpose and Background:

The purpose of this board item is to approve the 2023 Budget. As in past years, all new budget requests went through a thorough evaluation and approval process. We have continued to experience inflationary impacts on key items, such as: chemicals, materials & supplies, paving, hauling/trucking, waste disposal and fuel. These impacts are reflected in the 2023 budget.

A summary of the 2023 budget is below. A comprehensive review of the 2023 budget was provided to the Board at the Annual Budget Workshop held in November.

DENVER WATER - 2023 BUDGET				
<i>\$ in thousands</i>	2022 Budget	2023 Budget	2023 Budget Change	% Budget Change
Water sales	326,191	356,513	30,322	9.3%
Hydropower	3,787	3,962	175	4.6%
Special assessments and fees	7,137	7,139	2	0.0%
SDC revenue	34,988	34,679	(309)	-0.9%
Contributions	32,239	24,247	(7,992)	-24.8%
All other Revenue	9,775	29,136	19,361	198.1%
TOTAL REVENUE	\$ 414,116	\$ 455,676	\$ 41,560	10.0%
Proceeds from debt	120,000	206,271	86,271	71.9%
TOTAL SOURCES OF FUNDS	\$ 534,116	\$ 661,947	\$ 127,831	23.9%
Salaries and Benefits	137,553	145,147	7,594	5.5%
Professional and Purchased Services	50,378	56,282	5,904	11.7%
Materials, Supplies, and Chemicals	23,185	29,852	6,667	28.8%
Travel, Training, and Conferences	1,178	1,251	73	6.2%
Other Expense	3,643	1,497	(2,146)	-58.9%
TOTAL OPERATING w/o PROJECTS	\$ 215,936	\$ 234,028	\$ 18,092	8.4%
Operating Projects	16,153	29,594	13,440	83.2%
Operating Projects	16,153	\$ 29,594	13,440	83.2%
TOTAL OPERATING COSTS	\$ 232,090	263,622	\$ 31,532	13.6%
Capital Projects	432,813	364,816	(67,997)	-15.7%
TOTAL CAPITAL	\$ 432,813	\$ 364,816	\$ (67,997)	-15.7%
Interest expense	37,691	49,240	11,550	30.6%
Principal payments	18,095	22,603	4,508	24.9%
DEBT SERVICE	\$ 55,786	\$ 71,843	\$ 16,058	28.8%
TOTAL USES OF FUNDS	\$ 720,688	\$ 700,281	\$ (20,407)	-2.8%

GRANT FUNDS - SUMMARY				
Grant Name	Budget		Actuals to Date	
	Revenue	Expense	Revenue	Expense
Charge Ahead	24	24	-	-

Our vision is to sustain vibrant communities that value water for future generations.

Integrity :: Vision :: Passion :: Excellence :: Respect



Budget and Schedule:

The 2023 budget includes revenue of \$455.7M, proceeds from debt of \$206.3M and \$700.3M of budgeted expenditures (operating, capital, and debt service). Denver Water has also received \$24K from the Charge Ahead grant for the installation of electric vehicle charging stations in 2023.

Recommendation:

Staff recommends that the Board approve the proposed 2023 Budget as summarized in this Board item.

Approvals

- | | |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager | <input type="checkbox"/> Brian D. Good, Chief Administrative Officer |
| <input checked="" type="checkbox"/> Julie Anderson, Chief of Staff | <input type="checkbox"/> Richard B. Marsicek, Chief Water Resource Strategy Officer |
| <input type="checkbox"/> Jessica R. Brody, General Counsel | <input type="checkbox"/> Robert J. Mahoney, Chief Engineering Officer |
| <input checked="" type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer |