

# AGENDA

## Denver Board of Water Commissioners

Denver Water Board Room, 1600 W 12<sup>th</sup> Avenue, Denver, Co 80204 and  
Video Conference: <http://zoom.us/join>, Meeting ID: 867 3990 9007 - Passcode: 899885 or  
Dial in (669) 900-6833 - Meeting ID: 867 3990 9007 - Passcode: 899885

Members of the public are asked to participate via video conference due to COVID-19 safety protocols

**Wednesday, August 10, 2022 - 9:00 a.m.**

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### 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

### 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 July 13, 2022
2. Minutes from July 27, 2022
3. Third Amendment to Legal Services Agreement with Kutak Rock, LLP – Agreement 503216
4. Interconnect Agreement with Roxborough Water & Sanitation District – Contract 505367
5. Summit County Ballfield Lease – Contract 505262

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**B. Individual Approval Items**

<b>1. Approval of the Series 2022A Supplemental Bond Resolution</b>	Usha Sharma	15 minutes
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**III. POLICY MATTERS**

<b>A. Q2 Performance Report</b>	Stephanie Abram	10 minutes
<b>B. Financial Plan Presentation</b>	Angela Bricmont	20 minutes

**IV. EXECUTIVE UPDATE**

- A. CEO Update**
- B. CFO Update**
- C. Operations Update**

**V. BRIEFING PAPERS & REPORTS**

- A. Briefing Paper**
- B. Report**

**VI. ADJOURNMENT**

**VII. TRUSTEE MATTERS**

**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**

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 10, 2022

Board Item: II-A-3

## Third Amendment to Legal Services Agreement with Kutak Rock, LLP – Agreement 503216

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to add funds to Agreement 503216 and extend the time of performance to December 31, 2024 for continued legal services including representation in the Hillcrest and Wolford Reservoir litigation and provide continued legal support in eminent domain, construction litigation and intellectual property matters.

### **Budget and Schedule:**

The current amount of this contract is \$1,480,000 and the term of the contract is February 20, 2018 through February 28, 2023. The amount of this amendment is \$1,000,000 and is extended through December 31, 2024. Funds for this contract will come from the 2022 budget for Office of General Counsel, which has sufficient funds to pay the \$250,000 estimated to be needed in 2022. The remaining \$750,000 will be budgeted in years 2023 and 2024, as needed.

### **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 Third Amendment for Additional Contract Funds for Agreement 503216 with Kutak Rock, LLP for legal services for an extension of the contract period through December 31, 2024, and for an addition of \$1,000,000 for a total amended contract amount not to exceed \$2,480,000.

### **Approvals**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager            | <input 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 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                  |

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# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 10, 2022

Board Item: II-A-4

## Interconnect Agreement with Roxborough Water & Sanitation District Contract 505367

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Action by Consent

Individual Action

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### **Purpose and Background:**

The purpose of this Board item is to renew the existing emergency interconnect agreement, Contract 500673, with Roxborough Water and Sanitation District. The current contract expires August 31, 2022.

Denver Water has 30 potable water emergency interconnects to entities and water districts inside and outside Denver Water's Combined Service Area. Emergency interconnects are connections to Denver Water's infrastructure that can be activated in an emergency to provide water to an external entity. Examples of emergencies for which interconnects may be activated include main breaks, treatment plant malfunctions, and water quality concerns. The emergency interconnect agreement allows Denver Water to provide water to the connected district on a temporary basis, until normal service can be restored. All interconnects are one-way from Denver Water's infrastructure to external entities except for one with Aurora Water, which is bi-directional.

Emergency interconnects within the Denver Water service area connect Denver Water to a distributor or are distributor-to-distributor connections. Emergency interconnects with water providers outside of the Denver Water service area enable Denver Water to assist an adjacent water provider in an emergency.

This renewed agreement will continue the operation of the two one-way emergency interconnects to Roxborough Water and Sanitation District and allows the interconnects to be activated in an emergency. In the event of an emergency, Roxborough Water and Sanitation District would request activation of the interconnects and Denver Water would need to approve the activation.

In the event an interconnect is activated, it is expected to have little to no disruption to the Denver Water system. Denver Water reserves the right to deny activation of the interconnects based on the terms of the agreement.

### **Budget and Schedule:**

There is no budgetary impact for this item which has a duration of five years.

### **S/MWBE Information:**

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

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**Recommendation:**

Staff recommends that the Board approve Contract 505367 with Roxborough Water and Sanitation District for the ability to activate both Emergency Interconnects for the contract period August 2022 through August 2027.

**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 Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer                  |

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 10, 2022

Board Item: II-A-5

## Summit County Ballfield Lease Contract 505262

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to request Board approval of a lease of approximately 32.31 acres to Summit County for use as a ballfield.

This property is located below Dillon Dam. Denver Water has leased the ballfields to Summit County since 1978. The County has been an excellent lessee, effectively managing the property during that tenure. This proposed 10-year, no-cost lease allows Denver Water to continue to rely on Summit County to maintain the property while also keeping it open to the public for recreational use.

This proposed lease also includes an Operating Plan that encourages better coordination regarding the expectations and tasks associated with the maintenance and operation of the leased property. An annual coordination meeting is required through the Operating Plan. There are no material impacts to Denver Water's operations resulting from this lease.

### **Budget and Schedule:**

There is no budgetary impact for this item.

### **Recommendation:**

Staff recommends that the Board approve Contract 505262 with Summit County for the lease of Summit County Ballfields below Dillon Dam for the contract period January 1, 2022 through December 31, 2031.

### **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 type="checkbox"/> Angela C. Bricmont, Chief Finance Officer | <input type="checkbox"/> Thomas J. Roode, Chief Operations Officer                  |

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## **Approval of the Series 2022A Supplemental Bond Resolution**

- 1) II-B-1 Board item Supplemental Bond Resolution Series 2022A Bonds
- 2) II-B-1 Supplemental Bond Resolution – Series 2022A Bonds
- 3) Series 2022A Supplemental Bond Resolution (Presentation)
- 4) Notice of Sale - Series 2022A Bonds
- 5) Continuing Disclosure Undertaking - Series 2022A Bonds
- 6) Omnibus Certificate - Series 2022A Bonds
- 7) Paying Agent Agreement - Series 2022A Bonds
- 8) Denver Water Preliminary Official Statement Series 2022A Bonds

# DENVER BOARD OF WATER COMMISSIONERS

Meeting Date: August 10, 2022

Board Item: II-B-1

## Approval of the Series 2022A Supplemental Bond Resolution

Action by Consent

Individual Action

### **Purpose and Background:**

The purpose of this Board item is to recommend that the Board adopt the Series 2022A Supplemental Bond Resolution (Resolution), which authorizes the competitive sale of a maximum of \$200 million of capital improvement bonds (Series 2022A Water Revenue Bonds) and delegates authority to complete the sale currently planned for September 27, 2022, within the stated parameters.

On March 27, 2017, the Board adopted a Master Bond Resolution Authorizing Amendment and Restatement of the Master Bond Resolution, which authorizes issuance of parity bonds. According to the Master Bond Resolution, each series of Parity Bonds is to be authorized by a Supplemental Resolution that describes the capital project(s) being financed by the series and specifies the details of the series. The Series 2022A Bonds will finance a portion of expenditures related to Gross Reservoir Expansion, the Northwater Treatment Plant, Main Replacements and Improvements, and the Lead Reduction Program in 2022 and 2023. With the Board's adoption of a reimbursement resolution on May 11, 2022, Denver Water may use the proceeds from the Series 2022A Bonds to reimburse cash expenditures on these capital projects since March of this year (60 days prior to adoption of the reimbursement resolution).

The Resolution authorizes the sale of water revenue bonds in an aggregate principal amount not to exceed \$200 million. The bonds are to be sold within the stated parameters. Some of the key parameters for the Series 2022A bonds are as follows:

- The Series 2022A Bonds shall be sold on a competitive basis.
- The par amount of the Series 2022A Bonds shall not exceed \$200 million.
- The true interest cost on the Series 2022A Bonds shall not exceed 4.5%.
- The maximum annual repayment cost and the total repayment cost of the Series 2022A Bonds shall not exceed \$12,400,000 and \$371,000,000, respectively.
- The final maturity of the Series 2022A Bonds shall be no later than December 15, 2052.

The Supplemental Resolution also approves the form of several documents associated with the bond sale including the Notice of Sale, the Preliminary Official Statement, the Paying Agent and Registrar Agreement, the Continuing Disclosure Undertaking, and the Omnibus Certificate, and delegates the authority to the Chief Finance Officer and/or Treasurer to finalize those documents. The Preliminary Official Statement contains a description of the Series 2022A and a description of Denver Water, its operations and its financial status. This version is substantively correct as of today's date. Staff will continue to update the Official Statement to ensure that Denver Water meets its disclosure obligations as of the dates the Preliminary and Final Official Statements are posted.

Piper Sandler & Co., the Board's financial advisor, assisted staff in developing parameters for the bond sale. The parameters in the Resolution were developed based on current market conditions and anticipated interest rates. Butler Snow LLP and Stradling Yocca Carlson & Rauth, P.C are providing legal services to the Board (bond counsel and disclosure counsel, respectively) in the preparation of the documents listed below and the legal opinions relating to the bond issuance. Staff plans to provide regular updates to the Board on the municipal bond market through the date of sale.

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**Budget and Schedule:**

The 2022 budget includes \$120 million in new debt issuance for capital improvements. The proposed amount of \$200 million in Series 2022A Bonds includes a portion of the planned debt issuance in 2023, creating a budget variance in 2022. However, the aggregate amount of debt is consistent with the long-term forecast.

**Recommendation:**

Staff recommends that the Board adopt the attached Series 2022A Supplemental Bond Resolution to authorize the planned sale of a maximum of \$200 million of Series 2022A Water Revenue Bonds.

**Approvals**

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> James S. Lochhead, CEO/Manager            | <input 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 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: SERIES 2022A SUPPLEMENTAL BOND RESOLUTION AUTHORIZING WATER REVENUE BONDS, SERIES 2022A**

A RESOLUTION DESIGNATED BY THE SHORT TITLE "SERIES 2022A SUPPLEMENTAL BOND RESOLUTION"; AUTHORIZING THE ISSUANCE OF WATER REVENUE BONDS, SERIES 2022A, TO PROVIDE FOR THE EXTENSION, BETTERMENT, IMPROVEMENT, AND EQUIPMENT OF THE WATER WORKS SYSTEM; RATIFYING ACTION PREVIOUSLY TAKEN CONCERNING CERTAIN CAPITAL IMPROVEMENT PROJECTS AND THE SERIES 2022A BONDS; PROVIDING FOR THE SALE OF THE SERIES 2022A BONDS; APPROVING THE FORMS OF A SERIES 2022A BONDS NOTICE OF SALE AND A PRELIMINARY OFFICIAL STATEMENT; PROVIDING FOR DELEGATION OF AUTHORITY TO THE CHIEF FINANCE OFFICER OR THE TREASURER OF THE BOARD IN CONNECTION WITH THE SALE OF THE SERIES 2022A BONDS; AUTHORIZING THE CHIEF FINANCE OFFICER OR THE TREASURER TO EXECUTE THE SERIES 2022A BONDS SALE CERTIFICATE, THE SERIES 2022A BONDS NOTICE OF SALE, AND THE OFFICIAL STATEMENT; PROVIDING OTHER DETAILS CONCERNING THE SERIES 2022A BONDS AND THEIR SALE; AUTHORIZING THE EXECUTION OF CERTAIN RELATED AGREEMENTS; AND PROVIDING FOR OTHER MATTERS RELATING THERETO.

ADOPTED AND APPROVED ON AUGUST 10, 2022 BY THE CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS

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Gary M. Reiff, Board President

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James S. Lochhead, Secretary

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Adopted by the Board on August 10, 2022

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 (“System”).

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.

The Board has adopted the Master Bond Resolution Amended and Restated on March 22, 2017 (the “Master Bond Resolution”), which Master Bond Resolution is in full force and effect.

Except for the Outstanding Parity Bonds, 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 Series 2022A Bonds; 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 supplemental resolutions (the “Parity Bonds Resolution”) and the Series 2022A Bonds may be made payable from the Net Revenue.

The Board has determined that the Board has met, or will be able to meet prior to the issuance of the Series 2022A Bonds, the conditions set forth in Section 4.02(a) 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 Series 2022A Bonds, which certificate shall conclusively determine the right of the Board to authorize, issue, sell, and deliver the Series 2022A Bonds as Parity Bonds under the Parity Bonds Resolution.

The Board has heretofore determined and hereby determines to extend, better, otherwise improve, and equip the System by implementing the Series 2022A Bonds Capital Projects.

The Board intends to issue the Series 2022A Bonds pursuant to the terms of the Master Bond Resolution and this Supplemental Resolution in order to provide for all or a portion of the Project Costs of the Series 2022A Bonds Capital Projects.

The Board has determined and does hereby declare that in order to meet the present and future needs of the Board and Denver Water, it is necessary to extend, better, otherwise improve, and equip the System by issuing the Series 2022A Bonds to finance the Series 2022A Bonds Capital Projects.

Adopted by the Board on August 10, 2022

Forms of the Series 2022A Bonds Notice of Sale, the Preliminary Official Statement, the Paying Agent and Registrar Agreement, the Continuing Disclosure Undertaking, and the Omnibus Certificate have been delivered to the Board prior to the date hereof and are on file with Denver Water, and all action preliminary to the authorization of the Series 2022A Bonds required to be taken has been taken.

Based on the foregoing findings, the Board resolves:

**Article I.**  
**DEFINITIONS, RATIFICATION AND OTHER PROVISIONS**

Section 1.01 Short Title, Supplemental Resolution. This resolution shall be known as and may be cited by the short title “Series 2022A Supplemental Bond Resolution.”

This resolution (referred to herein as “this Supplemental Resolution” or the “Series 2022A Supplemental 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”).

Section 1.02 Definitions. All defined terms in this Supplemental Resolution have the meanings set forth in the Parity Bonds Resolution, except as otherwise expressly provided herein. The terms defined in this section shall have the designated meanings for all purposes of this Supplemental Resolution, except where the context by clear implication requires otherwise.

“Bond Register” means the registration books for the Series 2022A Bonds maintained by or on behalf of the Board by the Registrar.

“Business Day” means any day, other than a Saturday or a Sunday or a day (a) on which banks located in the city in which the office of the Paying Agent is located are required or authorized by law or executive order to close or (b) on which the Federal Reserve System is closed.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking to be executed on behalf of the Board by the Chief Finance Officer or the Treasurer in connection with the issuance of the Series 2022A Bonds.

“Delegated Authority” means authority delegated by Section 1.04 of this Supplemental Resolution.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York.

Adopted by the Board on August 10, 2022

“General Counsel” means the General Counsel of the Board or the designee of the General Counsel.

“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.

“Official Statement” means the final Official Statement to be prepared in connection with the sale of the Series 2022A Bonds, in substantially the form of the Preliminary Official Statement.

“Omnibus Certificate” means the Omnibus Certificate to be executed on behalf of the Board by the President, the Secretary, the Auditor, the Chief Finance Officer or the Treasurer, and the General Counsel in connection with the issuance of the Series 2022A Bonds.

“Optional Redemption” means any redemption made pursuant to Section 2.05(a) hereof and as provided in the form of the Series 2022A Bonds set forth as Exhibit A hereto, as the same may be supplemented by the final terms of the Series 2022A Bonds in the Series 2022A Bonds Sale Certificate.

“Outstanding Parity Bonds” means all Parity Bonds Outstanding at any time or from time to time, including, as of the date of this Series 2022A Supplemental 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, and the Series 2021A Bonds.

“Participant(s)” means any broker-dealer, bank, trust company, closing corporation, or other person or entity for which DTC holds any of the Series 2022A Bonds.

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

“Paying Agent” means U.S. Bank National Association, or a successor, which shall perform the function of paying agent for the Series 2022A Bonds.

“Paying Agent and Registrar Agreement” means the Paying Agent and Registrar Agreement to be dated the date of execution and delivery of the Series 2022A Bonds, between the Board and the Paying Agent and the Registrar.

Adopted by the Board on August 10, 2022

“Preliminary Official Statement” means the Preliminary Official Statement relating to the sale of the Series 2022A Bonds, with such changes and updates as necessary and required, and as approved by the Chief Finance Officer or the Treasurer.

“Purchase Proposal” means any best bid received by the Board for the sale of the Series 2022A Bonds.

“Purchaser” means the original purchaser of the Series 2022A Bonds, as so designated in the Series 2022A Bonds Sale Certificate.

“Registered Owner” or “Owner” means the owner of any Series 2022A Bond as shown by the Bond Register.

“Registrar” means U.S. Bank National Association, or a successor, which shall perform the registration and transfer functions with respect to the Series 2022A Bonds.

“Regular Record Date” means the first day of the month in which each interest payment date with respect to the Series 2022A Bonds occurs.

“Series 2008A Bond(s)” means the Master Resolution Water Revenue (Clean Renewable Energy Tax Credit) Bonds, Series 2008A, originally issued in the aggregate principal amount of \$1,800,000 and currently Outstanding in the aggregate principal amount of \$120,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2008A Supplemental Resolution.

“Series 2008A Supplemental Resolution” means the Series 2008A (6-11-08) Second Supplemental Bond Resolution adopted by the Board on June 11, 2008, relating to the issuance of the Series 2008A Bonds.

“Series 2012A Bonds” means the Master Resolution Water Revenue Bonds, Series 2012A, originally issued in the aggregate principal amount of \$36,555,000 and currently Outstanding in the aggregate principal amount of \$32,040,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2012A-B Supplemental Resolution.

“Series 2012B Bonds” means the Master Resolution Water Revenue Refunding Bonds, Series 2012B, originally issued in the aggregate principal amount of \$108,545,000 and currently Outstanding in the aggregate principal amount of \$16,315,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the 2012A-B Supplemental Resolution.

“Series 2012A-B Bonds” means, collectively, the Series 2012A Bonds and the Series 2012B Bonds.

“Series 2012A-B Supplemental Resolution” means the Series 2012 (04-11-12) Sixth Supplemental Bond Resolution adopted by the Board on April 11, 2012, as amended by the Series 2012 (05-23-12) First Amendment of Sixth Supplemental Bond

Adopted by the Board on August 10, 2022

Resolution adopted by the Board on May 23, 2012, relating to the issuance of the Series 2012A-B Bonds. The Series 2012 Supplemental Resolution also authorized the issuance of a third series of Parity Bonds, the Series 2012C Bonds, which series is no longer outstanding.

“Series 2014A Bonds” means the Master Resolution Water Revenue Bonds, Series 2014A, originally issued in the aggregate principal amount of \$48,670,000 and currently Outstanding in the aggregate principal amount of \$44,025,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2014A Supplemental Resolution.

“Series 2014A Supplemental Resolution” means the Series 2014A (08-13-14) Seventh Supplemental Bond Resolution adopted by the Board on August 13, 2014, relating to the issuance of the Series 2014A Bonds.

“Series 2016A Bonds” means the Master Resolution Water Revenue Bonds, Series 2016A, originally issued in the aggregate principal amount of \$94,755,000 and currently Outstanding in the aggregate principal amount of \$70,085,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the 2016A-B Supplemental Resolution.

“Series 2016B Bonds” means the Master Resolution Water Refunding Revenue Bonds, Series 2016B, originally issued in the aggregate principal amount of \$63,470,000 and currently Outstanding in the aggregate principal amount of \$50,235,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2016A-B Supplemental Resolution.

“Series 2016A-B Bonds” means, collectively, the Series 2016A Bonds and the Series 2016B Bonds.

“Series 2016A-B Supplemental Resolution” means the Series 2016A-B (04-13-2016) Eighth Supplemental Bond Resolution adopted by the Board on April 13, 2016, relating to the issuance of the Series 2016A-B Bonds.

“Series 2017A Bonds” means the Water Revenue Bonds, Series 2017A (Green Bonds), originally issued in the aggregate principal amount of \$142,665,000 and currently Outstanding in the aggregate principal amount of \$137,985,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the 2017A-B Supplemental Resolution.

“Series 2017B Bonds” means the Water Revenue Bonds, Series 2017B, originally issued in the aggregate principal amount of \$41,765,000 and currently Outstanding in the same amount, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2017A-B Supplemental Resolution.

Adopted by the Board on August 10, 2022

“Series 2017A-B Bonds” means, collectively, the Series 2017A Bonds and the Series 2017B Bonds.

“Series 2017A-B Supplemental Resolution” means the Series 2017A-B (03-22-17) Supplemental Bond Resolution adopted by the Board on March 22, 2017, relating to the issuance of the Series 2017A-B Bonds.

“Series 2020A Bonds” means the Water Revenue Bonds, Series 2020A, originally issued in the aggregate principal amount of \$141,030,000 and currently Outstanding in the same amount, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2020A-B Supplemental Resolution.

“Series 2020B Bonds” means the Water Revenue Refunding Bonds, Series 2020B, originally issued in the aggregate principal amount of \$126,955,000 and currently Outstanding in the aggregate principal amount of \$116,600,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2020A-B Supplemental Resolution.

“Series 2020A-B Bonds” means, collectively, the Series 2020A Bonds and the Series 2020B Bonds.

“Series 2020A-B Supplemental Resolution” means the Series 2020A-B (04-08-2020) Supplemental Bond Resolution adopted by the Board on April 8, 2020, relating to the issuance of the Series 2020A-B Bonds.

“Series 2021A Bonds” means the Water Revenue Bonds, Series 2021A, originally issued and currently Outstanding in the aggregate principal amount of \$316,785,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2021A Supplemental Resolution.

“Series 2021A Supplemental Resolution” means the Series 2021A (01-27-2021) Supplemental Bond Resolution adopted by the Board on January 27, 2021, relating to the issuance of the Series 2021A Bonds.

“Series 2022A Bonds” means the Water Revenue Bonds, Series 2022A, in an aggregate principal amount not to exceed \$200,000,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and this Supplemental Resolution.

“Series 2022A Bonds Capital Projects” means the acquisition, construction, and installation of Capital Improvements to the System.

“Series 2022A Bonds Capital Projects Account” means the account designated the “Series 2022A Bonds Capital Projects Account” established in the Water Works Fund by this Supplemental Resolution.

Adopted by the Board on August 10, 2022



“Series 2022A Bonds Notice of Sale” means the notice of sale prepared for the competitive sale of the Series 2022A Bonds.

“Series 2022A Bonds Sale Certificate” means the certificate executed by the Chief Finance Officer or the Treasurer dated on or before the date of delivery of the Series 2022A Bonds and subject to the parameters and restrictions contained in the Parity Bonds Resolution, including the Master Bond Resolution and this Series 2022A Supplemental Resolution, setting forth:

- (a) the aggregate principal amount of the Series 2022A Bonds being issued, the total repayment cost of the Series 2022A Bonds, and the amount of principal of the Series 2022A Bonds maturing in any particular Fiscal Year;
- (b) the rates of interest on the Series 2022A Bonds;
- (c) the true interest cost of the Series 2022A Bonds;
- (d) the price at which the Series 2022A Bonds will be sold;
- (e) the dates on which the Series 2022A Bonds may be called for optional redemption and mandatory sinking fund redemption and the terms by which the Series 2022A Bonds may be optionally redeemed; and
- (f) any designation of an insurer, letter of credit bank, or other provider of assurance of payment or credit enhancement in respect of the payment of either series of the Series 2022A Bonds.

“Series 2022A Bonds Rebate Account” means the book account designated the “Series 2022A Bonds Rebate Account,” established in the Water Works Fund by this Supplemental Resolution.

“Series 2022A Bonds Tax Certificate” means the Tax Certificate of the Board to be executed and delivered by the Chief Finance Officer or the Treasurer in connection with the issuance of the Series 2022A Bonds.

“Series 2022A Supplemental Resolution” or “this Supplemental Resolution” means the Series 2022A Supplemental Bond Resolution adopted by the Board on August 10, 2022, relating to the issuance of the Series 2022A Bonds.

“Special Record Date” means the date fixed by the Paying Agent for the determination of ownership of Series 2022A Bonds for the purpose of paying interest not paid when due or interest accruing after maturity.

“Supplemental Resolution(s)” means each Supplemental Resolution as defined in the Master Bond Resolution and, collectively, all such Supplemental Resolutions, including the Series 2008A Supplemental Resolution, the Series 2012A-B Supplemental Resolution, the Series 2014A Supplemental Resolution, the Series 2016A-B

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Supplemental Resolution, the Series 2017A-B Supplemental Resolution, the Series 2020A-B Supplemental Resolution, the Series 2021A Supplemental Resolution, each as defined in this Section 1.02, and this Series 2022A Supplemental Resolution.

Section 1.03 Authorization to Issue the Series 2022A Bonds; Approval of Sale of the Series 2022A Bonds. The Board hereby determines to apply all of the provisions of the Supplemental Act to the Series 2022A Bonds. The Board hereby determines to sell and issue the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2022A, in an aggregate principal amount not to exceed \$200,000,000 for the purpose of providing for the Series 2022A Bonds Capital Projects. The maximum annual repayment cost of the Series 2022A Bonds shall not exceed \$12,400,000 and the total repayment cost of the Series 2022A Bonds shall not exceed \$371,000,000. The true interest cost on the Series 2022A Bonds shall not exceed 4.5%. The Series 2022A Bonds shall mature not later than December 15, 2052.

The Series 2022A Bonds shall be sold through a competitive process pursuant to the Series 2022A Bonds Notice of Sale. In connection therewith, the Chief Finance Officer or the Treasurer may make any changes to the form of the Series 2022A Bonds Notice of Sale presented at this meeting as determined by the Chief Finance Officer or the Treasurer to be necessary, all within the limitations provided herein.

Any sale of the Series 2022A Bonds shall be made in a manner consistent with the provisions of the Parity Bonds Resolution, including this Series 2022A Supplemental Resolution and the Master Bond Resolution, and the terms and the date of the sale as determined by the Chief Finance Officer or the Treasurer.

Section 1.04 Delegation of Authority. In addition to the matters set forth in Section 1.03 hereof, the Chief Finance Officer or the Treasurer is hereby authorized and directed to make all of the determinations regarding the final terms of the Series 2022A Bonds as set forth in the definition of Series 2022A Bonds Sale Certificate in Section 1.02 of this Series 2022A Supplemental Resolution, to execute the Series 2022A Bonds Sale Certificate and the Series 2022A Bonds Notice of Sale, and, in connection therewith to:

- (a) determine the final form of the Series 2022A Bonds Notice of Sale and cause the Series 2022A Bonds Notice of Sale to be distributed to prospective bidders;
- (b) determine the final form of and execute and deliver the Series 2022A Bonds Sale Certificate;
- (c) determine the final form of the Paying Agent and Registrar Agreement; and
- (d) take all other and additional actions necessary or appropriate to effectuate the provisions of the Parity Bonds Resolution, including this Series 2022A Supplemental Resolution and the Master Bond Resolution and all prior Supplemental Resolutions, and the sale of the Series 2022A Bonds.

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This delegation of authority shall be effective for one year from the date of approval of this Supplemental Resolution.

Section 1.05 Master Bond Resolution and Supplemental Resolution to Constitute a Contract; Equal Security. In consideration of the acceptance of the Series 2022A Bonds by those who shall own the same from time to time, the Master Bond Resolution and the Supplemental Resolutions, including this Series 2022A Supplemental Resolution (or, collectively, the Parity Bonds Resolution), together with the Series 2022A Bonds Sale Certificate, shall be deemed to be and shall constitute a contract between the Board and the Owners of the Parity Bonds, including the Series 2022A Bonds. The pledge made by the Board in the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions, and this Series 2022A Supplemental 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 Series 2022A Supplemental Resolution shall be for the equal and proportionate benefit, security, and protection of all Owners of the Parity Bonds, including the Series 2022A Bonds, 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.

Section 1.06 Ratification. All actions heretofore taken by the Board, the officers, the employees, and the members of the Board relating to the authorization, sale, issuance, and delivery of the Series 2022A Bonds and not inconsistent with the provisions of the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions, and this Series 2022A Supplemental Resolution, are hereby ratified, approved, and confirmed.

Section 1.07 Authorization to Execute Documents and Agreements. The President, the Secretary, the Chief Finance Officer, the Treasurer, and the General Counsel are authorized and directed to take all actions necessary or appropriate to effectuate the provisions of this Supplemental Resolution, including but not limited to the execution by the President, the Secretary, the Chief Finance Officer, the Treasurer, or the General Counsel of the final forms of the Series 2022A Bonds Notice of Sale, Paying Agent and Registrar Agreement, the Continuing Disclosure Undertaking, the Omnibus Certificate, and such certificates and affidavits as may be reasonably required by Bond Counsel and the Purchaser. The execution by the President, the Secretary, the Chief Finance Officer, the Treasurer, or the General Counsel of any document authorized herein shall be conclusive proof of the approval by the Board of the terms thereof.

Section 1.08 Approval of Distribution and Form of Preliminary Official Statement, Authorization of Final Official Statement. The Board hereby approves the distribution of the Preliminary Official Statement in substantially the form presented at this meeting. The Preliminary Official Statement shall be distributed with such revisions as may be necessary to enable the Chief Finance Officer or the Treasurer to “deem final” the

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Preliminary Official Statement as provided under Securities and Exchange Commission Rule 15c2-12 or such supplements as may be necessary to provide the Purchaser with any updated information regarding items described in the Preliminary Official Statement that become known to the Board prior to the date of delivery of the Series 2022A Bonds.

The final Official Statement, consistent with the terms of the Parity Bonds Resolution, including the Master Bond Resolution and this Series 2022A Supplemental Resolution, and the Series 2022A Bonds Sale Certificate, is hereby authorized to be executed by the Chief Finance Officer or the Treasurer and distributed by the Purchaser to all interested persons in connection with the sale of the Series 2022A Bonds. The Purchaser shall be provided with copies of the final Official Statement in accordance with the Series 2022A Bonds Notice of Sale.

## **Article II. AUTHORIZATION AND ISSUANCE OF SERIES 2022A BONDS**

Section 2.01 Sale of the Series 2022A Bonds. The sale of the Series 2022A Bonds is hereby authorized and approved.

In consideration of the purchase and the acceptance of the Series 2022A Bonds by those who own the same from time to time, the provisions of the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions and this Series 2022A Supplemental Resolution, together with the Series 2022A Bonds Sale Certificate, shall be deemed to be and shall constitute a contract between the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, and the Owners from time to time of the Series 2022A Bonds.

Section 2.02 Authorization of Issuance of the Series 2022A Bonds. The Board hereby authorizes the Series 2022A Bonds Capital Projects and determines to use the proceeds of the Series 2022A Bonds to provide for the Series 2022A Bonds Capital Projects.

For the purpose of providing funds to pay the cost of the Series 2022A Bonds Capital Projects, the Board shall issue, in fully registered form, the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners, Water Revenue Bonds, Series 2022A, to be dated their date of delivery, in an aggregate principal amount not to exceed \$200,000,000.

Section 2.03 Series 2022A Bond Details. The Series 2022A Bonds shall be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Unless the Board shall otherwise direct, the Series 2022A Bonds shall be numbered separately from 1 upward, with the number of each Series 2022A Bond preceded by "R-."

The Series 2022A Bonds shall be dated their date of delivery. The Series 2022A Bonds shall mature and shall bear interest from the dated date to maturity or prior

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redemption. Interest on the Series 2022A Bonds shall be payable semiannually on each June 15 and December 15, commencing on the date specified in the Series 2022A Sale Certificate; provided however, that Series 2022A Bonds that are reissued upon transfer, exchange, or other replacement shall bear interest from the most recent Interest Payment Date to which interest has been fully paid or duly provided for in full or, if no interest has been paid, from the dated date.

The Series 2022A Bonds shall (a) be in the aggregate principal amount, (b) mature on December 15, in the years and principal amounts, (c) bear interest at the interest rates, and (d) be subject to optional and mandatory sinking fund redemption, all as provided in the Series 2022A Bonds Sale Certificate, provided that the Series 2022A Bonds Sale Certificate conforms to the parameters and limitations set forth in this Series 2022A Supplemental Resolution.

Section 2.04 Paying Agent and Registrar; Book-Entry Only; Payment Provisions. U.S. Bank National Association is hereby designated as Paying Agent and Registrar with respect to the Series 2022A Bonds. The Debt Service Requirements of the Series 2022A Bonds shall be paid in accordance with the terms of the Paying Agent and Registrar Agreement.

The Series 2022A Bonds shall be delivered in full book-entry form through the facilities of DTC as Depository for the Series 2022A Bonds. The Chief Finance Officer or the Treasurer is authorized to execute and deliver a Letter of Representations to DTC and any actions previously taken by the officials of the Board to arrange for the delivery of the Series 2022A Bonds in book-entry form are hereby ratified, approved and confirmed.

The Debt Service Requirements of each Series 2022A Bond are payable in lawful money of the United States of America. As long as Cede & Co., as the nominee of DTC, is the Owner of the Series 2022A Bonds, the Debt Service Requirements of the Series 2022A Bonds are payable by wire transfer as directed by DTC in writing to the Paying Agent. If not executed and delivered in book-entry form, the principal of, and premium, if any, shall be paid to the Owners upon presentation and surrender of the Series 2022A Bonds at maturity or upon prior redemption at the office of the Paying Agent, and the interest on the Series 2022A Bonds shall be paid by check or draft mailed to the Owners at the address appearing on the registration books kept by the Registrar as of the Regular Record Date. In the case of Owners of \$1,000,000 or more in the aggregate principal amount of the Series 2022A Bonds, payments of the Debt Service Requirements of the Series 2022A Bonds shall be made by wire transfer of funds to a bank account designated by such Owner in written instructions furnished to the Paying Agent.

Any interest not paid when due and any interest accruing after maturity shall be paid to the Owner of the Series 2022A Bond entitled to receive such interest, determined as of the close of business on the Special Record Date, which shall be fixed by the Paying Agent for such purpose, irrespective of any transfer of ownership of the

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Series 2022A Bonds subsequent to such Special Record Date and prior to the date fixed by the Paying Agent for the payment of such interest, by check or draft mailed as aforesaid. Notice of the Special Record Date and of the date fixed for the payment of such interest shall be given by sending a copy thereof by first-class, postage prepaid mail, at least ten days prior to the Special Record Date, to the Purchaser and to the Owner of each Series 2022A Bond upon which interest will be paid, determined as of the close of business on the day preceding such mailing, at the address shown in the Bond Registrar. Any premium shall be paid to the Owner upon presentation and surrender of the Series 2022A Bond or Series 2022A Bonds to be so redeemed, in whole or in part, upon prior redemption.

The Series 2022A Bonds shall be initially issued so that a single Series 2022A Bond shall evidence the obligation to pay all principal due on each of the maturity dates of the Series 2022A Bonds. Each such Series 2022A Bond shall be registered in the name of DTC or a nominee therefor. Except as otherwise provided herein, all of the Series 2022A Bonds shall continue to be registered in the name of DTC or a nominee therefor.

Section 2.05 Prior Redemption. The Series 2022A Bonds shall be subject to redemption prior to maturity as follows:

- (a) Optional Redemption. The Series 2022A Bonds shall be subject to redemption prior to maturity, at the option of the Board, as determined by the Chief Finance Officer or the Treasurer and shall be set forth in the Series 2022A Bonds Sale Certificate.
- (b) Mandatory Sinking Fund Redemption. The Series 2022A Bonds may also be subject to mandatory redemption from sinking fund installments, if so provided in the Series 2022A Bonds Sale Certificate, at a Redemption Price equal to the principal amount of Series 2022A Bonds redeemed plus accrued interest to the Redemption Date, on each December 15 and in sinking fund installments, all as set forth in the Series 2022A Bonds Sale Certificate and consistent with any limitations set forth in this Series 2022A Supplemental Resolution.

On or before 45 days prior to any mandatory sinking fund Redemption Date for the Series 2022A Bonds, the Registrar shall select for redemption, by lot in such manner as it may determine, outstanding Series 2022A Bonds maturing on each December 15 as set forth in the Series 2022A Bonds Sale Certificate, equal in principal amount to the sinking fund redemption amount. Such sinking fund redemption amount may be reduced by the principal amount of any outstanding Series 2022A Bonds maturing on the related maturity date, that prior to the mandatory sinking fund Redemption Date have been optionally redeemed and cancelled and not theretofore applied as a credit against the sinking fund redemption amount.

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- (c) Partial Redemption. If less than all of the Series 2022A Bonds within a maturity are to be redeemed on any Redemption Date, the Series 2022A Bonds within a series to be redeemed shall be selected by lot prior to the date fixed for redemption in such manner as the Registrar shall determine. The Series 2022A Bonds shall be redeemed only in integral multiples of \$5,000. In the event a Series 2022A Bond is of a denomination larger than \$5,000, a portion of such Series 2022A Bond may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. Such Series 2022A Bond shall be treated for the purpose of redemption as the number of Series 2022A Bonds that results from dividing the principal amount of such Series 2022A Bond by \$5,000. In the event a portion of any Series 2022A Bond is redeemed, the Registrar is to authenticate and deliver a replacement Series 2022A Bond(s) for the unredeemed portion thereof without charge to the Owner of such Series 2022A Bond.
- (d) Notice of Redemption. In the event any of the Series 2022A Bonds or portions thereof are called for redemption as aforesaid, notice thereof identifying the Series 2022A Bonds or portions thereof to be redeemed shall be given by the Registrar by mailing a copy of the redemption notice by electronic means or first class mail (postage prepaid), not less than 30 days prior to the date fixed for redemption, to the Owner of each Series 2022A Bond to be redeemed in whole or in part at the address shown in the Bond Register. The redemption of the Series 2022A Bonds may be contingent or subject to such conditions as may be specified in the notice. In addition, the Paying Agent is hereby authorized to comply with any operational procedures and requirements of DTC relating to redemption of Series 2022A Bonds and notice thereof. Failure to give such notice by mailing to any Owner, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Series 2022A Bonds as to which no such failure or defect exists. All Series 2022A Bonds so called for redemption will cease to bear interest after the specified Redemption Date, provided funds for their redemption are on deposit at the place of payment at that time.

So long as a book entry system is used for determining beneficial ownership of the Series 2022A Bonds, the Paying Agent shall send such notice to DTC or to Cede & Co., as nominee for DTC. Such notice to DTC shall be by electronic means, first class mail, or by overnight delivery service. DTC is to disburse any payments received through the Participants or otherwise, to the Beneficial Owners. Neither the Board nor the Paying Agent shall have any responsibility or obligation for the payment to any Participant, any Beneficial Owner, or any other person (except an Owner of Series 2022A Bonds) of the Debt Service Requirements of the Series 2022A Bonds. Any failure of DTC to advise any Participant, or of any Participant or indirect participant to notify the Beneficial Owner, of any such notice and its content or effect shall not affect the validity of the redemption of the Series 2022A Bonds called for redemption or any other action premised on that notice.

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Section 2.06 Registration and Transfer of the Series 2022A Bonds; Persons Treated as Owners. The Registrar shall maintain the Bond Register for the registration of ownership of each Series 2022A Bond as provided in this Supplemental Resolution.

The Series 2022A Bonds may be transferred upon the Bond Register upon delivery of the Series 2022A Bonds to the Registrar accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Owner of the Series 2022A Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Series 2022A Bonds, along with the social security number or federal employer identification number of such transferee. No transfer of any Series 2022A Bond shall be effective until entered in the Bond Register.

The Series 2022A Bonds also may be exchanged upon delivery of the Series 2022A Bonds to the Registrar for a like aggregate principal amount of Series 2022A Bonds of other authorized denominations.

In all cases of the transfer of a Series 2022A Bond, the Registrar shall enter the transfer of ownership in the Bond Register and shall authenticate and deliver under the name of the transferee or transferees a new fully registered Series 2022A Bond or Series 2022A Bonds of authorized denominations for the aggregate principal amount which the Owner is entitled to receive at the earliest practicable time in accordance with the provisions of this Supplemental Resolution.

The Registrar may charge the Owner of a Series 2022A Bond for every such transfer or exchange of a Series 2022A Bond an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

Neither the Board nor the Registrar shall be required to issue or transfer any Series 2022A Bonds (a) during a period beginning on the Record Date and ending at the close of business on the ensuing interest payment date, or (b) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Series 2022A Bonds and ending at the close of business on the day of such mailing. The Registrar shall not be required to transfer or exchange any Series 2022A Bond selected for redemption in whole or in part.

New Series 2022A Bonds delivered upon any transfer shall be valid special revenue obligations of the Board, evidencing the same obligation as the Series 2022A Bonds surrendered, shall be secured by the Parity Bonds Resolution, and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2022A Bonds surrendered.

The Board, the Paying Agent, and the Registrar may deem and treat the Owner of any Series 2022A Bond as the absolute registered owner thereof for all purposes

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(whether or not such Series 2022A Bond shall be overdue), and any notice to the contrary shall not be binding upon the Board, the Paying Agent, or the Registrar.

The Board may remove, and DTC may resign, by giving 60 days' written notice to the other of such removal or resignation. Additionally, DTC shall be removed 60 days after receipt by the Board of written notice from DTC to the effect that DTC has received written notice from Participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than 50% of the aggregate principal amount of the then Outstanding Series 2022A Bonds to the effect that DTC is unable or unwilling to discharge its responsibilities or a continuation of the requirement that all of the Outstanding Series 2022A Bonds be registered in the name of DTC or a nominee thereof is not in the best interests of the Beneficial Owners. Upon the removal or resignation of DTC, DTC shall take such action as may be necessary to assure the orderly transfer of the computerized book-entry system with respect to the Series 2022A Bonds to a successor Depository or if no successor Depository is appointed as herein provided, the transfer of the Series 2022A Bonds in certificate form to the Beneficial Owners or their designees. Upon the giving of notice by the Board of the removal of DTC, the giving of notice by DTC of its resignation or the receipt by the Board of notice with respect to the written notice of Participants referred to herein, the Board may, within 60 days after the giving of such notice, appoint a successor Depository upon such terms and conditions as the Board shall impose. Any such successor Depository shall at all times be a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation, and in good standing thereunder. If the Board fails to appoint a successor Depository within such time period, the Series 2022A Bonds shall no longer be restricted to being registered in the name of DTC or a nominee thereof, but may be registered in whatever name or names Owners transferring or exchanging Series 2022A Bonds shall designate.

Notwithstanding any other provision of this Supplemental Resolution to the contrary, so long as any Series 2022A Bond is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to the Debt Service Requirements of such Series 2022A Bond and all notices with respect to such Series 2022A Bond shall be made and given, respectively, in the manner provided in the Representation Letter from the Board to DTC.

Section 2.07 Removal or Resignation of Registrar or Paying Agent; Successors. The Registrar or the Paying Agent may resign or may be removed by the Board at any time with or without cause. The resignation or removal of the Registrar or the Paying Agent shall not be effective prior to the appointment of a qualified successor. In the event of the removal or resignation of the Registrar or the Paying Agent, the Board shall appoint a successor as soon thereafter as may be practicable and, in such event, shall give written notice thereof to each Owner by mailing to the addresses shown in the Bond Register. Any successor Registrar and/or Paying Agent shall:

- (a) be a trust company or bank in good standing;

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- (b) be duly authorized to exercise trust powers;
- (c) be subject to examination by a federal or state authority; and
- (d) maintain a reported capital and surplus of not less than \$10,000,000.

Section 2.08 Form and Execution of the Series 2022A Bonds; Authentication; CUSIP Numbers. The Series 2022A Bonds shall be executed in the name of the Board and on its behalf with the manual or facsimile signature of the President and countersigned with the manual or facsimile signature of the Auditor. The validity of the Series 2022A Bonds bearing the facsimile signatures of the officers in office at the time of the authorization of such facsimiles by such officers prior to the delivery of the Series 2022A Bonds to the Purchaser shall not be affected by the fact that before the delivery, transfer, or exchange of the Series 2022A Bonds bearing such signatures, any or all of the persons whose facsimile signatures appear thereon shall have ceased to fill their respective offices.

No Series 2022A Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions and this Series 2022A Supplemental Resolution, unless and until a certificate of authentication on such Series 2022A Bond substantially in the form set forth in the form of the Series 2022A Bond shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Series 2022A Bond shall be conclusive evidence that such Series 2022A Bond has been authenticated and delivered under the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions and this Series 2022A Supplemental Resolution.

Pursuant to the recommendations of the Committee on Uniform Security Identification Procedures, CUSIP numbers may be printed on the Series 2022A Bonds.

The Series 2022A Bonds shall be in substantially the form set forth on Exhibit A hereto, and the bond details for the Series 2022A Bonds shall be set forth in the Series 2022A Bonds Sale Certificate.

**Article III.**  
**PLEDGE OF NET REVENUE,**  
**ESTABLISHMENT OF ACCOUNTS AND APPLICATION THEREOF**

Section 3.01 The Pledge Effected by the Parity Bonds Resolution. The Series 2022A Bonds are special and limited obligations 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 Series 2022A Bonds at the place, on the dates and in the manner specified in the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions and this Series 2022A Supplemental Resolution, and the Series 2022A Bonds Sale Certificate. The Debt Service Requirements of Series

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2022A Bonds 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 Series 2022A Bonds. The Parity Bonds, including the Series 2022A Bonds, 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 Series 2022A Bonds.

Section 3.02 Establishment of Accounts. The Board has heretofore created and established, pursuant to the Master Bond Resolution, and hereby confirms the creation and establishment, in the Water Works Fund, as a book account of the Board, the Parity Bonds Resolution Debt Service Account (including therein the Interest Subaccount and the Principal Subaccount) for the payment of the Debt Service Requirements of the Parity Bonds, including the Series 2022A Bonds. In addition, there are hereby created and established in the Water Works Fund, as book accounts of the Board: (a) the Series 2022A Bonds Capital Projects Account relating to the Series 2022A Bonds Capital Projects; and (b) the Series 2022A Bonds Rebate Account. Such accounts shall be maintained in accordance with the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions and this Series 2022A Supplemental Resolution, and the Series 2022A Bonds Tax Certificate, in the case of the Series 2022A Bonds Rebate Account.

Section 3.03 Delivery of Series 2022A Bonds and Disposition of Proceeds. Upon the adoption of this Series 2022A Supplemental Resolution and the award of the sale of the Series 2022A Bonds as provided in Sections 1.03 and 1.04 hereof, the Series 2022A Bonds shall be executed by the Board and delivered to the Registrar, and the Registrar shall authenticate the Series 2022A Bonds and deliver them to the Purchaser of the Series 2022A Bonds, as directed by the Board and in accordance with this Series 2022A Supplemental Resolution, the Series 2022A Bonds Notice of Sale, and the Series 2022A Bonds Sale Certificate.

The proceeds of the Series 2022A Bonds shall be deposited to the Series 2022A Bonds Capital Projects Account and utilized for the Capital Project.

Neither the Purchaser nor the Owners of any of the Series 2022A Bonds shall be responsible for the application or disposal by the Board or any of its officers of the funds derived from the sale thereof.

Subject to Section 4.02 hereof and the Series 2022A Bonds Tax Certificate, all or any portion of the proceeds of the Series 2022A Bonds may be temporarily invested or reinvested, pending such use, in securities or obligations which are both lawful investments and which are Permitted Investments.

Section 3.04 Series 2022A Bonds Capital Projects Account. The proceeds of the Series 2022A Bonds credited in the Series 2022A Bonds Capital Projects Account shall

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be maintained, used, and withdrawn as provided herein for the purposes of paying Project Costs. If not paid from other moneys of the Board, the Board shall pay as Project Costs the costs of issuance of the Series 2022A Bonds. Any investment income earned on amounts on deposit in the Series 2022A Bonds Capital Projects Account shall remain in the Series 2022A Bonds Capital Projects Account.

Moneys credited to the Series 2022A Bonds Capital Projects Account may be invested or deposited in securities or obligations that are Permitted Investments. Any moneys remaining in the Series 2022A Bonds Capital Projects Account after completion of the Series 2022A Bonds Capital Projects, excluding investment earnings which may be required to be rebated to the federal government as provided in Section 4.02 and the Series 2022A Bonds Tax Certificate, shall be deposited in the Debt Service Account and used for the purposes of the Debt Service Account.

#### **Article IV. ADDITIONAL PROTECTIVE COVENANTS**

Section 4.01 Use of Proceeds. The proceeds derived from the sale of the Series 2022A Bonds shall be used solely for the purpose specified in this Series 2022A Supplemental Resolution.

Section 4.02 Tax Covenants. The Board hereby covenants and agrees with each and every Owner of the Series 2022A Bonds that, notwithstanding any other provision of this Series 2022A Supplemental Resolution or any other instrument, so long as any of the Series 2022A Bonds remain Outstanding:

- (a) It will not make or permit to be made, any use of the original proceeds of the Series 2022A Bonds, or of any moneys treated as proceeds of such Series 2022A Bonds within the meaning of the Code and pertinent Treasury Regulations, rulings and decisions, or take, or permit to be taken, any action with respect to such proceeds, the Series 2022A Bonds Capital Projects, or the System which will cause the interest on such Series 2022A Bonds to lose its excludability from gross income for federal income tax purposes under Section 103 of the Code and pertinent Treasury Regulations, rulings, and decisions.
- (b) It will not directly or indirectly use or permit the use of proceeds of the Series 2022A Bonds, or any other funds of the Board from whatever source derived, to acquire any investment, and it will not take or permit to be taken any other action, which would cause the Series 2022A Bonds to be characterized as “arbitrage bonds” within the meaning of Section 103 and Section 148 of the Code or which would otherwise cause the interest on the Series 2022A Bonds to no longer be excludible from gross income for federal income tax purposes.
- (c) It will pay from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Code and any temporary, proposed, or final Treasury Regulations as may be applied to the Series 2022A

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Bonds from time to time. The payment of such rebate amounts as required by this paragraph supersedes all other provisions of the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions, and this Series 2022A Supplemental Resolution, concerning the deposit and transfer of interest earnings to or from any other fund or account. Moneys set aside to pay such rebate amounts pursuant to this paragraph, whether set aside in the Series 2022A Bonds Rebate Account or otherwise, are not subject to any lien created hereunder for the benefit of the Owners. This covenant shall survive the payment in full or the defeasance of the Series 2022A Bonds.

- (d) The acquisition, construction, and installation of the Series 2022A Bonds Capital Projects under the terms and conditions provided for in the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions, and this Series 2022A Supplemental Resolution, are necessary, convenient, in furtherance of and will at all times be used in connection with the Board's governmental purposes and functions.
- (e) It will not take or permit to be taken any action that would cause the Series 2022A Bonds to be characterized as "private activity bonds" within the meaning of Section 141 of the Code, it will take all actions within its power and permitted by law that are or may be necessary to prevent the Series 2022A Bonds from being characterized as "private activity bonds," and it will establish reasonable procedures to comply with the foregoing covenants. To this end, the Board will not permit more than 10% of the proceeds of the Series 2022A Bonds to be used (directly or indirectly) in the trade or business of nongovernmental persons in a manner that could cause the Series 2022A Bonds to be characterized as "private activity bonds" within the meaning of Section 141 of the Code.
- (f) It will take all actions within its power and permitted by law, including complying with the provisions of the Series 2022A Bonds Tax Certificate, the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions, and this Series 2022A Supplemental Resolution, and all applicable requirements of the Code and Treasury Regulations, to assure that interest on the Series 2022A Bonds at all times remains excludible from gross income for federal income tax purposes.

## **Article V. MISCELLANEOUS**

Section 5.01 Costs and Expenses. All costs and expenses incurred in connection with the issuance and payment of the Series 2022A Bonds shall be paid either from the proceeds of the Series 2022A Bonds or from legally available moneys of the Board, or from a combination thereof, and such moneys are hereby appropriated for that purpose.

Adopted by the Board on August 10, 2022

Section 5.02 Series 2022A Supplemental Resolution Irrepealable. After any of the Series 2022A Bonds have been issued, this Series 2022A Supplemental Resolution shall constitute an irrevocable contract between the Board and the Owners and shall be and remain irrepealable until the Series 2022A Bonds and the interest accruing thereon shall have been fully paid, satisfied, and discharged as herein provided.

Section 5.03 Severability. If any section, paragraph, clause or provision of this Series 2022A Supplemental 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.

Section 5.04 Repealer. All orders, resolutions, by laws and regulations of the Board, or parts thereof, inconsistent with this Series 2022A Supplemental Resolution are hereby repealed to the extent only of such inconsistency.

Section 5.05 Recording. This Series 2022A Supplemental 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.

Section 5.06 Electronic Transactions. In the event the President, Secretary, Chief Finance Officer, Treasurer, or other employee or official of the Board or Denver Water that is authorized or directed to execute any agreement, document, certificate, instrument or other paper in accordance with this Supplemental Resolution (collectively, the "Authorized Documents") is not able to be physically present to manually sign any such Authorized Document, such individual or individuals are hereby authorized to execute Authorized Documents electronically via facsimile or email signature. Any electronic signature so 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 counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 5.07 Effective Date. This Series 2022A Supplemental Resolution shall take effect immediately upon its adoption and approval.

Adopted by the Board on August 10, 2022

**EXHIBIT A**

**FORM OF SERIES 2022A BOND**

Unless this Series 2022A Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”), to the City or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

**UNITED STATES OF AMERICA**

**STATE OF COLORADO**

**CITY AND COUNTY OF DENVER**

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

**WATER REVENUE BOND  
SERIES 2022A**

No. R-\_\_\_ \$ \_\_\_\_\_

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Issue Date</u>	<u>CUSIP</u>
_____%	December 15, 20__	_____, 2022	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The City and County of Denver, Colorado, acting by and through its Board of Water Commissioners (the “Board”), in the City and County of Denver, Colorado (the “City”) and the State of Colorado (the “State”), for value received, hereby promises to pay, out of the special funds hereinafter designated but not otherwise, to the Registered Owner named above or registered assigns, on the Maturity Date specified above or on the date of prior redemption, the Principal Amount specified above, and in like manner to pay interest on such Principal Amount (computed on the basis of a 360-day year of twelve 30-day months) from the original Issue Date specified above, at the Interest Rate per annum specified above, payable semiannually on each June 15 and December 15,

commencing June 15, 2023 (an “Interest Payment Date”), until such Principal Amount is paid. The principal of, redemption premium, if any, and interest on (collectively, the “Debt Service Requirements”) this Series 2022A Bond are payable in lawful money of the United States of America to the Registered Owner by U.S. Bank National Association, or a successor, as paying agent for the Series 2022A Bonds (the “Paying Agent”), except as otherwise provided below.

This Series 2022A Bond is one of a series aggregating \$200,000,000 principal amount (the “Series 2022A Bonds”), all of like date, tenor and effect except as to number, principal amount, interest rate, date of maturity, and redemption provisions.

The Debt Service Requirements of this Series 2022A Bond are payable to the Registered Owner hereof by the Paying Agent. Except as hereinafter provided, the interest is payable to the Registered Owner hereof, determined as of the close of business on the first day of the month in which an Interest Payment Date occurs (the “Regular Record Date”), irrespective of any transfer of ownership hereof subsequent to the Regular Record Date and prior to such Interest Payment Date, at the address appearing on the registration books for the Series 2022A Bonds maintained by U.S. Bank National Association, or a successor as registrar for the Series 2022A Bonds (the “Registrar”).

As long as Cede & Co., as the nominee for The Depository Trust Company, New York, New York (“DTC”) is the registered owner of this Series 2022A Bond, the Debt Service Requirements of this Series 2022A Bond are payable by wire transfer as directed by DTC in writing to the Paying Agent. If not executed and delivered in book-entry form, the principal and premium, if any, are to be paid to the registered owner of this Series 2022A Bond upon presentation and surrender of this Series 2022A Bond at maturity or upon prior redemption at the office of the Bond Registrar, and the interest hereon is to be paid by check or draft mailed to the registered owner of this Series 2022A Bond at the address appearing on the registration books for the Series 2022A Bonds maintained by the Registrar. In the case of registered owners of \$1,000,000 or more in aggregate principal amount of the Series 2022A Bonds, payments of the Debt Service Requirements of the Series 2022A Bonds are to be made by wire transfer of funds to a bank account designated by such registered owner in written instructions furnished to the Paying Agent.

Any interest hereon not paid when due and any interest hereon accruing after maturity is to be paid to the Registered Owner hereof, determined as of the close of business on the special record date, which is to be fixed by the Paying Agent for such purpose, irrespective of any transfer of ownership of this Series 2022A Bond subsequent to such special record date and prior to the date fixed by the Paying Agent for the payment of such interest, by wire transfer, or by check or draft mailed as aforesaid. Notice of the special record date and of the date fixed for the payment of such interest is to be given by sending a copy thereof by first-class, postage prepaid mail, at least ten days prior to the special record date, to the registered owner of each of the Series 2022A Bonds upon which interest will be paid, determined as of the close of



business on the day preceding such mailing, at the address appearing on the registration books for the Series 2022A Bonds maintained by the Registrar.

So long as the Registered Owner of this Series 2022A Bond is a securities depository or a nominee therefor, the securities depository is to disburse any payments received, through its participants or otherwise, to the beneficial owner or owners hereof. Neither the Board nor the Paying Agent has any responsibility or obligation for the payment to any participant, any beneficial owner hereof or any other person (except the Registered Owner) of the Debt Service Requirements of this Series 2022A Bond. The Board and Paying Agent have no responsibility or obligation with respect to the accuracy of the records of the securities depository or a nominee therefor or any participant with respect to any ownership interest in the Series 2022A Bonds or the delivery to any participant, beneficial owner or any other person (except the Registered Owner) of any notice with respect to the Series 2022A Bonds, including any notice of redemption.

This Series 2022A Bond is authorized and issued for the purpose of defraying the cost of acquiring, constructing, and installing certain capital improvements to the facilities of the water works system and plant which is operated under the complete charge and control of the Board (the "System"), under the authority of and in full conformity with the Charter of the City and the Constitution and laws of the State (including the Water Activity Law) and pursuant to an authorizing resolution adopted by the Board on March 22, 2017, cited by the short title "Master (03-22-17) Bond Resolution (the "Master Bond Resolution") as amended and supplemented, including as amended and supplemented by certain prior Supplemental Resolutions authorizing the issuance of certain Parity Bonds and by a Supplemental Resolution cited by the short title "Series 2022A Supplemental Bond Resolution" (the "Series 2022A Supplemental Resolution") authorizing the issuance of the Series 2022A Bonds. The Series 2022A Bonds are also issued pursuant to portions of part 2 of article 57 of title 11, Colorado Revised Statutes (the "Supplemental Act"). Pursuant to Section 11-57-210 of the Supplemental Act, this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Series 2022A Bonds after their delivery for value. Defined terms used herein that are not otherwise defined shall have the same meaning as set forth in the Parity Bonds Resolution, including the Series 2022A Supplemental Resolution.

This Series 2022A Bond (i) is a special and limited obligation of the Board, payable solely out of and secured by an irrevocable (but nonexclusive) pledge of the revenues of the System after deduction of operations and maintenance costs (the "Net Revenue"), (ii) is not payable in whole or in part from the proceeds of general property taxes, and (iii) does not evidence nor is it to be deemed to be a pledge of the full faith and credit of the City for the payment of the principal hereof, interest hereon or any redemption premium due in connection therewith. The Registered Owner hereof may not look to any general or other fund of the Board or the City for the payment of the Debt Service Requirements of this Series 2022A Bond, and this Series 2022A Bond does not constitute a debt or an indebtedness or multiple fiscal year debt or other financial obligation of the City within the meaning of any constitutional or statutory

provision or limitation; nor is it to be considered or held to be a general obligation of the City, all as more specifically provided in the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions and the Series 2022A Supplemental Resolution.

The Debt Service Requirements of this Series 2022A Bond are payable only out of (i) a special fund and book account in the Board's Water Works Fund created in full conformity with law and designated the "Parity Bonds Resolution Debt Service Account," into which the Board, covenants and agrees to deposit, from the Net Revenue, amounts sufficient to pay the Debt Service Requirements of this Series 2022A Bond when the same become due and payable, as more particularly set forth in the Master Bond Resolution, all prior Supplemental Resolutions and the Series 2022A Supplemental Resolution. The Series 2022A Bonds constitute an irrevocable and nonexclusive lien upon the Net Revenue, on parity with any Parity Bonds issued by the Board pursuant to the Parity Bonds Resolution. Subject to the conditions therefore set forth in the Parity Bonds Resolution, additional Parity Bonds may be issued and made payable from the Net Revenue and having a lien thereon which is either (i) on parity with the lien of all Outstanding Parity Bonds, including the Series 2022A Bonds or (ii) subordinate and junior to the lien of the Series 2022A Bonds and other Outstanding Parity Bonds. The Board covenants and agrees with the Registered Owner of this Series 2022A Bond that it will keep and will perform all of the covenants of the Parity Bonds Resolution.

It is hereby recited, certified and warranted that for the payment of this Series 2022A Bond, there has been created and will be maintained the special book accounts referred to above, and that there will be deposited therein out of the Net Revenue the amounts specified in the Master Bond Resolution and the Series 2022A Supplemental Bond Resolution, and out of such funds, as an irrevocable (but nonexclusive) charge thereon, there will be paid the Debt Service Requirements of this Series 2022A Bond in the manner provided by the Parity Bonds Resolution. For a description of such funds, the Net Revenue, the manner in which the Parity Bonds Resolution may be amended, and the nature and extent of the security afforded thereby for the payment of this Series 2022A Bond, reference is made to the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2022A Supplemental Resolution.

[The Series 2022A Bonds maturing on or after December 15, 2033, are subject to redemption prior to maturity, at the option of the Board, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, as determined by the Board, on December 15, 2032, and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest to the redemption date, without redemption premium.]

[The Series 2022A Bonds maturing on December 15, 20[\_\_\_], are also subject to mandatory redemption from mandatory sinking fund installments on and after December 15, 20[\_\_\_], to the extent and in the manner provided in the Series 2022A Supplemental Resolution. On or before 45 days prior to the sinking fund redemption date for the Series 2022A Bonds, the Registrar is to select for redemption, by lot in such manner as

it may determine, outstanding Series 2022A Bonds maturing on December 15, 20[\_\_\_], equal in principal amount to the sinking fund redemption amount. Such sinking fund redemption amount may be reduced by the principal amount of any outstanding Series 2022A Bonds maturing on December 15, 20[\_\_\_], that prior to the mandatory sinking fund redemption date have been optionally redeemed and cancelled and not theretofore applied as a credit against the sinking fund redemption amount.]

The Series 2022A Bonds may be redeemed only in integral multiples of \$5,000. In the event a Bond is of a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in the principal amount of \$5,000 or any integral multiple thereof. Such Bond is to be treated for the purposes of redemption as that number of Series 2022A Bonds which results from dividing the principal amount of such Bond by \$5,000. In the event a portion of this Series 2022A Bond is redeemed, the Registrar is to authenticate and deliver a replacement Bond or Bonds for the unredeemed portion without charge to the registered owner of this Series 2022A Bond.

Notice of prior redemption is to be given by mailing a copy of the redemption notice, not less than 30 days prior to the date fixed for redemption, to the Registered Owner of this Series 2022A Bond at the address shown on the registration books for the Series 2022A Bonds maintained by the Registrar, in the manner set forth in the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions and the Series 2022A Supplemental Resolution. The redemption of the Series 2022A Bonds may be contingent or subject to such conditions as may be specified in the notice. All Series 2022A Bonds called for redemption cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time.

The Series 2022A Bonds are issuable in fully registered form and in denominations of \$5,000 or an integral multiple thereof. Upon surrender of this Series 2022A Bond to the Registrar with a written instrument satisfactory to the Registrar duly executed by the Registered Owner hereof or his duly authorized attorney, this Series 2022A Bond may, at the option of the Registered Owner or his duly authorized attorney, be exchanged for an equal aggregate principal amount of Series 2022A Bonds of other authorized denominations, subject to the terms and conditions set forth in the Parity Bonds Resolution, including the Master Bond Resolution, all prior Supplemental Resolutions and the Series 2022A Supplemental Resolution.

Neither the Board nor the Registrar are required to issue or transfer any Series 2022A Bonds (i) during a period beginning on the Regular Record Date and ending at the close of business on the ensuing Interest Payment Date, or (ii) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Series 2022A Bonds and ending at the close of business on the day of such mailing. The Registrar is not required to transfer or exchange any Bond selected for redemption in whole or in part.

The Board, the Paying Agent, and the Registrar may deem and treat the registered owner of this Series 2022A Bond as the absolute owner hereof for all

purposes (whether or not this Series 2022A Bond is overdue), and any notice to the contrary is not binding upon the Board, the Paying Agent, or the Registrar.

So long as a book-entry system is used for determining beneficial ownership of this Series 2022A Bond, the Paying Agent is to send notice to DTC or to Cede & Co, as nominee for DTC. Such notice to DTC is to be by certified mail, registered mail, or by overnight delivery service return receipt requested. DTC is to disburse any payments received through its participants or beneficial owners. Neither the Board nor the Paying Agent has any responsibility or obligation for the payment to any such participant, a beneficial owner or any other person (except a Registered Owner of Series 2022A Bonds) of the Debt Service Requirements of the Series 2022A Bonds.

This Series 2022A Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the principal office of the Registrar, but only in the manner, subject to the limitations, and upon payment of the charges provided in the Parity Bonds Resolution and upon surrender and cancellation of this Series 2022A Bond. This Series 2022A Bond may be transferred upon the registration books upon delivery to the Registrar of this Series 2022A Bond, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Registrar, duly executed by the owner of this Series 2022A Bond or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of the Bond, along with the social security number or federal employer identification number of such transferee. In the event of the transfer of this Series 2022A Bond, the Registrar is to enter the transfer of ownership in the registration books and authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Series 2022A Bonds of authorized denominations for the aggregate principal amount which the Registered Owner is entitled to receive at the earliest practicable time.

The Registrar is to charge the owner of this Series 2022A Bond for every transfer or exchange an amount sufficient to reimburse it for its reasonable fees and for any tax or other governmental charge required to be paid with respect to such transfer or exchange.

This Series 2022A Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Parity Bonds Resolution until the certificate of authentication hereon shall have been signed by the Registrar.

IN WITNESS WHEREOF, the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners has caused this Series 2022A Bond to be executed in its name and upon its behalf with the manual or facsimile signature of the President of the Board and countersigned with the manual or facsimile signature of the Auditor of the City all as of the Original Issue Date of the Series 2022A Bonds specified above.

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

By: (For Manual or Facsimile Signature)  
Gary M. Reiff  
President of the Board

Countersigned by:

By: (For Manual or Facsimile Signature)  
Timothy M. O'Brien  
Auditor of the City

## CERTIFICATE OF AUTHENTICATION

This Series 2022A Bond is one of the Series 2022A Bonds of the issue described in the within-mentioned Master Bond Resolution and Series 2022A Supplemental Resolution.

Date of Registration and Authentication: U.S. BANK NATIONAL ASSOCIATION,  
as Registrar

\_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

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

---

SOCIAL SECURITY OR FEDERAL EMPLOYER  
IDENTIFICATION NUMBER OF ASSIGNEE

---

(Name and Address of Assignee)

---

the within Bond and does hereby irrevocable constitute and appoint \_\_\_\_\_  
\_\_\_\_\_ attorney to transfer said Bond on the Books kept for registration thereof  
with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature of Registered Owner:

\_\_\_\_\_  
NOTICE: The signature to this  
assignment must correspond with the  
name of the registered owner as it  
appears upon the face of the within Bond  
in every particular, without alteration or  
enlargement or any change whatever.

Signature guaranteed:

(Bank, Trust Company, or Firm which  
is a member of a Medallion Program)



# Series 2022A Supplemental Bond Resolution

Usha Sharma, Treasurer  
August 10, 2022

 DENVER WATER



# Series 2022A Supplemental Bond Resolution

- Authorizes maximum par of \$200 million in revenue bonds for capital improvements
- Establishes sale parameters
- Delegates certain responsibilities to complete the bond sale
- Details all outstanding bonds

# Milestone dates for bond sale



- Supplemental Bond Resolution
- Municipal bond market update
- Credit rating presentations

- Bond ratings received
- Municipal bond market update
- Bond sale

- Bond sale closing

# Key parameters for Series 2022A Bonds

- Method of sale: Competitive
- Maximum par amount: \$200 million
- Maximum Total Interest Cost (TIC): 4.5%
- Bond structure: 30-year fixed with serial maturities and 10-year call option

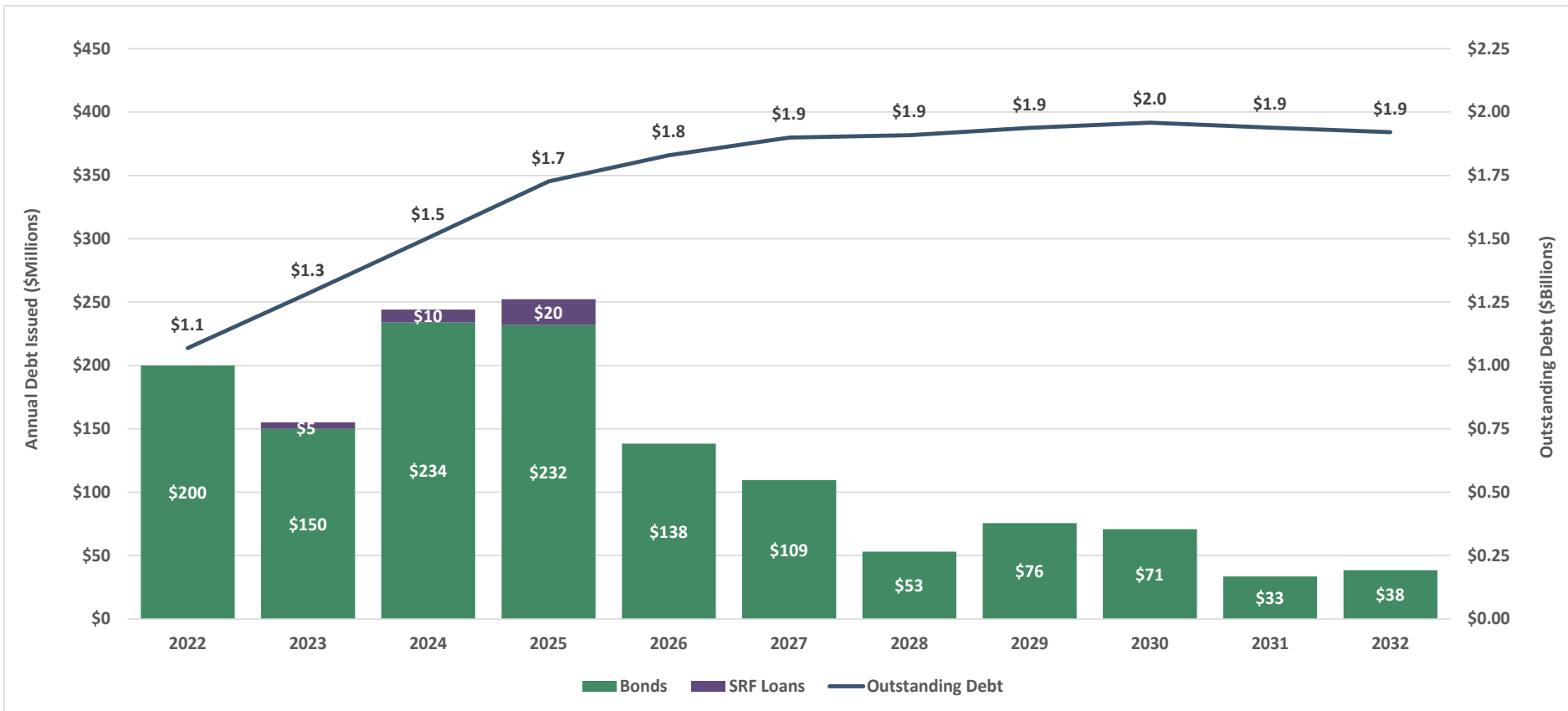
# Delegated responsibilities for Series 2022A Bonds

- Notice of Sale and Sale Certificate, both approved by the Board in form
- Tax Certificate of the Board in connection with the bond issuance
- Update Preliminary Official Statement, as needed

# Series 2022A Bonds issued in parity with other outstanding bonds

- Series 2022A has the same priority on net revenues as Denver Water's other outstanding bonds
- No physical assets are pledged as collateral
- No restricted bond reserve
- Maturities prior to December 15, 2032, will not be subject to optional redemption

# Projected total debt





# Questions

# Outstanding bonds

Outstanding Series	Final Maturity	Amount Outstanding (\$000)	First Call Date
Series 2008A CREB- Private Placement	12/15/2022	\$120	N/A
Series 2012A	12/15/2041	\$32,040	12/15/2021
Series 2012B (Refunding bonds)	12/15/2028	\$16,315	12/15/2021
Series 2014A	12/15/2044	\$44,025	12/15/2023
Series 2016A	09/15/2045	\$70,085	09/15/2026
Series 2016B (Refunding bonds)	09/15/2037	\$50,235	09/15/2026
Series 2017A	09/15/2047	\$137,985	09/15/2027
Series 2017B	09/15/2038	\$41,765	09/15/2027
Series 2020A	09/15/2049	\$141,030	09/15/2030
Series 2020B (BABs refunding bonds)	09/15/2040	\$116,600	09/15/2030
Series 2021A	12/15/2050	\$316,785	12/15/2031



**NOTICE OF PUBLIC SALE**

**DATED September 20, 2022**

*This Notice of Sale does not by itself constitute an invitation for bids but is rather the notice of sale of the Series 2022A Bonds described herein. The invitation for bids is being made by means of this Notice of Sale and the Preliminary Official Statement.*

**\$[\_\_\_\_\_]\*  
City and County of Denver, Colorado,  
Acting By and Through Its Board of Water Commissioners  
Water Revenue Bonds, Series 2022A**

PUBLIC NOTICE IS HEREBY GIVEN that the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners (the “Board”) and the Chief Finance Officer of Denver Water and the Board (the “CFO”) on:

**Tuesday, September 27, 2022 at the hour of 9:30 a.m., Colorado Time,**

will receive bids, and will award to the best conforming bidder (as determined by the CFO and described herein under “Bid Proposal Requirements”), Water Revenue Bonds, Series 2022A, in the aggregate principal amount of \$[\_\_\_\_\_]\* (the “Series 2022A Bonds”).

Bids must be submitted electronically via the BIDCOMP/PARITY BIDDING SYSTEM (“BIDCOMP/PARITY”) as described in “BID PROPOSAL REQUIREMENTS” and “BIDCOMP/PARITY” below.

**ISSUE DETAILS:** The Series 2022A Bonds are in the aggregate principal amount of \$[\_\_\_\_\_]\*. The Series 2022A Bonds will be dated as of the date of delivery, will be issued in fully registered form, and will be initially evidenced by one Bond for each maturity in denominations equal to the principal amount of such maturity. Any initially issued Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, as securities depository for the Series 2022A Bonds (“DTC”).

**MATURITIES:** Except as otherwise provided below in “MANDATORY SINKING FUND REDEMPTION” and “ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST BID” below, the Series 2022A Bonds will mature on December 15 in the years and amounts designated below:

---

\* Subject to change.

<u>Maturity Date</u>	<u>Principal Amount</u>
2023	
2024	\$
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	
2046	
2047	
2048	
2049	
2050	
2051	
2052	
TOTAL	\$

ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST BID:

The aggregate principal amount and the principal amount of each serial maturity of the Series 2022A Bonds set forth in the Maturity Schedule above are subject to adjustment by the Board, after the determination of the best bid. Changes to be made will be communicated to the winning bidder at the time of award of the Series 2022A Bonds; changes will not reduce or increase the aggregate principal amount of the Series 2022A Bonds of any maturity by the greater of \$500,000 or fifteen percent (15%) from the amount shown in the Maturity Schedule. The price bid (i.e., par less any discount bid or plus any premium bid) by a winning bidder may be changed as described below, but the interest rates specified by the winning bidder for all maturities will not change. A winning bidder may not withdraw its bid as a result of any changes made within these limits. The price bid will be changed so that the percentage net compensation to the winning bidder (i.e., the percentage resulting from dividing (i) the aggregate difference

between the offering price of the Series 2022A Bonds to the public and the price to be paid to the Board, by (ii) the principal amount of the Series 2022A Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown in the Maturity Schedule.

OPTIONAL PRIOR REDEMPTION: The Series 2022A Bonds maturing on or before December 15, 2032 are not subject to redemption prior to maturity. The Series 2022A Bonds maturing on and after December 15, 2033 shall be subject to redemption prior to their respective maturities, at the option of the Board, in whole or in part, in integral multiples of \$5,000, from such maturities as are selected by the Board and by lot within a maturity (giving proportionate weight to Bonds in denominations larger than \$5,000), in such a manner as the Board may determine, on December 15, 2032 or on any date thereafter at a redemption price equal to 100% of the principal amount so redeemed plus accrued interest to the redemption date. Redemption will be made in the manner and upon the conditions described in the Final Official Statement (as described below).

MANDATORY SINKING FUND REDEMPTION: Any bidder may, at its option, specify that one or more consecutive maturities of the Series 2022A Bonds, will consist of term bonds (the “Term Bonds”) which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder. Amounts included as a Term Bond must consist of consecutive maturities, must bear the same rate of interest, and must include the entire principal amount for any maturity included in the Term Bond (i.e., the principal amount maturing in any year may not be divided between a serial maturity and a mandatory sinking fund redemption). Any such Term Bond will be subject to mandatory sinking fund redemption in installments in the same amounts and on the same dates as the Series 2022A Bonds would have matured if they were not included in a Term Bond or Term Bonds. Series 2022A Bonds redeemed pursuant to the mandatory sinking fund redemption provisions will be redeemed at a redemption price equal to the principal amount of the Series 2022A Bonds to be redeemed plus accrued interest to the redemption date in the manner and as otherwise provided in the Resolution authorizing issuance of the Series 2022A Bonds (the “Series 2022A Supplemental Resolution”), including any certificate executed by the CFO, or her designee, in accordance with the Series 2022A Supplemental Resolution. Any election to designate the Series 2022A Bonds as being included in a Term Bond must be made in the official bid forms.

INTEREST RATES AND LIMITATIONS:

1. Interest shall be payable on June 15 and December 15 of each year, commencing June 15, 2023, and will be computed on the basis of a 360-day year of twelve 30-day months.
2. There is no limit on the number of rates specified, except that one interest rate only shall be specified for the Series 2022A Bonds of any maturity.
3. The interest rate for the Series 2022A Bonds must be stated in a multiple of 1/8th or 1/20th of 1% per annum. A zero rate of interest may not be named for the Series 2022A Bonds.

4. The interest rate for Series 2022A Bonds maturing on or prior to December 15, 2032 shall be 5.00%. The interest rate for the Series 2022A Bonds maturing on and after December 15, 2033 shall not be less than 4.00%.

PURCHASE PRICE: The purchase price bid for the Series 2022A Bonds shall not be less than 103% of the par amount of the Series 2022A Bonds. SEE “WINNING BIDDER’S REOFFERING YIELDS.”

INFORMATION AVAILABLE FROM PRELIMINARY OFFICIAL STATEMENT: Reference is made to the Preliminary Official Statement dated September 20, 2022 (the “Preliminary Official Statement”) for information as to the authorization and purpose of the Series 2022A Bonds; security for the Series 2022A Bonds; the book-entry system, transfer, exchange, and place of payment of the Series 2022A Bonds; the exclusion of the interest on the Series 2022A Bonds from federal and State of Colorado income taxation; and other information relating to the Series 2022A Bonds and the Board.

BIDCOMP/PARITY: Bids must be submitted electronically using BIDCOMP/PARITY no later than the time designated herein for the receipt of bids. During the electronic bidding, no bidder will see any other bidder’s bid nor the status of their bid relative to other bids (i.e., whether their bid is a leading bid). Bidders may change or withdraw their bids at any time up to the time designated herein. Electronic bids may only be submitted through BIDCOMP/PARITY. If any provisions in this Notice of Public Sale should conflict with information or terms provided or required by BIDCOMP/PARITY, this Notice of Public Sale (and any amendments hereto) shall control.

BID PROPOSAL REQUIREMENTS: A prospective bidder must register electronically to bid for the Series 2022A Bonds via BIDCOMP/PARITY no later than 8:30 a.m. (Colorado Time), on September 27, 2022. A prospective bidder must register electronically to bid for the Series 2022A Bonds by completing the information required by BIDCOMP/PARITY. By registering to bid for the Series 2022A Bonds, a prospective electronic bidder represents and warrants to the Board that such bidder’s bid for the purchase of the Series 2022A Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid, and enforceable contract for the purchase of the Series 2022A Bonds. By registering via BIDCOMP/PARITY to bid for the Series 2022A Bonds, a prospective bidder is not obligated to submit a bid in connection with the sale.

Bids must be submitted electronically for the purchase of the Series 2022A Bonds by means of BIDCOMP/PARITY by 9:30 a.m. (Colorado Time), on September 27, 2022. Prior to that time, an eligible prospective bidder may (1) input the proposed terms of its bid on BIDCOMP/PARITY, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Series 2022A Bonds, (3) send its proposed bid, or (4) withdraw its proposed bid. Once the bids are communicated electronically via BIDCOMP/PARITY, each bid will constitute an irrevocable offer to purchase the Series 2022A Bonds on the terms therein provided.

***Each prospective bidder shall be solely responsible to register to bid via BIDCOMP/PARITY as described above. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BIDCOMP/PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Public Sale. Neither the Board nor the Board's Financial Advisor, Piper Sandler & Co. (the "Financial Advisor") shall have any duty or be obligated to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Board nor the Board's Financial Advisor shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BIDCOMP/PARITY. The Board is using BIDCOMP/PARITY as communication mechanisms, and not as the Board's agents, to conduct the electronic bidding for the Series 2022A Bonds.***

For informational purposes only, the electronic bid will show the effective interest rate for the Series 2022A Bonds represented on a TIC basis, as described under "BASIS OF AWARD" below, represented by the rate or rates of interest and the bid price specified in the bid. No bid will be received after the time for receiving such bids specified above.

Further information about BIDCOMP/PARITY, including any fees charged, may be obtained from such respective entity as follows: Bidcomp/Parity, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 404-8153; fax (212) 849-5021.

**WINNING BIDDER'S REOFFERING YIELDS AND ESTABLISHING THE ISSUE PRICE:** At or before 10:00 a.m. Colorado Time on September 27, 2022, the winning bidder (or manager of the purchasing account) for the Series 2022A Bonds must provide to the CFO and the Financial Advisor the initial offering price and yield to the public.

The winning bidder shall assist the Board in establishing the issue price of the Series 2022A Bonds for federal income tax purposes and shall execute and deliver to the Board at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2022A Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, in a form acceptable to the Board and Butler Snow LLP ("Bond Counsel"). All actions to be taken by the Board under this Notice of Public Sale to establish the issue price of the Series 2022A Bonds may be taken on behalf of the Board by the Financial Advisor and any notice or report to be provided to the Board may be provided to the Financial Advisor.

The Board intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2022A Bonds) will apply to the initial sale of the Series 2022A Bonds (the "competitive sale requirements") because:

- (i) the Board will disseminate this Notice of Public Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (ii) all bidders will have an equal opportunity to bid;

- (iii) the Board may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (iv) the Board anticipates awarding the sale of the Series 2022A Bonds to the bidder who submits a firm offer to purchase the Series 2022A Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Public Sale.

Any bid submitted pursuant to this Notice of Public Sale shall be considered a firm offer for the purchase of the Series 2022A Bonds, as specified in the bid and in this Notice of Public Sale and shall not be subject to any conditions or qualifications except as permitted by this Notice of Public Sale. **By submitting a bid, each bidder confirms that it has an established industry reputation for underwriting new issuances of municipal obligations.**

In the event that the competitive sale requirements are not satisfied, the Board shall so advise the winning bidder. The Board may determine to treat (i) the first price at which 10% of a maturity of the Series 2022A Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Series 2022A Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Board if any maturity of the Series 2022A Bonds satisfies the 10% test as of the date and time of the award of the Series 2022A Bonds. The Board shall promptly advise the winning bidder, at or before the time of award of the Series 2022A Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Series 2022A Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Board determines to apply the hold-the-offering-price rule to any maturity of the Series 2022A Bonds. ***Bidders should prepare their bids on the assumption that some or all of the maturities of the Series 2022A Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2022A Bonds.***

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Series 2022A Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2022A Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (A) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (B) the date on which the underwriters have sold at least 10% of that maturity of the Series 2022A Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Board when the underwriters have sold 10% of that maturity of the Series 2022A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Series 2022A Bonds, the winning bidder agrees to promptly report to the Board the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date, as set forth in the Final Official Statement, has occurred, until the 10% test has been satisfied as to the Series 2022A Bonds of that maturity or until all Bonds of that maturity have been sold.

The Board acknowledges that, in making the representation set forth above, winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2022A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2022A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Board further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2022A Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2022A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Series 2022A Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Series 2022A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2022A Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Series 2022A Bonds of that maturity or all Bonds of that

maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Public Sale. Further, for purposes of this Notice of Public Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Board (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2022A Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2022A Bonds to the public),
- (iii) a purchaser of any of the Series 2022A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Series 2022A Bonds are awarded by the Board to the winning bidder.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$1,000,000 will be required to be made by the apparent winning bidder after the bids have been received. The apparent winning bidder will be required to wire the good faith deposit to the Board no later than 3:00 p.m. Colorado Time on September 27, 2022. The Financial Advisor will contact the apparent winning bidder and request the apparent winning bidder to wire such good faith deposit and the apparent winning bidder shall provide the Federal wire reference number of such good faith deposit to the Financial Advisor by 3:00 p.m. Colorado Time on September 27, 2022. The wire shall be sent to a bank account that will be provided by the Financial Advisor to the winning bidder.



The Series 2022A Bonds will not be officially awarded to a bidder until such time as the bidder has provided a federal wire reference number for the good faith deposit to the Financial Advisor.

No interest on the good faith deposit will accrue to any bidder. The good faith deposit of the winning bidder for the Series 2022A Bonds will be applied to the purchase price of the Series 2022A Bonds. In the event the winning bidder for the Series 2022A Bonds fails to honor its accepted bid, the good faith deposit plus any interest accrued on the good faith deposit will be retained by the Board. Any investment income earned on the good faith deposit will not be credited to the winning bidder on the purchase price of the Series 2022A Bonds.

**SALE RESERVATIONS:** The Board reserves the right (1) to reject any and all bids for the Series 2022A Bonds, (2) to reoffer the Series 2022A Bonds for sale as provided by law, and (3) to waive any irregularity or informality in any bid. In addition, the Board reserves the privilege of changing the date and/or time of sale of the Series 2022A Bonds. If the Board changes the date and/or time of the sale of the Series 2022A Bonds, this Notice of Public Sale shall remain effective, except as amended by communication or other amendment communicated to potential bidders.

If bids are not taken on September 27, 2022, or if all bids are rejected on September 27, 2022, the Board may reoffer the Series 2022A Bonds for sale at any time thereafter.

**BASIS OF AWARD:** Subject to the sale reservations and limitations set forth herein, the Series 2022A Bonds will be sold to the responsible bidder making the best bid therefor. The best bid(s) will be determined by computing the actuarial yield on the Series 2022A Bonds (i.e., using an actuarial or true interest cost method) for each bid received. “True interest cost” on the Series 2022A Bonds as used herein means that yield which if used to compute the present worth as of the estimated delivery date of the Series 2022A Bonds of all payments of principal and interest to be made on such series of the Series 2022A Bonds from the estimated delivery date to their respective maturity dates (or mandatory sinking fund redemption dates), using the interest rates specified in the bid and the principal amounts specified in the Maturity Schedule, produces an amount equal to the principal amount of the Series 2022A Bonds, less any discount or plus any premium bid. All interest calculations and the calculation of the best bid shall be based on a 360-day year and a semiannual compounding interval. If an award is made, it will be made to the bidder whose bid results in the lowest true interest cost, i.e., to the bidder making the bid resulting in the lowest true interest cost on the Series 2022A Bonds. If two or more equal bids for the Series 2022A Bonds are received and such equal bids are the best bids received, the Board will determine which bid will be accepted.

**TIME OF AWARD:** The Board has authorized the CFO to accept the best responsible bid for the purchase of the Series 2022A Bonds, and to accept such bid, for and in the name of the Board, by notice to the winning bidder. The Board will award the Series 2022A Bonds or reject all bids not later than twenty-four hours after the expiration of the time herein specified for the receipt of bids unless such time of award is waived by the winning bidder.

MANNER AND TIME OF DELIVERY: The good faith deposit of the winning bidder will be credited to the winning bidder at the time of delivery of the Series 2022A Bonds (without accruing interest). If the winning bidder for the Series 2022A Bonds fails or neglects to complete the purchase of the Series 2022A Bonds when the Series 2022A Bonds are made ready and are tendered for delivery, the amount of this good faith deposit will be forfeited (as liquidated damages for noncompliance with the bid) to the Board, except as hereinafter provided. In that event, the Board may reoffer the Series 2022A Bonds for sale as provided by law. The winning bidder will not be required to accept delivery of any of the Series 2022A Bonds if they are not tendered for delivery within sixty days from the date herein stated for opening bids. If the Series 2022A Bonds are not so tendered within said period of time, the good faith deposit, if any, will be returned to the winning bidder upon its request (without accruing interest). The Board contemplates, however, effecting delivery of the Series 2022A Bonds to the winning bidder through DTC on or about October 12, 2022.

PAYMENT: The winning bidder or bidders will be required to make payment of the balance due for the Series 2022A Bonds at a bank or trust company designated by the CFO. Payment of the balance of the purchase price due at delivery must be made in Federal Reserve Funds or other funds acceptable to the Board for immediate and unconditional credit to the Board. The Series 2022A Bonds will be delivered at the office of The Depository Trust Company in New York, New York, on confirmation by the Board of receipt of the balance of the purchase price.

CUSIP NUMBERS: CUSIP numbers will be ordered by the Financial Advisor and will be paid for by the Board as a cost of issuance. CUSIP numbers will be printed on the Series 2022A Bonds. If a wrong number is imprinted on any Bond or if a number is not printed thereon, any such error or omission will not constitute cause for the winning bidder to refuse delivery of any Bond.

OFFICIAL STATEMENT: The Board has prepared the Preliminary Official Statement, which is deemed by the Board to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the “Rule”), except for the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement, as defined below.

Copies of the Preliminary Official Statement and other information concerning the Board and the Series 2022A Bonds may be obtained prior to the sale from the sources listed under “INFORMATION” below.

The Board will, as soon as practicable after the award of the Series 2022A Bonds to the winning bidder, update the information contained in the Preliminary Official Statement to the date of the award, and such updated Preliminary Official Statement will constitute the “Final Official Statement” relating to the Series 2022A Bonds. The Board authorizes the winning bidder to distribute the Final Official Statement in connection with the offering of the Series 2022A Bonds. The Board will provide to the winning bidder copies of the Final Official Statement on or before the seventh business day following the date of the award of the Series 2022A Bonds to the winning bidder. The winning bidder may obtain additional copies of the

Final Official Statement at its expense. The Final Official Statements will be delivered to the winning bidder at the offices of the Financial Advisor at the address listed below (see “INFORMATION” herein). If the winning bidder fails to pick up the Final Official Statements at the offices of the Financial Advisor, the Final Official Statements will be forwarded to the winning bidder by mail or another delivery service mutually agreed to between the winning bidder and the Financial Advisor.

For a period beginning on the date of the Final Official Statement and ending twenty-five days following the date the winning bidder shall no longer hold for sale any of the Series 2022A Bonds, if any event concerning the affairs, properties or financial condition of the Board shall occur as a result of which it is necessary to supplement the Final Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, the Board shall notify the winning bidder of any such event of which the CFO has actual knowledge and, at the request of the winning bidder, shall cooperate fully in preparation and furnishing of any supplement to the Final Official Statement necessary, in the reasonable opinion of the Board and the winning bidder, so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time.

SECONDARY MARKET DISCLOSURE UNDERTAKING: Pursuant to Securities and Exchange Commission Rule 15c2-12, the Board will undertake to provide certain annual financial information as well as notice of the occurrence of certain material events. A form of the undertaking is set forth as an appendix to the Preliminary Official Statement.

TRANSCRIPT AND LEGAL OPINION: The validity and enforceability of the Series 2022A Bonds will be approved by Butler Snow LLP, Denver, Colorado, as Bond Counsel. The winning bidder will receive a transcript of legal proceedings, which will include, among other documents:

1. A certificate executed by officials of the Board stating that there is no litigation pending affecting the validity of the Series 2022A Bonds as of the date of their delivery;
2. A certificate executed by the CFO or other authorized official of the Board stating that, to the best of her knowledge, the Final Official Statement as of its date did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made in the Final Official Statement, in the light of the circumstances under which they were made, not misleading, and that, to the best of her knowledge, since the date of the Final Official Statement no event has occurred which would cause the Final Official Statement as of the date of the delivery of the Series 2022A Bonds to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements made in the Final Official Statement, in the light of the circumstances under which they were made, not misleading (provided that, if between the date of the public sale of the Series 2022A Bonds and the date of delivery of the Series 2022A Bonds, any event should occur or be discovered which would cause the Final Official Statement to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Board shall notify the winning bidder thereof, and if in the opinion of the Board or the winning bidder such event

requires the preparation and publication of a supplement or amendment to the Final Official Statement, the Board, at its sole expense, will supplement or amend the Final Official Statement in a form and in a manner approved by the winning bidder and by Stradling Yocca Carlson & Rauth, P.C., as Disclosure Counsel to the Board);

3. The opinion of Butler Snow LLP, as to the validity, enforceability and tax status of interest on the Series 2022A Bonds, a form of which is set forth as Appendix G to the Preliminary Official Statement.

GOVERNING LAW AND VENUE: This Notice of Public Sale and the contract formed when the Board accepts the winning bid is governed by the laws of the State of Colorado. By submitting a bid, each bidder consents to the exclusive jurisdiction of any court of the State of Colorado located in the City and County of Denver, Colorado, or the United States District Court for the State of Colorado, for the purpose of any suit, action, or other proceeding arising under this Notice of Public Sale, and each bidder hereby irrevocably agrees that all claims in respect of any such suit, action, or proceeding may be heard and determined by such court. Each bidder further agrees that service of process in any such action commenced in such state or Federal court shall be effective on such bidder by deposit of the same as registered mail addressed to the bidder at the address set forth in the bid submitted by the bidder.

INFORMATION: This Notice of Public Sale, the Preliminary Official Statement, and other information concerning the Board and the Series 2022A Bonds may be obtained from the Financial Advisor, Piper Sandler & Co., 1200 17<sup>th</sup> Street, Suite 1250, Denver, Colorado, 80202, contacts: Robyn Moore (telephone (303) 405-0845; robyn.moore@psc.com).

Dated September 20, 2022.

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Chief Finance Officer

**Exhibit A**

\$[\_\_\_\_\_] \*  
**City and County of Denver, Colorado**  
**Acting By and Through Its Board of Water Commissioners**  
**Water Revenue Bonds, Series 2022A**

**(FOR USE WHEN COMPETITIVE SALE REQUIREMENTS ARE SATISFIED)**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2022A Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Series 2022A Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Series 2022A Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2022A Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.<sup>1</sup>

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series 2022A Bonds.

2. ***Defined Terms.***

(a) ***Issuer*** means the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners.

(b) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to

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\* Subject to change.

<sup>1</sup> Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) ***Sale Date*** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2022A Bonds. The Sale Date of the Series 2022A Bonds is September 27, 2022

(e) ***Underwriter*** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2022A Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2022A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2022A Bonds, and by Butler Snow LLP in connection with rendering its opinion that the interest on the Series 2022A Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2022A Bonds.

[UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: October 12, 2022

\$[\_\_\_\_\_]\*  
City and County of Denver, Colorado  
Acting By and Through Its Board of Water Commissioners  
Water Revenue Bonds, Series 2022A

**(FOR USE WHEN COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED  
TO BE ADJUSTED BY BOND COUNSEL AS APPLICABLE)**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] [“[SHORT NAME OF UNDERWRITER]”][the “Representative”][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***[If all maturities satisfy the 10% test on the sale date:] Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the Series 2022A Bonds, the first price at which at least 10% of such Maturity of the Series 2022A Bonds was sold to the Public is the respective price listed in Schedule A. [If only some of the maturities satisfy the 10% test on the sale date:] As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the [Bonds][Hold-the-Offering-Price Maturities].***

(a) ***[If all maturities use hold-the-offering-price rule:]***[SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Series 2022A Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2022A Bonds is attached to this certificate as Schedule B. ***[If selected maturities use hold-the-offering-price rule:]***[SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2022A Bonds is attached to this certificate as Schedule B.

(b) ***[If all maturities use hold-the-offering-price rule:]***As set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Series 2022A Bonds, [it][they] would neither offer nor sell any of the Series 2022A Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-

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\* Subject to change.

dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Series 2022A Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2022A Bonds during the Holding Period. ***If selected maturities use hold-the-offering-price rule:***[s set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Series 2022A Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2022A Bonds during the Holding Period.

### 3. ***Defined Terms.***

(a) ***General Rule Maturities*** means those Maturities of the Series 2022A Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) ***Hold-the-Offering-Price Maturities*** means those Maturities of the Series 2022A Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (September 27, 2022), or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) ***Issuer*** means the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners.

(e) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) ***Sale Date*** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2022A Bonds. The Sale Date of the Series 2022A Bonds is September 27, 2022.



(h) **Underwriter** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2022A Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2022A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2022A Bonds, and by Butler Snow LLP in connection with rendering its opinion that the interest on the Series 2022A Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2022A Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: \_\_\_\_\_  
Name: \_\_\_\_\_

Dated: October 12, 2022

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES AND  
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

*(Attached)*

**SCHEDULE B**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

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

**CONTINUING DISCLOSURE UNDERTAKING**

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners (the “Issuer”) in connection with the issuance of its Water Revenue Bonds, Series 2022A, in the aggregate principal amount of \$200,000,000, dated as of October 12, 2022 and referred to herein as the “Series 2022A Bonds”). The Series 2022A Bonds are being issued pursuant to the Master (03-22-17) Bond Resolution Authorizing Amendment and Restatement of Master Bond Resolution adopted by the Board on March 22, 2017, as amended and supplemented, and the Series 2022A (08-10-22) Supplemental Bond Resolution adopted by the Board on August 10, 2022 (together, the “Parity Bonds Resolution”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Series 2022A Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

SECTION 2. Definitions. In addition to the definitions set forth in the Parity Bonds Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Fiscal Year” shall mean the period beginning on January 1 and ending on December 31, or such other 12-month period as may be adopted by the Issuer in accordance with law.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

“MSRB” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

“Official Statement” means the final Official Statement prepared in connection with the Series 2022A Bonds.

“Participating Underwriter” shall mean the original underwriter of the Series 2022A Bonds required to comply with the Rule in connection with an offering of the Series 2022A Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Undertaking.

SECTION 3. Provisions of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer’s fiscal year of each year, commencing nine (9) months following the end of the Issuer’s fiscal year ending December 31, 2022, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if the Issuer has selected one). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report. The information to be updated may be reported in any format chosen by the Issuer; it is not required that the format reflected in the Official Statement be used in future years.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer in a timely manner shall file or cause to be filed with the MSRB a notice in substantially the form attached to this Disclosure Undertaking as Exhibit “A.”

SECTION 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements, if any, prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit “B” hereto, which is contained in the tables in the Official Statement with respect to the Series 2022A Bonds.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public on the MSRB’s Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Listed Events. The Issuer shall file or cause to be filed with the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Series 2022A

Bonds. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Series 2022A Bonds.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2022A Bonds, or other material events affecting the tax status of the Series 2022A Bonds;
- (7) Modifications to rights of bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Series 2022A Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;<sup>1</sup>
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive

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<sup>1</sup> For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) Incurrence of a financial obligation<sup>2</sup> of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation<sup>2</sup> of the obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Undertaking shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Undertaking, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Series 2022A Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series 2022A Bonds.

SECTION 8. Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Undertaking. The Dissemination Agent shall

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<sup>2</sup> For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the Issuer intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

have only such duties as are specifically set forth in this Disclosure Undertaking and any other agreement between the Issuer and the Dissemination Agent.

(b) In addition to the filing duties on behalf of the Issuer described in this Disclosure Undertaking, the Dissemination Agent shall, in a timely manner:

- (1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;
- (2) send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and
- (3) certify in writing to the Issuer that the Annual Report has been provided pursuant to this Disclosure Undertaking and the date it was provided.
- (4) if the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section 3(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Undertaking as Exhibit A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking and may waive any provision of this Disclosure Undertaking, without the consent of the holders and beneficial owners of the Series 2022A Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Undertaking, any holder or beneficial owner of the Series 2022A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Parity Bonds Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.



SECTION 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Series 2022A Bonds, and shall create no rights in any other person or entity.

DATE: October 12, 2022.

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

By: \_\_\_\_\_  
President

**EXHIBIT "A"**

**NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City and County of Denver, Colorado, Acting by and through its Board of Water Commissioners

Name of Bond Issue: Water Revenue Bonds, Series 2022A, in the aggregate principal amount of \$200,000,000, dated as of October 12, 2022.

CUSIP:

Date of Issuance: October 12, 2022

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Master (03-22-17) Bond Resolution Authorizing Amendment and Restatement of Master Bond Resolution adopted by the Board on March 22, 2017, as amended and supplemented, and the Series 2022A (08-10-22) Supplemental Bond Resolution adopted by the Board on August 10, 2022, pursuant to which the Series 2022A Bonds were issued, and the Continuing Disclosure Undertaking executed on October 12, 2022, by the Issuer. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_

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

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT “B”**

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

Monthly Fixed Charges, \$ per Bill

Treated Water Volume Rates, \$ per 1,000 gallons

Statements of Revenues, Expenses and Changes in Net Position

Outstanding Parity Bonds

Historical and Budgeted Net Revenue and Historical and Pro Forma Debt Service Coverage

**\$200,000,000**  
**City and County of Denver, Colorado,**  
**acting by and through its Board of Water Commissioners**  
**Water Revenue Bonds**  
**Series 2022A**

**OMNIBUS CERTIFICATE**

IT IS HEREBY CERTIFIED AND RECITED by the undersigned that:

1. The Board of Water Commissioners of the City and County of Denver, Colorado (the “Board”), pursuant to its plenary powers under the home rule charter (the “Charter”) of the City and County of Denver, Colorado (the “City”), and particularly Sections 10.1.1 through 10.1.22 thereof, has determined, by the adoption of the Series 2022A (08-10-22) Supplemental Bond Resolution Authorizing Water Revenue Bonds, Series 2022A, on August 10, 2022 (“Series 2022A Supplemental Resolution”), adopted in accordance with the Amended and Restated Master (03-22-17) Bond Resolution, as amended and supplemented (the “Master Bond Resolution”), to issue the Board’s Water Revenue Bonds, Series 2022A, in the aggregate principal amount of \$200,000,000 (the “Series 2022A Bonds”), dated as of the date hereof.

2. The Master Bond Resolution and the Series 2022A Supplemental Resolution are in full force and effect. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Master Bond Resolution and the Series 2022A Supplemental Resolution.

3. From at least January 1, 2022, to and including the date of this Omnibus Certificate (this “Certificate”), the following persons were and now are the duly appointed, qualified, and acting officers of the Board:

Gary M. Reiff	President
Craig Jones	First Vice President
Dominique Gomez	Vice President
Stephanie Donner	Vice President
Tyrone Gant	Vice President

4. From at least January 1, 2022, to and including the date of this Certificate, the following persons were and now are the duly qualified and acting officers of Denver Water holding the offices set forth opposite their respective names, as follows:

James S. Lochhead	Chief Executive Officer/ Manager of Denver Water, Secretary to the Board
Angela C. Bricmont	Chief Finance Officer
Jessica R. Brody	General Counsel

5. From at least January 1, 2022, to and including the date of this certificate, Timothy M. O’Brien was and now is the Auditor of the City and County of Denver, Colorado.

6. Each of the individuals listed in paragraphs 3-5 hereof have duly taken and filed his or her oath of office, each of them legally required to give bond or undertaking has given or filed such bond or undertaking in the form and amount as required by law, and each of them is the duly chosen, qualified, and acting officer legally holding the respective office stated opposite his or her name.

7. Pursuant to Section 10.1.17 of the Charter and all applicable laws, rules, and regulations, the Series 2022A Supplemental Resolution was duly adopted by the affirmative vote of a majority of the duly qualified officers of the Board on August 10, 2022.

8. In accordance with Section 10.1.4 of the Charter and Section 2-31, et seq., of the Denver Revised Municipal Code, (i) the August 10, 2022 meeting was a public meeting open to the public at all times, and (ii) full and timely notice of such meeting was given by posting notice in a designated public place within the City in the form set forth at Exhibit A, which notice included agenda information, not less than 24 hours prior to the holding of such meeting.

9. In accordance with Section 11-57-211, Colorado Revised Statutes, (i) members of the Board participated in the August 10, 2022 meeting through the use of telecommunications devices, (ii) members of the Board voted to authorize the issuance of the Series 2022A Bonds through the use of telecommunications devices, and (iii) a representative of the Board was physically present at the Denver Water Administration Building, 1600 W. 12th Avenue, Denver, Colorado 80202, to ensure that the meeting was accessible to the public.

10. To the best of our knowledge, the adoption of the Series 2022A Supplemental Resolution, the execution of the Series 2022A Sale Certificate dated September 27, 2022 and the Paying Agent and Registrar Agreement dated October 12, 2022 between the Board and U.S. Bank Trust Company, National Association, as Paying Agent, and the performance of the Board's obligations thereunder, do not conflict with or constitute a breach of or default under any indenture, commitment, agreement, or other instrument to which the Board is a party or by which the Board is bound or under any existing law, rule, regulation, resolution, judgment, order, or decree to which the Board is subject.

11. To the best of our knowledge, there are no potential conflicting interests of the officers of the Board regarding the authorization, issuance, or sale of the Series 2022A Bonds, or the use of the proceeds thereof.

12. There is no reason within our knowledge why the Board may not deliver the Series 2022A Bonds to [PURCHASER] (the "Purchaser").

13. Except for the Outstanding Parity Bonds and the Series 2022A Bonds, the Board has not pledged or otherwise encumbered the Net Revenue to obligations on a parity with the Outstanding Parity Bonds and the Series 2022A Bonds, and there are no liens or encumbrances of any kind against the Net Revenue on a parity with the Outstanding Parity Bonds and the Series 2022A Bonds, except for those created pursuant to the Master Bond Resolution and the Series 2022A Supplemental Resolution.

14. In connection with the issuance of the Series 2022A Bonds, the Board has authorized the preparation of the Official Statement dated September 27, 2022 (the "Official

Statement”) relating to the Series 2022A Bonds. As of its date and at all times subsequent through and including the date of this certificate, the Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the Board is not guaranteed as to accuracy, completeness, or fairness, we have no reason to believe and do not believe that such information is materially inaccurate, incomplete, or misleading.

15. To the best of our knowledge, no event affecting the Board has occurred or been discovered since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading or incomplete in any material respect as of the date of this certificate.

16. No litigation of any nature is now pending or threatened, insofar as is known to the undersigned (either in state or federal courts):

(a) restraining or enjoining the issuance, sale, execution, or delivery of the Series 2022A Bonds or any portion thereof; the imposition, collection, distribution, or application of the rates, charges, fees, and other revenues pursuant to the Parity Bonds Resolution and the Series 2022A Supplemental Resolution; the payment of the principal of and the interest on the Series 2022A Bonds; the completion of the Series 2022A Bonds Capital Project; or the use of the proceeds of the Series 2022A Bonds;

(b) in any manner questioning, contesting, or otherwise affecting the authority or proceedings for the issuance, sale, execution, or delivery of the Series 2022A Bonds, or questioning, contesting, or otherwise affecting, directly or indirectly, the validity thereof, or their sale and delivery pursuant to the terms of the Series 2022A Notice of Sale, or any provisions made or authorized for the payment of the Series 2022A Bonds;

(c) affecting in any way the right or authority of the Board to pay the Debt Service Requirements or carry out the terms and provisions of the Series 2022A Supplemental Resolution;

(d) in any manner questioning, contesting, or otherwise affecting the power of the Board to effect the Series 2022A Bonds Capital Project; or

(e) in any way contesting or affecting the validity and enforceability of the Paying Agent and Registrar Agreement or the Continuing Disclosure Undertaking.

17. There is no litigation pending or, to the best of our knowledge, threatened, against the Board, or involving any of the property or assets under the control of the Board, which involves the possibility of any judgment or liability which may materially adversely affect the security for the Series 2022A Bonds.

18. Neither the corporate existence of the Board, nor the title of any of the individuals listed in paragraphs 3-5, is being contested.

19. All meetings of the Board pertaining to the Series 2022A Bonds have been open to the public at all times and have been held only after due notice to each officer of the Board.

20. Subsequent to the adoption of the Series 2022A Supplemental Resolution, the Board has not repealed, amended, or otherwise modified the provisions of the Parity Bonds Resolution or the Series 2022A Supplemental Resolution, and the Paying Agent and Registrar Agreement, and the Continuing Disclosure Undertaking have not been repealed, rescinded, revoked, modified, changed, altered, or terminated in any manner.

21. To the best of our knowledge, none of the individuals listed in paragraphs 3-5, nor any of his or her respective family members, is interested directly or indirectly in the profits of any contract, job for work, or services to be performed (except in the performance of his or her official rights, privileges, powers, and duties on behalf of the Board or Denver Water, and except lawful salary or other compensation as such officer, employee, or agent) or has solicited or received any pay, commission, money, or anything of value, or derived any benefit, profit, or advantage, directly or indirectly, from or by reason of any dealings with or service for the Board or Denver Water in connection with the Series 2022A Bonds Capital Project or the Series 2022A Bonds.

22. We additionally each certify as follows:

(a) We acknowledge that the Series 2022A Bonds are now being or have been printed with facsimile execution as hereinafter described, and that such execution has been authorized by the Board.

(b) The facsimile of the signature of the undersigned President, who thereby signs and executes the Series 2022A Bonds in the name and on behalf of the Board, which facsimile appears on each of the Series 2022A Bonds, is affixed thereto with his authority, knowledge, and consent and is hereby adopted.

(c) The facsimile of the signature of the undersigned Auditor, who thereby signs and attests the Series 2022A Bonds in the name and on the behalf of the Board, which facsimile appears on each of the Series 2022A Bonds, is affixed thereto with his authority, knowledge, and consent and is hereby adopted.

(d) Prior to the date of this Certificate, and prior to the manual signing of the Registrar's authentication certificate on any of the Series 2022A Bonds, the undersigned President and Auditor caused to be filed with the Secretary of State of Colorado the manual signature of each of them certified under oath as evidenced by the certificates attached hereto as Exhibit B.

23. On the date of this certificate the Board delivered or caused to be delivered to a representative of the Purchaser the Series 2022A Bonds consisting of fully registered bonds in the aggregate principal amount of \$200,000,000, and received from the Purchaser as payment in full for the Series 2022A Bonds:

Principal:	\$200,000,000.00
Plus Net Original Issue Premium:	[ ]
Less Underwriter's Discount:	[ ]
Less Good Faith Deposit:	<u>(1,000,000.00)</u>
Total Paid:	\$[ ]

24. Attached hereto as Exhibit C is a specimen of the form of the Series 2022A Bonds.

25. Pursuant to Section 4.02 of the Parity Bonds Resolution, the Chief Finance Officer hereby certifies that the requirements set forth in Section 4.02(a)-(d) of the Parity Bonds Resolution have been met and that the Board may authorize, issue, sell, and deliver the Series 2022A Bonds.

26. This certificate is for the benefit of each registered owner from time to time of any of the Series 2022A Bonds.



WITNESS our hands of the Board this October 12, 2022.

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President

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Secretary

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Chief Finance Officer

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General Counsel

---

Auditor

EXHIBIT A

(Attach Meeting Notice)

EXHIBIT B

(Attach Facsimile Signature Certificates)

EXHIBIT C

(Attach Specimens of Series 2022A Bonds)

## **PAYING AGENT AND REGISTRAR AGREEMENT**

THIS AGREEMENT, dated as of October 12, 2022, is by and between the **CITY AND COUNTY OF DENVER, COLORADO, ACTING BY AND THROUGH ITS BOARD OF WATER COMMISSIONERS** (the “Board”), and **U.S. BANK TRUST COMPANY NATIONAL ASSOCIATION** (the “Bank”). The Board and the Bank, in consideration of the mutual covenants herein contained, agree as follows:

1. By resolution of the Board duly adopted on August 10, 2022 (the “Series 2022A Supplemental Resolution”), the Board has authorized the issuance of its Water Revenue Bonds, Series 2022A in the aggregate principal amount of \$200,000,000 (the “Series 2022A Bonds”).
2. It is mutually desirable to the Board and the Bank that the Bank, through its Corporate Trust Department, located in Denver, Colorado, act as Registrar and Paying Agent (as defined in the Series 2022A Supplemental Resolution) for the Series 2022A Bonds.
3. It is mutually desirable that this agreement (the “Agreement”) be entered into between the Board and the Bank to provide for certain aspects of such Registrar and Paying Agent services.
4. Unless otherwise provided, capitalized terms used but not defined herein shall have the meanings given thereto in the Series 2022A Supplemental Resolution.
5. The Bank hereby accepts all duties and responsibilities of the Registrar and Paying Agent as provided in the Series 2022A Supplemental Resolution. The Bank shall cause the Series 2022A Bonds to be honored in accordance with their terms, provided that all funds necessary in order to so honor the Series 2022A Bonds be made or caused to be made available by the Board to the Bank. Nothing in this Agreement shall require the Bank to pay or disburse any funds in excess of the amount then on deposit in the “Principal and Interest Payment Account” provided for in Section 3 of this Agreement. Nothing in this Agreement shall require the Board to pay or disburse any funds for payment of the Series 2022A Bonds or interest thereon except at the times and in the manner provided herein, in the Series 2022A Supplemental Resolution and the Sale Certificate authorized by the Series 2022A Supplemental Resolution (the “Series 2022A Bonds Sale Certificate”). In addition, the Bank hereby accepts the duties and responsibilities pertaining to the authentication, registration, transfer, exchange and replacement of the Series 2022A Bonds and the duties and responsibilities pertaining to the calling of the Series 2022A Bonds for prior redemption, all as provided in the Series 2022A Supplemental Resolution.
6. Not less than (a) one Business Day prior to each payment date, if funds are delivered by wire transfer, or (b) three Business Days prior to each payment date, if funds are delivered by another method of payment, funds for the payment of the Series 2022A Bonds and interest thereon are to be deposited by the Board with the Bank in an account designated “Principal and Interest Payment Account.” The funds so deposited shall be held and applied by the Bank through its Corporate Trust Department solely for the payment of principal of the Series 2022A Bonds, the premium, if any, and interest on the Series 2022A Bonds. From such

funds, the Bank agrees to pay at the times and in the manner provided in the Series 2022A Supplemental Resolution and the Series 2022A Bonds Sale Certificate, the principal of, premium, if any, and interest on the Series 2022A Bonds.

7. The Board shall pay to the Bank fees in accordance with the Bank's then existing fee schedule. Attached to this Agreement as Exhibit A is the Bank's current fee schedule. No new fee schedule shall become effective until 30 days after the Bank has given the Board notice thereof.

8. Unless waived by the Bank, the Board agrees to provide the Bank with not less than 60 days notice of any prior redemption of the Series 2022A Bonds.

9. The Bank agrees to annually notify the Board, in writing, of the Board's obligation to file its Annual Report (as such term is defined in the Continuing Disclosure Certificate to be dated as of the date of issuance of the Series 2022A Bonds and relating thereto), at least 30 but not more than 60 days prior to the time when the Annual Report is required to be filed pursuant to the terms of the Continuing Disclosure Certificate. The Bank shall have no further obligation or duty related to the Board's obligation under the Continuing Disclosure Certificate other than providing notice as described herein. The Bank shall not be held liable for failure to provide such notice nor for the Board's failure to comply with such requirements.

10. At least 30 but not more than 60 days prior to October 12, 2027, October 12, 2032, October 12, 2037, October 12, 2042, October 12, 2047, October 12, 2052, and on the date on which the last Series 2022A Bond is discharged, the Bank shall send written notice to the Board stating that the Board must: (i) compute the amount of rebatable arbitrage, if any, which is due to the federal government pursuant to Sections 103 and 148(f) of the Internal Revenue Code of 1986, as amended, and (ii) pay such amount no later than sixty days from October 12, 2027, October 12, 2032, October 12, 2037, October 12, 2042, October 12, 2047, October 12, 2052, and the date on which the last Series 2022A Bond is discharged. The Bank shall have no further obligation or duty related to the Board's arbitrage related obligations under Sections 103 and 148(f) of the Internal Revenue Code of 1986 other than giving notice to the Board as provided herein. The Bank shall not be held liable for failure to provide such notice nor for the Board's failure to comply with such requirements.

11. Upon request from the Bank, the Board agrees to provide the Bank with a supply of blank Series 2022A Bonds for use in the transfer and exchange of Series 2022A Bonds.

12. Any moneys held by the Bank for the owners of the Series 2022A Bonds remaining unclaimed for one year after principal and/or interest of the respective Series 2022A Bonds with respect to which such moneys have been set aside has become due and payable shall without further request by the Board be paid to the Board.

13. At any time, the Bank may apply to the Board for instructions and may consult counsel for the Board or nationally recognized bond counsel with respect to any matter arising in connection with this Agreement and it shall not be liable for any action taken or omitted by it in good faith in accordance with such instructions or upon the advice or opinion of

such counsel. The Bank may conclusively rely and shall be protected in acting upon any paper or document believed by it in good faith to be genuine and to have been signed by any authorized officer of the Board and shall not be held to have notice of any change of authority of any authorized officer until receipt by it of written notice thereof by the Board. The Bank shall also be protected in recognizing Series 2022A Bonds that it reasonably believes bear the manual or facsimile signatures of the authorized officers of the Board. The Bank shall not be responsible, for any reason, for any action taken nor omitted to be taken by it in good faith or for anything whatever in connection with this Agreement or any of the Series 2022A Bonds except for its own gross negligence, willful misconduct or bad faith in the performance of any duty to be performed by the Bank hereunder.

14. Any company or national banking association into which the Bank may be merged or converted or with which it may be consolidated or any company or national banking association resulting from any merger, conversion or consolidation to which it shall be a party or any company or national banking association to which the Bank may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible, shall be the successor to such Bank without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

15. In the event of any conflict between the provisions of this Agreement and the provisions of the Series 2022A Supplemental Resolution, the provisions of the Series 2022A Supplemental Resolution shall be controlling.

16. This Agreement is governed by the laws of the State of Colorado. The parties consent to the exclusive jurisdiction of any court of the State of Colorado located in the City and County of Denver or the United States District Court for the State of Colorado for the purpose of any suit, action or other proceeding arising under this Agreement, and the parties hereby irrevocably agree that all claims in respect of any such suit, action or proceeding may be heard and determined by such court.

17. The parties hereto agree that the transaction 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 counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

18. The Bank shall have the right to accept and act upon any notice, instruction, or other communication, including any funds transfer instruction, (each, a "Notice") received pursuant to this Agreement by electronic transmission (including by e-mail, facsimile transmission, web portal or other electronic methods) and shall not have any duty to confirm that the person sending such Notice is, in fact, a person authorized to do so. Electronic signatures believed by the Bank to comply with the Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act, or other applicable law (including electronic images of handwritten signatures and digital signatures provided by DocuSign, Orbit, Adobe Sign or any other digital signature provider identified by any other party hereto and acceptable to Bank) shall be deemed original signatures for all purposes. Each other party to this Agreement assumes all risks arising out of the use of electronic signatures and electronic methods to send Notices to the

Bank, including without limitation the risk of the Bank acting on an unauthorized Notice and the risk of interception or misuse by third parties. Notwithstanding the foregoing, the Bank may in any instance and in its sole discretion require that a Notice in the form of an original document bearing a manual signature be delivered to the Bank in lieu of, or in addition to, any such electronic Notice.

19. This Agreement shall terminate upon payment of the final maturity of the Series 2022A Bonds.



IN WITNESS WHEREOF, the Bank and the Board have caused this Agreement to be duly executed and delivered as of the day and year first above written.

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

By \_\_\_\_\_  
President

U.S. BANK TRUST COMPANY, NATIONAL  
ASSOCIATION, as Registrar and Paying Agent

By \_\_\_\_\_  
Title \_\_\_\_\_

EXHIBIT A

(Attach Paying Agent's Fee Schedule)

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_, 2022**

**NEW ISSUE – BOOK ENTRY ONLY**

**RATINGS (See “RATINGS”): Moody’s: “\_\_”  
S&P: “\_\_”**

*In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, rulings, and judicial decisions and assuming the accuracy of certain representations and continuous compliance with certain covenants described herein, interest on the Bonds (defined below) is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, such interest is not a specific preference item for purposes of the federal alternative minimum tax and such interest is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds as described herein. See “TAX MATTERS” herein.*

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

**\$ \_\_\_\_\_\*  
WATER REVENUE BONDS  
SERIES 2022A**

**Dated: Date of Delivery**

**Due: December 15, as shown herein**

The Water Revenue Bonds, Series 2022A (the “Series 2022A Bonds”) will be issued in fully registered book entry form in denominations of \$5,000 or integral multiples thereof. The Series 2022A Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, securities depository for the Series 2022A Bonds. U.S. Bank Trust Company, National Association will act as Paying Agent for the Series 2022A Bonds. Individual purchases are to be made in book entry only form in authorized denominations. Purchasers, as Beneficial Owners, will not receive certificates evidencing their ownership interest in the Series 2022A Bonds. Interest is payable on December 15, 2022 and semiannually thereafter on each June 15 and December 15 to and including the maturity dates shown below, unless the Series 2022A Bonds are redeemed earlier.

**See Inside Cover Page for Maturities, Principal Amounts, Interest Rates, Prices and Yields**

The Series 2022A Bonds are being issued for the purpose of: (1) financing certain capital improvements to the water works system and plant (collectively, the “System”) of the City and County of Denver, Colorado (the “City”), acting by and through its Board of Water Commissioners (the “Board”), and (2) paying the costs of issuing the Series 2022A Bonds. The Series 2022A Bonds are special, limited obligations of the Board payable solely out of and secured by an irrevocable and nonexclusive pledge of and lien on the Net Revenue of the System. Such lien is on a parity with the lien thereon of certain outstanding water revenue bonds of the Board and is to be on parity with the lien thereon of any Additional Parity Bonds that may be issued by the Board, all as described herein. See “SECURITY FOR THE 2022A BONDS.”

*The Series 2022A Bonds are not a debt or indebtedness or a multiple fiscal year debt or other financial obligation of the City, the State of Colorado (the “State”) or any political subdivision of the State within the meaning of any constitutional charter or statutory limitation of the City or the State. The Series 2022A Bonds are not payable from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for their payment.*

The Series 2022A Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described under the caption “THE SERIES 2022A BONDS - Redemption.”

**This cover page is not a summary of the issue. Investors should read the Official Statement in its entirety in order to make an informed investment decision.**

The Series 2022A Bonds are offered when, as, and if issued by the Board, subject to the approval of validity and certain other matters by Butler Snow LLP, Denver, Colorado, as Bond Counsel, and certain other conditions. Stradling Yocca Carlson & Rauth, a Professional Corporation, Denver, Colorado, has been retained as Disclosure Counsel to the Board in connection with the preparation of this Official Statement. Piper Sandler & Co., Denver, Colorado, has acted as Financial Advisor to the Board. It is expected that the Series 2022A Bonds will be available for delivery on or about \_\_\_\_\_, 2022.

**BIDS TO BE RECEIVED ON \_\_\_\_\_, 2022  
SEE APPENDIX H – “NOTICE OF PUBLIC SALE”**

**The date of this Official Statement is \_\_\_\_\_, 2022.**

\* Preliminary, subject to change.

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

**MATURITY SCHEDULES  
CUSIP® 24916P<sup>(1)</sup>**

**\$ \_\_\_\_\_  
WATER REVENUE BONDS  
SERIES 2022A**

<i>Maturity (December 15)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Price</i>	<i>Yield</i>	<i>CUSIP®<sup>(A)</sup></i>	<i>Maturity (December 15)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Price</i>	<i>Yield</i>	<i>CUSIP®<sup>(1)</sup></i>
-----------------------------------	-----------------------------	--------------------------	--------------	--------------	-----------------------------	-----------------------------------	-----------------------------	--------------------------	--------------	--------------	-----------------------------

\$ \_\_\_\_\_ % Term Bond due December 15, 20\_\_ – Yield \_\_\_\_\_ % Price \_\_\_\_\_ CUSIP®<sup>(1)</sup> 24916P \_\_\_\_\_

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<sup>(1)</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2022 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of Denver Water, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

## USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover page, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the Series 2022A Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2022A Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the Board. The Board maintains an internet website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2022A Bonds.

The information set forth in this Official Statement has been obtained from the Board and from the other sources referenced throughout this Official Statement which the Board believes to be reliable. No representation is made by the Board, however, as to the accuracy or completeness of such information received from parties other than the Board. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Series 2022A Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the System, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the Series 2022A Bonds and may not be reproduced or used in whole or in part for any other purpose.

The Series 2022A Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The Series 2022A Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE SERIES 2022A BONDS ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASER OR PURCHASERS OF THE SERIES 2022A BONDS (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE INITIAL PURCHASER OR PURCHASERS MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE SERIES 2022A BONDS, THE INITIAL PURCHASER OR PURCHASERS MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE SERIES 2022A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

**Board of Water Commissioners**

Gary M. Reiff, *President*  
Craig Jones, *First Vice President*  
Stephanie Donner, *Vice President*  
Tyrone Gant, *Vice President*  
Dominique Gómez, *Vice President*

**Executive Team**

James S. Lochhead, *Chief Executive Officer/Manager, Secretary to the Board*  
Julie A. Anderson, *Chief of Staff*  
Angela C. Bricmont, *Chief Finance Officer*  
Brian D. Good, *Chief Administrative Officer*  
Richard B. Marsicek, *Chief Water Resource Strategy Officer*  
Robert J. Mahoney, *Chief Engineering Officer*  
Thomas J. Roode, *Chief Operations and Maintenance Officer*  
Jessica R. Brody, *General Counsel*

**Auditor**

CliftonLarsonAllen LLP

**Bond Counsel**

Butler Snow LLP

**Disclosure Counsel**

Stradling Yocca Carlson & Rauth, a Professional Corporation

**Financial Advisor**

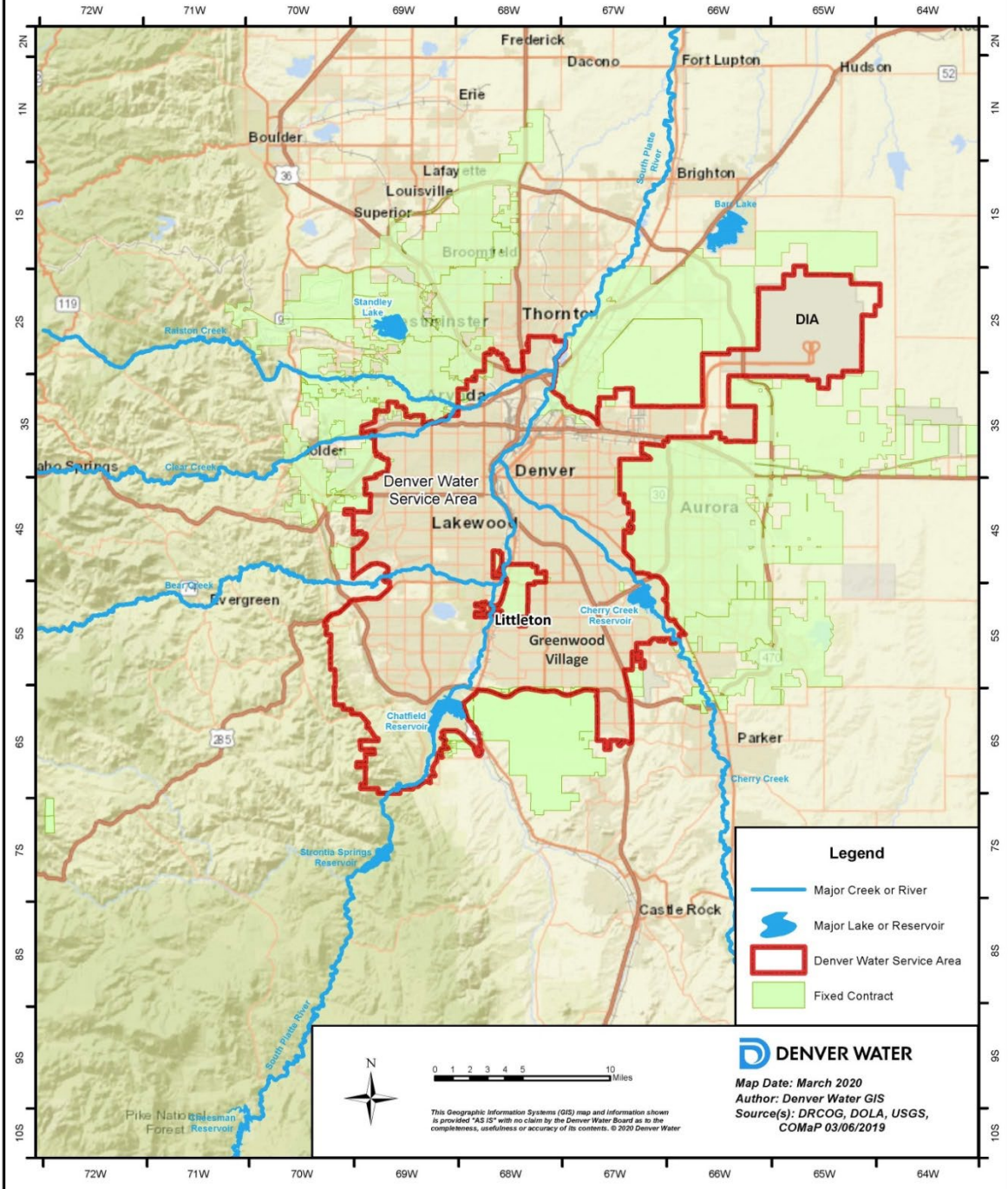
Piper Sandler & Co.

**Registrar and Paying Agent**

U.S. Bank Trust Company, National Association

City and County of Denver - Board of Water Commissioners

**Denver Water's Service Area  
Including Areas Served by Fixed Contracts**



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NOTE: Tables marked with an (\*) indicate Annual Financial Information to be updated pursuant to SEC Rule 15c2-12, as amended. See Appendix F – Form of Continuing Disclosure Undertaking.

**OFFICIAL STATEMENT**

**Relating to**

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

**\$ \_\_\_\_\_\*  
WATER REVENUE BONDS,  
SERIES 2022A**

**INTRODUCTION**

**General**

This Official Statement, including its cover page, inside cover page and appendices, is furnished in connection with the issuance and sale by the City and County of Denver, Colorado (the “City”), acting by and through its Board of Water Commissioners (the “Board” or “Denver Water”), of its Water Revenue Bonds, Series 2022A, in the aggregate principal amount of \$ \_\_\_\_\_\* (the “Series 2022A Bonds”).

*The offering of the Series 2022A Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the Series 2022A Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein particularly the section entitled “Investment Considerations.” Detachment or other use of this “INTRODUCTION” without the entire Official Statement, including the cover page and appendices, is unauthorized. Unless otherwise provided, capitalized terms used herein are defined in Appendix B hereto.*

**The Issuer**

The Board is an independent, autonomous and non-political agency of the City, organized and existing under the home rule charter of the City (the “Charter”). See “DENVER WATER.”

Denver Water is the largest and oldest supplier of water in the State of Colorado (the “State”) and one of the largest water suppliers in the western United States. Denver Water is the third largest public landowner in the State. Denver Water was established in 1918 after City residents voted to buy the water system from a private company. Denver Water provides water in an area covering the boundaries of the City and many of its suburbs, constituting approximately 335 square miles with a treated and raw water customer base of approximately 1.5 million people (approximately ¼ of the residents of the State).

**Authority for Issuance**

The Series 2022A Bonds are issued under authority of the Charter and the constitution and laws of the State. Denver Water is an “enterprise” of the City within the meaning of Article X, Section 20 of the Colorado Constitution and a “water activity enterprise” within the meaning of C.R.S. §37-45.1-102(4). See “DEBT STRUCTURE — Denver Water as an Enterprise.” As bonds of an enterprise, the Series 2022A Bonds are

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\* Preliminary, subject to change.

authorized to be issued by the Board without prior approval by the electors of the City. See “DEBT STRUCTURE — Outstanding Bonds and Other Obligations.”

The Series 2022A Bonds are also being issued by the Board pursuant to the amended and restated Master Bond Resolution (3/22/17) (the “Master Bond Resolution”) and the Series 2022A Supplemental Bond Resolution and related Sale Certificates (the “Series 2022A Supplemental Resolution”) executed on behalf of the Board by the Chief Finance Officer upon the sale of the Series 2022A Bonds.

The Master Bond Resolution amended and restated the original Master (3-14-07) Bond Resolution, including a Third Supplement, Fourth Supplement, and a Fifth Supplement, and encompasses such previous amendments and supplements provided in the Supplemental Resolutions as described in greater detail in Appendix C. These Supplemental Resolutions provide for the issuance of the Outstanding Parity Bonds. The Master Bond Resolution and the Series 2022A Supplemental Resolution are together described in this Official Statement as the “Bond Resolution.”

### **Purpose**

The Series 2022A Bonds are being issued for the purposes of: (a) financing, in whole or in part, the cost of additions and improvements to the water works system and plant (collectively, the “System”) operated by the Board; and (b) paying certain costs of issuing the Series 2022A Bonds (collectively, the “Series 2022A Project”).

### **The Series 2022A Bonds; Prior Redemption**

The Series 2022A Bonds are issued solely as fully registered certificates in the denomination of \$5,000, or any integral multiple thereof. The Series 2022A Bonds are dated, mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the cover page and inside cover page of this Official Statement. The payment of principal of and interest on the Series 2022A Bonds is described in “THE SERIES 2022A BONDS — Registration and Payment.” The Series 2022A Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), the securities depository for the Series 2022A Bonds. Purchases of the Series 2022A Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the Series 2022A Bonds. See “THE SERIES 2022A BONDS — Book Entry Only System.”

The Series 2022A Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described in “THE SERIES 2022A BONDS — Redemption.”

### **Security**

**Limited Revenue Obligations.** The Series 2022A Bonds are special limited revenue obligations of the Board payable solely from and secured by an irrevocable and nonexclusive pledge of and lien on the Net Revenue of the System, which consists generally of all revenue derived by the Board from rates, fees, tolls and charges for use of the System after payment of all reasonable and necessary expenses of operating, maintaining and repairing the System. The Series 2022A Bonds are payable only out of the Parity Bonds Debt Service Account of the Water Works Fund, into which the Board covenants and agrees to deposit Net Revenue at the times and in the amounts sufficient to pay when due the principal of and interest on the Parity Bonds, including the Series 2022A Bonds.

The lien of the Series 2022A Bonds on the Net Revenue is on a parity with the lien of 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, and the Series 2021A Bonds, which upon issuance of the Series 2022A Bonds will be outstanding in the aggregate principal amount of \$ \_\_\_\_\_ \* (including the Series 2022A Bonds). The Bond Resolution prohibits the Board from issuing or incurring any additional obligations, including refunding obligations, with a lien on the Net Revenue that is superior to the lien of the Parity Bonds, including the Series 2022A Bonds. The Board may issue Additional Parity Bonds as described in “SECURITY FOR THE 2022A BONDS — Additional Obligations Payable from the Net Revenue.”

The Series 2022A Bonds are not secured by any encumbrance, lien, or mortgage on any property of Denver Water or the City, other than the lien on the Net Revenue and any other moneys lawfully pledged for the payment of the Series 2022A Bonds, and the Registered Owners (the “Owners”) of the Series 2022A Bonds may not look to the General Fund or any other fund of the City, or compel the levying of any tax, for payment of the Series 2022A Bonds. The Series 2022A Bonds do not constitute a debt, indebtedness or multiple fiscal year debt or other financial obligation of the City within the meaning of any constitutional, Charter, or statutory provision or limitation of the City or the State, do not constitute general obligations of the City and are not secured by a pledge of the full faith and credit of the City.

The creation, perfection, enforcement and priority of the pledge of the Net Revenue to secure or pay the Series 2022A Bonds are governed by the Supplemental Public Securities Act, constituting part 2 of article 57 of title 11, C.R.S. (the “Supplemental Act”) and the Bond Resolution. The Supplemental Act provides that the Net Revenue, as received by or otherwise credited to the Board, will immediately be subject to the lien of each such pledge without any physical delivery, filing or further act. The lien of such pledge on the Net Revenue and the obligation to perform the contractual provisions made in the Bond Resolution will have priority over any or all other obligations and liabilities of the Board. The lien of such pledge will 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.

### **Professionals**

Butler Snow LLP, Denver, Colorado has acted as Bond Counsel to the Board. Stradling Yocca Carlson & Rauth, a Professional Corporation, Denver, Colorado, has acted as Disclosure Counsel to the Board in connection with preparation of this Official Statement. The Board’s financial advisor in connection with the Series 2022A Bonds is Piper Sandler & Co., Denver, Colorado. See “FINANCIAL ADVISOR.” The financial statements in Appendix C of this Official Statement have been audited by CliftonLarsonAllen LLP, certified public accountants, Denver, Colorado as stated in their report appearing herein. See “INDEPENDENT AUDITORS.” U.S. Bank Trust Company, National Association will act as the registrar and paying agent for the Series 2022A Bonds (the “Registrar” and “Paying Agent”).

### **Continuing Disclosure Undertaking**

The Board will execute a continuing disclosure undertaking (the “Disclosure Certificate”) at the time of the closing for the Series 2022A Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the Series 2022A Bonds and the Board will covenant in the Bond Resolution to comply with its terms. The Disclosure Certificate will provide that so long as the Series 2022A Bonds remain outstanding, the Board will provide the following information to the Municipal Securities Rulemaking Board through the EMMA system: (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain specified events; all as more particularly described in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as Appendix F. Within the last five-year period from the date of this Official Statement, the Board has complied in all material respects with previous undertakings made pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “Rule”).

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\* Preliminary, subject to change.

## **Tax Matters**

In the opinion of Butler Snow LLP, Bond Counsel, under existing law, (1) interest on the Series 2022A Bonds will be excludible from gross income of the owners thereof for purposes of federal income taxation, (2) interest on the Series 2022A Bonds will not be a specific item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (3) to the extent interest on the Series 2022A Bonds is excluded from gross income for federal income tax purposes, such interest is not subject to income taxation by the State, all subject to the qualifications described in “TAX MATTERS.”

## **Additional Information**

This introduction is only a brief summary of the provisions of the Series 2022A Bonds and the Bond Resolution; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the System, the Board, the Series 2022A Projects, the Net Revenue, the Series 2022A Bonds and the Bond Resolution are included in this Official Statement. All references herein to the Series 2022A Bonds, the Bond Resolution and other documents or statutes are qualified in their entirety by reference to such documents and all capitalized terms used herein which are not defined have the meanings given such terms in the Bond Resolution. This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of the Bond Resolution, the other documents and additional information may be obtained from the Board and the Financial Advisor at the following addresses:

Denver Water, Treasurer  
1600 W. 12<sup>th</sup> Avenue  
Denver, Colorado 80204  
Phone: (303) 628-6410  
Email: [investorrelations@denverwater.org](mailto:investorrelations@denverwater.org)

Piper Sandler & Co.  
1200 17<sup>th</sup> Street, Suite 1250  
Denver, Colorado 80202  
Phone: (303) 405-0845

## **INVESTMENT CONSIDERATIONS**

*The purchase of the Series 2022A Bonds involves special risks and the Series 2022A Bonds may not be appropriate investments for all types of investors.* Each prospective investor is encouraged to read this Official Statement in its entirety and to give particular attention to the factors described below, which, among other factors discussed herein, could affect the payment of the Series 2022A Bonds and could affect the market price of the Series 2022A Bonds to an extent that cannot be determined at this time. *The following does not purport to be an exhaustive or definitive listing of risks and other considerations which may be relevant to investing in the Series 2022A Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of such risks. There can be no assurance that other risk factors not discussed herein will not become material in the future.*

## **Special Limited Obligations**

The Series 2022A Bonds are not a debt or indebtedness or a multiple fiscal year debt or other financial obligation of the City, the State, or any political subdivision of the State within the meaning of any constitutional Charter or statutory limitation of the City or the State. The Series 2022A Bonds are not payable from the proceeds of general property taxes or any other form of taxation, and the full faith and credit of the City is not pledged for their payment.

## **No Mortgage or Lien Interests Secure the Series 2022A Bonds**

The Series 2022A Bonds are not secured by any encumbrance, mortgage or other pledge of property of the System or the Board, except for the Net Revenue and any moneys pledged in the future for payment of the Series 2022A Bonds. For a discussion of existing liens on the Net Revenue, see “DEBT STRUCTURE.”

## **No Reserve Fund**

The Series 2022A Bonds are not secured by a reserve fund or account.

## **COVID-19 Pandemic**

Denver Water has not experienced a material impact on its revenue, expenses, operations or capital projects directly due to the COVID-19 pandemic. Inflation and supply-chain disruptions have put pressure on expenditures impacted by oil prices, e.g., fuel, hauling and trucking. As the world recovers from and learns to live with COVID-19 and its impacts, Denver Water continues to monitor the situation proactively and make adjustments as necessary. Future impacts of the pandemic are unknown at this time.

## **Future Capital Expenditures; Additional Bonds**

As discussed in “THE SYSTEM — Capital Improvements,” the Board has significant capital needs in the next decade. Capital needs are currently anticipated to total approximately \$1.6 billion from 2022 through 2026. Denver Water currently estimates that approximately 57% of this amount will be funded by debt and the remaining 43% of this amount will be cash-funded. However, such percentages are only estimates and are subject to change at any time.

The Board may issue Additional Parity Bonds at any time legal requirements are met as described in “SECURITY FOR THE BONDS — Additional Obligations Payable from Net Revenue.” Issuance of additional Parity Bonds may dilute the Net Revenue available to pay debt service on the Series 2022A Bonds and prior Parity Bonds.

## **Fluctuations in Net Revenue Due to Weather**

The Net Revenue derived from the Board’s water sales is subject to fluctuation due to weather, particularly wetter or drier than normal conditions and especially in conditions of significant drought requiring the imposition of water use restrictions. In general, customer water use has declined approximately 39% over the last two decades, reflecting, in part, the imposition of such water use restrictions, in addition to customer response to conservation education campaigns, increased indoor and irrigation efficiency, replacement of turf grass with more efficient landscaping, recycled water use, and tiered water rates. See “THE SYSTEM – Water Supplies.”

The System is designed to meet peak day demand, reliability, and redundancy requirements and increasingly stringent regulatory requirements. To reduce annual fluctuations in water revenues, Denver Water implemented a rate structure that has both a fixed monthly fee and a volumetric charge. The fixed fee provides a stable funding base for the fixed costs of operating and maintaining the System and reduces revenue variability. The 2022 rate schedule, effective in January 2022, is set to recover an estimated 20% of total revenue from a fixed fee. See “THE FINANCIAL INFORMATION — Rate Structure .”

It is not possible to predict what impacts, if any, changing demand patterns will have on the Net Revenue in the future.

## **Drought Conditions in the Region**

Colorado, along with most of the western United States, experiences recurring cycles of drought. Denver Water's water supply system is designed and operated to withstand recurring cycles of drought through its complex network of storage reservoirs, water delivery systems, and related water infrastructure. Denver Water relies more heavily on storage to meet customer demands during periods of drought when water system inflows are below average. Denver Water has implemented a comprehensive Water Shortage Response Strategy that establishes a progressive response to developing water shortage conditions. See "THE SYSTEM – Water Shortage Response Strategy." The specific water shortage response actions are aimed at increasing water supplies and reducing water use. Additionally, Denver Water maintains a strategic water reserve of 200,000 acre-feet to help reduce the impacts of water shortage, whether caused by drought, system failures, system emergencies, or other factors. Despite slightly lower than historical average snowpack in 2022, there is currently no water shortage declaration for Denver Water's customers. See "THE SYSTEM – Ensuring the System is Reliable and Resilient – *Water Use Efficiency*."

## **Reliance on Colorado River Water**

Denver Water's collection system is geographically diverse and extends into more than ten counties in Colorado. The amount of water Denver Water diverts from each source is governed by a variety of factors, including legally and physically available water supply. The amount of water legally available to Denver Water is determined by Denver Water's water right priority and related agreements. In times of water shortage, those with senior water rights to Denver Water, if applicable, are entitled to divert their water first, which may leave Denver Water without water or with a reduced supply from a particular source of water. Denver Water employs several strategies to manage storage and collection of water from its various sources, in order to assure stable delivery of water to our customers and maintain storage reserves to mitigate the impacts of periodic drought. These strategies are based on the use of water supply and operational models that are used to maximize storage, utilize exchanges of water, comply with water rights administration, and project potential impacts from climate change.

Approximately 50% of Denver Water's total water supply currently comes from the Colorado River Basin. As a result, Denver Water has a large stake in the future of the Colorado River and how the challenges of increasing water demands, long-term drought, and climate change will be addressed. Denver Water is engaged with stakeholders in the Colorado River Basin to explore alternatives and potential drought mitigation measures and to ensure that it has appropriate plans in place to provide water to its customers using alternative sources and management techniques.

The Colorado River Basin is experiencing unprecedented conditions of drought and below average runoff. The United States Bureau of Reclamation (the "Bureau of Reclamation") has declared a Level 1 water shortage on the Colorado River, which has resulted in curtailment of water deliveries to water users relying on the Lower Colorado River, below Lake Mead in 2022. Depending upon the severity of the ongoing drought, the Bureau of Reclamation may be required to increase the level of the shortage declaration which will impact contract deliveries from Lake Mead to water users in Arizona, California and Nevada, and to Mexico. Currently, these shortage declarations affect only Lower Basin water users and do not affect Denver Water's water storage or diversions from the Colorado River Basin. However, continued persistence of drought and resulting low runoff could result in further decline of reservoir levels and eventually affect the ability of the Upper Basin states (Colorado, New Mexico, Utah and Wyoming) to meet its obligations to the Lower Basin under the 1922 Colorado River Compact (the "Colorado River Compact"). The interpretation of Upper Basin obligations -- and even whether any obligation exists -- under the Colorado River Compact is the subject of significant dispute and may be subject to significant interstate litigation to determine. If these conditions were to occur, it is possible that Denver Water's deliveries of Colorado River Basin supplies could be curtailed for a period of time. Given the uncertain nature of whether, when, how or if any curtailment of Denver Water's supply may occur, it is speculative to predict the magnitude and duration of any such curtailments on Denver



Water's water supply from the Colorado River Basin. See "THE SYSTEM – Water Supplies – Colorado River."

### **Climate Change**

Physically available water supply is driven by weather patterns and climate change. Planning for climate change in the State and its impact on the operations of the System is particularly challenging. The State's climate is exceedingly variable and projections of future conditions range significantly. Potential impacts could include changes in the length, intensity, and frequency of droughts and floods; evaporation, evapotranspiration and sublimation patterns; soil moisture and ground water levels; and watershed changes from forest fires, dust-on-snow deposits, and vegetation composition. Such changes may lead to either higher or lower supply, changes in the timing and amount of runoff from snowmelt, Higher temperatures will result in higher demand for water which may impact other operations, as well.

Changes in long-term weather patterns have impacted the State—and its watersheds. The impacts include increasing temperatures, more extreme weather patterns, longer periods of drought, and increased wildfires. It is difficult to predict whether or how changing climate will impact Denver Water, its operations and Net Revenue. See "THE SYSTEM – Ensuring Long-Term Needs Are Met – Planning for Climate Change" for a description of strategies utilized by Denver Water to analyze and prepare for climate change.

### **Risks Relating to the Water Supply and Sufficiency of Water Supply**

Denver Water's water supply and related costs are affected by many factors, including but not limited to annual snowpack and rainfall, federal and State environmental rules and regulations, water quality, climate change, and collection system issues. Sustained drought conditions could adversely affect the water supply, impact operational expenses of the System and demand for water from the System. Additionally, any natural disaster or other physical calamity, including acts of terrorism, floods, extreme weather or gradual climate change, may have the effect of reducing water availability, quality and/or distribution, or impair Denver Water's financial stability.

The impact of the above factors is unclear and therefore their future impact on Net Revenue cannot be quantified reliably at this time. See "THE SYSTEM."

### **Wildfires**

Wildfires have occurred in recent years in different regions of the State. There can be no assurance that fires will not occur within Denver Water's collection system, leading to increased water treatment costs and restoration costs. Denver Water has been proactive in mitigating fire hazards in its collection system. See "THE SYSTEM – Ensuring Long-Term Water Needs Are Met- *Watershed Management.*"

### **Impact of Federal and State Laws on the System**

Federal and state laws and regulations also impact operation of the System through the regulation of water quality, water treatment and imposition of requirements for appropriation of water. The constraints imposed by environmental laws and regulations can potentially limit the current water yield or further expansion of existing water projects as well as prohibit new project development. The financial impact of these constraints on the System is not yet known and therefore cannot be quantified at this time.

### **Secondary Market**

No assurance can be given that a secondary market for the Series 2022A Bonds will be maintained by the Underwriter or by any other entity. Prospective purchasers of the Series 2022A Bonds should therefore be prepared to bear the risk of the investment represented by the Series 2022A Bonds to maturity.

## **Cyber and Data Security**

Denver Water, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private and sensitive information, Denver Water faces multiple cyber threats including, but not limited to, hacking, phishing, ransomware, viruses, malware and other attacks on its computers and other sensitive digital networks and systems (collectively, “Systems Technology”). There have been cyber-attack attempts on Denver Water’s Systems Technology in the past, but not any resulting in a material compromise of the system, data loss or breach that Denver Water has identified.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to Denver Water’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage.

To combat these threats, Denver Water has a dedicated cyber security team that has adopted the U.S. Commerce Department’s National Institute of Standards and Technology’s Cybersecurity Framework to provide a high-level, strategic view of management of cybersecurity risk. Denver Water regularly tests its controls to identify and remediate any potential weaknesses in Denver Water’s systems.

No assurances can be given that Denver Water’s security and operational control measures will ensure against any and all cybersecurity threats and attacks. A cybersecurity incident or breach could damage Denver Water’s Systems Technology and cause disruption to Denver Water and/or utility services, operations and finances. The costs of remedying any such damage or protecting against future attacks could be substantial. Further, cybersecurity breaches could expose Denver Water to material litigation and other legal risks, which could cause Denver Water to incur material costs related to such legal claims or proceedings. Denver Water will continue to assess cyber threats and protect its data and systems, with a conscious effort to prioritize based on potential impact of issues and the likelihood of those issues manifesting into an incident. Denver Water will continue to educate its employees on applying best security practices and cybersecurity incident response handling which are demonstrated at least annually.

## **Forward-Looking Statements**

This Official Statement, particularly (but not limited to) any sections discussing expected or interim financial results of the Board for 2021 or amounts budgeted for 2022 (or future fiscal years) contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward looking statements and actual results. Those differences could be material and could impact the availability of funds to pay debt service on the Series 2022A Bonds.

## SOURCES AND USES OF FUNDS

### Sources and Uses of Funds

The Board estimates the following sources and uses of funds in connection with the sale of the Series 2022A Bonds:

Sources:	<i>Series 2022A Bonds</i>
Principal amount .....	\$
Net Original Issue Premium.....	_____
Total Sources	\$
Uses:	
Deposit to the Project Account.....	\$
Costs of Issuance <sup>(1)</sup> .....	_____
Total Uses	\$

<sup>(1)</sup> Includes underwriting discount, ratings fees, legal fees, and other costs of issuing the Series 2022A Bonds.

## THE SERIES 2022A BONDS

### General

The Series 2022A Bonds are in the denominations, bear interest, mature, and are subject to the other terms and conditions stated on the cover page and inside cover page of this Official Statement.

### Registration and Payment

The Series 2022A Bonds will be registered in the name of Cede & Co., as nominee of DTC, as securities depository for the Series 2022A Bonds. For so long as the Series 2022A Bonds are in book entry form, the principal of and interest on the Series 2022A Bonds will be payable at the office of U.S. Bank Trust Company, National Association, or its successors, as paying agent and registrar (the "Paying Agent"). Interest on the Series 2022A Bonds is payable by wire transfer to Cede & Co. upon written instruction or by check or draft mailed by the Paying Agent to the registered owners of the Series 2022A Bonds whose names and addresses appear in the registration books of the Board on the Regular Record Date, *i.e.*, the last day, whether or not a business day, of the calendar month preceding the interest payment date. Under certain circumstances a Special Record Date may be fixed by the Paying Agent to establish ownership of the Series 2022A Bonds for the purpose of paying interest not paid when due or interest accruing after maturity.

### Redemption\*

The Series 2022A Bonds are subject to redemption prior to maturity as follows:

**Optional Redemption.** The Series 2022A Bonds maturing on or before December 15, 20\_\_, are not subject to optional redemption prior to their stated maturities. The Series 2022A Bonds maturing on and after December 15, 20\_\_, are subject to redemption prior to maturity, at the option of the Board, as a whole or in integral multiples of \$5,000, in any order of maturity and in whole or partial maturities, as determined by the Board, on December 15, 20\_\_ and on any date thereafter, upon payment of the principal amount so redeemed plus accrued interest to the redemption date, without redemption premium.

\* Preliminary, subject to change.

**Mandatory Sinking Bond Redemption.** The Series 2022A Bonds maturing on December 15, 20\_\_ are subject to mandatory redemption from sinking fund installments, at a redemption price equal to the principal amount of such Series 2022A Bonds redeemed plus accrued interest to the redemption date, on December 15 in each of the years and in the principal amounts set forth in the following table:

<i>Year of Redemption</i>	<i>Principal Amount To Be Redeemed</i>
-------------------------------	--

(1)

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(1) Maturity

**Notice of Redemption.** Notice of redemption of any Series 2022A Bonds is to be given by the Registrar by sending a copy of such notice by electronic means or by first class mail, postage prepaid, at least 30 days prior to the redemption date, to the registered owner of each Series 2022A Bond all or a portion of which is called for prior redemption, in the manner set forth in the Bond Resolution. The redemption of the Series 2022A Bonds may be contingent or subject to such conditions as may be specified in the notice. In addition, the Paying Agent is authorized to comply with any operational procedures and requirements of DTC relating to redemption of Series 2022A Bonds and notice thereof. Failure to give such notice by mailing to any Owner, or any defect therein, shall not affect the validity of any proceeding for the redemption of other Series 2022A Bonds as to which no such failure or defect exists. All Series 2022A Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time. See also “Appendix E – DTC Book Entry System.”

In the event of a call for redemption, the Board’s notification to DTC initiates DTC’s standard call procedure. In the event of a partial call, DTC’s practice is to determine by lot the amount of the interest of each Participant in the Series 2022A Bonds to be redeemed, and each such Participant then selects by lot the ownership interest in such Series 2022A Bonds to be redeemed. When DTC and Participants allocate the call, the Beneficial Owners of the book entry interests called are to be notified by the broker or other organization responsible for maintaining the records of those interests and subsequently credited by that organization with the proceeds once the Series 2022A Bonds are redeemed. Any failure of DTC to advise any Participant, or of any Participant or indirect participant to notify the Beneficial Owner, of any such notice and its content or effect does not affect the validity of the redemption of the Series 2022A Bonds called for redemption or any other action premised on that notice.

**Book Entry Only System**

DTC will act as securities depository for the Series 2022A Bonds. The Series 2022A Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Series 2022A Bond will be issued for each maturity of the Series 2022A Bonds, each in the aggregate principal amount of such maturity, and each of such Series 2022A Bonds will be deposited with DTC. For information regarding DTC, see “Appendix E – DTC Book Entry System.”

None of the Board, the City, the Underwriter, the Paying Agent, or the Registrar will have any responsibility or obligation to any Beneficial Owner with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) any notice that is permitted or required to be given to the Owners of the Series 2022A Bonds under the Bond Resolution, (3) the selection by DTC or any DTC Participant of the recipient of payment in the event of a partial redemption of the Series 2022A Bonds, (4) the payment by DTC or any DTC Participant of any amount with respect to the principal of or interest due with respect to the Owners of the Series 2022A Bonds, or (5) any other related matter.

## SECURITY FOR THE 2022A BONDS

### Net Revenue

The Net Revenue pledged to the payment of the Series 2022A Bonds consists of the Gross Revenue after deducting the Operation and Maintenance Expenses. Gross Revenue is defined in the Bond Resolution and generally consists of all income and revenues directly or indirectly derived by the Board from the operation and use of the System including, primarily, the rates, fees and system development charges for the services furnished by, or for the use of, the System. Operation and Maintenance Expenses are defined in the Bond Resolution and generally consists of all reasonable and necessary current expenses of the Board, paid or accrued, for operating, maintaining and repairing the System, including legal and other overhead expenses of the Board related to the administration of the System, insurance premiums, payments of claims under a self-insurance program, salaries and administrative expenses, labor and the cost of materials and supplies for current operation. Operation and Maintenance Expenses do not include, among other things, any allowance for depreciation or payments due in connection with any bonds or other obligations issued or entered into to provide Capital Improvements. For the complete definitions of “Gross Revenue” and “Operation and Maintenance Expenses,” the flow of funds for the Gross Revenue, and the funds and accounts see Appendix B – Glossary of Terms and Appendix C – Summary of Certain Provisions of the Bond Resolution.

### Rate Covenants

**Charter Requirements.** Pursuant to the Charter, the Board is required to fix rates for which water is furnished for all purposes within the City, and rates shall be as low as good service will permit. Rates for customers within the City may be sufficient to provide for (1) operation, maintenance, reserves, debt service, additions, extensions, betterments, including those reasonably required for the anticipated growth of the Denver metropolitan area, and to provide for the City’s general welfare, and (2) the accumulation of reserves for improvements of such magnitude that they cannot be acquired from the surplus revenues of a single year. Rates for outside City customers must be sufficient to recover all costs enumerated in (1) above plus an additional amount to be determined by the Board. See “FINANCIAL INFORMATION — Rate Structure.”

**Bond Resolution Covenant.** Subject to the provisions of the Charter, the Board covenants in the Bond Resolution that it will use its best efforts to maintain, enforce and collect rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges for services furnished by or the use of the System to create Gross Revenue, together with any Other Available Funds (defined below), each “Fiscal Year” (being the calendar year) sufficient to pay Operation and Maintenance Expenses and to create Net Revenue in an amount equal to not less than 110% of the amount necessary to pay when due the Debt Service Requirements on the Outstanding Parity Bonds, including the Series 2022A Bonds, any Additional Parity Bonds, and Capital Improvements Lease Payments, if any, coming due during such Fiscal Year, and to make up any deficiencies in any Parity Bonds Reserve Accounts and any reserve accounts as required by the resolutions authorizing the Parity Bonds. In the event that the Gross Revenue at any time is not sufficient to make such payments, the Board covenants to increase such rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges to an extent which will allow the payments and accumulations required by the Bond Resolution. See also “FINANCIAL INFORMATION — Rate Structure,” “DEBT STRUCTURE — Outstanding Bonds and Other Obligations” and Appendix C – Summary of Certain Provisions of the Bond Resolution.

As used above, “Other Available Funds” means, for any Fiscal Year, the amount determined by the Chief Finance Officer to be transferred from the Water Works Fund to the debt service account for the Parity Bonds Debt Service Account, but in no event may such aggregate amount exceed 10% of the Combined Average Annual Debt Service Requirements of the Parity Bonds and the Capital Improvements Lease Payments.

### **No Series 2022A Bonds Reserve Account**

Pursuant to the Master Bond Resolution, the existence of a reserve fund is determined upon the issuance of any series of Parity Bonds as specified in a supplemental resolution authorizing the issuance of such Parity Bonds. A reserve fund may, but is not required to be, funded. The Series 2022A Bonds will not be secured by a reserve fund.

### **The Series 2022A Bonds Rebate Account**

Amounts, if any, deposited to the Series 2022A Bonds Rebate Account are to be used to pay from time to time any amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Federal Tax Code and any temporary, proposed or final Treasury Regulations as may be applied to the Series 2022A Bonds from time to time. The payment of such rebate amounts supersedes all other provisions of the Bond Resolution concerning the deposit and transfer of interest earnings to or from any other Fund or Account. Moneys set aside to pay such rebate amounts, whether set aside in the Series 2022 Rebate Account or otherwise, are not subject to any lien created by the Bond Resolution for the benefit of the Owners. See Appendix C – Summary of Certain Provisions of the Bond Resolution — Tax Covenants.

### **Additional Obligations Payable from the Net Revenue**

***Superior Obligations Prohibited.*** The Bond Resolution provides that no additional bonds, notes, interim securities or other obligations, including refunding obligations, may be issued or incurred by the Board that are payable from the Net Revenue and have a lien thereon that is superior to the lien thereon of the Parity Bonds, including the Series 2022A Bonds.

***Additional Parity Bonds.*** Upon issuance of the Series 2022A Bonds, \$ \_\_\_\_\_ in aggregate principal of Parity Bonds (including the Series 2022A Bonds) will be outstanding which have a parity lien on the Net Revenue. The Board is prohibited from issuing additional bonds with a lien on the Net Revenue which is superior to the Parity Bonds (including the Series 2022A Bonds). For a description of the requirements for issuance of additional Parity Bonds, see APPENDIX C – Summary of Certain Provisions of the Bond Resolution.

***Subordinate Lien Obligations.*** The subordinate 2018 Line of Credit described in “DEBT STRUCTURE — Outstanding Bonds and Other Obligations” is the only currently outstanding Subordinate Lien Obligation. The Bond Resolution provides that so long as no default under the Bond Resolution (an “Event of Default”) has occurred and is continuing, nothing therein will prohibit the Board from issuing Subordinate Lien Obligations. See “THE SERIES 2022A BONDS” and Appendix C – Summary of Certain Provisions of the Bond Resolution — Defaults and Remedies — Events of Default.

### **Additional Provisions of the Bond Resolution**

See Appendix C – Summary of Certain Provisions of the Bond Resolution for a summary of certain additional provisions of the Series 2022A Bonds and the Bond Resolution, including, without limitation, certain covenants of the Board, the rights and remedies of the Owners of the Series 2022A Bonds upon the occurrence of an Event of Default, provisions relating to amendments and supplements to the Bond Resolution and procedures for defeasance of the Series 2022A Bonds.

## **THE CITY**

The City was originally incorporated by a special act passed at the first session of the Legislative Assembly of the Territory of Colorado, adopted and approved on November 7, 1861. The State Constitution was adopted by the people of the State on March 14, 1876, and the Territory was admitted into the Union as a state by proclamation of President Grant on August 1, 1876. Article XX was added to the State Constitution at

the State's general election in November 1902. The City was reorganized thereunder as the consolidated municipal government known as the City and County of Denver and exists as a "home-rule" city under the City Charter adopted by the qualified electors of the City on March 29, 1904, as amended from time to time. For general information concerning City and neighboring areas, see Appendix D – Economic and Demographic Overview of the Denver Metropolitan Area.

## **DENVER WATER**

### **Organization and Charter Mandates**

The Board, commonly known as Denver Water, was established in 1918 by the people of the City as an independent, autonomous, and non-political agency with duties and responsibilities specifically set forth in the Charter. Since that time, the Board has supplied water to the citizens of the City and contract distributors in the Denver metropolitan area in accordance with Charter directives.

Pursuant to the Charter, the Board has all the powers of the City, including those granted by the constitution and laws of the State and by the Charter in regard to purchasing, condemning and purchasing, acquiring, constructing, leasing, extending and adding to, maintaining, conducting and operating the System for all uses and purposes, and everything necessary, pertaining or incidental thereto, including authority to dispose of real or personal property not useful for or required in the water works operation. The Board also has authority to generate and dispose of electric energy for water works purposes or any other purpose of the City. The Board has the power in the name of the City to make and execute contracts, take, and give instruments of conveyance and do all other things necessary or incidental to the powers granted in the Charter.

### **The Board**

Denver Water is governed by a five-member Board of Water Commissioners, the members of which are appointed by the Mayor of the City for overlapping six-year terms, which is charged with ensuring a continuous supply of water to the citizens of the City and Denver Water's suburban customers. Commissioners are not subject to term limits. The current Commissioners are as follows:

## Board of Water Commissioners

Gary M. Reiff, President Senior Advisor, UCHealth	Commissioner since September 2017 Term expires July 2023
Craig Jones, First Vice President Managing Director and Chief Diversity Officer The Colony Group	Commissioner since October 2017 Term expires July 2023
Stephanie Donner, Vice President Chief Legal and People Officer Inspire Clean Energy, LLC	Commissioner since July 2021 Term expires July 2025
Tyrone Gant, Vice President Director of Treasury Management and Commercial Fee Income Manager, Vectra Bank Colorado	Commissioner since August 2021 Term expires July 2027
Dominique Gómez, Vice President Deputy Director, Colorado Energy Office	Commissioner since July 2021 Term expires July 2025

## Administration

The Board designates a CEO/Manager to execute its policies and directives. Reporting to the CEO/Manager are the Chiefs of five divisions: Finance; Administrative Services; Engineering; Operations and Maintenance; and Water Resource Strategy. The General Counsel and Chief of Staff also report to the CEO/Manager. Denver Water is a non-union employer currently employing nearly 1,100 people.

The following is a description of selected Denver Water officials.

### Selected Denver Water Officials

Name	Title	Year Employed at Denver Water
James S. Lochhead	Chief Executive Officer/Manager, Secretary to the Board	2010
Julie A. Anderson	Chief of Staff	2008
Angela C. Bricmont	Chief Finance Officer	2010
Jessica R. Brody	General Counsel	2018
Usha Sharma	Treasurer	2009

**James S. Lochhead, CEO/Manager.** Mr. Lochhead was appointed Denver Water’s CEO/Manager in 2010. Mr. Lochhead also currently serves on the boards of the Association of Metropolitan Water Agencies, the Water Utility Climate Alliance, and the Water Foundation. Prior to Denver Water, Mr. Lochhead was in private law practice, dealing with natural resource issues throughout the United States and internationally. He was also executive director of the Colorado Department of Natural Resources. Mr. Lochhead was the Colorado governor’s representative on interstate Colorado River operations, and served on the Colorado Water Conservation Board, Great Outdoors Colorado, The Nature Conservancy and Colorado Conservation Trust. Mr. Lochhead has a bachelor’s degree in environmental biology from the University of Colorado and a law degree from the University of Colorado School of Law.

**Julie A. Anderson, Chief of Staff.** Ms. Anderson joined Denver Water as manager of Customer Care in 2008. She served as director of the Customer Relations division from 2011 to 2016. As Chief of Staff, Ms. Anderson leads, directs and resolves day-to-day operational and organizational issues. She oversees the



successful implementation of key strategic initiatives and is responsible for monitoring and ensuring the attainment of organizational goals. She also oversees the Office of People and Strategy that includes Public Affairs, Human Resources, Learning and Organization Development, and Continuous Improvement. Prior to Denver Water, Ms. Anderson was a group manager of Molson Coors Brewing Company's consumer affairs department (2001-2008) and a manager of the advisor and investor services contact center for Oppenheimer Funds (1996-2001). Ms. Anderson holds a bachelor of science degree in business administration from the University of Colorado.

***Angela C. Bricmont, Chief Finance Officer.*** Ms. Bricmont joined Denver Water in 2010. Prior to Denver Water, Ms. Bricmont worked for Ernst & Young, Arcadis, and Carollo Engineers, providing financial planning and rate setting services to public utilities nationwide and was a vice president of rates and regulatory matters for Comcast/AT&T Broadband from 1995-2003. She also worked for Denver Water as a senior analyst from 1993 to 1995. Ms. Bricmont earned a bachelor's degree in finance and a master's degree in business administration from the University of Denver, Daniels College of Business. She was appointed by Mayor Michael Hancock to serve on the Denver Urban Renewal Authority Board of Directors in 2017. Ms. Bricmont was appointed by the Environmental Protection Agency in 2020 to serve on its Environmental Financial Advisory Board.

***Jessica R. Brody, General Counsel.*** Ms. Brody joined Denver Water in 2018 as General Counsel. Prior to Denver Water, Ms. Brody worked as an associate at Arnold & Porter, LLP, an international law firm, where she specialized in environmental law and complex litigation. Ms. Brody served as the lead environmental lawyer for the City and County of Denver until 2016 when she became an Assistant Director within the City Attorney's Office. Ms. Brody earned a bachelor's degree from Claremont McKenna College and a law degree from the Yale Law School. Ms. Brody also serves as the Denver Metro basin director on the Colorado Water Conservation Board and previously served as Chair of that board.

***Usha Sharma, Treasurer.*** Ms. Sharma joined Denver Water in 2009 as Treasurer. Prior to Denver Water, Ms. Sharma worked at Molson Coors as Senior Global Treasury Manager where she was responsible for its global cash operation, debt and interest expense management, and development of cash repatriation strategy. Ms. Sharma has a bachelor's degree in psychology and a master's degree in business administration and a master's degree in finance from the University of Colorado. Ms. Sharma was recently appointed to serve on the audit committee of the American Water Works Association (the "AWWA") and serves as the chair for the AWWA's Finance, Accounting and Management Control Committee. Ms. Sharma also serves as a treasurer on the board of South Metro Denver Chamber.

## THE SYSTEM

### General

Denver Water is the largest and oldest municipal supplier of water in the State and one of the largest municipal water suppliers in the western United States. Denver Water is also the third largest public landowner in the State. Denver Water was established in 1918 after City residents voted to buy the water system from a private company. Denver Water provides water in an area covering the boundaries of the City and many of its suburbs, constituting approximately 335 square miles with a treated and raw water customer base of approximately 1.5 million people (approximately ¼ of the residents of the State). The combined service area includes the service areas of approximately 60 treated water distributors in the Denver metropolitan area (the "Combined Service Area"). See "DENVER WATER SERVICE AREA MAP" on page i. Denver Water also provides treated and raw water within the metropolitan area outside of the Combined Service Area under multiple contracts with fixed contract amounts.

Denver Water's primary raw water supplies are derived from the South Platte River Basin (South Platte Collection System) and Colorado River Basin (Roberts Tunnel Collection System and Moffat Collection System). The System has more than 3,200 miles of water mains (pipelines), more than 75 miles of recycled

water mains, 23 pump stations (18 potable water pump stations, 2 recycled water and 3 raw water), 17 raw water reservoirs and 33 treated water reservoirs. Three potable water treatment plants (Marston, Moffat and Foothills) currently have a combined treatment capacity of 560 million gallons per day. Moffat Treatment Plant was de-rated from 120 million gallons to 80 million gallons in 2021, as part of the North System Renewal project. Marston Treatment Plant capacity was de-rated from 250 million gallons per day to 200 million gallons per day due to new chemical capacity designs and solids processing systems. Total treated water consumption was 65 billion gallons in 2021, with the average daily consumption of 179 million gallons and maximum daily consumption of 370 million gallons. In the past five years, the maximum daily consumption of the System has not exceeded 396 million gallons per day. In addition, the System has a Recycled Water Treatment Plant with a capacity of 30 million gallons per day that operates through a separate distribution system.

Denver Water develops and operates the System, facilities and properties to sustain a healthy environment and produce clean energy. Denver Water plans for and addresses challenges such as a warming climate, pandemics, population growth, periodic drought, competition for water resources, security threats, and changing regulatory and political environments.

## **Water Supplies**

**General.** Denver Water derives its raw water supplies from renewable surface water sources (river and stream systems) in the South Platte River and Colorado River Basins and water tributaries. South Platte River tributaries include Cherry Creek, South Boulder Creek, Ralston Creek and Bear Creek. Colorado River tributaries include the Blue River, Williams Fork River, Fraser River, and Muddy Creek. The source and amount of water Denver Water diverts from each source is governed by the decree for each specific water right, agreements, customer demand, operational strategies, and the legally and physically available supply. In 2021, of 242,782 acre-feet of first-use water diverted from all river and stream systems, 145,284 acre-feet or 59.8% of all water diverted came from Colorado River Basin. Water diversion from Colorado River Basin averaged 51.3% over the last 5 years, although it fluctuated significantly from year to year.

River and stream systems are supplied by precipitation and snowpack runoff. Traditionally, Denver Water expects to receive a major portion of the precipitation that fills its reservoirs in late winter and early spring as snowfall. Denver Water's collection system covers about 4,000 square miles, or 2.5 million acres, and extends into more than ten counties, including Park, Grand, Jefferson, Summit, Teller, Douglas, Clear Creek, Boulder, Adams, and Gilpin counties.

As the snow melts, it is collected and stored in reservoirs in the Rocky Mountains and the Denver metropolitan area, and then transported to treatment facilities and delivered to customers. Denver Water has a network of water storage facilities to store water for future use. Currently, Denver Water has almost 700,000 acre-feet of storage capacity that it manages to meet customer demands. The largest reservoirs owned by Denver Water include Dillon, Eleven Mile Canyon, Williams Fork, Cheesman, and Gross Reservoir. Raw water is also stored in a few reservoirs that do not belong to Denver Water, such as Chatfield and Wolford Mountain.

Three water treatment plants treat raw water to potable standards for use in Denver Water's Combined Service Area. Denver Water's current system of existing storage reservoirs, water rights portfolio, and treatment facilities can provide a firm annual water yield of 345,000 acre-feet per year.

**Water Rights.** Denver Water owns and maintains decreed water rights in the South Platte River and Colorado River Basins and water tributaries. Denver Water also owns and maintains a decreed water right for non-tributary groundwater underlying the City. The amount of water Denver Water diverts from each source depends on a variety of factors, including the decree for each specific water right. The administrative priority, which is based upon the appropriation date of the water right is important because the Colorado Constitution dictates that in times of water shortage, those water rights with senior administrative priorities are entitled to

divert their water first, which may leave water rights with more junior administrative priorities without water or with a reduced supply.

Denver Water can use, reuse, and successively use to extinction some of its water supplies. Denver Water continues to develop its Downstream Reservoir Program, to maximize the beneficial use of its water rights through water exchanges. Denver Water also treats and reuses water through its recycled water facilities.

Denver Water's portfolio of water rights is sufficient to meet its current customer demands. To secure the water necessary to serve the reasonably anticipated future demands of its customers over the next 50 years, Denver Water continues to develop and expand its water rights portfolio by building the infrastructure needed to maximize its current water rights, expanding its reservoir capacity, and actively pursuing opportunities to acquire additional water in the water rights acquisition market.

**Colorado River.** The Colorado River is the most important source of water across the southwest of the United States, supplying water to 40 million people and about 5.5 million acres of irrigated land, from Wyoming to Mexico. Denver Water derives about half its water supply yield from tributaries that flow into the Colorado River.

Under the Colorado River Compact, management of the Colorado River is divided between the upper division states of Colorado, New Mexico, Utah and Wyoming (the "Upper Division States"), and the lower division states of Arizona, California and Nevada (the "Lower Division States" and, collectively, the "Basin States"). The Colorado River Compact was signed in 1922, at the end of a very wet period in the Colorado River Basin, and it allocated more water than the river has produced since that time. This, combined with rapid population growth in the Lower Division States and years of drought conditions in the Colorado River Basin since 2000, have left the two major federal reservoirs — Lakes Powell and Mead — at [27% and 29% full, respectively, at the end of May 2022]. The Upper Division States use federal reservoirs, including Lake Powell, to store and release water to meet the Upper Division States' obligations under the Colorado River Compact, and the U.S. Department of the Interior allocates water by contract from Lake Mead to municipal and agricultural water users in the lower basin.

Under the Colorado River Compact, the Upper Division States must not cause the flow of the Colorado River to be depleted below specified amounts over a running 10-year average. The Upper Division States and the Lower Division States have several disagreements over the terms and conditions of the Colorado River Compact. To avoid litigation over these disputes and to cooperate on river operations, in 2007 the U.S. Department of the Interior, in consultation with the Basin States, developed the 2007 Colorado River Interim Guidelines ("Interim Guidelines") on how water is controlled from the federally owned reservoir system that includes Lakes Powell and Mead. Specifically, the Interim Guidelines adopted discrete levels of shortage volumes associated with Lake Mead elevations to conserve reservoir storage to provide lower basin water users greater certainty to plan for shortages and coordinated operations of Lake Powell and Lake Mead to minimize shortages in the lower basin and avoid the risk of curtailments in the upper basin.

If further interstate cooperation is not possible, and the disputes referenced above are resolved through U.S. Supreme Court litigation adverse to the Upper Division States, the Upper Division States could be required to curtail a portion of, or all post-Colorado River Compact water uses until the upper basin non-depletion 10-year flow obligation is satisfied. The water rights held by Denver Water (and the water rights of most Colorado Front Range municipalities) are generally junior in priority to the Colorado River Compact. Using current and projected water use scenarios, Denver Water is planning for the use and expansion of its South Platte River supplies to mitigate the impacts of this contingency.

The trend in declining contents of Lake Powell and Mead prompted action by the Department of the Interior and the seven states that rely on the Colorado River to negotiate an Agreement Concerning Colorado River Drought Contingency Management and Operations, commonly referred to as the Drought Contingency Plan (the "DCP"). In 2019, the United States Congress enacted Public Law 116-14, titled the "Colorado River

Drought Contingency Plan Authorization Act,” directing the Secretary of the Interior to execute the DCP without delay and carry out the provisions of the DCP and operate applicable Colorado River system reservoirs accordingly.

The DCP is aimed at reducing the risk to water supplies after nearly two decades of drought. The DCP is a short-term set of guidelines designed to mitigate against water elevations in Lakes Powell and Mead from falling below critically low levels. The DCP consists of a lower basin DCP, and an upper basin DCP. The lower basin DCP establishes new drought contingency operating criteria for Lake Mead that requires each Lower Division State to make contributions of conserved water based upon Lake Mead elevation levels.

The upper basin DCP consists of two separate agreements. An Agreement for Drought Response Operations at the Initial Units of the Colorado River Storage Project Act (“Drought Response Operations Agreement”) provides for adjustments or releases made at or from federally owned and operated upper basin reservoirs to minimize the risk of Lake Powell declining below a target elevation of 3,525 feet mean sea level to help ensure the Upper Division States’ compliance with the Colorado River Compact, maintain the ability to generate power at Glen Canyon Dam, and minimize adverse effects to resources and infrastructure in the upper basin. A second agreement regarding storage at Colorado River Storage Project Act Reservoirs under an Upper Basin Demand Management Program (“Demand Management Agreement”), authorizes the Upper Division States through the Upper Colorado River Commission (“UCRC”) to store up to 500,000 acre-feet of conserved consumptive use in Lake Powell and the initial units of the Colorado River Storage Project Act Reservoirs upon development and approval of an upper basin demand management program. The 500,000 acre-feet pool may be used to help assure Upper Division States’ compliance with the Colorado River Compact and will be exempt from releases from Lake Powell under the Interim Guidelines’ coordinated operations with Lake Mead. The Upper Division States and UCRC are currently studying the feasibility of operating a demand management program, the future of which is uncertain.

The Interim Guidelines and DCPs will extend through 2026, at which time new operating criteria will be issued by the Secretary of the Interior. In early 2020, the U.S. Department of Interior initiated a review of the Interim Guidelines through the Bureau of Reclamation, which issued a final report of the review on December 18, 2020. Although the report was a Bureau of Reclamation product, the Bureau of Reclamation relied on important input from the Basin States, Native American tribes, non-governmental organizations and the public. This review will be used to start the process of the development of new shortage guidelines for the management and operation of the Colorado River post-2026, a process that will require compliance with the National Environmental Policy Act.

Denver Water has participated actively in an advisory role to the State in the development of the DCPs that would protect the security of water supplies for the State and Denver Water. Denver Water is also actively engaged in efforts led by the State to develop a demand management program for the State, that will inform the State’s participation in an upper basin demand management program, if a demand management program is adopted. The process of developing a demand management program has fostered intra-state discussions and conversations on ways to further conserve Colorado River supplies. However, it remains uncertain whether the State and the Upper Division States will create a demand management program before 2026. In addition, Denver Water is actively participating in the process to develop post-2026 shortage guidelines through its engagement with representatives for the State.

In April 2022, the contents of Lake Powell fell below an elevation of 3,525 feet, a benchmark elevation that triggers implementation of operational strategies to protect and preserve power operations at Glen Canyon Dam. Although the contents of Lake Powell have since increased, the Bureau of Reclamation’s May 2022 24-month study projects that the contents of Lake Powell will fall back below 3,525 feet from December 2022 through April 2023. Based on the current [May 2022] forecasted inflow, the Bureau of Reclamation projects Lake Powell elevation will end water year 2022 at 25% of capacity (6.15 million acre feet). However, projections of elevation and storage for water year 2022 have significant uncertainty at this point in the season. On May 3, 2022, the Bureau of Reclamation announced two separate drought response

actions that will help prop up Lake Powell by nearly 1 million acre-feet of water from May 2022 through April 2023. To protect Lake Powell, more water will flow into the lake from upstream reservoirs and less water will be released from Lake Powell downstream. The model result does not initiate operational changes to Bureau of Reclamation facilities. Coordination efforts will continue until either (i) the minimum probable projected elevation remains above 3,525 feet for 24 months or (ii) the process moves to the next step when the most probable projected elevation indicates Lake Powell elevations below 3,525 feet and a Drought Response Operations Plan is implemented. On June 14, 2022, the Bureau of Reclamation announced that the Basin States have 60 days to create an emergency plan to reduce Colorado River water use by 2 to 4 million acre-feet of additional conservation in 2023 or the Bureau of Reclamation will act unilaterally to protect the Colorado River system. At this time, the implication and impact of the Bureau of Reclamation's directive on Denver Water is unknown. However, Denver Water continues to be engaged in conservation efforts and is prepared to take cooperative action necessary to help the Colorado River Basin system.

### **Water Shortage Response Strategy**

Water shortages can be caused by drought, System failures, System emergencies and other factors. In addition to maintaining a strategic water reserve, Denver Water has a water shortage response strategy that is documented in Chapter 15 of the Board's Operating Rules. The strategy identifies four response levels the Board can implement based on the severity of the water shortage. The response level reflects a series of progressive measures the Board can take regarding different types of water use as applied to its customers, distributors, fixed-amount contracts, and recycled water contracts. The Board can implement a particular water shortage response by declaration, but it also has the power to adopt, modify, change, expand, or otherwise take appropriate and necessary measures to address water shortages.

### **Ensuring the System is Reliable and Resilient**

Denver Water's plan to provide long-term, reliable supplies in the face of changing climatic conditions and a growing customer base relies on the following strategies: enhancement of supplies and storage, water recycling, water use efficiency, and regional partnerships to optimize water use.

***Enhancement of Supplies and Storage.*** Denver Water undertakes long-term (50-year) water supply planning and programs to maintain system reliability and resiliency by acquiring additional water supplies, securing existing supplies and enhancing or building collection infrastructure. The Moffat Collection System, which encompasses the Fraser and Williams Fork River Basins, comprises approximately 10% of Denver Water's reservoir storage. To achieve a better balance between collection systems, in 2002 Denver Water engaged in the permitting process to enlarge Gross Reservoir (the "Gross Reservoir Expansion Project"), the primary storage facility in the Moffat System. In 2020, Denver Water received the final federal permit (the "License Amendment Order") for the project from the Federal Energy Regulatory Commission ("FERC"). Prior to issuance of the License Amendment Order, the project secured approvals from the Colorado Department of Public Health and Environment and the U.S. Army Corps of Engineers in 2016 and 2017. In November 2021, Denver Water and Boulder County entered into an agreement related to the Gross Reservoir expansion that marks the final step in a nearly 20-year federal, state and local review to permit the project. Denver Water will commit nearly \$13 million and make adjustments to construction practices to address Boulder County's concerns over impacts to the local community and environment, as well as provide a contribution of land to Boulder County's open space inventory, in addition to previous commitments made by Denver Water to offset impacts of the reservoir expansion. In exchange, Boulder County agreed that the project may proceed. Construction on the five-year project began on April 1, 2022 and is scheduled to be completed in 2027. Denver Water is a party to certain other ongoing litigation relating to the permitting for the Gross Reservoir Expansion Project. For more information see "LITIGATION."

Adding capacity to this reservoir will help address potential supply shortages, assist in dealing with future droughts and serve as a redundant supply if the south end of the water system faces unexpected challenges such as those caused by wildfires in Denver Water's watersheds in 1996 and 2002. See "—

Ensuring Long-Term Water Needs Are Met — Watershed Protection.” Raising the reservoir’s dam by 131 feet will provide: (1) additional storage of 72,000 acre-feet of water storage for Denver Water, (2) additional annual yield of 18,000 acre-feet of water, enough to supply roughly 45,000 households each year; and (3) 5,000 acre-feet of space for an environmental pool (total storage increase of 77,000 acre-feet). Because the reservoir was originally designed and constructed to be enlarged, ancillary facilities such as the Fraser and Williams Fork water collection systems, the Moffat Tunnel and the South Boulder Diversion Canal will not have to be modified, and no new water rights will be needed to fill the enlarged reservoir.

***Water Recycling.*** Recycling existing water supplies also increases the amount of water available for use by Denver Water’s customers by treating and reusing water that otherwise would have been diverted from Denver Water’s primary water supplies. Denver Water receives and treats wastewater effluent from Metro Water Recovery’s Robert W. Hite Treatment Facility to augment supplies and reduce demand for potable water. Denver Water’s recycling plant has capacity to serve up to 17,500 acre-feet per year at a rate of up to 30 million gallons per day, expandable to 45 million gallons per day, while the System currently treats and distributes approximately 7,500 acre-feet of recycled water per year for irrigation and certain industrial purposes to parks, golf courses, schools, City facilities and an Xcel Energy power plant. Approximately 2.4% of all water sold in 2021 was recycled water, accounting for less than 1% of total water sale revenue.

***Water Use Efficiency.*** Beginning May 1, 2022 and running through October 1, 2022, Denver Water’s customers are required to follow Denver Water’s Outdoor Watering Rules, which are described in the Operating Rules and seek to increase water use efficiency by prohibiting water waste. They currently limit irrigation of turf to 3 days a week and prohibit spray irrigation between the hours of 10:00 am and 6:00 pm. Denver Water has actively promoted conservation. Its customers reduced overall system demand by 22% between 2005 and 2016. Denver Water continues to work toward more efficient use through targeted, customer-centric outreach based on use per occupant or irrigated area, efforts that are expected to lead to more specific recommendations, quicker results, and more effective programs than in the past. Denver Water’s 2017 Water Efficiency Plan outlines the programs to educate and assist customers in using water more efficiently, including communications to customers on best practices, efficient water use, plumbing fixture rebates, performing audits to identify opportunities for increased efficiencies, incentivizing water efficiency in new construction, promoting water-efficient landscaping throughout Combined Service Area and partnering with municipalities on land use planning and water efficient codes.

***Regional Partnerships.*** Denver Water has participated in a variety of regional efforts to optimize the use of water to meet the demands of an increasing Front Range population, some of which are discussed below.

***Water, Infrastructure, and Supply Efficiency Partnership.*** The Water, Infrastructure, and Supply Efficiency Partnership (“WISE”) is a cooperative regional water supply project between Denver Water, Aurora Water (“Aurora”), and the South Metro Water Supply Authority (“South Metro”). WISE combines excess infrastructure capacity with excess water supplies to create a new permanent water supply. For example, as-available excess water supplies from the City and Aurora are diverted into as-available excess capacity in Aurora’s Prairie Waters System. The supply is then treated at Aurora’s Binney Treatment Plant and delivered to South Metro and Denver Water through a pipeline owned by South Metro and Denver Water. In addition to providing a way to reuse water supplies, WISE also creates a dependable supply for 10 water providers that serve the south metro region. That more dependable supply, in turn, reduces pressure to pull more water from the Colorado River, conserves dwindling groundwater supplies south of the City and diminishes the need for metro area utilities to buy agricultural water in the South Platte River Basin, which can lead to drying up farmland if the water is diverted. WISE is unique in the State and has been supported by a wide range of interests including the Governor of Colorado, the Colorado River Water Conservation District and environmental groups such as Western Resources Advocates. In September 2019, WISE Partnership received a “Community Water Champion Award” from WateReuse, a national organization that advances the use of recycled water and honors individuals and organizations that have made significant contributions in support of greater adoption of water recycling.

*CRCA.* In an effort to work together to address competing interests for water, Denver Water and others entered into the Colorado River Cooperative Agreement (the “CRCA”) in 2013. The CRCA addressed concerns of Western Slope participants with the Gross Reservoir Expansion Project. The CRCA also resolved legal disputes over Denver Water’s use of water from the Blue River, which should eliminate a longstanding risk of water court litigation that could have impaired the use of that water in the south end of the System. The CRCA became effective on September 26, 2013, after several years of mediated negotiations. Denver Water and 17 Western Slope water providers and local governments signed the CRCA, and another 25 entities in the headwaters counties (Summit and Grand) have or will receive water or funding from Denver Water under the CRCA. Denver Water agreed to fund approximately \$25 million of capital projects for Western Slope entities and improvements to the environment, some of which is contingent upon issuance and acceptance by Denver Water of permits necessary for the Gross Reservoir Expansion Project. Denver Water has paid \$11.7 million to date.

*One Water.* In September 2021, the City culminated a two-year effort by publishing its Denver One Water Plan. The One Water Plan is collaborative effort with the major water entities in the Denver Metro area. Through interagency collaboration, multi-benefit projects, and strong policies the goal is to promote healthy watersheds in an equitable, economically, and environmentally beneficial manner, among other goals. Its overall goal is to create a common framework for reliably managing water systems to meet public and environmental needs while reducing costs, improving resilience, and enhancing community livability. Since most One Water projects aim to address water supply and demand challenges in a localized setting, they include a variety of site-specific components, such as water recycling, greywater reuse, and rainwater harvesting, which can be incorporated into land use planning. One of the most visible applications of One Water to date has been Denver Water’s recycled water system in the Administration Building called ReUse For Us or RUFUS. RUFUS will treat wastewater from the Administration Building through a multi-stage treatment system to meet the highest state standards for recycled water. That treated water will be reused for toilet flushing and landscape irrigation at the Administration Building. System startup, testing and commissioning are in progress as of summer 2022.

## **Ensuring Long-Term Water Needs Are Met**

*Planning for Climate Change.* Changes in long term weather patterns such as increasing temperatures, more extreme weather patterns, longer periods of drought and increased wildfires have impacted the State and Denver Water. Denver Water’s climate adaptation program, established in 2008, uses multiple tools to address climate change, including the following:

- Climate Adaptation Mainstreaming. Denver Water actively works to incorporate climate adaptation planning into every business function of the organization. This means including climate change and adaptation in plans, processes, and decisions throughout the organization.
- Long-Range Planning. Denver Water incorporates climate change in its long-range planning, including detailed scenario planning and investigation of the viability of various adaptation strategies (see “—Long Range Planning – *Capital and Financial Planning*” below).
- Research. To better understand potential risks and challenges posed by climate change, Denver Water directly engages with climate scientists such as the Western Water Assessment Regionally Integrated Science and Assessment program and the National Center for Atmospheric Research (“NCAR”) to “co-produce” the data, tools, and methods needed to consider climate change in assessments, planning, and decisions. For example, Denver Water and NCAR have developed a hydrologic model to understand the potential impacts of climate warming to the natural system and watersheds.
- Advanced Snow-Measurement Techniques. Since 2019, Denver Water has been utilizing the Airborne Snow Observatories (“ASO”) to measure the snowpack above Dillon Reservoir.

Innovations in snow-measurement technologies become increasingly important as the snowpack changes with climate change.

- Advanced Water Supply Forecasting. Denver Water is currently piloting an advanced water supply forecasting tool that combines physically based hydrology modeling with modern machine-learning techniques. This approach allows the water forecasting tools to adapt to a changing climate and changing river flow patterns.
- Algae Bloom Monitoring. Denver Water is currently piloting a tool that monitors algae blooms in reservoirs using near real-time satellite information. This will allow Denver Water’s water quality and treatment team to become more flexible in planning for and reacting to reservoir algae blooms, which occur more frequently with warmer temperatures.
- Water Quality Drought and Wildfire Plan. In recognition of increasing water quality and treatment risks from climate change, the water quality and treatment team at Denver Water has assembled a plan which analyzes impacts to water quality from drought and wildfire and discusses ways to address those impacts.
- Partnerships. Nationally, Denver Water works with other large water utilities through groups like the Water Utility Climate Alliance (“WUCA”), which Denver Water chaired in 2018 and 2019. Locally, Denver Water continues to be an active partner supporting the City’s climate adaptation planning and continues its leadership of the Front Range Climate Change group that brings State water practitioners and climate researchers together to stay informed on the latest science and inform the direction of new research initiatives.

***Environmental Stewardship.*** Denver Water is committed to improving its operations while remaining responsible stewards of the natural environment and contributing to a vibrant community. Such improvements include transitioning the fleet towards hybrid and electric options, piloting in-channel hydropower, reducing waste with centralized waste systems and recycling/compost programs, and updating fixtures at outlying facilities to meet LEED standards. Denver Water also has an Environmental Management System to ensure compliance with regulations and best practices.

Denver Water operates hydropower units with a combined capacity over 25 megawatts and in January 2020, put 1.3 megawatts of solar power online to make its new administration building net zero energy. In 2020, Denver Water achieved net zero energy (electricity and equivalents for natural gas) across all facilities and operations. The expansion of Gross Reservoir and completion of the Northwater Treatment Plant will further increase Denver Water’s hydropower production.

Denver Water’s new administration building has an onsite wastewater treatment and reuse system (RUFUS). Purified water will be used for irrigation and toilet flushing – the first system of its kind in the State. In addition, rainwater will be collected, stored and used for irrigation. Through these innovative solutions, Denver Water intends to demonstrate the future of sustainable urban water use in the State.

Denver Water’s efforts in sustainability and environmental stewardship have been recognized through multiple awards. A Sustainability Guide, available on Denver Water’s website, lists goals, standards and commitments for water, energy and transportation, land and ecosystems, materials, people and assets.

***Watershed Protection.*** Wildfires and post-fire storms remain one of the biggest threats to Denver Water’s raw water supply. Two of the State’s largest wildfires, the Buffalo Creek fire in 1996 and the Hayman fire in 2002, burned over a combined 230 square miles (150,000 acres) in the South Platte River watershed. Rainfall after the Buffalo Creek fire brought 1 million cubic yards of sediment into Strontia Springs Reservoir, critically threatening Denver Water infrastructure. These two fires cost Denver Water approximately \$27.7 million in water quality treatment, sediment and debris removal, and operational challenges. A combination of



targeted forest management practices, including fuels reductions, prescribed fire, biomass removal, and revegetation efforts, serve to mitigate the potential of high-intensity wildfires and consequential adverse sediment and water quality impacts. The goal of forest management is not to eliminate the presence of fire on the landscape. Instead, mitigation efforts seek to reduce the severity of wildfires and destructive insect and disease outbreaks that critically impact water supplies.

In 1985, Denver Water entered into an agreement with the Colorado State Forest Service (the “CSFS”) to address these concerns. CSFS has been Denver Water’s forester since this first agreement. The current (2018-2022) Forest and Land Management Services Agreement (the “FLMSA”) with CSFS seeks to manage over 50,000 acres of forested land on Denver Water property across eight counties and five CSFS field offices.

In 2010, Denver Water entered into the From Forests to Faucets Partnership with the Rocky Mountain Region of the U.S. Forest Service (the “USFS”) as a response to the costly impacts from a series of wildfires, including the 1996 Buffalo Creek and 2002 Hayman wildfires. A second From Forests to Faucets agreement, signed in 2017, expanded the program to include the CSFS and the Natural Resources Conservation Service (the “NRCS”) (the two From Forests to Faucets agreements discussed above are collectively referred to herein as the “Partnership”). The inclusion of the State Forest Service and NRCS allows Denver Water to achieve forest treatments on private and State lands within the watershed. Between 2010 and 2022, the Partnership completed over 120,000 acres of forest restoration projects and planted over 1.4 million trees in wildfire burn scars. Since the Partnership began, the partners have committed over \$66 million in forest management projects in critical water supply watersheds for Denver Water. Treatment of the entire watershed is not cost-effective nor desirable. Denver Water invests in forests treatments within targeted zones of concern to achieve the greatest risk reduction in priority areas.

Investments in proactive forest management by Denver Water have proven to be successful at protecting Denver Water’s watersheds. In June of 2018, a wildfire broke out in Silverthorne, Colorado. With red flag drought conditions, the Wildland Fire Decision Support System estimated a wildfire in the area would cause approximately \$913 million in damages from the loss of homes and infrastructure. Instead, firefighters were able to aggressively combat the flames from the fuel breaks implemented several years prior. Benefiting from hazardous fuels reduction and fuel breaks funded through the From Forests to Faucets program, the wildfire was able to be contained before any homes were lost. The treatments, which required approximately \$1 million in proactive investments, saved almost \$1 billion in private and public infrastructure and protected the watershed from a catastrophic fire.

While wildfires are one of the greatest threats to the raw water supply, they are not the only threat. Denver Water’s Watershed Planning Program assesses water quality and additional watershed risks throughout the collection system. Additional risks include increased development, wastewater discharges, agriculture, active and abandoned mines, recreation, transportation, and climate change impacts. The Watershed Planning Program assesses risks and water quality based on impacts to Denver Water’s three watershed values: 1) drinking water treatability, 2) infrastructure protection, and 3) community and environmental stewardship. From these assessments, priorities are created and projects are identified for future implementation to mitigate these risks. In addition to planning, designing, and implementing watershed projects, the Watershed Planning Program is intended to be a clearinghouse for data, tools, and accomplishments that is accessible across the organization and specific to Denver Water’s collection system.

## **Risk Management**

**General.** Denver Water is exposed to various risks of loss and uses a multi-prong approach in managing risks. The objective of Denver Water’s Enterprise Risk Management program is to support the mission, vision, and strategic objectives of the organization by integrating risk management into Denver Water’s management structure and processes to facilitate risk-informed decision making. It accomplishes this objective by using a systematic, structured and timely process for assessing risks across the entire organization.

The risk assessment process consists of risk identification, analysis, evaluation, and treatment. Identified risks are assessed and prioritized through different lenses such as velocity, likelihood and impact to the organization. Once prioritized, management will take one of the five strategic directions - Accept, Avoid, Mitigate, Transfer, or Exploit. Denver Water has established a Risk Management Policy and a Procedure that govern the risk management philosophy and process. Risk management strategies identified by this process are regularly monitored and reported to the Risk Management Executive Council (executive team) quarterly and the Board semi-annually. If the decision is to accept a risk, management will evaluate options on whether to fully retain the risk or transfer risk to a third party over a certain limit.

For one of its facilities, Denver Water decided to pursue litigation as part of its strategy to mitigate a risk. The Board has an ownership interest in water stored in Wolford Mountain Reservoir (“Wolford”), a reservoir located on Muddy Creek, north of Kremmling, Colorado. In 1992, the Board entered into a capital lease agreement with the Colorado River Water Conservation District (the “CRWCD”) whereby the CRWCD was required to construct Ritschard Dam and Wolford Mountain Reservoir (“Wolford”). In early 2019, the CRWCD observed a small crack on the surface of the road crossing the top of the dam. The CRWCD, along with the Colorado State Engineer and Denver Water, undertook a comprehensive dam safety evaluation. The analysis resulted in a Comprehensive Dam Safety Evaluation Report (the “CDSE Report”), which concluded that the ongoing movement of the dam is likely to lead to embankment core cracking and initiation of internal erosion, and that the core is likely to crack in the near term, if it has not already done so. In 2021, pursuant to the capital lease agreement, CRWCD conveyed ownership of 40% of the capacity and 40% of the water right (but not of the land or structures) of Wolford to Denver Water, at which point Denver Water assumed responsibility for a 45.33% share of Wolford’s operation, maintenance and rehabilitation costs. Later that same year, after many attempts to resolve the situation, Denver Water sued the CRWCD claiming that the CRWCD failed to properly oversee the construction of the Ritschard Dam and failed to operate, maintain, and rehabilitate the dam to correct its defective condition. The litigation seeks to have the CRWCD bear sole responsibility for the costs of rehabilitating the dam.

Denver Water manages other risks through a combination of self-insurance and third-party risk transfer by purchasing insurance. Denver Water’s general liability, automobile, workers’ compensation, and employee medical, dental and vision benefits are covered by self-insurance. The medical, dental, vision and workers’ compensation claims are administered by commercial claims servicers and the exposure is limited to \$500,000 per claim for medical and worker’s compensation. Claims exceeding \$500,000 are covered by stop-loss coverage for medical and excess workers’ compensation liability coverage for workers’ compensation claims. Denver Water also carries commercial insurance for employee life, disability and accidental death and dismemberment. As a governmental entity, Denver Water’s liability for actions that could lie in tort is limited under the Colorado Governmental Immunity Act.

Denver Water has purchased insurance to transfer risk including property, terrorism, excess liability, fiduciary, cyber, malicious attacks and crime. The commercial property insurance covers catastrophic losses, such as floods and earthquakes to Denver Water’s major facilities and pump stations and limited coverage for other miscellaneous locations. The terrorism insurance covers a broader range of risks that expand to non-certified acts of terrorism; the insurance includes coverage for first and third-party losses. The excess liability includes coverage for general liability, auto, law, public officials’ liability, and employment practice liability. The fiduciary liability insurance is used to protect the assets of Denver Water’s employee retirement plans. The plans insured are the defined benefit plan and the two defined contribution plans. Cyber insurance covers losses due to cyber-attacks to Denver Water’s networks. Some of the included coverages are a dedicated cyber incident response team, digital data recovery, business interruption loss, and third-party liability coverage for payment card losses. Denver Water’s malicious attack insurance covers losses for scenarios such as an active shooter or unpeaceful protests. Malicious attack insurance coverage provides crisis management and limits property and business interruption losses. Finally, the crime insurance includes coverage for employee dishonesty, forgery of credit, debit, or charge card, monies and securities on premise or in transit, computer fraud, and fund transfer fraud.

Denver Water has utilized traditional contractual risk transfer, contractor-controlled insurance programs and other alternative insurance programs to manage risks associated with capital projects and other general contracts. It obtains indemnification and hold-harmless agreements which requires that contractors name Denver Water as an additional insured under the indemnitor's insurance coverage. All contractors and vendors are required to provide performance bonds as required by law and proof of insurance coverage appropriate for the contract which may include builder's risk insurance, commercial general liability, professional liability, and workers' compensation insurance.

***Emergency Management.*** Denver Water's Emergency Management, Safety and Security team plans and exercises response strategies for different types of potential emergencies using an all-hazards approach. This team manages the consequences associated with many potential business disruptions including wildfire, flood, asset failure, water quality, pandemic, and communicable disease. Denver Water has developed Continuity of Operations Plans ("COOP") to ensure critical operations continue, even during emergencies. Additionally, Denver Water maintains and exercises Emergency Action Plans that describe response roles and responsibilities in the event of an incident at a particular facility. Denver Water also participates in planning and drills with local governments and law enforcement agencies to plan and practice how emergency response would be coordinated for an incident that extends beyond its facilities. As part of this regional cooperation, Denver Water has agreements in place for employees to receive medical treatment if necessary as well as mutual aid agreements with other utilities should a situation dictate supplemental resources or staffing.

***Cybersecurity Risk.*** Like other businesses, Denver Water faces the threat of a cybersecurity attack. To combat these threats, Denver Water has a dedicated cyber security team that has adopted the U.S. Commerce Department's National Institute of Standards and Technology's Cybersecurity Framework to provide a high-level, strategic view of management of cybersecurity risk. Denver Water regularly tests its controls to identify and remediate any potential weaknesses in Denver Water's systems.

Denver Water will continue to assess cyber threats and protect its data and systems, with a conscious effort to prioritize work based on potential impact of issues and the likelihood of those issues manifesting into an incident. Denver Water will continue to educate its employees on applying best security practices and cybersecurity incident response handling which are demonstrated at least annually.

## **Long-Range Planning**

Denver Water has an adaptable long-range planning approach that considers the challenges of a warming climate and ensures a diversity in supply and delivery, along with efficiency in use. Denver Water seeks to weigh the consequences of decisions against multiple scenarios to preserve future options. This planning effort includes the use of several different tools, described below.

***Denver Water Strategic Plan and Annual Business Plan.*** Denver Water's current Strategic Plan (the "Strategic Plan"), approved in April 2022, sets the direction of the organization for the next five to seven years. The Strategic Plan provides guiding principles to ensure Denver Water's decisions are weighed against customer centricity, industry leadership, taking the long-term view and inclusivity. Denver Water's four strategic perspectives – Excellent Operations, Strong Financials, Inspired People and Trusted Leader – provide Denver Water with a balanced and holistic approach to the Strategic Plan's goals and corresponding objectives and direct Denver Water's annual priorities.

Each year, Denver Water analyzes progress toward its Strategic Plan goals and objectives and identifies key strategic priorities to help achieve these objectives. This exercise culminates in the creation of the Annual Business Plan. The Annual Business Plan is a high-level summary of the work that Denver Water is committed to accomplishing in the upcoming year. It describes the connection of each activity to a Strategic Plan perspective, goal and objective, the organizational metric the activity is intended to move, and the corresponding annual budget amount and estimated total cost. The Annual Business Plan includes organizational priorities, organizational programs, and continuous improvement activities. The Board reviews

progress towards Annual Business Plan objectives on a quarterly basis. The Annual Business Plan is developed for the following year by the end of the second quarter and forms the basis for the annual budget.

Denver Water recently expanded its annual project planning process with the implementation of an Enterprise Project Management Office (the “EPMO”). The EPMO uses the foundations of the Annual Business Plan, capital budgeting philosophy, asset management philosophy and financial management philosophy, as well as using inputs from Denver Water’s Integrated Resource Plan (the “IRP”), to ensure Denver Water delivers the right projects at the right time and at the right cost. The EPMO effort has resulted in a unified annual planning process that includes best practices in project management, project governance, and project control mechanisms.

***Capital and Financial Planning.*** Denver Water uses an Integrated Resource Planning Process (the “IRP Process”) to prepare for future supply and demand uncertainties by planning for a range of plausible alternative future conditions rather than taking the more traditional approach of extrapolating current trends to inform a single future. The IRP Process investigates future water collection, treatment, distribution, and recycling system needs along with levels of service to customers, water-demand projections, and demand-management alternatives to guide decisions regarding quality and treatment, conservation and water efficiency opportunities, and new supply and facility needs. In addition, the IRP Process examines potential challenges to the System such as climate change effects, more severe and frequent droughts, changes in demographics, social values, water use patterns, watershed alterations such as those caused by beetle kill and forest fires, Colorado River water shortages, and economic, regulatory, and technological changes. Finally, the IRP Process informs the Board’s goals regarding System reliability, strategic water reserves and Denver Water’s role in regional and statewide water activities.

Denver Water maintains multi-year operating, capital and financial plans that are aligned with the Strategic Plan and informed by the IRP. Denver Water’s Infrastructure Master Plan takes a multidisciplinary look at Denver Water’s operations and facilities to identify projects in the Capital Plan (the “Capital Plan”). The Capital Plan forecasts additions, improvements, and replacements to system facilities based on projected demands for water, Federal and State laws and regulations, and ongoing System requirements. The Operations and Maintenance Plan includes the ongoing costs of operating and maintaining the System and the impact of the Capital Plan on operations. The Financial Plan combines the Capital and Operations and Maintenance plans and determines the level of revenue adjustments needed to meet annual revenue requirements and funding sources for capital improvements for the next several years. The annual revenue requirements include operating expenses, debt service on existing and proposed bonds, and capital expenditures. These expenditures are offset through miscellaneous revenues such as hydropower, customer-related fees, system development charges, bond proceeds, participation, and interest income. The net requirement is the amount recovered through the user rates. The multi-year Financial Plan helps minimize year-over-year volatility in water rates. Alternative financial plans that address potential revenue shortfalls are also analyzed as a part of the long-range planning effort. These long-range plans inform annual budgets.

## **Capital Improvements**

***General.*** For planning and budgeting purposes, Denver Water classifies capital expenditures by the operational category that they support, e.g., “Collection,” “Distribution,” “Expansion”, “Operations Support,” “Treatment,” and “Other.” Each category is comprised of programs that specify unique activities and work that can be measured against key operational metrics, such as asset management and risk, for that category. The categories are described below:

- **Collection.** Comprised of dams, reservoirs, canals, and pipelines;
- **Distribution.** Comprised of mains, vaults, pump stations, and conduit programs;
- **Expansion.** Comprised of supply development and downstream reservoir programs;

- Operations Support. Comprised of services such as fleet, trades work, warehousing, and technology infrastructure, software and systems that support the organization;
- Treatment. Comprised of water treatment plants; and
- Other. Comprised mostly of Lead Reduction Program expenditures.

A summary of the capital improvement plan for the next five years is set forth in the following table. Total capital expenditures are expected to amount to \$1.6 billion over the next 5 years. Of this amount, 57% is expected to be debt-financed and the remaining 43% is to be cash funded.

**Denver Water 2022-2026 Capital Budget and Capital Improvement Plan**  
(amounts expressed in thousands)<sup>(1)</sup>

	2022	2023	2024	2025	2026	Total
<b>Capital Projects by Category</b>						
Collection	\$ 185,992	\$126,157	\$ 158,774	\$163,952	\$ 77,117	\$ 711,992
Distribution	40,190	59,088	56,989	48,888	57,191	262,346
Expansion	4,542	3,330	6,055	12,340	19,550	45,817
Operations Support	19,351	13,393	9,893	11,050	8,050	61,737
Treatment	107,757	75,288	23,899	11,250	11,500	229,694
Lead Reduction Program/Other	74,981	84,390	70,561	68,212	44,089	342,233
<b>Total Capital Program</b>	<b>\$ 432,813</b>	<b>\$ 361,645</b>	<b>\$ 326,171</b>	<b>\$ 315,692</b>	<b>\$ 217,497</b>	<b>\$1,653,818</b>
Less						
Participation Receipts <sup>(2)</sup>	\$ (32,239)	\$ (52,424)	\$ (56,862)	\$ (35,620)	\$ (21,290)	\$ (198,435)
<b>Total Capital Program Less Participation Receipts</b>	<b>\$ 400,574</b>	<b>\$ 309,221</b>	<b>\$ 269,309</b>	<b>\$ 280,072</b>	<b>\$ 196,207</b>	<b>\$1,455,383</b>

<sup>(1)</sup> Figures may not total due to rounding.

<sup>(2)</sup> Payments for capacity in specific facilities owned by Denver Water to serve specific groups of customers less CRCA Participation Costs.

**Largest Projects.** The largest projects for the years 2022 through 2026 in the schedule above include North System Renewal Project, Main Replacements and Improvements, and the Lead Reduction Program. Proceeds from the Series 2022A Bonds will be used to fund a portion of capital expenditures.

*North System Renewal Project.* The North System Renewal Project includes Gross reservoir Expansion, the Northwater Treatment Plant and Conduit 16 improvements. The estimated total project cost is \$1.3 billion of which \$868.4 million would be expended over the next five years.

*Gross Reservoir Expansion.* The Gross Reservoir Expansion Project will raise the elevation of the Gross Reservoir dam by 131 feet, increase the storage capacity of the dam by 77,000 acre-feet and increase the annual yield by 18,000 acre-feet. The additional capacity will mitigate possible supply shortages to the north end of the system and provide increased operational redundancy. Construction activities began in April 2022 with a target completion of 2027.

*The Northwater Treatment Plant.* The Moffat Water Treatment Plant (the “Moffat WTP”) began operations in 1938 with 10 rapid sand filters and a total filtration capacity of 50 million gallons a day (“MGD”). The plant was enlarged in 1955 and again in 1974, adding 18 rapid sand filters and an additional 135 MGD of capacity for a total of 185 MGD. The Moffat WTP was de-rated from 185 million gallons per day to 120 MGD in 2018 and then to 80 MGD in 2021. Because the plant is coming to the end of its useful life, Denver Water evaluated whether to renovate the existing facility or construct a new plant. An engineering study determined there were more risks associated with renovating the existing facilities, and the cost differential between the two options was not significant. The Northwater Treatment Plant (“NTP”) located next to Ralston Reservoir, north of the City of Golden, in Jefferson County, will be capable of treating up to 75 MGD with room for expansion to 150 MGD. NTP will feature state-of-the-art water treatment technology,

include hydropower production and be a net energy producer. Additionally, it will be equipped with disinfection technology that will provide more flexibility to react to changes in water quality. Construction of the NTP started in 2018 and is expected to be completed by 2024. Once online, NTP will allow Denver Water to phase out capacity at Moffat WTP. A portion of the Moffat WTP could remain in service through 2040, and the project includes improvements at the Moffat site to convey treated water from both NTP and Moffat WTP to the distribution system.

*Main Replacements and Improvements.* Denver Water is working to achieve its annual goal of 1% replacement of its 2,740 miles of water main piping in its distribution system by 2026, while also investing \$32 million per year after that for ongoing maintenance of the distribution system. Total estimated cost over the next five years is \$128.1 million.

*Lead Reduction Program.* In 2012, Denver Water sampling results showed lead levels at 17 parts per billion (“ppb”), an exceedance of the 15 ppb lead action level. Under the Safe Drinking Water Act (“SDWA”), 42 U.S.C. § 300f—300j-9, this triggered a study of Denver Water’s corrosion control treatment used to minimize lead levels at customers’ taps. As a result of Denver Water’s evaluation, the Colorado Department of Public Health and the Environment (the “CDPHE”) designated orthophosphate as optimal corrosion control treatment (“OCCT”) for the System. Because of concerns with the impact of orthophosphate treatment on the System and of increased phosphorus loading on the South Platte watershed and regional wastewater treatment plants, in 2019 Denver Water applied for a variance from the SDWA to implement its LRP in lieu of orthophosphate as OCCT.

In December 2019, the Environmental Protection Agency (“EPA”) and the CDPHE approved Denver Water’s proposal to develop and launch its LRP. The LRP is a holistic lead management strategy that requires an accelerated lead service line replacement schedule so that all lead service lines within Denver Water’s Combined Service Area are replaced by December 31, 2034. The LRP provides for distribution of filters to customers, and controls corrosion through pH/alkalinity adjustments. Additionally, under the LRP, Denver Water developed a comprehensive lead service line inventory and conducts an extensive community outreach campaign. Upon the commencement of the project, Denver Water estimated that there were between 64,000 to 84,000 lead service lines throughout the Combined Service Area. Denver Water currently has about 312,000 service lines in its System.

Prior to the EPA’s approval of Denver Water’s LRP, about 1,200 customer-owned lead service lines were being replaced every year in Denver Water’s Combined Service Area, which included replacing customer-owned lead service lines whenever they were encountered during routine water main replacement or major road construction work. Under the LRP, Denver Water is replacing at least 4,477 lines annually. Denver Water will replace all the lead service lines in the Combined Service Area, at no direct cost to those customers. Denver Water started replacing these lines in 2020 and has replaced over 10,000 lead services lines in the first two years of the LRP. Consistent with the EPA’s order, more than 100,000 pitchers and water filters certified to remove lead were distributed to customers enrolled in the LRP to use for drinking, cooking and preparing infant formula. Customers will continue to receive replacement filters until the lead service line can be replaced. The cost incurred in accelerating the LRP will be accounted for as regulatory assets, under GASB 62, and amortized over thirty years. The original program budget for the LRP was \$681 million over fifteen years, of which \$342.5 million is expected to be spent over the next 5 years. By its terms, the variance expires January 1, 2023. Denver Water is working with EPA and CDPHE toward a new variance, which is expected to be finalized later this year.

On August 10, 2021, the Internal Revenue Service (“IRS”) issued Private Letter Ruling 103012-21, which analyzed Denver Water’s use of proceeds from the issuance of Denver Water’s Series 2021A Bonds to finance the LRP. The IRS concluded that the Bonds would not meet the private security or payment test because the payments that are both received from customers that are private business users of pipes replacing the lead service lines and attributable to the costs of replacing the lead service lines do not exceed ten percent.

The Bipartisan Infrastructure Law (“BIL”) was signed into law on November 15, 2021. Among other things, the BIL provides funding for replacement of lead service lines by allocating money to State Revolving Funds (“SRF”). The Colorado Water Resources and Power Development Authority administers the SRF. Denver Water is in the process of applying for SRF funds to allow it to replace additional lead service lines each year and complete the LRP more quickly.

## FINANCIAL INFORMATION

### Financial Policies

Denver Water has financial policies and procedures that constitute the basic framework for the financial management of Denver Water. These policies and procedures serve as a foundation for long-term financial planning and annual budgeting and support one of the Board’s strategic objectives of financial strength and stability.

### Sources of Revenue

Denver Water derives revenue from the following sources: water sales (84.3% of all revenues in 2021), power generation and other receipts (3.2%), System Development Charges (9.9%), other income (1.3%), proceeds from contributions in aid of construction (“CIAC”) and prepaid CIAC (1.1%), and proceeds from sales of capital assets (0.2%).

**Water Sales.** The majority of revenues are generated from sales of water to customers. These revenues are used to pay for normal operation and maintenance, replacement of facilities, plant additions and debt service. Approximately 53% of 2021 billed treated water sales revenue was derived from outside the City, although only approximately 47% of customers are located outside the City. Water provided to outside City customers is billed at a higher rate than inside City customers. See also “FINANCIAL INFORMATION — Rate Structure.”

**Power Generation and Other Receipts.** Power generation receipts are receipts from the sale of surplus power provided by seven power generating facilities in the System (Dillon, Foothills, Gross, Hillcrest, Roberts Tunnel, Strontia Springs, and Williams Fork). The Board has contracts with local energy companies (Xcel Energy and Tri-State Generation and Transmission Association) to purchase energy for the System and sell surplus energy generated back to these companies. The energy generated substantially offsets the energy purchased, limiting the Board’s exposure to future increases in energy purchases. In addition, this category includes special assessments, such as delinquent charges, hydrant and other meter related revenue, distribution inspection charges and title transfer fees, as well as other operating revenue sources, including reimbursements for operating expenses and other water delivery charges.

**System Development Charges.** System Development Charges (“SDCs”) represent fees charged for new connections to the System. Instituted in 1973, SDCs assist in funding expansion-related capital expenditures and water rights costs. SDC applies to any applicant for a license to take water through the System or through a system deriving its supply from Denver Water. This charge is assessed upon application for a new tap and is based on: (a) the gross square footage of a single-family residential lot; (b) the number of units in a multi-family residential building; (c) the size of the connection (meter size) required for a non-residential building; and (d) the estimated acre-feet of water demand.

**Investment Income.** Denver Water’s investment portfolio is designed to meet daily and annual needs for cash, as well as longer term needs such as exposure reserves and future capital projects. The majority of the portfolio is invested in highly rated short-term instruments but may also include investment grade corporate bonds and government securities. The maximum maturity of any investment is five years. The portfolio is accounted for in accordance with Government Accounting Standards Board Statement No. 72 *Fair Value Measurement and Application*.

**Other Income.** Other receipts consist of reimbursements for various nonoperating expenses, rental revenue, water delivery charges related to Denver Water intergovernmental agreements and revenue received from managing customer billing for other organizations.

**Proceeds from CIAC and Prepaid CIAC.** This category represents facilities, or cash payments for facilities, conveyed to the distribution system from property owners, governmental agencies, and customers who receive benefit from such facilities.

**Proceeds from Sales of Capital Assets.** Receipts from disposal of properties, vehicles, equipment, mains and hydrants and other assets.

**Customer Diversification.** Denver Water does not depend on any one individual customer or any group of customers for a major portion of its revenue. Denver Water's treated water use is divided among: single-family and small multi-family homes (41%), business and industry (28%), irrigation (5%), the City (2%), and water for resale (24%).

The 10 largest retail customers received 2,726 million gallons of treated water and accounted for \$12.3 million or approximately 3.9% of total water sales revenue received in 2021. In addition to the 10 largest retail accounts above, the City received 1,901 million gallons of treated water, for sales revenue totaling \$5.7 million.

## **Rate Structure**

Under the Charter, the Board is empowered to set rates for all of its customers. For customers within the City, these rates are to be as low as good service will permit, although sufficient to pay for operation, maintenance, reserves, debt service, additions, extension and improvements, including those reasonably required for the anticipated growth of the Denver metropolitan area, and to provide for the City's general welfare. The rates also may be sufficient to provide for the accumulation of reserves for improvements of such magnitude that they cannot be acquired from the surplus revenues of a single year. Since its inception, the Board has set rates at a level sufficient to service its debt and to meet its expenses of operation and maintenance. See also "SECURITY FOR THE 2022A BONDS — Rate Covenants."

The Board reviews and updates the financial plan at least annually to ensure revenue from rates is sufficient to meet expenditures. The Board can modify rates at any time, without oversight by the Public Utilities Commission or any other State agency. The rate adoption process includes a 30-day public comment period prior to a vote by the Board on proposed rates. Rates are effective 60 days after the successful adoption of the rates. Rate increases are generally adopted in October and implemented in January of the following year. In October 2021, Denver Water adopted a new rate schedule, which went into effect January 1, 2022.

All Denver Water customers are grouped into customer classes (residential, non-residential, irrigation only, etc.), and by location of residence or facility, either inside City boundaries or outside City boundaries, and inside or outside the Combined Service Area. The Board sets the rates for the Combined Service Area based on the results of an annual cost of service rate study. The Charter specifies that rates for Outside City customers are to be based on the cost to provide service plus an additional amount.

There are two components to Denver Water's service rates: a monthly fixed fee based on the meter size and a volume rate charge per 1,000 gallons consumed. The fixed fee, which was implemented in 2015, provides a stable funding base for the fixed costs of operating and maintaining the System and reduces revenue variability. The volume charge structure varies based on the customer class. Customers are billed on a monthly basis. The fixed fee recovers the cost of meter reading and billing, as well as a portion of general administrative expenses and a portion of capacity-related costs. It is designed to account for approximately 20% of total revenue. The volume charge recovers the remainder of operation and maintenance costs, annual payments on existing and proposed debt service and cash-funded capital expenditures.



The following tables set forth Denver Water’s monthly fixed charges and treated water volume rates effective January 1, 2022.

**Monthly Fixed Charges, \$ per Bill**

<i>Meter Size inches</i>	<i>Inside City of Denver</i>	<i>Outside City</i>		
		<i>Read &amp; Bill</i>	<i>Total Service</i>	<i>Wholesale</i>
5/8” & 3/4”	\$17.20	\$17.20	\$17.20	\$17.20
1”	24.20	24.20	24.20	24.20
1 1/2”	45.93	45.93	45.93	45.93
2”	76.06	76.06	76.06	76.06
3”	161.56	161.56	161.56	161.56
4”	281.40	281.40	281.40	281.40
6”	624.80	624.80	624.80	624.80
8”	1,104.86	1,104.86	1,104.86	1,104.86
10”	1,722.28	1,722.28	1,722.28	1,722.28
12”	2,477.80	2,477.80	2,477.80	2,477.80

**Treated Water Volume Rates, \$ per 1,000 gallons**

<i>Customer Class</i>	<i>Tier Threshold 1,000 gallons</i>	<i>Inside City of Denver</i>	<i>Outside City</i>		
			<i>Read &amp; Bill</i>	<i>Total Service</i>	<i>Wholesale</i>
<b>Single Family Residential</b>					
Tier 1	0 to AWC <sup>(1)</sup>	\$2.44	\$2.72	\$3.73	
Tier 2	AWC + 15	4.39	4.89	6.71	N/A
Tier 3	Greater than AWC + 15	5.86	6.52	8.95	
<b>Nonresidential</b>					
Tier 1	0 to AWC	\$2.88	\$3.35	\$4.40	
Tier 2	AWC to 4 x AWC	4.03	4.69	6.16	N/A
Tier 3	Greater than 4 x AWC	4.61	5.36	7.04	
<b>Irrigation</b>					
Winter (Nov. 1 through April 30)		\$1.44	\$1.52	\$2.07	N/A
Summer (May 1 through October 31)		5.76	6.08	8.28	
<b>Wholesale</b>					
Master Meter					\$4.60
Outside the Combined Service Area					4.66

<sup>(1)</sup> “AWC” is defined as a customer’s average winter consumption, which is used to determine the Tier 1 Threshold.

The table below compares typical monthly winter and summer water bills for single family residential customers within the City and County of Denver and outside the City and County of Denver.

**Comparison of Typical Residential Monthly Winter and Summer Water Bills<sup>(1)</sup>**

<i>Type of Service</i>	<i>Based on Calendar Year 2022 Rates</i>	
	<i>Winter</i>	<i>Summer</i>
Inside City	\$26.96	\$ 77.69
Outside City (Read and Bill)	28.07	84.58
Outside City (Total Service)	32.12	109.66

<sup>(1)</sup> Estimated water bills are based on 2022 rates and service charges effective January 2022. Winter is defined as the six-month period November through April, and summer is defined as the six-month period May through October.

The Board has raised rates annually for the last 25 years. The 2022 overall revenue increase is 4%. The Board reviews and sets rates annually to ensure funding for critical infrastructure projects and to avoid rate volatility from infrequent and larger rate increases. Staff anticipates proposing a revenue increase of at least 3.5% annually for 2023-2027.

### **Historical Financial Operations**

Set forth in the following table are comparative operating statements of the System for the past five years presented in accordance with accounting principles generally accepted in the United States of America (“GAAP”) applicable to governmental entities. The 2021 information is based on audited financial statements. The information in the table should be read together with the 2021 audited financial statements appended to this Official Statement. Preceding years’ annual financial statements may be obtained upon request directed to the Board or the Financial Advisor. See “— Sources of Revenue” above, “DEBT STRUCTURE — Historical and Budgeted Net Revenue and Debt Service Coverage” and “THE SYSTEM — Capital Improvements.”

**Statements of Revenues, Expenses and Changes in Net Position**  
(amounts expressed in thousands)

<b>Operating Revenues:</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Water	\$ 286,139	\$ 307,743	\$ 303,728	\$ 343,027	\$ 323,711
Power Generation and Other	<u>12,366</u>	<u>12,813</u>	<u>13,427</u>	<u>14,174</u>	<u>12,283</u>
Total Operating Revenues	<u>298,505</u>	<u>320,556</u>	<u>317,155</u>	<u>357,201</u>	<u>335,994</u>
<b>Operating Expenses:</b>					
Source of Supply, Pumping, Treatment and Distribution	84,733	88,231	107,693	93,901	100,878
General and Administration	97,926	99,469	104,741	100,059	93,081
Customer Service	11,001	11,660	14,198	13,669	13,440
Depreciation and Amortization	<u>62,348</u>	<u>51,667</u>	<u>51,345</u>	<u>55,691</u>	<u>60,919</u>
Total Operating Expenses	<u>256,008</u>	<u>251,027</u>	<u>277,977</u>	<u>263,320</u>	<u>268,318</u>
<b>Operating income:</b>	42,497	69,529	39,178	93,881	67,676
<b>Nonoperating Revenues (expenses)</b>					
Investment Income	2,140	6,219	8,394	2,890	(1,334)
Interest Expense <sup>(1)</sup>	(12,711)	(22,093)	(21,603)	(21,293)	(25,022)
Loss on Disposition of Cap Assets	(11,443)	(2,823)	(18,475)	(5,754)	(4,587)
Other Income	7,996	6,982	8,275	7,284	4,989
Other Expense	<u>(2,657)</u>	<u>(3,869)</u>	<u>(2,175)</u>	<u>(1,515)</u>	<u>(4,985)</u>
Total nonoperating expenses, net	<u>(16,675)</u>	<u>(15,584)</u>	<u>(25,584)</u>	<u>(18,388)</u>	<u>(30,939)</u>
<b>Income (loss) before capital contributions</b>	25,822	53,945	13,594	75,493	36,737
<b>Capital Contributions</b>					
Contributions in Aid of Construction	14,781	19,113	15,957	21,167	22,310
System Development Charges	<u>42,486</u>	<u>40,880</u>	<u>38,561</u>	<u>22,456</u>	<u>38,236</u>
Total Capital Contributions	<u>57,267</u>	<u>59,993</u>	<u>54,518</u>	<u>43,623</u>	<u>60,546</u>
<b>Increase in Net Position</b>	83,089	113,938	68,112	119,116	97,283
<b>Net Position, Beginning of Year</b>	2,005,447	2,080,683	2,194,621	2,275,672	2,394,788
Cumulative effect of new GASB implementations <sup>(2)</sup>	<u>(7,853)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Cumulative effect of amortization adjustment <sup>(3)</sup>	<u>--</u>	<u>--</u>	<u>12,939</u>	<u>--</u>	<u>--</u>
<b>Restated beginning net position</b>	1,997,594	2,080,683	2,207,560	2,275,672	2,394,788
<b>Net Position, End of Year</b>	<u>\$ 2,080,683</u>	<u>\$ 2,194,621</u>	<u>\$ 2,275,672</u>	<u>\$ 2,394,788</u>	<u>\$ 2,492,071</u>

(1) In 2018, GASB Statement No. 89 Accounting for Interest Cost Incurred before the End of a Construction Period was implemented, and all interest costs incurred were recognized as an expense in the financial statements. In 2017, prior to implementation, \$7.2 million of interest expense was capitalized.

(2) The 2017 financial statements were restated as part of the implementation of GASB Statement No. 75 Accounting And Financial Reporting For Postemployment Benefits Other Than Pensions.

(3) Cumulative effect of Wolford Mountain Amortization Adjustment. In 2019, an interpretation pertaining to the nature of the Wolford Mountain lease assets was made that impacted the amortization taken on the lease. This resulted in the reversal of the \$12.9 million amortization taken on the Wolford Mountain lease through 2018 and an adjustment for the cumulative effect was made to 2019 beginning net position.

### Management's Discussion and Analysis

A narrative overview and analysis by management of the financial activities of the Board for 2021 is included as part of the 2021 Audited Financial Statements of the Board appended to this Official Statement.

### Budgets

Following the development of the Annual Business Plan in the second quarter of the year and updates to the multi-year financial plan in the first part of the third quarter, Denver Water begins the annual budget

development process. The budget development process is designed to ensure alignment between fiscal resources and organizational priorities for the upcoming year. From this, operating and capital budget targets are developed. The budget is presented to the Board in November at the annual budget workshop, and approval by the Board occurs in December. The approved budget is the main internal control document used to monitor and manage revenues and expenditures for Denver Water. The organization takes an active role in regular management of the budget to ensure proper fiscal governance and controls. This is done through the monthly budget management process, comprehensive quarterly performance reviews and the Comprehensive Annual Financial Report.

**2021-22 Budget Summary and Comparison.** Set forth below is a summary of Denver Water’s 2021 budget and actual 2021 financial results, as well as 2022 approved budget. The 2021 actual numbers may differ from the 2021 numbers provided in the foregoing table captioned Historical and Budgeted Net Revenue and Historical and Pro Forma Debt Service Coverage since the foregoing table is presented in conformance with GAAP and the following table is presented on a budgetary basis.

**Receipts and Expenditures 2021-22  
(amounts expressed in thousands)<sup>(1)</sup>**

	<i>2021 Budget</i>	<i>2021 Actual<sup>(2)</sup></i>	<i>2022 Budget</i>
<b>Sources of Funds</b>			
Water Sales	\$ 311,270	\$ 323,079	\$ 326,191
Hydropower	3,801	3,835	3,787
Other Operating Revenues	7,057	7,066	7,137
Proceeds from Sales of Assets	700	658	700
Other Income	8,066	7,778	7,906
Interest Income	1,480	1,112	1,169
System Development Charges	22,000	37,897	34,988
Participation Receipts	<u>5,485</u>	<u>4,142</u>	<u>32,239</u>
Subtotal	\$ 359,860	\$ 385,567	\$ 414,116
Debt Proceeds	<u>350,000</u>	<u>351,185</u>	<u>120,000</u>
<b>Total Sources of Funds</b>	<b>\$ 709,860</b>	<b>\$ 736,752</b>	<b>\$ 534,116</b>
<b>Uses of Funds</b>			
Operating Expenditures:	208,590	217,864	232,090
Capital Project Expenditures:	356,713	322,916	432,813
Debt Service:	<u>50,351</u>	<u>50,519</u>	<u>55,786</u>
<b>Total Uses of Funds</b>	<b><u>\$ 615,654</u></b>	<b><u>\$ 591,299</u></b>	<b><u>\$ 720,688</u></b>

(1) Figures may not total due to rounding.

(2) Actuals in this table are based on the basis of accounting used for budgetary purposes and may differ from numbers reported in accordance with the accrual basis of accounting in GAAP financial statements due to differences in timing of recognition of certain transactions or events.

**DEBT STRUCTURE**

**Denver Water as an Enterprise**

Denver Water is an “enterprise” of the City within the meaning of Article X, Section 20 of the State Constitution, referred to therein as the “Taxpayer’s Bill of Rights” and commonly known as “TABOR,” the effect of which is to exempt the Board from the restrictions and limitations otherwise applicable to the City under such constitutional provision. “Enterprises” are defined in TABOR as government-owned businesses authorized to issue their own revenue bonds and receiving less than 10% of their annual revenues in grants from all State and local governments combined. The constitutional provision contemplates that qualification as an “enterprise” is to be determined on an annual basis. The Board regards the possibility that it might be disqualified as an “enterprise” to be remote.

## Outstanding Bonds and Other Obligations

**Authority.** As amended by the City’s voters at the November 5, 2002 election, the Charter authorizes the Board to issue revenue bonds without prior voter approval. Prior to this amendment, the Board was authorized to issue both general obligation bonds and revenue bonds, in either case subject to prior approval of the City’s electorate except for certain refunding bonds. There are no longer any general obligation bonds outstanding. Denver Water has no legal debt limits. However, the Board has adopted a debt policy to direct the timing and use of debt.

**Outstanding Bonds.** The following table sets forth the Parity Bonds (excluding the Series 2022A Bonds).

### Outstanding Parity Bonds

<i>Issue</i>	<i>Principal Balance</i>
Series 2008A	\$ 120,000
Series 2012A	32,040,000
Series 2012B	16,315,000
Series 2014A	44,025,000
Series 2016A	70,085,000
Series 2016B	50,235,000
Series 2017A	137,985,000
Series 2017B	41,765,000
Series 2020A	141,030,000
Series 2020B	116,600,000
Series 2021A	<u>316,785,000</u>
Total Bonds	<u>\$ 966,985,000</u>

**Subordinate Line of Credit.** On December 12, 2018, Denver Water executed a 5-year credit agreement with PNC Bank, N.A., effective January 1, 2019, to provide a variable-rate revolving line of credit for a maximum initial principal amount of \$60.0 million. The credit facility contains an option to increase the credit amount to \$80.0 million. There was \$0 balance on the line of credit as of December 31, 2021. The line of credit contains a provision that in the event of default, the lender may take any or all of the following actions: (1) cease making any further advances, (2) convert the loan to a term loan at a specified default rate, (3) cause the default rate to apply to all outstanding amounts drawn on the line and (4) pursue any other remedies to which it is entitled under the credit agreement, at law or in equity. The line of credit has a subordinate pledge of and lien on the Net Revenue.

## Debt Service Requirements

Set forth in the following table are the future Debt Service Requirements (as defined in “APPENDIX B – Glossary of Terms”) with respect to the Series 2022A Bonds and other obligations of the Board that are payable from Net Revenue or other revenues of the System. These other obligations include the Outstanding Parity Bonds. See also “SECURITY FOR THE 2022A BONDS — Additional Obligations Payable from the Net Revenue,” “— Rate Covenants” and “DEBT STRUCTURE — Outstanding Bonds and Other Obligations.”

The Debt Service Requirements presented in the table are as of the date the Series 2022A Bonds are issued (the “Issue Date”) and are presented with respect to the principal amount of such obligations that will be outstanding as of the Issue Date.

**Debt Service Requirements for the Series 2022A Bonds and Outstanding Parity Bonds<sup>(1)</sup>**

<i>Series 2022A Bonds</i>				<i>Outstanding Parity Bonds<sup>(2)</sup></i>	<i>Total Debt Service</i>
<i>Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>		

Total

<sup>(1)</sup> Upon issuance of the Series 2022A Bonds. Totals may not add due to rounding.

**Historical and Budgeted Net Revenue and Debt Service Coverage**

The following table sets forth the Net Revenue collected, the debt service coverage for the Fiscal Years 2017 through 2021 and the budgeted Net Revenue and budgeted debt service coverage for 2022. These amounts have been determined in accordance with the Bond Resolution and are not intended to be a presentation in accordance with generally accepted accounting principles. Historical coverage levels are not intended to be a projection of future levels of debt service coverage on the Board’s outstanding financial obligations. See also “FINANCIAL INFORMATION — Budgets — 2021-22 Budget Summary and Comparison” for additional historical and budgeted information with respect to the Water Works Fund.

**Historical and Budgeted Net Revenue and  
Historical and Pro Forma Debt Service Coverage<sup>(1)</sup>  
(amounts expressed in thousands, except coverage ratios)**

	<i>Actual<sup>(2)</sup></i>					<i><u>Budget</u></i>
	<i>2017<sup>(5)</sup></i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022<sup>(7)</sup></i>
<b>Gross Revenues</b>						
Total Operating Revenues	\$ 298,505	\$ 320,556	\$ 317,155	\$ 357,201	\$ 335,994	\$ 329,978
Proceeds from Sales of Capital Assets	5,524	1,311	1,619	742	657	700
Other Income	7,996	6,982	8,275	7,284	4,989	15,042
Interest Income	2,140	6,219	8,394	2,890	(1,334)	1,169
System Development Charges	42,486	41,045	38,668	22,553	37,897	34,988
Participation Receipts	9,240	5,756	7,137	3,655	4,141	32,239
Total Gross Revenue	<u>\$ 365,891</u>	<u>\$ 381,869</u>	<u>\$ 381,248</u>	<u>\$ 394,325</u>	<u>\$ 382,344</u>	<u>\$ 414,116</u>
<b>Operation and Maintenance Expenses</b>						
Total Operating Expenses	\$ 256,008	\$ 251,027	\$ 277,977	\$ 263,320	\$ 268,318	\$ 232,090
Other Expense	2,657	3,869	2,175	1,515	4,985	--
Less Depreciation and Amortization <sup>(6)</sup>	(62,348)	(51,667)	(51,345)	(55,691)	(60,919)	--
Total Operation and Maintenance	<u>\$ 196,317</u>	<u>\$ 203,229</u>	<u>\$ 228,807</u>	<u>\$ 209,144</u>	<u>\$ 212,384</u>	<u>\$ 232,090</u>
<b>Net Revenue</b>	<u>\$ 169,574</u>	<u>\$ 178,640</u>	<u>\$ 152,441</u>	<u>\$ 185,181</u>	<u>\$ 169,960</u>	<u>\$ 182,026</u>
<b>Historical and 2022 Coverage Ratios</b>						
Required Debt Service <sup>(1)(3)(4)</sup>	\$ 43,686	\$ 48,765	\$ 47,286	\$ 46,373	\$ 50,519	\$ 55,786
Coverage Ratios	3.88	3.66	3.22	3.99	3.36	3.26
<b>Pro Forma Coverage Ratios – After Issuance of Series 2022A Bonds</b>						
Combined Average Annual Debt Service Coverage Ratios						
<b>Pro Forma Coverage Ratios – After Issuance of Series 2022A Bonds</b>						
Combined Maximum Annual Debt Service Coverage Ratios						

(1) This schedule reflects certain reclassifications to revenues and expenses made to prior years financial statements to conform to the current year financial statement.

(2) Actuals for 2017 through 2021 reflect a combination of information from Statements of Revenues, Expenses and Changes in Net Position and Statements of Cash Flows.

(3) For purposes of this table, "Required Debt Service" includes Parity Bonds.

(4) Actual debt service requirements do not include amounts paid on the Subordinate Line of Credit.

(5) Operating expenses in 2017 were restated as part of the implementation of GASB Statement No. 75 Accounting And Financial Reporting For Postemployment Benefits Other Than Pensions.

(6) Depreciation expense was restated for all years shown to reflect amounts on the Statements of Revenue, Expenses, and Changes in Net Position. Prior to this change depreciation expense from Note 4 of the comprehensive annual financial reports was used.

(7) The 2022 Budget numbers in this table are based on the basis of accounting used for budgetary purposes and may differ from numbers reported in accordance with the accrual basis of accounting in GAAP financial statements in years 2017-2021 due to differences in timing of recognition of certain transactions or events.

Sources: Denver Water Comprehensive Annual Financial Reports for 2017-2021; 2022 Denver Water Budget; Denver Water Treasury Section; and the Financial Advisor.

## RETIREMENT AND PENSION MATTERS

### Employees' Retirement Plan

The Employees' Retirement Plan of the Denver Board of Water Commissioners (the "Plan") is a single-employer defined benefit pension plan, sponsored and administered by the Board. Members of the Plan include substantially all regular and discretionary full-time and part-time employees of the Board. It also provides retirement service in the event of disability, and a \$5,000 death benefit to retirees receiving annuity payments from the Plan. The Plan contains provisions regarding amendments, including a provision for employees hired prior to January 1, 2018 voting on amendments in specifically described situations. The Plan, originally started in 1944, has been amended from time to time by the Board. Changes made in 2016 introduced a separate tier of benefits for employees hired on or after January 1, 2018 with slightly different benefit structure. All employees are required to contribute to the Plan, commencing in 2018. These changes are expected to lower long-term liability and help keep the Board's annual contribution stable. The Plan issues

a publicly available audited financial report that includes financial statements and required supplementary information. The report may be obtained by writing to: Treasurer, Denver Water, 1600 West 12th Avenue, Denver, CO 80204-3412.

### Net Pension Liability

Denver Water’s financial statements show the Net Pension Liability, (i.e., the difference between the Total Pension Liability and the Pension Plan’s Net Position) in accordance with Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Denver Water has elected a measurement date for the current year-end as of the prior year-end. Therefore, the Net Pension Liability reported as of December 31, 2021, was measured as of December 31, 2020. The Total Pension Liability used to calculate the net pension liability for 2021 was determined by an actuarial valuation performed as of January 1, 2020.

Conversely, the 2021 Total Pension Liability presented in the Plan’s financial statements was determined based on the actuarial valuation as of January 1, 2021, rolled forward to the reporting date of December 31, 2021. The Net Pension Liability for the last five fiscal years are shown in the table below:

#### Schedule of the Net Pension Liability (thousands)

<i>FY Ending December 31,</i>	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability/(Asset)</i>	<i>Plan Fiduciary Net Position as a % of Total Pension Liability</i>
2021	\$500,197	\$503,706	\$(3,509)	100.7%
2020	470,578	428,930	41,648	91.2
2019	449,816	394,898	54,918	87.8
2018	441,036	342,823	98,213	77.7
2017	418,036	360,715	57,321	86.3

### Actuarial Assumptions and Funding Policy

The Board’s actuary performs a valuation of the Plan on an annual basis, using actuarial assumptions and methods, and determines the annual contribution. The primary purposes of the valuation reports are to measure the Plan’s liabilities, to determine the required contribution rate and to analyze changes in the Plan’s actuarial position. The Board, acting under the advice of the actuary of the Plan, intends to make contributions to the Plan in such amounts and at such times as are required to maintain the Plan on a sound actuarial basis. The Board expects to continue such contributions to the Plan but assumes no responsibility to do so and reserves the right to suspend, reduce, or permanently discontinue all contributions at any time, subject to the provisions in the Plan.

The Board adopted a pension funding policy (the “Funding Policy”) that outlines the strategy the Board will use to determine the contributions to the pension. Pension funding is based upon the Annual Determined Contribution (“ADC”) calculated annually, which separates funding decisions from accounting methods. The ADC is determined using the actuarial cost method, the actuarial asset valuation method, and the amortization of unfunded liability.

The actuarial cost method allocates pension costs and contributions over an employee’s working career, with the goal of fully funding pension benefits by the expected retirement date and keeping contributions relatively stable. The Board uses the entry age normal actuarial cost method to meet these objectives.



The actuarial asset valuation method is used to smooth the market value of the assets over a 3-year period. It allows the Plan to recognize gains and losses in assets over time to help reduce the effects of market volatility and provide stability to contributions.

The goal of amortization of the unfunded liability is to achieve full funding over time that matches the employee demographics while minimizing contribution volatility. The Plan has an Unfunded Actuarial Accrued Liability (“UAAL”) which means the accrued employee benefits are not fully covered by the actuarial value of Plan assets. The UAAL is amortized in level dollar amounts over 15 years on a layered basis, which more closely reflects the average period of active service of Plan members.

The actuarial methods and assumptions used to determine the ADC are evaluated for reasonableness by the Board’s actuary during the annual valuation of the Plan. Changes to such methods and assumptions, if deemed necessary, are presented to the Board for their approval.

In July 2021, the Board approved a change to the expected rate of return on investments from 7.0% to 6.5%. At the same time, inflation assumption was reduced from 2.50% to 2.25% These changes were effective for the Plan’s valuation as of January 1, 2021.

### Funding Progress

The Board has contributed an amount close to the ADC each year and amended the Plan to require employee contributions beginning in 2018 to ensure actuarial soundness of the Plan. Provided below is the history of contributions for the last five Fiscal Years:

#### History of Contributions (in thousands)

<i>Fiscal Year Ended December 31,</i>	<i>Total Actuarially Determined Contribution (ADC)<sup>(1)</sup></i>	<i>Actual Employer Contribution</i>	<i>Interest to middle of the year</i>	<i>Actual Employee Contribution</i>	<i>Percentage of ADC Contributed</i>
2021	\$20,719	\$17,500	\$137	\$2,802	98.6%
2020	18,532	17,500	151	2,579	109.2
2019	18,124	16,702	120	1,713	102.3
2018	19,151	18,000	95	662	97.9
2017	18,089	18,000	58	--	99.8

<sup>(1)</sup> Total amount of ADC, including both employer and employee contribution amounts, is calculated as of the middle of the year, as provided by the Plan’s actuary. Conversely, Denver Water’s financial statements included in Appendix A are based on the Actuarially Determined Contributions excluding actual employee contribution amounts, calculated as of January 1 of each year.

The actuarial accrued liability represents the value of future pension benefits participants have accumulated to date. UAAL and the Funded Ratio (ratio of the actuarial value of assets to the actuarial accrued liability) illustrate the progress toward the realization of Plan’s funding objectives.

As of January 1, 2021, the date of the actuarial valuation used in preparation of the Plan’s most recent financial statements, the Plan was 84.4% funded. The actuarial accrued liability for benefits was \$485.3 million, and the actuarial value of assets was \$409.6 million, resulting in a UAAL of \$75.8 million.

As of January 1, 2022, the most recent actuarial valuation date, the plan was 92.0% funded. The actuarial accrued liability was \$505.0 million, and the actuarial value of assets was \$464.5 million, resulting in a UAAL of \$40.5 million. Provided below is a schedule of funding progress for the last five fiscal years, as

well as the results of the most recent actuarial valuation, which will be reflected in the Plan’s 2022 financial statements:

**Schedule of Funding Progress (in thousands)**

<i>Actuarial Valuation Date January 1</i>	<i>Actuarial Valuation of Assets</i>	<i>Actuarial Accrued Liability (AAL)</i>	<i>Unfunded AAL (UAAL)</i>	<i>Funded Ratio</i>	<i>Covered Payroll</i>	<i>UAAL as a Percentage of Covered Payroll</i>
2022	\$464,520	\$504,994	\$40,475,	92.0%	\$95,287	42.5%
2021	409,576	485,334	75,758	84.4	93,384	81.1
2020	384,794	455,596	70,802	84.5	87,877	80.6
2019	360,344	436,507	76,163	82.6	81,654	93.3
2018	343,199	424,694	81,495	80.8	82,151	99.2
2017	320,904	401,714	80,809	79.9	77,159	104.7

**Other Postemployment Benefits**

The Board provides other postemployment benefits (“OPEB”) as follows:

**Postemployment Healthcare Benefits.** For employees hired before January 16, 2012, the Board provides a postemployment healthcare subsidy through a single-employer plan. The benefit is in the form of partially subsidized health care costs, until the retiree attains age 65. The benefit is provided through the Board’s self-insured health plan to employees and dependents meeting the eligibility requirements and retiring under the Special Early Retirement (the “Rule of 75”) provision of the Board’s defined benefit pension plan. Benefits are available only to those taking an immediate distribution of pension benefits and being covered as an employee or dependent under the employee healthcare plan, at the time of retirement. The subsidy is separate from the Board’s defined benefit retirement plan and is not paid out of retirement plan funds.

**Funded Status and Funding Progress.** The Board is not required to establish an irrevocable trust fund to accumulate assets for payment of future OPEB benefits and has elected not to do so. Payments of OPEB benefits are made on a “pay-as-you-go” basis in amounts necessary to provide current benefits to recipients. The Board approved changes in the eligibility requirements for Postemployment Healthcare Benefits in 2013. The minimum eligible age changed from 55 to 60 years while the Rule of 75 remained intact, converting it to a maximum five-year benefit. Certain employees, who had completed 25 years of service as of the end of 2013, retained the right to receive subsidy, available at the time of their retirement, if retired under the Rule of 75, but before reaching age 65. This change significantly lowered the total long-term liability related to Postemployment Healthcare Benefits.

Denver Water has elected a measurement date for the current year end as of the prior year end. Therefore, the OPEB reported as of December 31, 2021 was measured as of December 31, 2020. The total OPEB liability was determined by an actuarial valuation performed as of January 1, 2020. The OPEB liability reflected on the Board’s 2021 financial statements is \$14.0 million. The annual expense for this benefit is calculated based on the annual actuarially determined contribution. The expense recorded in 2021 was \$0.7 million and \$2.5 million was paid as benefits under the plan.

**LITIGATION**

There is no litigation now pending or threatened, to the knowledge of Board officials responsible for the issuance of the Series 2022A Bonds, that questions the validity of the Series 2022A Bonds, the powers of the Board to authorize the issuance of the Series 2022A Bonds and to take other actions in connection therewith or of any proceedings of the Board taken with respect to the issuance or sale thereof.

There are suits and claims pending against Denver Water, which may include employment and other claims for which Denver Water may self-insure. The aggregate amount of the self-insured liabilities of Denver Water which may result from such suits and claims will not, in the opinion of the General Counsel, materially impair the ability of Denver Water to pay principal or interest on the Series 2022A Bonds as they become due. There is no litigation pending, with service of process having been accomplished against Denver Water, which if determined adversely to Denver Water, would, in the opinion of General Counsel, materially impair the ability of Denver Water to pay principal and interest on the Series 2022A Bonds as they become due.

In 2014, the U.S. Army Corps of Engineers released a Final Environmental Impact Statement related to Denver Water's application for a Clean Water Act ("CWA") section 404 permit for the Gross Reservoir Expansion Project. A section 404 permit and Record of Decision were issued in 2017. In December 2018, six environmental groups sued the US Army Corps of Engineers and the US Fish and Wildlife Service arguing that the federal agencies had violated the National Environmental Policy Act, the Clean Water Act, and the Endangered Species Act in permitting the Gross Reservoir Expansion Project. Denver Water intervened in the case and, alongside the federal agencies, has vigorously defended the federal agencies' actions and decisions. On March 31, 2021, the district court granted the federal agencies' and Denver Water's motion to dismiss the case for lack of jurisdiction, dismissing the case without prejudice. Petitioners filed a notice of appeal to the U.S. Court of Appeals for the Tenth Circuit, which heard oral argument on May 18, 2022. A decision on the appeal remains pending with the Court. Construction on the Gross Reservoir Expansion Project commenced April 1, 2022 and continues while litigation proceeds.

Denver Water sued CRWCD claiming that CRWCD failed to (a) properly oversee the construction of the Ritschard Dam and (b) to operate, maintain, and rehabilitate the dam to correct its defective condition. The litigation seeks to have the CRWCD bear sole responsibility for the costs of rehabilitating the dam. See THE SYSTEM-RISK MANAGEMENT.

## **TAX MATTERS**

### **General**

In the opinion of Butler Snow LLP, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Bonds (including any original issue discount properly allocable to the owner of a Bond) is excludable from gross income for federal income tax purposes, is not a specific preference item for purposes of the federal alternative minimum tax, and such interest is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date of delivery of the Bonds. The opinion described above assumes the accuracy of certain representations and compliance by the Enterprise with covenants designed to satisfy the requirements of the Code that must be met subsequent to the issuance of the Bonds. Failure to comply with such requirements could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. Denver Water has covenanted to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Bonds.

The accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the owners of the Bonds. The extent of these other tax consequences will depend on such owners' particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States of America), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Bonds.

Bond Counsel is also of the opinion that, under existing State of Colorado statutes, interest on the Bonds is exempt from Colorado income tax. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Bonds under the laws of the State of Colorado or any other state or jurisdiction.

### **Original Issue Discount**

The Series 2022A Bonds that have an original yield above their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Discount Bonds”), are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described above.

The amount of original issue discount that is treated as having accrued with respect to a Discount Bond or is otherwise required to be recognized in gross income is added to the cost basis of the owner of the bond in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Bond (including its sale, redemption or payment at maturity). Amounts received on disposition of such Discount Bond that are attributable to accrued or otherwise recognized original issue discount will be treated as federally tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Bond, on days that are determined by reference to the maturity date of such Discount Bond. The amount treated as original issue discount on such Discount Bond for a particular semiannual accrual period is equal to (a) the product of (i) the yield to maturity for such Discount Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discount Bond at the beginning of the particular accrual period if held by the original purchaser, less (b) the amount of any interest payable for such Discount Bond during the accrual period. The tax basis for purposes of the preceding sentence is determined by adding to the initial public offering price on such Discount Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If such Discount Bond is sold between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date, with respect to when such original issue discount must be recognized as an item of gross income and with respect to the state and local tax consequences of owning a Discount Bond. Subsequent purchasers of Discount Bonds that purchase such Discount Bonds for a price that is higher or lower than the “adjusted issue price” of the Discount Bonds at the time of purchase should consult their tax advisors as to the effect on the accrual of original issue discount.

### **Original Issue Premium**

The Series 2022A Bonds that have an original yield below their respective interest rates, as shown on the inside cover of this Official Statement (collectively, the “Premium Bonds”), are being sold at a premium. An amount equal to the excess of the issue price of a Premium Bond over its stated redemption price at maturity constitutes premium on such Premium Bond. A purchaser of a Premium Bond must amortize any premium over such Premium Bond’s term using constant yield principles, based on the purchaser’s yield to maturity (or, in the case of Premium Bonds callable prior to their maturity, generally by amortizing the premium to the call date, based on the purchaser’s yield to the call date and giving effect to any call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period, and the purchaser’s basis in such Premium Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or

disposition of such Premium Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Bonds should consult their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Bond.

### **Backup Withholding**

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on federally tax-exempt obligations such as the Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments to any owner of the Bonds that fail to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling federally tax-exempt obligations.

### **Changes in Federal and State Tax Law**

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Series 2022A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2022A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Series 2022A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2022A Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Prospective purchasers of the Series 2022A Bonds are advised to consult their own tax advisors prior to any purchase of the Series 2022A Bonds as to the impact of the Code upon their acquisition, holding or disposition of the Series 2022A Bonds.

### **CONTINUING DISCLOSURE UNDERTAKING**

In connection with its issuance of the Series 2022A Bonds, the Board will execute the Disclosure Certificate, a form of which is attached as Appendix F hereto, under which it will agree for the benefit of the owners of Series 2022A Bonds to provide (i) within 9 months of completion of the Board's Fiscal Year certain financial information and operating data, and (ii) notice of the occurrence of certain specified events. See "INTRODUCTION — Continuing Disclosure Undertaking" and Appendix F – "Form of Continuing Disclosure Undertaking."

The Board has been subject to continuing disclosure undertakings previously entered into with respect to certain Parity Bonds (the "Prior Continuing Disclosure Undertaking"). Pursuant to the Prior Continuing Disclosure Undertaking, the Board agreed to file its audited financial reports, certain operating data, notices of certain enumerated events and notices of the occurrence of certain other enumerated events, if material. On April 26, 2021 the Board filed an Amended and Restated 2019 Supplemental Disclosure for the year ended December 31, 2019 (the "Amended Disclosure") in order to indicate the precise location of where certain of the financial information and operating data could be found and to consolidate the 2019 annual financial

information disclosure into one document. The filing of the Amended Disclosure does not constitute or imply that the Board failed to comply, in any material respects, with the Prior Continuing Disclosure Undertaking.

### **RATINGS**

The Series 2022A Bonds have been assigned the ratings specified on the cover page hereof by Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), respectively. Such ratings reflect only the views of the respective rating agencies, and do not constitute a recommendation to buy, sell or hold securities. Explanations of the significance of such ratings may be obtained from the rating agencies. The ratings are subject to revision or withdrawal at any time by the respective rating agency and there is no assurance that the ratings will continue for any period of time or that they will not be revised or withdrawn. Any downward revision or withdrawal of such ratings could have an adverse effect on the market price of the Series 2022A Bonds.

### **FINANCIAL ADVISOR**

Piper Sandler & Co., Denver, Colorado, is serving as Financial Advisor to the Board with respect to the Series 2022A Bonds, and in such capacity has assisted in the preparation of this Official Statement and in other matters relating to the planning, structuring, rating and execution and delivery of the Series 2022A Bonds. However, the Financial Advisor has not undertaken either to make an independent verification of or to assume responsibility for the accuracy or completeness of the information contained in this Official Statement, nor is the Financial Advisor permitted to underwrite the Series 2022A Bonds.

### **LEGAL MATTERS**

Legal matters incident to the authorization and issuance of the Series 2022A Bonds are subject to approval by Butler Snow LLP, Denver, Colorado, Bond Counsel for the Series 2022A Bonds, whose opinion is expected to be delivered in substantially the form included in this Official Statement as Appendix G.

### **INDEPENDENT AUDITORS**

CliftonLarsonAllen LLP, Denver Water's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. CliftonLarsonAllen LLP also has not performed any procedures relating to this Official Statement.

### **MISCELLANEOUS**

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are set forth as such and not as representations of fact, and no representation is made that any such estimates will be realized. This Official Statement shall not be construed as a contract between the Board or the City and any person.

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

By: \_\_\_\_\_  
Chief Finance Officer

**APPENDIX A**  
**FINANCIAL STATEMENTS OF THE BOARD**  
**FOR THE PERIOD ENDED DECEMBER 31, 2021**

## APPENDIX B

### GLOSSARY OF TERMS

Set forth below are definitions of some of the terms used in this Official Statement and the Bond Resolution. Reference is hereby made to the provisions of the Bond Resolution for a complete recital of the terms defined therein, some of which are set forth below.

“Additional Parity Bonds” means Parity Bonds issued by the Board subsequent to the issuance of the Series 2022A Bonds and pursuant to the Bond Resolution.

“Beneficial Owner” means the beneficial owner of Parity Bonds registered in the name of a Depository or its nominee.

“Board” means the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners.

“Bond Counsel” means any firm of nationally recognized municipal bond attorneys selected by the Board and experienced in the issuance of municipal bonds and the excludability of interest thereon from gross income for federal income tax purposes.

“Bond Register” means the registration books for the Parity Bonds maintained by or on behalf of the Board by any Registrar.

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

“Business Day” means any “Business Day” as defined in any Supplemental Resolution, and with respect to the Series 2022A Bonds means any day, other than a Saturday or a Sunday or a day (a) on which banks located in the city in which the office of the Paying Agent is located are required or authorized by law or executive order to close, or (b) on which the Federal Reserve System is closed.

“Capital Improvements” means the acquisition of land, easements, facilities, water rights 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.

“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.

“Capital Project” means the acquisition, construction and installation of Capital Improvements to the System, as may be more fully described in any Supplemental Resolution.

“Charter” means the home rule charter of the City.

“Chief Finance Officer” means the Chief Finance Officer of the Board or the designee of the Chief Finance Officer.

“City” means the City and County of Denver, Colorado.

“Combined Average Annual Debt Service Requirements” means, with regard to any two or more particular issues of Securities, the aggregate of all Debt Service Requirements to become due from the date of computation to the date of maturity of the latest maturing obligation of such Securities, divided by the number



of years between such dates. If any particular issue of Securities, including Commercial Paper Notes, has a single principal payment date and is issued as interim notes or Securities in anticipation of permanent financing, such principal amount is to be excluded from this computation.

“Commercial Bank” means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation or of the Federal Reserve System, which has capital and surplus of \$10,000,000 or more and which is located within the United States of America.

“Commercial Paper Notes” means any bonds or notes payable from and having an irrevocable lien upon all or a portion of the Net Revenue (a) with a stated maturity date that is not more than 270 days after the date of issuance thereof, and (b) are designated as Commercial Paper Notes in the resolution authorizing their issuance, but does not include any Credit Facility Obligations relating to such bonds or notes.

“Continuing Disclosure Undertaking” means the Continuing Disclosure Undertaking in substantially the form set forth in Appendix F.

“Credit Facility” means any letter or line of credit, policy of bond insurance, surety bond or guarantee or similar instrument (other than a Reserve Policy) issued by a financial, insurance or other institution and which specifically provides security, liquidity or both in respect of Securities payable from all or a portion of the Net Revenue.

“Credit Facility Obligations” means repayment or other obligations incurred by the Board in respect of draws or other payments or disbursements made under a Credit Facility.

“C.R.S.” means the Colorado Revised Statutes, as amended and supplemented.

“Debt Service Requirements” means for any period, the amount required to pay the principal of, any optional redemption premium then due on, and interest on any designated Outstanding Securities during such period, provided that:

(a) the determination of the Debt Service Requirements of any Securities is to assume the redemption and payment of such Securities on any applicable mandatory Redemption Dates and not take into account any mandatory or optional tender for purchase provisions of any Securities;

(b) in any computation relating to the issuance of Parity Bonds, there is to be excluded from the computation of Debt Service Requirements any proceeds on deposit in a bond fund for such Securities constituting capitalized interest;

(c) for Variable Rate Bonds, such amount is to be calculated assuming that the Variable Rate Bonds bear interest during the related period as follows: (i) if the Variable Rate Bonds have been Outstanding for at least 12 months, assume that the Variable Rate Bonds bear interest at the higher of the actual rate borne by the Variable Rate Bonds on the date of calculation or the average rate borne by the Variable Rate Bonds over the 12 months immediately preceding the date of calculation, and (ii) if the Variable Rate Bonds have been Outstanding for less than 12 months or are not yet Outstanding, assume that the Variable Rate Bonds bear interest at the higher of the actual rate borne by the Variable Rate Bonds on the date of calculation or (A) if interest on the Variable Rate Bonds is excludible from gross income under the applicable provisions of the Federal Tax Code, the average rate set forth on the SIFMA Index over the 12 months immediately preceding the date of calculation, or (B) if interest is not so excludible, the average rate on direct Federal Securities with maturities comparable to the rate reset period;

(d) for purposes of this calculation, if a Financial Products Agreement has been entered into by the Board with respect to any Parity Bonds, interest on such Parity Bonds is to be included in the calculation of such principal and interest by including, for the related period, an amount equal to the amount of interest

payable on such Parity Bonds during such period determined as described in paragraph (c) above plus any Financial Products Payments payable in the related period minus any Financial Products Receipts receivable in such period, but, in no event may any calculation made as described in this paragraph (d) result in a number less than zero being included in the calculation of such interest;

(e) in determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swaps or other similar Financial Products Agreement, which Financial Products Payments or Financial Products Receipts are based on interest rates that are not fixed in percentage for the entire term of the Financial Products Agreement, such amount is to be calculated by assuming such variable interest rate is a fixed interest rate equal to: (i) if the Financial Products Agreement relates to Variable Rate Bonds, the fixed rate of interest estimated for such Variable Rate Bonds as described above in paragraph (c); or (ii) if the Financial Products Agreement relates to the Securities that bear interest at a fixed interest rate, the average of the daily interest rate for such Financial Products Payments or Financial Products Receipts under such Financial Products Agreement during the 12 months preceding the calculation or during the time the Financial Products Agreement has been in effect if less than 12 months, and if such Financial Products Agreement is not then in effect, the variable interest rate is to be deemed to be a fixed interest rate equal to the average daily interest rate for such Financial Products Payments or Financial Products Receipts that would have been applicable if such Financial Products Agreement had been in effect for the preceding 12-month period, which average daily interest rate is to be set forth in a certificate of the Chief Finance Officer;

(f) in determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swap, cap, floor, collar or other similar Financial Products Agreement with respect to Securities that are Variable Rate Bonds, such amount is to be calculated by assuming the interest rate on the related Variable Rate Bonds will be a fixed interest rate equal to the average of the daily interest rate on such Variable Rate Bonds during the 12 months preceding the calculation or during the time the Variable Rate Bonds are Outstanding if less than 12 months, and if such Variable Rate Bonds are not at the time of calculation Outstanding, the variable interest rate is to be deemed to be a fixed interest rate equal to the average daily interest rate which such Variable Rate Bonds would have borne if they had been Outstanding for the preceding 12-month period as estimated by the Chief Finance Officer, all as set forth in a certificate of the Chief Finance Officer;

(g) in determining the amount of any Financial Products Payments or Financial Products Receipts on any interest rate swap, cap, floor, collar or other similar Financial Products Agreement with respect to Securities bearing interest at a fixed rate, such amount is to be the amount payable or receivable annually determined as of the date of issuance of the Securities as set forth in a certificate of the Chief Finance Officer; and

(h) for the purposes of this calculation, if Commercial Paper Notes are then Outstanding or are the Parity Bonds proposed to be issued, it is to be assumed that (i) the principal amount of any Commercial Paper Notes Outstanding is the principal amount of the Commercial Paper Notes Outstanding at the time the calculation is being made, and (ii) the Commercial Paper Notes will bear interest on the unpaid principal amount thereof at a fixed rate of interest equal to the 12-month average of the SIFMA Index.

“Denver Water” means the property and personnel under control of the Board to be generally referred to as “Denver Water” as provided in Section 10.1.6 of the Charter.

“Depository” means any qualified securities depository selected by the Board as provided in a Supplemental Resolution in respect of any series of Parity Bonds.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York.

“Event of Default” means any of the events specified as such in the Master Bond Resolution.

“Federal Securities” means direct obligations of (including obligations issued or held in book-entry form on the books of), or obligations the timely payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Federal Tax Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time.

“Financial Products Agreements” means any interest rate swap, cap, collar, floor, hedging agreement, arrangement or security, however denominated, entered into by the Board with a Provider with respect to any Parity Bonds or specific Securities or as otherwise permitted by State law and providing that any payments by the Board thereunder are payable from a lien on all or a portion of the Net Revenue and for the purpose of (i) reducing or otherwise managing the Board’s risk of interest rate changes or interest rate costs, or (ii) effectively converting the Board’s interest rate exposure, in whole or in part, from a fixed rate exposure to a variable rate exposure, from a variable rate exposure to a variable rate exposure or from a variable rate exposure to a fixed rate exposure.

“Financial Products Payments” means payments periodically required to be paid to a Provider by the Board pursuant to a Financial Products Agreement but specifically excluding Financial Products Termination Payments.

“Financial Products Receipts” means amounts periodically required to be paid to the Board by a Provider pursuant to a Financial Products Agreement but specifically excluding any Financial Products Termination Payment.

“Financial Products Termination Payment” means any termination, settlement or similar payments required to be paid upon an early termination of the Financial Products Agreement as a result of any event of default or termination event thereunder. No Financial Products Termination Payment required under any Parity Financial Products Agreement may be secured by a lien on the Net Revenue that is senior to or on a parity with the lien thereon of the Parity Bonds.

“Fiscal Year” means the 12 months commencing January 1 of any year and ending December 31 of said year.

“Gross Revenue” means all income and revenues directly or indirectly derived by the Board from the operation and use of the System, or any part thereof, including without limitation, any rates, fees, system development charges, participation payments, tap fees, availability fees, tolls and charges for the services furnished by, or for the use of, the System, and 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, there is to be excluded from Gross Revenues any moneys borrowed and used for providing Capital Improvements; any money and securities and investment income therefrom, in any refunding account, escrow fund 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, other local governments or enterprises or other sources, the use of which is limited or restricted to the provision of Capital Improvements (including oversizing of facilities or similar capital improvements) or for other purposes resulting in the general unavailability thereof, except to the extent any such moneys are 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.

“Interest Subaccount” means the subaccount of the Parity Bonds Debt Service Account so designated and established by the Master Bond Resolution.

“Master Bond Resolution” means the Master (03-22-17) 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.

“Net Revenue” means the Gross Revenue after deducting the Operation and Maintenance Expenses.

“Official Statement” means the final version of the Official Statement prepared in connection with the sale of the Series 2022A Bonds to the Underwriter.

“Operation and Maintenance Expenses” means all reasonable and necessary current expenses of the Board, paid or accrued, for operating, maintaining and repairing the System, including without limitation legal and other overhead expenses of the Board 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, 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, however, there is to 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, legal liabilities not based on contract, 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.

“Other Available Funds” means, for any Fiscal Year, the amount determined by the Chief Finance Officer to be transferred from the Water Works Fund to the Parity Bonds Debt Service Account; but in no event may such aggregate amount exceed 10% of the Combined Average Annual Debt Service Requirements of the Parity Bonds and the Capital Improvements Lease Payments.

“Outstanding” or “outstanding” means the following:

(a) When used with reference to any Parity Bonds and as of any particular date, all such Parity Bonds theretofore executed, issued and delivered by the Board except:

(i) any Parity Bonds canceled or paid by or on behalf of the Board on or before such date as surrendered to the Board, a Registrar or a Paying Agent for cancellation and any Parity Bonds owned by the Board;

(ii) any Parity Bonds deemed to have been paid as described in “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF THE PARITY BONDS RESOLUTION — Defeasance”;

(iii) any Parity Bonds in lieu of, or in substitution for which, other Parity Bonds have been executed, issued and delivered by the Board and authenticated by the Registrar, unless proof satisfactory to the Registrar is presented that any such other Parity Bonds are duly held by the lawful Registered Owners thereof;

(iv) any Parity Bonds (or portions thereof) for the payment or redemption of which moneys equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or Redemption Date, are held in trust and set aside for such payment or redemption (whether at or prior to the maturity or Redemption Date), provided that if such Parity Bonds are to be redeemed, notice of such redemption has been given as provided in the Supplemental

Resolution authorizing the issuance of such Parity Bonds or provision satisfactory to the Registrar of such Parity Bonds has been made for the giving of such notice;

(v) any Parity Bonds deemed tendered or purchased as provided by any Supplemental Resolution; and

(vi) any Parity Bonds the principal and/or interest due on which have been paid by the Provider of a Credit Facility.

(b) When used with reference to (i) Securities other than the Parity Bonds, and (ii) the Capital Improvements Lease Payments and as of any particular date, all such obligations theretofore issued or incurred and not paid and discharged other than

(i) obligations theretofore cancelled by a trustee or paying agent for such obligations or by the owner of such obligations;

(ii) obligations deemed paid and no longer Outstanding as provided in the document pursuant to which the obligations were issued;

(iii) any obligations held by the Board; and

(iv) obligations in lieu of which other obligations have been authenticated and delivered pursuant to the provisions of the document pursuant to which such obligations are issued regarding transfer or exchange of the obligations or regarding mutilated, destroyed, lost or stolen obligations unless proof satisfactory to the Chief Finance Officer has been received that any such obligations are held by a bona fide purchaser.

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

“Owner” or “Registered Owner” means the registered owner of any Parity Bond as shown by the Bond Register.

“Parity Bonds” means any Securities issued pursuant to the provisions of the Bond Resolution that are payable from Net Revenue and the payment of which is secured by a pledge of and a lien on the Net Revenue. Parity Bonds do not include (a) the Capital Improvements Lease Payments, (b) Subordinate Lien Obligations, and (c) any Credit Facility Obligations or Financial Products Agreements relating to any such Securities.

“Parity Bonds Debt Service Account” or “Debt Service Account” means the book account designated the “Parity Bonds Master Resolution Debt Service Account” established in the Water Works Fund by the Master Bond Resolution.

“Parity Bonds Reserve Account” or “Reserve Account” means any account designated as a “Reserve Account” in respect of a series of Parity Bonds established in the Water Works Fund by Supplemental Resolution for the purpose of providing for the reserve requirements for such series of Parity Bonds, all as shall be further provided by Supplemental Resolution.

“Parity Credit Facility Obligations” means any Credit Facility Obligations payable from all or a portion of the Net Revenue on a parity with the Parity Bonds.

“Parity Financial Products Agreement” means any Financial Products Agreement pursuant to which Financial Products Payments are payable from a lien on all or a portion of the Net Revenue on parity with the Parity Bonds. No Financial Products Termination Payment required under any Parity Financial Products Agreement may have a lien on the Net Revenue that is senior to or on parity with the lien thereon of the Parity Bonds.

“Paying Agent” means the commercial or trust bank or its successor designated in a Supplemental Resolution to perform the function of paying agent for the applicable series of Parity Bonds. The Paying Agent for the Series 2022A Bonds initially is U.S. Bank Trust Company, National Association.

“Permitted Investments” means investments or deposits that comply with the requirements of the applicable provisions of the State, the Charter and Board policies relating to the investment or deposit of Board moneys.

“Preliminary Official Statement” means the Preliminary Official Statement relating to the offering and sale of the Series 2022A Bonds.

“Principal Subaccount” means the subaccount of the Parity Bonds Debt Service Account so designated and established by the Master Bond Resolution.

“Project Account” means any account designated a “Project Account” in respect of a series of Parity Bonds established in the Water Works Fund by Supplemental Resolution for the purpose of providing any Capital Project or Refunding Project or any combination thereof, as may be provided by Supplemental Resolution. For any Refunding Project, the Project Account may be designated as a Refunding Escrow Account.

“Project Costs” means the costs properly attributable to any Capital Project, any Refunding Project, or any part thereof, including without limitation:

- (a) the costs of labor and materials, of machinery, furnishings and equipment, and of the restoration of property damaged or destroyed in connection with construction work;
- (b) the costs of insurance premiums, indemnity and fidelity bonds, financing charges, bank fees, taxes or other municipal or governmental charges lawfully levied or assessed;
- (c) administrative and general overhead costs;
- (d) the costs of reimbursing funds advanced by the Board in anticipation of reimbursement from bond proceeds;
- (e) the costs of surveys, appraisals, plans, designs, specifications and estimates;
- (f) the costs, fees and expenses of printers, engineers, architects, financial consultants, legal advisors or other agents or employees;
- (g) the costs of publishing, reproducing, posting, mailing or recording documents;
- (h) the costs of contingencies or reserves;
- (i) the costs of issuing the Parity Bonds;
- (j) the costs of amending any resolution or other instrument relating to the Parity Bonds, any Capital Project or any Refunding Project;

(k) the costs of repaying any short-term financing, construction loans and other temporary loans, and of the incidental expenses incurred in connection with such loans;

(l) the costs of acquiring any property, rights, water rights, easements, licenses, privileges, agreements and franchises;

(m) the costs of demolition, removal and relocation; and

(n) all other lawful costs as determined by the Board.

“Pro Rata Portion” means when used with respect to a required credit to the Principal Subaccount or the Interest Subaccount, the dollar amount determined by dividing the amount of principal or interest to come due on the next principal or interest payment date by the number of monthly credits required to be made prior to such payment date.

“Provider” means any financial institution or insurance company which is a party to a Financial Products Agreement with the Board.

“Rating Agencies” or “Rating Agency” means Fitch, Inc., Moody’s Investor Service, Inc., S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC and any other nationally recognized securities rating agency then maintaining a rating with respect to the Parity Bonds.

“Rebate Account” means any book account designated as a “Rebate Account” in respect of a series of Parity Bonds established in the Water Works Fund by Supplemental Resolution in respect of such series of Parity Bonds.

“Redemption Date” means the date fixed by the Board for the mandatory or optional redemption of any Parity Bonds prior to their respective fixed maturity dates pursuant to the terms of a Supplemental Resolution.

“Redemption Price” means the principal amount of any Parity Bond plus the applicable premium, if any, thereon payable upon the Redemption Date as provided in a Supplemental Resolution.

“Refunding Project” means the refunding of any Securities issued by the Board, as may be more fully described in any Supplemental Resolution, including the refunding of any Parity Bonds.

“Registrar” means the commercial or trust bank or its successor designated in a Supplemental Resolution to perform the registration and transfer functions with respect to the applicable series of Parity Bonds. The Registrar for the Series 2022A Bonds initially will be U.S. Bank Trust Company, National Association.

“Reserve Policy” means any insurance policy, surety bond, irrevocable letter of credit or similar instrument deposited in or credited to any Reserve Account created in respect of any series of Parity Bonds in lieu of or in partial substitution for moneys on deposit therein, issued by a financial, insurance or other entity having a rating at the time such policy is deposited in or credited to such Reserve Account in the highest rating category of each of the Rating Agencies then providing a rating in respect of the related series of Parity Bonds.

“Sale Certificate” means the certificate executed by the Chief Finance Officer or the Treasurer dated on or before the date of delivery of the Series 2022A Bonds and subject to the parameters and restrictions contained in the Bond Resolution, including the Master Bond Resolution and the Series 2022A Supplemental Resolution, setting forth separately:

- (a) the aggregate principal amount of each series of the Series 2022A Bonds being issued and the amount of principal of each series of the Series 2022A Bonds maturing in any particular Fiscal Year;
- (b) the rates of interest on the Series 2022A Bonds;
- (c) the true interest cost of the Series 2022A Bonds;
- (d) the prices at which the Series 2022A Bonds will be sold;
- (e) the dates on which the Series 2022A Bonds may be called for optional redemption and mandatory sinking fund redemption and the terms by which each series of the Series 2022A Bonds may be optionally redeemed; and
- (f) any designation of an insurer, letter of credit bank or other provider of assurance of payment or credit enhancement in respect of the payment of either series of the Series 2022A Bonds.

“Securities” means bonds, notes, certificates, warrants, leases, contracts or other financial obligations or securities issued or executed by the Board and payable in whole or in part from a lien on the Net Revenue, including the Parity Bonds but not including any Credit Facility Obligations, Financial Products Agreements or any similar contractual arrangements.

“Series 2008A Bond(s)” means the Master Resolution Water Revenue (Clean Renewable Energy Tax Credit) Bonds, Series 2008A, originally issued in the aggregate principal of \$1,800,000 and currently Outstanding in the aggregate principal amount of \$120,000, as authorized by the Bond Resolution, including the Master Bond Resolution and the Series 2008A Supplemental Resolution.

“Series 2008A Supplemental Resolution” means the Series 2008A (6-11-08) Second Supplemental Bond Resolution adopted by the Board on June 11, 2008, relating to the issuance of the Series 2008A Bonds.

“Series 2012A Bonds” means the Master Resolution Water Revenue Bonds, Series 2012A, originally issued in the aggregate principal amount of \$36,555,000, and currently Outstanding in the aggregate principal amount of \$32,040,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2012 Supplemental Resolution.

“Series 2012B Bonds” means the Master Resolution Water Revenue Refunding Bonds, Series 2012B, originally issued in the aggregate principal amount of \$108,545,000 and currently Outstanding in the aggregate principal amount of \$16,315,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the 2012 Supplemental Resolution.

“Series 2012A-B Bonds” means, collectively, the Series 2012A Bonds and the Series 2012B Bonds.

“Series 2012 Supplemental Resolution” means the Series 2012 (04-11-12) Sixth Supplemental Bond Resolution adopted by the Board on April 11, 2012, as amended by the Series 2012 (05-23-12) First Amendment of Sixth Supplemental Bond Resolution adopted by the Board on May 23, 2012, relating to the issuance of the Series 2012A-B Bonds. The Series 2012 Supplemental Resolution also authorized the issuance of a third series of Parity Bonds, which series is no longer outstanding.

“Series 2014A Bonds” means the Master Resolution Water Revenue Bonds, Series 2014A, originally issued in the aggregate principal amount of \$48,670,000 and currently Outstanding in the aggregate principal amount of \$44,025,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2014A Supplemental Resolution.



“Series 2014A Supplemental Resolution” means the Series 2014A (08-13-2014) Seventh Supplemental Bond Resolution adopted by the Board on August 13, 2014, relating to the issuance of the Series 2014A Bonds.

“Series 2016A Bonds” means the Master Resolution Water Revenue Bonds, Series 2016A, originally issued in the aggregate principal amount of \$94,755,000, and currently Outstanding in the aggregate principal amount of \$70,085,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the 2016A-B Supplemental Resolution.

“Series 2016B Bonds” means the Master Resolution Water Revenue Bonds, Series 2016B, originally issued in the aggregate principal amount of \$63,470,000 and currently Outstanding in the aggregate principal amount of \$50,235,000 as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2016A-B Supplemental Resolution.

“Series 2016A-B Bonds” means, collectively, the Series 2016A Bonds and the Series 2016B Bonds.

“Series 2016A-B Supplemental Resolution” means the Series 2016A-B (04-13-2016) Eighth Supplemental Bond Resolution adopted by the Board on April 13, 2016, relating to the issuance of the Series 2016A-B Bonds.

“Series 2017A Bonds” means the Water Revenue Bonds, Series 2017A (Green Bonds), originally issued in the aggregate principal amount of \$142,665,000 and currently Outstanding in the aggregate principal amount of \$137,985,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the 2017A-B Supplemental Resolution.

“Series 2017B Bonds” means the Water Revenue Bonds, Series 2017B, originally issued and currently Outstanding in the aggregate principal amount of \$41,765,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2017A-B Supplemental Resolution.

“Series 2017A-B Bonds” means, collectively, the Series 2017A Bonds and the Series 2017B Bonds.

“Series 2017A-B Supplemental Resolution” means the Series 2017A-B (03-22-2017) Supplemental Bond Resolution adopted by the Board on March 22, 2017, relating to the issuance of the Series 2017A-B Bonds.

“Series 2020A Bonds” means the Water Revenue Bonds, Series 2020A, originally issued and currently Outstanding in the aggregate principal amount of \$141,030,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2020A-B Supplemental Resolution.

“Series 2020B Bonds” means the Water Revenue Refunding Bonds, Series 2020B, originally issued in the aggregate principal amount of \$126,955,000 and currently Outstanding in the aggregate principal amount of \$116,600,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2020A-B Supplemental Resolution.

“Series 2020A-B Bonds” means, collectively, the Series 2020A Bonds and the Series 2020B Bonds.

“Series 2020A-B Supplemental Resolution” means the Series 2020A-B (04-08-2020) Supplemental Bond Resolution adopted by the Board on April 8, 2020, relating to the issuance of the Series 2020A-B Bonds.

“Series 2021A Bonds” means the Water Revenue Bonds, Series 2021A, originally issued and currently Outstanding in the aggregate principal amount of \$316,785,000, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the Series 2021A Supplemental Resolution.

“Series 2021A Supplemental Resolution” means the Series 2021A (01-27-2021) Supplemental Bond Resolution adopted by the Board on January 27, 2021, relating to the issuance of the Series 2022A Bonds.

“Series 2022A Bonds” means the Water Revenue Bonds, Series 2022A, in an aggregate principal amount not to exceed \$ \_\_\_\_\_, as authorized by the Parity Bonds Resolution, including the Master Bond Resolution and the 2022A Supplemental Resolution.

“Series 2022A Bonds Capital Project” means the acquisition, construction, and installation of Capital Improvements to the System.

“Series 2022A Bonds Capital Project Account” means the account designated the “Series 2022A Bonds Capital Project Account” established in the Water Works Fund by the 2022A Supplemental Resolution.

“Series 2022A Bonds Notice of Sale” means the notice of sale prepared for the competitive sale of the Series 2022A Bonds.

“Series 2022A Bonds Rebate Account” means the book account designated the “Series 2022A Bonds Rebate Account,” established in the Water Works Fund by the 2022A Supplemental Resolution.

“Series 2022A Supplemental Resolution” means the Series 2022A (\_\_\_\_-\_\_\_\_-2022) Supplemental Bond Resolution adopted by the Board on \_\_\_\_\_, 2022, relating to the issuance of the Series 2022A Bonds.

“Series 2022A Bonds Tax Certificate” means the Tax Certificate of the Board to be executed and delivered by the Chief Finance Officer or the Treasurer in connection with the issuance of the Series 2022A Bonds.

“SIFMA Index” means the Securities Industry and Financial Markets Association Swap Index, most recently produced and published by Municipal Market Data, or if such index is not published, then such other index selected by the Chief Finance Officer that reflects the yield of tax-exempt seven-day variable rate demand bonds.

“State” means the State of Colorado.

“Subordinate Credit Facility Obligations” means any Credit Facility Obligations payable in whole or in part from the Net Revenue and having a lien on the Net Revenue that is subordinate to the lien thereon of the Parity Bonds.

“Subordinate Financial Products Agreement” means any Financial Products Agreement pursuant to which Financial Products Payments are payable from a lien on the Net Revenue that is subordinate to the lien thereon of the Parity Bonds. No Financial Products Termination Payment required under any Subordinate Financial Products Agreement may be secured by a lien on the Net Revenue that is senior to or on parity with the lien thereon of the Parity Bonds.

“Subordinate Lien Obligations” means one or more series of additional bonds, notes, interim securities or other obligations payable from and having a lien on the Net Revenue that is subordinate or junior to the lien of the Parity Bonds, including Subordinate Financial Products Agreements and Subordinate Credit Facility Obligations.

“Subordinate Line of Credit” means the Board’s Line of Credit with PNC Bank N.A., dated as of December 12, 2018.

“Supplemental Act” means the Supplemental Public Securities Act, constituting part 2 of article 57 of title 11, C.R.S.

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

“System” means the water works system and plant operated under the complete charge and control of the Board, including the property and personnel under control of the Board, referred to generally as Denver Water, all pursuant to Sections 10.1.1 through 10.1.22 of the Charter.

“Tax Certificate” means any certificate in respect of the tax-exempt status of the interest on a series of Parity Bonds executed and delivered by the Board in connection with the issuance of such Parity Bonds and as further provided in a related Supplemental Resolution.

“Treasurer” means the Treasurer of the Board or the designee of the Treasurer.

“Variable Rate Bonds” means any Securities issued with a variable, adjustable, convertible or other similar interest rate which is not fixed in percentage for the entire term thereof at the date of issue or the date of calculation, as the case may be.

“Water Activity Law” means article 45.1 of title 37, C.R.S.

“Water Works Fund” means the fund created and maintained pursuant to Section 10.1.7 of the Charter into which all revenues received from the operation of the System together with all moneys received by the Board from other sources is to be placed.

**APPENDIX C**

**SUMMARY OF CERTAIN PROVISIONS OF THE PARITY BONDS RESOLUTION**

[TO COME FROM BOND COUNSEL]

## APPENDIX D

### ECONOMIC AND DEMOGRAPHIC OVERVIEW OF THE DENVER METROPOLITAN AREA

The following is general information concerning the economic and demographic conditions in the City and County of Denver (“Denver” or the “City”) and the immediate vicinity. The statistics presented below have been obtained from the sources indicated and represent the most current information available from such sources. However, certain of the information is released only after a significant amount of time has passed since the most recent date of the reported data and therefore such information may not be indicative of economic and demographic conditions as they currently exist or conditions which may be experienced in the near future. Further, the reported data has not been adjusted to reflect economic trends, notably inflation.

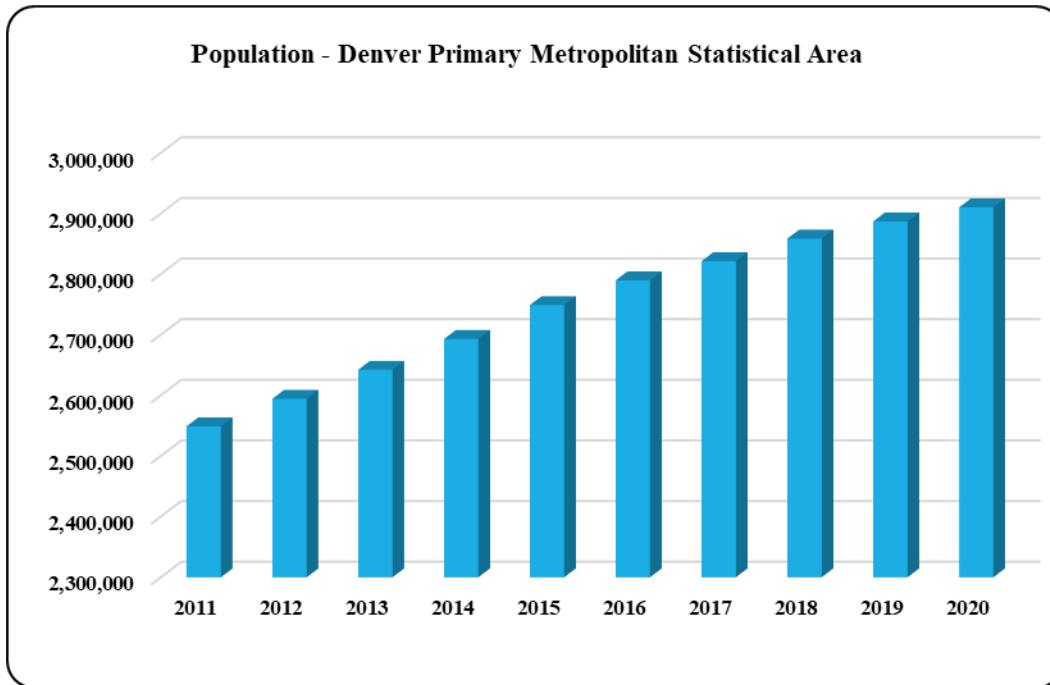
#### Population

The following table sets forth population statistics for Denver, the Denver Primary Metropolitan Statistical Area (“PMSA”) and the State of Colorado. The Denver PMSA includes the counties of Adams, Arapahoe, Denver, Douglas, and Jefferson.

Population Estimates			
Year	Denver	Denver PMSA	State of Colorado
2011	620,229	2,549,059	5,123,550
2012	632,924	2,594,255	5,194,662
2013	645,302	2,642,273	5,270,883
2014	658,632	2,692,972	5,347,654
2015	675,534	2,748,921	5,446,593
2016	686,468	2,789,730	5,529,629
2017	693,134	2,821,327	5,599,589
2018	702,679	2,858,678	5,676,913
2019	710,143	2,886,878	5,734,913
2020	717,632	2,910,035	5,782,914
2021	n/a	n/a	n/a

(n/a = not available)

Source: Colorado Department of Local Affairs, Division of Local Government, State Demography Office.



**Age Distribution**

The following table sets forth a forecasted age distribution profile for Denver, the Denver PMSA, and the State of Colorado for 2021.

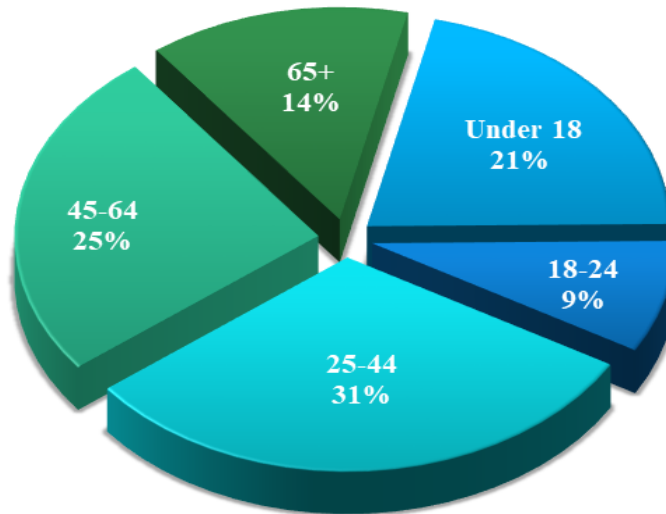
**Forecasted Age Distribution for 2021**

<b>Age Groups</b>	<b>Percent of Population</b>		
	<b>Denver</b>	<b>Denver PMSA</b>	<b>State of Colorado</b>
Under 18	18.6%	21.2%	21.3%
18-24	8.0%	8.5%	9.7%
25-44	37.2%	31.1%	29.0%
45-64	23.9%	25.2%	24.6%
65+	12.3%	14.0%	15.5%

(Columns may not add to 100% due to rounding)

Sources: Colorado Department of Local Affairs, Division of Local Government, State Demography Office.

**Population Age Distribution -  
Denver Primary Metropolitan Statistical Area**



**Income**

The following tables set forth recent annual personal income and per capita personal income levels for Denver, the Denver-Aurora-Lakewood Metropolitan Statistical Area (“MSA”), the State of Colorado and the United States from 2011 through 2020 as reported by the U.S. Department of Commerce, Bureau of Economic Analysis. The Denver-Aurora-Lakewood MSA includes the counties of Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, and Park.

Personal Income				
Year	Denver	Denver-Aurora-Lakewood MSA	State of Colorado	United States
2011	\$ 33,265,817	\$ 123,297,104	\$ 223,492,650	\$ 13,330,436,000
2012	36,282,777	131,697,083	236,759,086	14,003,346,000
2013	39,713,923	139,868,643	249,512,681	14,189,228,000
2014	44,812,655	153,191,702	271,410,156	14,969,527,000
2015	45,388,448	159,505,929	284,836,823	15,681,233,000
2016	44,100,994	161,745,100	289,672,968	16,092,713,000
2017	51,726,642	174,693,549	309,657,658	16,845,028,000
2018	55,635,820	188,111,119	331,955,386	17,681,159,000
2019	60,356,359	198,907,554	350,390,096	18,402,004,000
2020	62,823,116	208,852,979	370,392,116	19,607,447,000
2021	n/a	n/a	n/a	n/a

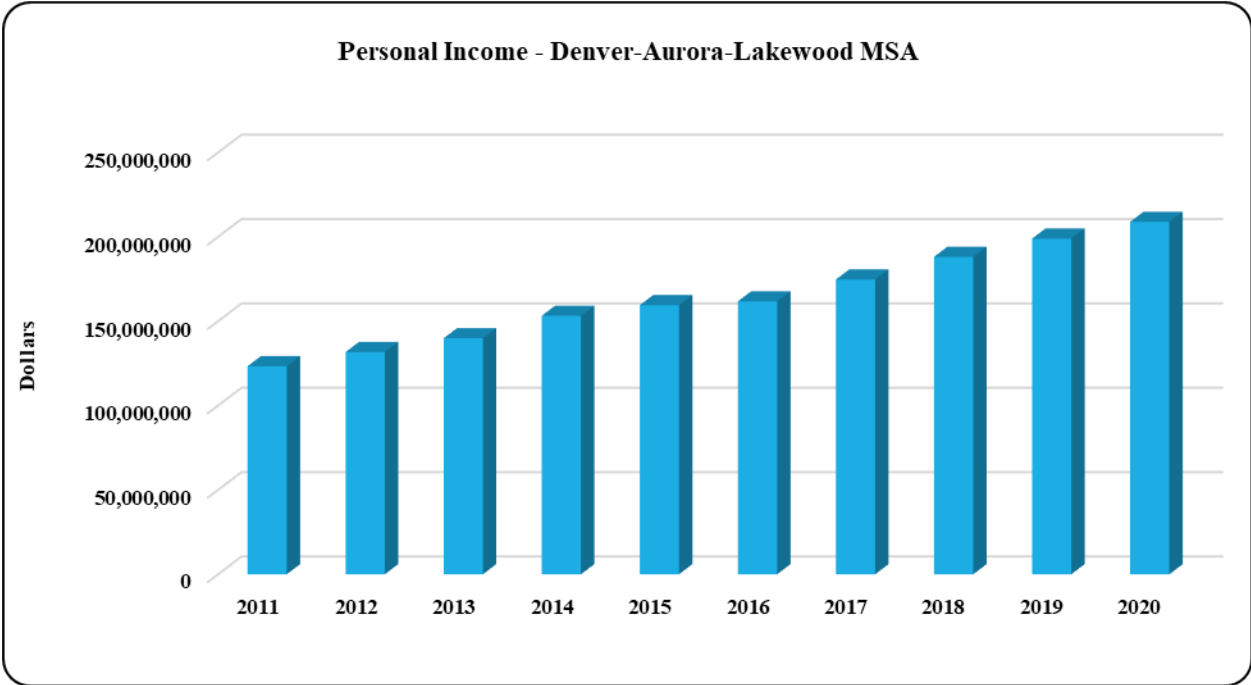
(n/a = not available. All dollar estimates are in thousands of current dollars not adjusted for inflation. Last updated: November 16, 2021 - new estimates for 2011-2019.)

Source: United States Bureau of Economic Analysis.

Per Capita Personal Income				
Year	Denver	Denver-Aurora-Lakewood MSA	State of Colorado	United States
2010	\$ 49,040	\$ 43,665	\$ 40,689	\$ 40,547
2011	54,236	47,419	43,575	42,739
2012	57,896	49,820	45,669	44,605
2013	61,732	51,785	47,311	44,860
2014	68,076	55,631	50,711	47,071
2015	67,037	56,707	52,254	49,019
2016	64,209	56,789	52,475	50,015
2017	74,573	60,812	55,604	52,118
2018	79,023	64,690	58,896	54,606
2019	81,405	67,236	61,157	56,490
2020	n/a	n/a	n/a	n/a

(n/a = not available. All dollar estimates are in thousands of current dollars not adjusted for inflation. Last updated: November 17, 2020 - new estimates for 2010-2018.)

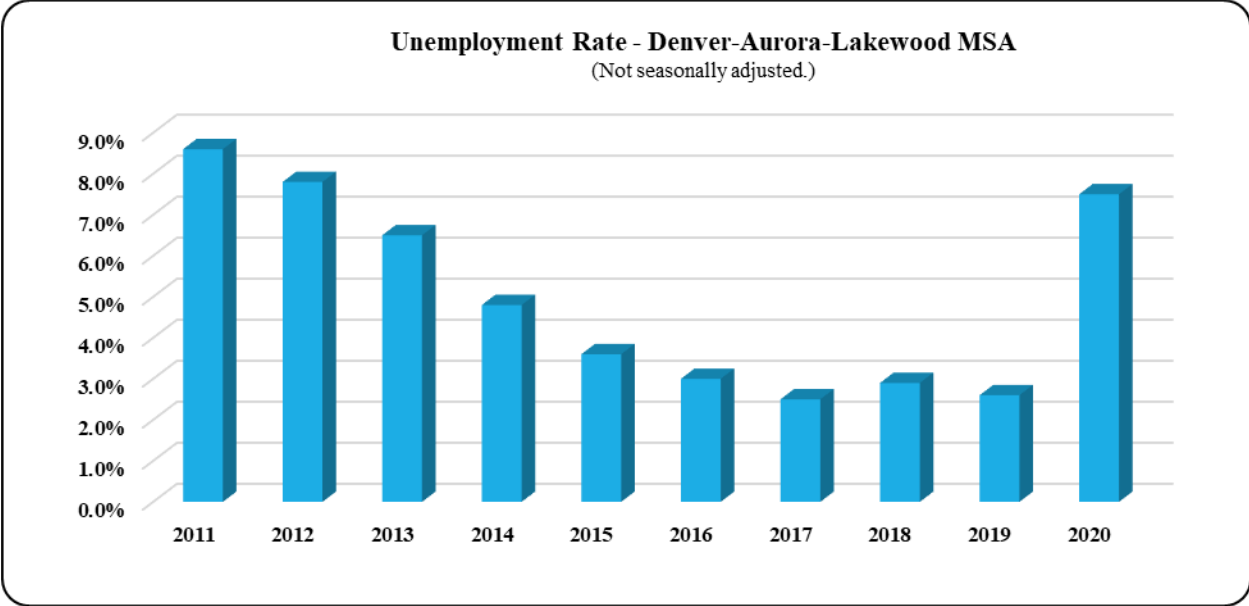
Source: Colorado Department of Labor and Employment.



**Employment**

The following table sets forth recent total labor force, employment and unemployment statistics for Denver, the Denver-Aurora MSA and the State of Colorado. The national unemployment rate is estimated to be approximately 6.7% as of December 2020.





Source: Colorado Department of Labor and Employment.

**Local Area Employment Statistics**

(Not seasonally adjusted)

**Denver**

<b>Year</b>	<b>Labor Force (Thousands)</b>	<b>% Change</b>	<b>Unemployed (Thousands)</b>	<b>% Unemployment Rate</b>
2011	351.4	1.4%	31.3	8.9%
2012	356.6	1.5%	28.3	7.9%
2013	362.6	1.7%	23.7	6.5%
2014	368.7	1.7%	17.7	4.8%
2015	375.6	1.9%	13.4	3.6%
2016	385.1	2.5%	11.5	3.0%
2017	398.1	3.4%	10.2	2.6%
2018	410.4	3.1%	12.1	2.9%
2019	419.8	2.3%	10.9	2.6%
2020	423.8	1.0%	34.9	8.2%
2021	n/a	n/a	n/a	n/a

**Denver-Aurora-Lakewood MSA**

<b>Year</b>	<b>Labor Force (Thousands)</b>	<b>% Change</b>	<b>Unemployed (Thousands)</b>	<b>% Unemployment Rate</b>
2011	1,428.2	0.7%	123.0	8.6%
2012	1,444.0	1.1%	113.1	7.8%
2013	1,463.4	1.3%	95.3	6.5%
2014	1,486.8	1.6%	71.3	4.8%
2015	1,506.0	1.3%	53.5	3.6%
2016	1,541.9	2.4%	45.6	3.0%
2017	1,587.4	3.0%	40.2	2.5%
2018	1,634.2	2.9%	47.7	2.9%
2019	1,666.4	2.0%	42.6	2.6%
2020	1,669.9	0.2%	125.6	7.5%
2021	n/a	n/a	n/a	n/a

**State of Colorado**

<b>Year</b>	<b>Labor Force (Thousands)</b>	<b>% Change</b>	<b>Unemployed (Thousands)</b>	<b>% Unemployment Rate</b>
2011	2,730.3	0.5%	236.8	8.7%
2012	2,749.2	0.7%	219.4	8.0%
2013	2,766.1	0.6%	186.6	6.7%
2014	2,800.7	1.2%	139.6	5.0%
2015	2,825.8	0.9%	105.8	3.7%
2016	2,894.2	2.4%	90.7	3.1%
2017	2,982.5	3.1%	78.5	2.6%
2018	3,071.4	3.0%	93.2	3.0%
2019	3,126.1	1.8%	83.0	2.7%
2020	3,122.2	-0.1%	226.8	7.3%
2021	n/a	n/a	n/a	n/a

Source: United States Bureau of Labor and Statistics.

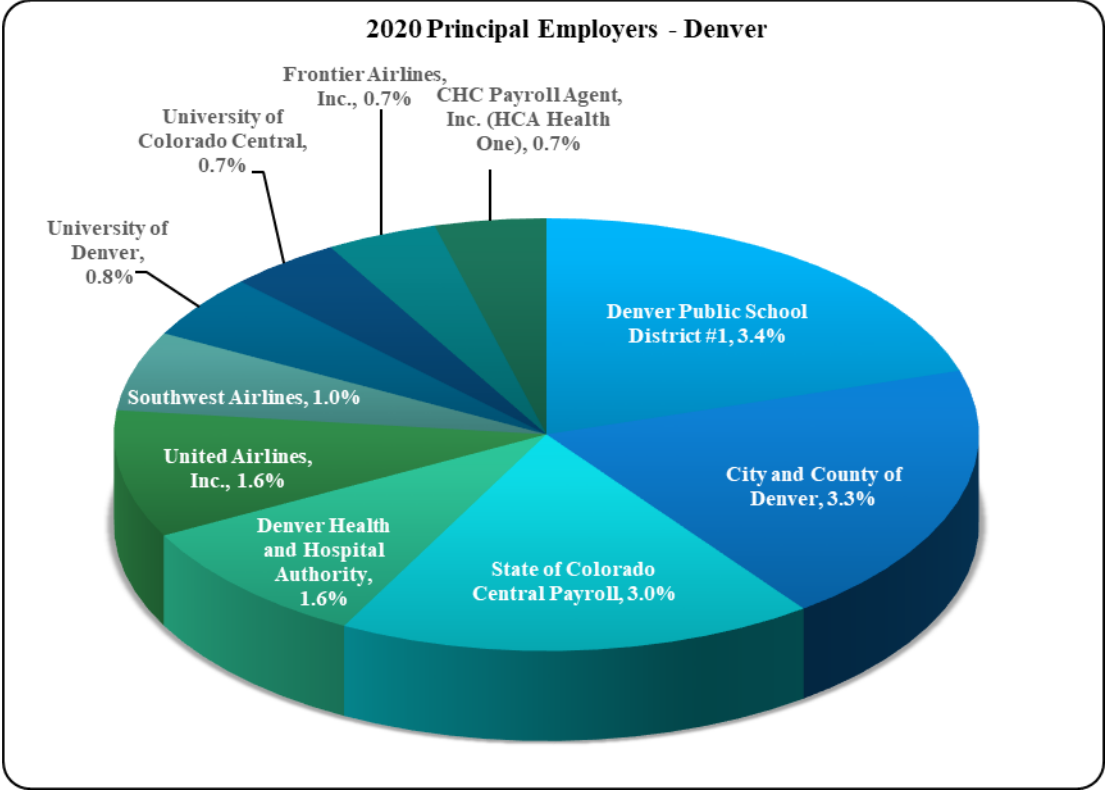
## Principal Employers

The following table sets forth the ten largest employers in Denver for the current year and the period nine years prior, the number of persons each entity employs, and the percentage of total employment that each represents.

<b>Principal Employers in Denver Current Year and Nine Years Ago</b>						
<b>Employer</b>	<b>2020</b>			<b>2011</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>
Denver Public School District #1	14,957	1	3.4%	13,051	1	2.7%
City and County of Denver	14,675	2	3.3%	11,695	2	2.5%
State of Colorado Central Payroll	13,201	3	3.0%	9,879	3	2.1%
Denver Health and Hospital Authority	7,000	4	1.6%	7,396	4	1.6%
United Airlines, Inc.	7,000	5	1.6%	6,744	6	1.5%
Southwest Airlines	4,450	6	1.0%			
University of Denver	3,770	7	0.8%	4,241	8	0.9%
University of Colorado Central	3,085	8	0.7%	3,435	10	0.7%
Frontier Airlines, Inc.	3,070	9	0.7%			
CHC Payroll Agent, Inc. (HCA Health One)	3,000	10	0.7%	3,781	7	1.0%
Deloitte Consulting LLP				7,314	5	1.6%
U.S.D.A. National Finance Center				3,904	9	0.8%
<b>Total</b>	<b>74,208</b>		<b>16.8%</b>	<b>71,440</b>		<b>15.4%</b>

(2021 data not available at time of publication.)

Source: City and County of Denver Annual Report. Based on 2020 and 2011 Occupational Privilege Tax Remitters.



**New Residential Building Construction**

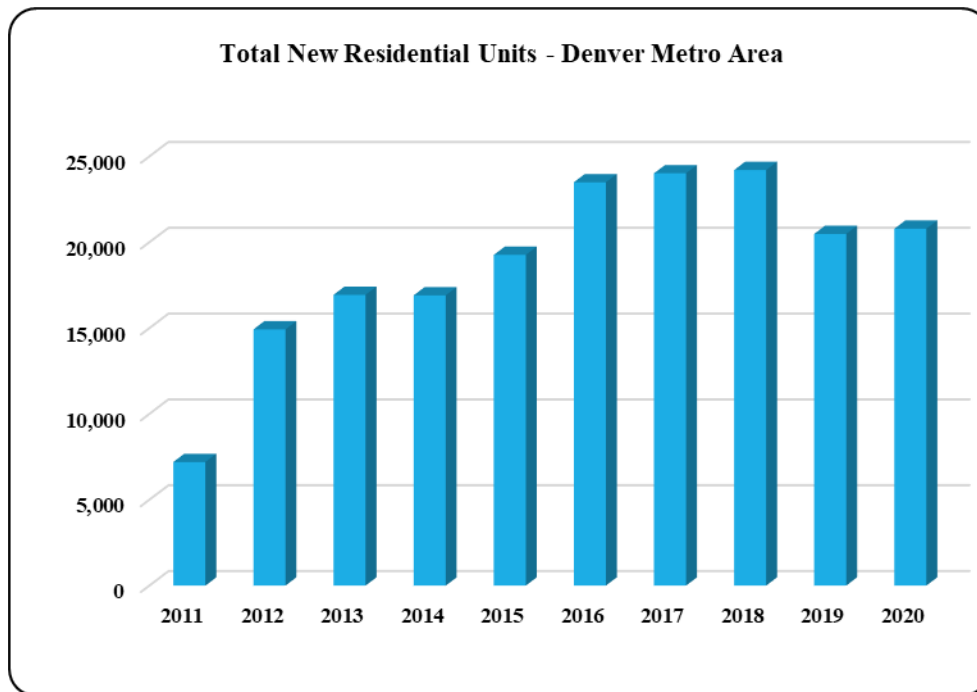
Set forth in the following table are recent historical residential building permit statistics for Denver and the Denver metropolitan area (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, and Jefferson counties).

**New Residential Units in Denver and the Denver Metropolitan Area**

Year	Denver				Denver Metropolitan Area			
	Single-Family Detached	Single-Family Attached	Multi-Family	Total	Single-Family Detached	Single-Family Attached	Multi-Family	Total
2011	703	147	1,835	2,685	3,885	309	3,005	7,199
2012	1,056	166	4,356	5,578	5,947	299	8,679	14,925
2013	1,284	256	4,330	5,870	7,396	399	9,145	16,940
2014	1,710	287	3,961	5,958	8,396	440	8,074	16,910
2015	1,847	134	5,920	7,901	9,786	422	9,061	19,269
2016	1,887	374	5,581	7,842	10,663	532	12,301	23,496
2017	2,370	198	7,957	10,525	11,419	384	12,218	24,021
2018	2,428	110	5,340	7,878	12,248	400	11,561	24,209
2019	2,257	7	5,066	7,330	11,401	192	8,896	20,489
2020	1,167	0	3,892	5,059	11,307	451	9,036	20,794
2021	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(n/a = not available. Single-family attached permits consists of structures with 2-4 units.)

Source: Metro Denver Economic Development Corporation based on U.S. Census Bureau.



## APPENDIX E

### DTC BOOK-ENTRY SYSTEM

The information in this appendix concerning DTC and the DTC book entry system has been obtained from DTC and contains statements that are believed to describe accurately DTC, the method of effecting book-entry transfers of securities subject to the DTC book-entry system and certain related matters, but the Board takes no responsibility for the accuracy or completeness of such information. Beneficial Owners should confirm the following information with DTC or the DTC Participants.

None of the Board, the Paying Agent or the Registrar has any responsibility or obligation to any Beneficial Owner with respect to (1) the accuracy of any records maintained by DTC or any DTC Participant, (2) the distribution by DTC or any DTC Participant of any notice that is permitted or required to be given to the Owners of the Series 2022A Bonds under the Bond Resolution, (3) the payment by DTC or any DTC Participant of any amount received under the Bond Resolution with respect to the Series 2022A Bonds, (4) any consent given or other action taken by DTC or its nominee as the Owner of the Series 2022A Bonds or (5) any other related matter.

DTC will act as securities depository for the Series 2022A Bonds. The Series 2022A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Series 2022A Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Series 2022A Bonds and deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

Purchases of the Series 2022A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2022A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2022A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2022A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting

on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2022A Bonds, except in the event that use of the book entry-system for the Series 2022A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2022A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2022A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Series 2022A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2022A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Series 2022A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2022A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2022A Bond documents. For example, Beneficial Owners of the Series 2022A Bonds may wish to ascertain that the nominee holding the Series 2022A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Series 2022A Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2022A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Denver Water as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2022A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2022A Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Denver Water or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of Denver Water or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2022A Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Series 2022A Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2022A Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Series 2022A Bonds in

connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2022A Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Series 2022A Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Series 2022A Bonds at any time by giving reasonable notice to Denver Water or the Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2022A Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book entry only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.



## APPENDIX F

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

#### CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners (the “Issuer”) in connection with the issuance of its Water Revenue Bonds, Series 2022A, in the aggregate principal amount of \$ \_\_\_\_\_, dated as of \_\_\_\_\_, 2022 and referred to herein as the “Series 2022A Bonds”). The Series 2022A Bonds are being issued pursuant to the Master (03-22-17) Bond Resolution Authorizing Amendment and Restatement of Master Bond Resolution adopted by the Board on March 22, 2017, as amended and supplemented, and the Series 2022A (\_\_\_-\_\_-22) Supplemental Bond Resolution adopted by the Board on \_\_\_\_\_, 2022 (together, the “Parity Bonds Resolution”). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of this Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Series 2022A Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “SEC”).

SECTION 2. Definitions. In addition to the definitions set forth in the Parity Bonds Resolution or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Undertaking.

“Dissemination Agent” shall mean any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Fiscal Year” shall mean the period beginning on January 1 and ending on December 31, or such other 12-month period as may be adopted by the Issuer in accordance with law.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

“MSRB” shall mean the Municipal Securities Rulemaking Board. As of the date hereof, the MSRB’s required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system, which is currently available at <http://emma.msrb.org>.

“Official Statement” means the final Official Statement prepared in connection with the Series 2022A Bonds.

“Participating Underwriter” shall mean the original underwriter of the Series 2022A Bonds required to comply with the Rule in connection with an offering of the Series 2022A Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as in effect on the date of this Disclosure Undertaking.

SECTION 3. Provisions of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than nine (9) months following the end of the Issuer's fiscal year of each year, commencing nine (9) months following the end of the Issuer's fiscal year ending December 31, 2022, provide to the MSRB (in an electronic format as prescribed by the MSRB), an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if the Issuer has selected one). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report. The information to be updated may be reported in any format chosen by the Issuer; it is not required that the format reflected in the Official Statement be used in future years.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer in a timely manner shall file or cause to be filed with the MSRB a notice in substantially the form attached to this Disclosure Undertaking as Exhibit "A."

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements, if any, prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit "B" hereto, which is contained in the tables in the Official Statement with respect to the Series 2022A Bonds.

Any or all of the items listed above may be incorporated by reference from other documents (including official statements), which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Listed Events. The Issuer shall file or cause to be filed with the MSRB in a timely manner not in excess of ten (10) business days after the occurrence of the event, notice of any of the events listed below with respect to the Series 2022A Bonds. All of the events currently mandated by the Rule are listed below; however, some may not apply to the Series 2022A Bonds.

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2022A Bonds, or other material events affecting the tax status of the Series 2022A Bonds;

- (7) Modifications to rights of bondholders, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution or sale of property securing repayment of the Series 2022A Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person;<sup>1</sup>
- (13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation<sup>2</sup> of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Undertaking shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Undertaking, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and

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<sup>1</sup> For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

<sup>2</sup> For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term “financial obligation” is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. In complying with Listed Events (15) and (16), the Issuer intends to apply the guidance provided by the Rule or other applicable federal securities law, SEC Release No. 34-83885 (August 20, 2018) and any future guidance provided by the SEC or its staff.

retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Undertaking shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Series 2022A Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Series 2022A Bonds.

SECTION 8. Dissemination Agent.

(a) The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the Issuer elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Undertaking. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking and any other agreement between the Issuer and the Dissemination Agent.

(b) In addition to the filing duties on behalf of the Issuer described in this Disclosure Undertaking, the Dissemination Agent shall, in a timely manner:

(1) each year, prior to the date for providing the Annual Report, determine the appropriate electronic format prescribed by the MSRB;

(2) send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(3) certify in writing to the Issuer that the Annual Report has been provided pursuant to this Disclosure Undertaking and the date it was provided.

(4) if the Annual Report (or any portion thereof) is not provided to the MSRB by the date required in Section (3)(a), the Dissemination Agent shall file with the MSRB a notice in substantially the form attached to this Disclosure Undertaking as Exhibit A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the Issuer may amend this Disclosure Undertaking and may waive any provision of this Disclosure Undertaking, without the consent of the holders and beneficial owners of the Series 2022A Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the Issuer shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Undertaking, any holder or beneficial owner of the Series 2022A Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an event of default under the Parity Bonds Resolution, and the sole remedy under this Disclosure Undertaking in the event of any failure of the Issuer to comply with this Disclosure Undertaking shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the holders and beneficial owners from time to time of the Series 2022A Bonds, and shall create no rights in any other person or entity.

DATE: \_\_\_\_\_, 2022.

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

By: \_\_\_\_\_  
President

**EXHIBIT "A"**

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City and County of Denver, Colorado, Acting by and through its Board of Water Commissioners

Name of Bond Issue: Water Revenue Bonds, Series 2022A, in the aggregate principal amount of \$ \_\_\_\_\_, dated as of \_\_\_\_\_, 2022.

CUSIP:

Date of Issuance: \_\_\_\_\_, 2022

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Master (03-22-17) Bond Resolution Authorizing Amendment and Restatement of Master Bond Resolution adopted by the Board on March 22, 2017, as amended and supplemented, and the Series 2022A (\_\_\_-\_\_\_-21) Supplemental Bond Resolution adopted by the Board on \_\_\_\_\_, 2022, pursuant to which the Series 2022A Bonds were issued, and the Continuing Disclosure Undertaking executed on \_\_\_\_\_, 2022, by the Issuer. The Issuer anticipates that the Annual Report will be filed by \_\_\_\_\_.

Dated: \_\_\_\_\_, \_\_\_\_\_

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

By: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT “B”**

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

Monthly Fixed Charges, \$ per Bill

Treated Water Volume Rates, \$ per 1,000 gallons

Statements of Revenues, Expenses and Changes in Net Position

Outstanding Parity Bonds

Historical and Budgeted Net Revenue and Historical and Pro Forma Debt Service Coverage

**APPENDIX G**

**FORM OF BOND COUNSEL OPINION**

\_\_\_\_\_, 2022

Board of Water Commissioners  
Of the City and County of Denver, Colorado  
1600 West 12th Avenue  
Denver, Colorado 80204

§ \_\_\_\_\_  
**City and County of Denver, Colorado,**  
**acting by and through its Board of Water Commissioners**  
**Water Revenue Bonds**  
**Series 2022A**

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 “Board”), in connection with its issuance of the above-referenced bonds (the “Bonds”) pursuant to the Master (03-22-17) Bond Resolution Authorizing Amendment and Restatement of the Master (03-14-07) Bond Resolution adopted by the Board on March 14, 2007, adopted by the Board on March 22, 2017, as supplemented by an authorizing resolution of the Board adopted on \_\_\_\_\_, 2022 (the “Bond Resolution”). In such capacity, we have examined the Board’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 Bond Resolution.

Regarding questions of fact material to our opinions, we have relied upon the Board’s certified proceedings 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 Bonds are valid and binding, special, limited obligations of the Board payable solely from the Net Revenue and from funds and accounts pledged therefor under the Bond Resolution.
2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the Board.
3. The Bond Resolution creates a valid lien on the Net Revenue pledged therein for the security of the Bonds on a parity with the lien thereon of the Outstanding Parity Bonds. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Net Revenue or on the funds and accounts created by the Bond Resolution.
4. Interest on the Bonds is excludable from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the “Tax Code”), interest on the Bonds is excludable from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, and interest on the Bonds is excludable from Colorado taxable income and Colorado alternative minimum taxable income under Colorado income tax laws in effect on the date hereof. The opinions expressed in this paragraph assume continuous compliance with the covenants and



Board of Water Commissioners  
Of the City and County of Denver, Colorado  
1600 West 12th Avenue  
Denver, Colorado 80204

representations contained in the Board's certified proceedings and in certain other documents or certain other certifications furnished to us.

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

The rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution 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.

In this opinion letter issued in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any federal or state tax consequences arising from the receipt or accrual of interest on or the ownership or disposition of the Bonds, 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 any changes in law that may hereafter occur.

Respectfully submitted,

BUTLER SNOW LLP

**APPENDIX H**

**NOTICE OF PUBLIC SALE**

**DATED \_\_\_\_\_, 2022**

*This Notice of Sale does not by itself constitute an invitation for bids but is rather the notice of sale of the Series 2022A Bonds described herein. The invitation for bids is being made by means of this Notice of Sale and the Preliminary Official Statement.*

**\$ \_\_\_\_\_ \***

**City and County of Denver, Colorado,  
Acting By and Through Its Board of Water Commissioners  
Water Revenue Bonds, Series 2022A**

PUBLIC NOTICE IS HEREBY GIVEN that the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners (the "Board") and the Chief Finance Officer of Denver Water and the Board (the "CFO") on:

\_\_\_\_\_, \_\_\_\_\_, **2022 at the hour of 9:30 a.m., Colorado Time,**

will receive bids, and will award to the best conforming bidder (as determined by the CFO and described herein under "Bid Proposal Requirements"), Water Revenue Bonds, Series 2022A, in the aggregate principal amount of \$ \_\_\_\_\_ \* (the "Series 2022A Bonds").

Bids must be submitted electronically via the BIDCOMP/PARITY BIDDING SYSTEM ("BIDCOMP/PARITY") as described in "BID PROPOSAL REQUIREMENTS" and "BIDCOMP/PARITY" below.

ISSUE DETAILS: The Series 2022A Bonds are in the aggregate principal amount of \$ \_\_\_\_\_.\* The Series 2022A Bonds will be dated as of the date of delivery, will be issued in fully registered form, and will be initially evidenced by one Bond for each maturity in denominations equal to the principal amount of such maturity. Any initially issued Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, as securities depository for the Series 2022A Bonds ("DTC").

MATURITIES: Except as otherwise provided below in "MANDATORY SINKING FUND REDEMPTION" and "ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST BID" below, the Series 2022A Bonds will mature on December 15 in the years and amounts designated below:

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\* Subject to change.

Maturity Date

Principal Amount

TOTAL

ADJUSTMENT OF MATURITIES AFTER DETERMINATION OF BEST BID: The aggregate principal amount and the principal amount of each serial maturity of the Series 2022A Bonds set forth in the Maturity Schedule above are subject to adjustment by the Board, after the determination of the best bid. Changes to be made will be communicated to the winning bidder at the time of award of the Series 2022A Bonds; changes will not reduce or increase the aggregate principal amount of the Series 2022A Bonds of any maturity by the greater of \$500,000 or fifteen percent (15%) from the amount shown in the Maturity Schedule. The price bid (i.e., par less any discount bid or plus any premium bid) by a winning bidder may be changed as described below, but the interest rates specified by the winning bidder for all maturities will not change. A winning bidder may not withdraw its bid as a result of any changes made within these limits. The price bid will be changed so that the percentage net compensation to the winning bidder (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Series 2022A Bonds to the public and the price to be paid to the Board, by (ii) the principal amount of the Series 2022A Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown in the Maturity Schedule.

OPTIONAL PRIOR REDEMPTION: The Series 2022A Bonds maturing on or before December 15, 20\_\_ are not subject to redemption prior to maturity. The Series 2022A Bonds maturing on and after December 15, 20\_\_ shall be subject to redemption prior to their respective maturities, at the option of the Board, in whole or in part, in integral multiples of \$5,000, from such maturities as are selected by the Board and by lot within a maturity (giving proportionate weight to Bonds in denominations larger than \$5,000), in such a manner as the Board may determine, on December 15, 20\_\_ or on any date thereafter at a redemption price equal to 100% of the principal amount so redeemed plus accrued interest to the redemption date.

Redemption will be made in the manner and upon the conditions described in the Final Official Statement (as described below).

MANDATORY SINKING FUND REDEMPTION: Any bidder may, at its option, specify that one or more consecutive maturities of the Series 2022A Bonds, will consist of term bonds (the “Term Bonds”) which are subject to mandatory sinking fund redemption in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder. Amounts included as a Term Bond must consist of consecutive maturities, must bear the same rate of interest, and must include the entire principal amount for any maturity included in the Term Bond (i.e., the principal amount maturing in any year may not be divided between a serial maturity and a mandatory sinking fund redemption). Any such Term Bond will be subject to mandatory sinking fund redemption in installments in the same amounts and on the same dates as the Series 2022A Bonds would have matured if they were not included in a Term Bond or Term Bonds. Series 2022A Bonds redeemed pursuant to the mandatory sinking fund redemption provisions will be redeemed at a redemption price equal to the principal amount of the Series 2022A Bonds to be redeemed plus accrued interest to the redemption date in the manner and as otherwise provided in the Resolution authorizing issuance of the Series 2022A Bonds (the “Series 2022A Supplemental Resolution”), including any certificate executed by the CFO, or her designee, in accordance with the Series 2022A Supplemental Resolution. Any election to designate the Series 2022A Bonds as being included in a Term Bond must be made in the official bid forms.

INTEREST RATES AND LIMITATIONS:

1. Interest shall be payable on June 15 and December 15 of each year, commencing December 15, 2022, and will be computed on the basis of a 360-day year of twelve 30-day months.
2. There is no limit on the number of rates specified, except that one interest rate only shall be specified for the Series 2022A Bonds of any maturity.
3. The interest rate for the Series 2022A Bonds must be stated in a multiple of 1/8th or 1/20th of 1% per annum. A zero rate of interest may not be named for the Series 2022A Bonds.

PURCHASE PRICE: The purchase price bid for the Series 2022A Bonds shall not be less than 110% of the par amount of the Series 2022A Bonds. SEE “WINNING BIDDER’S REOFFERING YIELDS.”

INFORMATION AVAILABLE FROM PRELIMINARY OFFICIAL STATEMENT: Reference is made to the Preliminary Official Statement dated \_\_\_\_\_, 2022 (the “Preliminary Official Statement”) for information as to the authorization and purpose of the Series 2022A Bonds; security for the Series 2022A Bonds; the book-entry system, transfer, exchange, and place of payment of the Series 2022A Bonds; the exclusion of the interest on the Series 2022A Bonds from federal and State of Colorado income taxation; and other information relating to the Series 2022A Bonds and the Board.

BIDCOMP/PARITY: Bids must be submitted electronically using BIDCOMP/PARITY no later than the time designated herein for the receipt of bids. During the electronic bidding, no bidder will see any other bidder’s bid nor the status of their bid relative to other bids (i.e., whether their bid is a leading bid). Bidders may change or withdraw their bids at any time up to the time designated herein. Electronic bids may only be submitted through BIDCOMP/PARITY. If any provisions in this Notice of Public Sale should conflict with information or terms provided or required by BIDCOMP/PARITY, this Notice of Public Sale (and any amendments hereto) shall control.

BID PROPOSAL REQUIREMENTS: A prospective bidder must register electronically to bid for the Series 2022A Bonds via BIDCOMP/PARITY no later than 8:30 a.m. (Colorado Time), on \_\_\_\_\_, 2022. A prospective bidder must register electronically to bid for the Series 2022A Bonds by completing the information required by BIDCOMP/PARITY. By registering to bid for the Series 2022A

Bonds, a prospective electronic bidder represents and warrants to the Board that such bidder's bid for the purchase of the Series 2022A Bonds (if a bid is submitted in connection with the sale) is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid, and enforceable contract for the purchase of the Series 2022A Bonds. By registering via BIDCOMP/PARITY to bid for the Series 2022A Bonds, a prospective bidder is not obligated to submit a bid in connection with the sale.

Bids must be submitted electronically for the purchase of the Series 2022A Bonds by means of BIDCOMP/PARITY by 9:00 a.m. (Colorado Time), on \_\_\_\_\_, 2022. Prior to that time, an eligible prospective bidder may (1) input the proposed terms of its bid on BIDCOMP/PARITY, (2) modify the proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid is withdrawn as described herein) constitute its bid for the Series 2022A Bonds, (3) send its proposed bid, or (4) withdraw its proposed bid. Once the bids are communicated electronically via BIDCOMP/PARITY, each bid will constitute an irrevocable offer to purchase the Series 2022A Bonds on the terms therein provided.

***Each prospective bidder shall be solely responsible to register to bid via BIDCOMP/PARITY as described above. Each qualified prospective bidder shall be solely responsible to make necessary arrangements to access BIDCOMP/PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Public Sale. Neither the Board nor the Board's Financial Advisor, Piper Sandler & Co. (the "Financial Advisor") shall have any duty or be obligated to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Board nor the Board's Financial Advisor shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, BIDCOMP/PARITY. The Board is using BIDCOMP/PARITY as communication mechanisms, and not as the Board's agents, to conduct the electronic bidding for the Series 2022A Bonds.***

For informational purposes only, the electronic bid will show the effective interest rate for the Series 2022A Bonds represented on a TIC basis, as described under "BASIS OF AWARD" below, represented by the rate or rates of interest and the bid price specified in the bid. No bid will be received after the time for receiving such bids specified above.

Further information about BIDCOMP/PARITY, including any fees charged, may be obtained from such respective entity as follows: Bidcomp/Parity, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 404-8153; fax (212) 849-5021.

**WINNING BIDDER'S REOFFERING YIELDS AND ESTABLISHING THE ISSUE PRICE:** At or before 10:00 a.m. Colorado Time on \_\_\_\_\_, 2022, the winning bidder (or manager of the purchasing account) for the Series 2022A Bonds must provide to the CFO and the Financial Advisor the initial offering price and yield to the public.

The winning bidder shall assist the Board in establishing the issue price of the Series 2022A Bonds for federal income tax purposes and shall execute and deliver to the Board at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Series 2022A Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, in a form acceptable to the Board and Butler Snow LLP ("Bond Counsel"). All actions to be taken by the Board under this Notice of Public Sale to establish the issue price of the Series 2022A Bonds may be taken on behalf of the Board by the Financial Advisor and any notice or report to be provided to the Board may be provided to the Financial Advisor.

The Board intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Series 2022A Bonds) will apply to the initial sale of the Series 2022A Bonds (the "competitive sale requirements") because:

- (i) the Board will disseminate this Notice of Public Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (ii) all bidders will have an equal opportunity to bid;
- (iii) the Board may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (iv) the Board anticipates awarding the sale of the Series 2022A Bonds to the bidder who submits a firm offer to purchase the Series 2022A Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Public Sale.

Any bid submitted pursuant to this Notice of Public Sale shall be considered a firm offer for the purchase of the Series 2022A Bonds, as specified in the bid and in this Notice of Public Sale and shall not be subject to any conditions or qualifications except as permitted by this Notice of Public Sale. **By submitting a bid, each bidder confirms that it has an established industry reputation for underwriting new issuances of municipal obligations.**

In the event that the competitive sale requirements are not satisfied, the Board shall so advise the winning bidder. The Board may determine to treat (i) the first price at which 10% of a maturity of the Series 2022A Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Series 2022A Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Board if any maturity of the Series 2022A Bonds satisfies the 10% test as of the date and time of the award of the Series 2022A Bonds. The Board shall promptly advise the winning bidder, at or before the time of award of the Series 2022A Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Series 2022A Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Board determines to apply the hold-the-offering-price rule to any maturity of the Series 2022A Bonds. ***Bidders should prepare their bids on the assumption that some or all of the maturities of the Series 2022A Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Series 2022A Bonds.***

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Series 2022A Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Series 2022A Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (A) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (B) the date on which the underwriters have sold at least 10% of that maturity of the Series 2022A Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Board when the underwriters have sold 10% of that maturity of the Series 2022A Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5<sup>th</sup>) business day after the sale date.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Series 2022A Bonds, the winning bidder agrees to promptly report to the Board the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date, as set forth in the Final Official Statement, has occurred, until the 10% test has been satisfied as to the Series 2022A Bonds of that maturity or until all Bonds of that maturity have been sold.

The Board acknowledges that, in making the representation set forth above, winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2022A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2022A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Board further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2022A Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Series 2022A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Series 2022A Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Series 2022A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2022A Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Series 2022A Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Public Sale. Further, for purposes of this Notice of Public Sale:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Board (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022A Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2022A Bonds to

the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2022A Bonds to the public),

- (iii) a purchaser of any of the Series 2022A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Series 2022A Bonds are awarded by the Board to the winning bidder.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of \$1,000,000 will be required to be made by the apparent winning bidder after the bids have been received. The apparent winning bidder will be required to wire the good faith deposit to the Board no later than 3:00 p.m. Colorado Time on \_\_\_\_\_, 2022. The Financial Advisor will contact the apparent winning bidder and request the apparent winning bidder to wire such good faith deposit and the apparent winning bidder shall provide the Federal wire reference number of such good faith deposit to the Financial Advisor by 3:00 p.m. Colorado Time on \_\_\_\_\_, 2022. The wire shall be sent to a bank account that will be provided by the Financial Advisor to the winning bidder.

The Series 2022A Bonds will not be officially awarded to a bidder until such time as the bidder has provided a federal wire reference number for the good faith deposit to the Financial Advisor.

No interest on the good faith deposit will accrue to any bidder. The good faith deposit of the winning bidder for the Series 2022A Bonds will be applied to the purchase price of the Series 2022A Bonds. In the event the winning bidder for the Series 2022A Bonds fails to honor its accepted bid, the good faith deposit plus any interest accrued on the good faith deposit will be retained by the Board. Any investment income earned on the good faith deposit will not be credited to the winning bidder on the purchase price of the Series 2022A Bonds.

SALE RESERVATIONS: The Board reserves the right (1) to reject any and all bids for the Series 2022A Bonds, (2) to reoffer the Series 2022A Bonds for sale as provided by law, and (3) to waive any irregularity or informality in any bid. In addition, the Board reserves the privilege of changing the date and/or time of sale of the Series 2022A Bonds. If the Board changes the date and/or time of the sale of the Series 2022A Bonds, this Notice of Public Sale shall remain effective, except as amended by communication or other amendment communicated to potential bidders.

If bids are not taken on \_\_\_\_\_, 2022, or if all bids are rejected on \_\_\_\_\_, 2022, the Board may reoffer the Series 2022A Bonds for sale at any time thereafter.

BASIS OF AWARD: Subject to the sale reservations and limitations set forth herein, the Series 2022A Bonds will be sold to the responsible bidder making the best bid therefor. The best bid(s) will be determined by computing the actuarial yield on the Series 2022A Bonds (i.e., using an actuarial or true interest cost method) for each bid received. “True interest cost” on the Series 2022A Bonds as used herein means that yield which if used to compute the present worth as of the estimated delivery date of the Series 2022A Bonds of all payments of principal and interest to be made on such series of the Series 2022A Bonds from the



estimated delivery date to their respective maturity dates (or mandatory sinking fund redemption dates), using the interest rates specified in the bid and the principal amounts specified in the Maturity Schedule, produces an amount equal to the principal amount of the Series 2022A Bonds, less any discount or plus any premium bid. All interest calculations and the calculation of the best bid shall be based on a 360-day year and a semiannual compounding interval. If an award is made, it will be made to the bidder whose bid results in the lowest true interest cost, i.e., to the bidder making the bid resulting in the lowest true interest cost on the Series 2022A Bonds. If two or more equal bids for the Series 2022A Bonds are received and such equal bids are the best bids received, the Board will determine which bid will be accepted.

TIME OF AWARD: The Board has authorized the CFO to accept the best responsible bid for the purchase of the Series 2022A Bonds, and to accept such bid, for and in the name of the Board, by notice to the winning bidder. The Board will award the Series 2022A Bonds or reject all bids not later than twenty-four hours after the expiration of the time herein specified for the receipt of bids unless such time of award is waived by the winning bidder.

MANNER AND TIME OF DELIVERY: The good faith deposit of the winning bidder will be credited to the winning bidder at the time of delivery of the Series 2022A Bonds (without accruing interest). If the winning bidder for the Series 2022A Bonds fails or neglects to complete the purchase of the Series 2022A Bonds when the Series 2022A Bonds are made ready and are tendered for delivery, the amount of this good faith deposit will be forfeited (as liquidated damages for noncompliance with the bid) to the Board, except as hereinafter provided. In that event, the Board may reoffer the Series 2022A Bonds for sale as provided by law. The winning bidder will not be required to accept delivery of any of the Series 2022A Bonds if they are not tendered for delivery within sixty days from the date herein stated for opening bids. If the Series 2022A Bonds are not so tendered within said period of time, the good faith deposit, if any, will be returned to the winning bidder upon its request (without accruing interest). The Board contemplates, however, effecting delivery of the Series 2022A Bonds to the winning bidder through DTC on or about \_\_\_\_\_, 2022.

PAYMENT: The winning bidder or bidders will be required to make payment of the balance due for the Series 2022A Bonds at a bank or trust company designated by the CFO. Payment of the balance of the purchase price due at delivery must be made in Federal Reserve Funds or other funds acceptable to the Board for immediate and unconditional credit to the Board. The Series 2022A Bonds will be delivered at the office of The Depository Trust Company in New York, New York, on confirmation by the Board of receipt of the balance of the purchase price.

CUSIP NUMBERS: CUSIP numbers will be ordered by the Financial Advisor and will be paid for by the Board as a cost of issuance. CUSIP numbers will be printed on the Series 2022A Bonds. If a wrong number is imprinted on any Bond or if a number is not printed thereon, any such error or omission will not constitute cause for the winning bidder to refuse delivery of any Bond.

OFFICIAL STATEMENT: The Board has prepared the Preliminary Official Statement, which is deemed by the Board to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the "Rule"), except for the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendment and completion in a Final Official Statement, as defined below.

Copies of the Preliminary Official Statement and other information concerning the Board and the Series 2022A Bonds may be obtained prior to the sale from the sources listed under "INFORMATION" below.

The Board will, as soon as practicable after the award of the Series 2022A Bonds to the winning bidder, update the information contained in the Preliminary Official Statement to the date of the award, and such updated Preliminary Official Statement will constitute the "Final Official Statement" relating

to the Series 2022A Bonds. The Board authorizes the winning bidder to distribute the Final Official Statement in connection with the offering of the Series 2022A Bonds. The Board will provide to the winning bidder copies of the Final Official Statement on or before the seventh business day following the date of the award of the Series 2022A Bonds to the winning bidder. The winning bidder may obtain additional copies of the Final Official Statement at its expense. The Final Official Statements will be delivered to the winning bidder at the offices of the Financial Advisor at the address listed below (see “INFORMATION” herein). If the winning bidder fails to pick up the Final Official Statements at the offices of the Financial Advisor, the Final Official Statements will be forwarded to the winning bidder by mail or another delivery service mutually agreed to between the winning bidder and the Financial Advisor.

For a period beginning on the date of the Final Official Statement and ending twenty-five days following the date the winning bidder shall no longer hold for sale any of the Series 2022A Bonds, if any event concerning the affairs, properties or financial condition of the Board shall occur as a result of which it is necessary to supplement the Final Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, the Board shall notify the winning bidder of any such event of which the CFO has actual knowledge and, at the request of the winning bidder, shall cooperate fully in preparation and furnishing of any supplement to the Final Official Statement necessary, in the reasonable opinion of the Board and the winning bidder, so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time.

SECONDARY MARKET DISCLOSURE UNDERTAKING: Pursuant to Securities and Exchange Commission Rule 15c2-12, the Board will undertake to provide certain annual financial information as well as notice of the occurrence of certain material events. A form of the undertaking is set forth as an appendix to the Preliminary Official Statement.

TRANSCRIPT AND LEGAL OPINION: The validity and enforceability of the Series 2022A Bonds will be approved by Butler Snow LLP, Denver, Colorado, as Bond Counsel. The winning bidder will receive a transcript of legal proceedings, which will include, among other documents:

1. A certificate executed by officials of the Board stating that there is no litigation pending affecting the validity of the Series 2022A Bonds as of the date of their delivery;

2. A certificate executed by the CFO or other authorized official of the Board stating that, to the best of her knowledge, the Final Official Statement as of its date did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made in the Final Official Statement, in the light of the circumstances under which they were made, not misleading, and that, to the best of her knowledge, since the date of the Final Official Statement no event has occurred which would cause the Final Official Statement as of the date of the delivery of the Series 2022A Bonds to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements made in the Final Official Statement, in the light of the circumstances under which they were made, not misleading (provided that, if between the date of the public sale of the Series 2022A Bonds and the date of delivery of the Series 2022A Bonds, any event should occur or be discovered which would cause the Final Official Statement to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Board shall notify the winning bidder thereof, and if in the opinion of the Board or the winning bidder such event requires the preparation and publication of a supplement or amendment to the Final Official Statement, the Board, at its sole expense, will supplement or amend the Final Official Statement in a form and in a manner approved by the winning bidder and by Stradling Yocca Carlson & Rauth, P.C., as Disclosure Counsel to the Board);

3. The opinion of Butler Snow LLP, as to the validity, enforceability and tax status of interest on the Series 2022A Bonds, a form of which is set forth as Appendix G to the Preliminary Official Statement.

GOVERNING LAW AND VENUE: This Notice of Public Sale and the contract formed when the Board accepts the winning bid is governed by the laws of the State of Colorado. By submitting a bid, each bidder consents to the exclusive jurisdiction of any court of the State of Colorado located in the City and County of Denver, Colorado, or the United States District Court for the State of Colorado, for the purpose of any suit, action, or other proceeding arising under this Notice of Public Sale, and each bidder hereby irrevocably agrees that all claims in respect of any such suit, action, or proceeding may be heard and determined by such court. Each bidder further agrees that service of process in any such action commenced in such state or Federal court shall be effective on such bidder by deposit of the same as registered mail addressed to the bidder at the address set forth in the bid submitted by the bidder.

INFORMATION: This Notice of Public Sale, the Preliminary Official Statement, and other information concerning the Board and the Series 2022A Bonds may be obtained from the Financial Advisor, Piper Sandler & Co., 1200 17<sup>th</sup> Street, Suite 1250, Denver, Colorado, 80202, contacts: Robyn Moore (telephone (303) 405-0845; robyn.moore@psc).

Dated \_\_\_\_\_, 2022.

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Chief Finance Officer

**Exhibit A**

\$ \_\_\_\_\_ \*

**City and County of Denver, Colorado  
Acting By and Through Its Board of Water Commissioners  
Water Revenue Bonds, Series 2022A**

**(FOR USE WHEN COMPETITIVE SALE REQUIREMENTS ARE SATISFIED)**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Series 2022A Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Series 2022A Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Series 2022A Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Series 2022A Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.<sup>1</sup>

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Series 2022A Bonds.

2. ***Defined Terms.***

(a) ***Issuer*** means the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners.

(b) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) ***Sale Date*** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2022A Bonds. The Sale Date of the Series 2022A Bonds is \_\_\_\_\_, 2022

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\* Subject to change.

<sup>1</sup> Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

(e) **Underwriter** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2022A Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2022A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2022A Bonds, and by Butler Snow LLP in connection with rendering its opinion that the interest on the Series 2022A Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2022A Bonds.

[UNDERWRITER]

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_, 2022

§ \_\_\_\_\_ \*

**City and County of Denver, Colorado  
Acting By and Through Its Board of Water Commissioners  
Water Revenue Bonds, Series 2022A**

**(FOR USE WHEN COMPETITIVE SALE REQUIREMENTS ARE NOT SATISFIED  
TO BE ADJUSTED BY BOND COUNSEL AS APPLICABLE)**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] [{"SHORT NAME OF UNDERWRITER"}][the "Representative"][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the "Underwriting Group"),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. ***[If all maturities satisfy the 10% test on the sale date:] Sale of the General Rule Maturities.***  
As of the date of this certificate, for each Maturity of the Series 2022A Bonds, the first price at which at least 10% of such Maturity of the Series 2022A Bonds was sold to the Public is the respective price listed in Schedule A. [If only some of the maturities satisfy the 10% test on the sale date:] As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the [Bonds][Hold-the-Offering-Price Maturities].***

(a) ***[If all maturities use hold-the-offering-price rule:]***[SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Series 2022A Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2022A Bonds is attached to this certificate as Schedule B. ***[If selected maturities use hold-the-offering-price rule:]***[SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Series 2022A Bonds is attached to this certificate as Schedule B.

(b) ***[If all maturities use hold-the-offering-price rule:]***As set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Series 2022A Bonds, [it][they] would neither offer nor sell any of the Series 2022A Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Series 2022A Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2022A Bonds during the Holding Period. ***[If selected maturities use hold-the-offering-price rule:]***[s set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Series 2022A Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member

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\* Subject to change.

of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2022A Bonds during the Holding Period.

3. **Defined Terms.**

(a) **General Rule Maturities** means those Maturities of the Series 2022A Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) **Hold-the-Offering-Price Maturities** means those Maturities of the Series 2022A Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) **Holding Period** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 2022), or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) **Issuer** means the City and County of Denver, Colorado, acting by and through its Board of Water Commissioners.

(e) **Maturity** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) **Public** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) **Sale Date** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Series 2022A Bonds. The Sale Date of the Series 2022A Bonds is \_\_\_\_\_, 2022.

(h) **Underwriter** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022A Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2022A Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2022A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM][the Representative’s] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Series 2022A Bonds, and by Butler Snow LLP in connection with rendering its opinion that the interest on the Series 2022A Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Series 2022A Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: \_\_\_\_\_  
Name: \_\_\_\_\_

Dated: \_\_\_\_\_, 2022



**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES AND  
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

*(Attached)*

**SCHEDULE B**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*