Tuesday, October 14, 2025, 6:00 PM
Council Chambers
One DesCombes Drive
Broomfield, CO 80020

View Correspondence
View Presentations

1. Meeting Commencement

1.A. Pledge of Allegiance

1.B. Review and Approval of Agenda

2. Petitions and Communications

2.A. Proclamation - 2026 Anniversary Year: U.S., Colorado, City & County of Broomfield

3. Councilmember Reports

4. Public Comment

5. Reports

5.A. Master Services Agreement Quarterly Report - September 2025

— Quarterly reporting of approved Master Service Agreements, including utilized budget, as requested by Resolution No. 2025-59

6. Consent Items

6.A. Minutes for Approval

6.B. Resolution - The Trails at Westlake Development Proposal - Findings of Denial

— Resolution No. 2025-150 denying the Trails at Westlake Filing No. 6 Planned Unit Development Plan, Final Plat, Site Development Plan and Rezoning and Westlake Farms Filing No. 1 Replat B Planned Unit Development Plan Amendment, Final Plan and Site Development Plan

6.C. Ordinance - First Reading - Water and Sewer License Purchase and Refund Requirements and Timing

— Ordinance 2287 amending Water and Sewer License Purchase and Refund Requirements and Timing

6.D. Request for Executive Session Request Related Eagle Trace Golf Course

7. Action Items

7.A. Public Hearing - 2026 Operating and Capital Budgets

— Item 7A will be heard concurrently with Items 7B and 7C

— Public Hearing per Charter 12.7 of the 2026 Operating and Capital Budgets for City and County of Broomfield, Arista Local Improvement District, and the Broomfield Urban Renewal Authority

— Resolution 2025-152 Intent of the City and County of Broomfield to be reimbursed for certain expenses relating to the construction of water improvements

7.B. Ordinance - First Reading - Amending Water, Sewer, Reclaimed and Stormwater Fees

— Item 7B will be heard concurrently with Items 7A and 7C

— Ordinance No. 2286 amending Title 13 of the Broomfield Municipal Code to change water, wastewater, reclaimed wastewater, and stormwater fees and service charges

7.C. Ordinances - First Reading - Enterprise Revenue Bonds and Police Building Certificate of Participation

— Item 7C will be heard concurrently with Items 7A and 7B

— Ordinance No. 2288 issuing Enterprise Revenue Bond (Water Tanks)

— Ordinance No. 2289 issuing Enterprise Revenue Bond (Wastewater Treatment - Phase 1B)

— Ordinance No. 2290 issuing Certificates of Participation (Police and Courts Buildings)

7.D. Public Hearing - Ordinance Second Reading - Disposition of Unclaimed Property

— Ordinance No. 2285 amending Chapter 3-25 of the Broomfield Municipal Code relating to the Disposition of Unclaimed Property

8. Mayor and Councilmember Requests for Future Action

9. Adjournment

CITY AND COUNTY OF BROOMFIELD • COLORADO •

Date Posted: October 8, 2025

City and County of Broomfield

City Council Regular Meeting

A. Proclamation - 2026 Anniversary Year: U.S., Colorado, City & County of Broomfield

Meeting	Agenda Group
Tuesday, October 14, 2025, 6:00 PM	Petitions and Communications Item: 2A.

Presented By
Kathryn Lynip

Community Goals
☑ Thriving, Diverse, Safe and Welcoming Community

Overview

View Correspondence

This proclamation declares 2026 as a special anniversary year observing the historic milestones of the the 250th anniversary of the country, the 150th anniversary of Colorado's statehood, the 65th anniversary of the City of Broomfield and the 25th anniversary of the County of Broomfield.

Attachments

Memo for the 2026 Anniversary Year Proclamation U.S., Colorado, City & County of Broomfield.pdf

Proclamation for the 2026 Anniversary Year U.S., Colorado, City & County of Broomfield.pdf

Prepared By: David Allison, Rose Gorrell, Alison Harvey

Summary

View Correspondence
View Presentation

2026 is an important milestone in Broomfield's history with four significant anniversaries: the 250th anniversary of the country, the 150th anniversary of Colorado's statehood, the 65th anniversary of the City of Broomfield and the 25th anniversary of the City and County of Broomfield. A collaborative group of organizations, led by Broomfield Historical Society, has formed the Broomfield 2026! planning group to support and plan commemorative events and initiatives for the Broomfield community from July 2025 to December 2026.

It is appropriate that the City and County of Broomfield engages fully with our past and looks toward a shared future through acknowledging momentous anniversary years. A copy of Mayor Castriotta's proclamation declaring 2026 as a special anniversary year to observe these historic milestones is included.

Financial Considerations

N/A

Prior Council or Other Entity Actions

N/A

Boards and Commissions Prior Actions and Recommendations

N/A

Proposed Actions / Recommendations

N/A

Alternatives

N/A

Proclamation

PROCLAMATION DECLARING 2026 AS A SPECIAL ANNIVERSARY YEAR FOR THE UNITED STATES OF AMERICA, COLORADO, and THE CITY AND COUNTY OF BROOMFIELD

WHEREAS, the year 2026 marks the 250th anniversary of the signing of the Declaration of Independence; and

WHEREAS, the year 2026 marks Colorado's 150th anniversary of statehood; and

WHEREAS, the City of Broomfield founded in 1961 and the City and County of Broomfield established in 2001 have contributed proudly and significantly to the history of our nation and our state for more than 65 and 25 years respectively; and

WHEREAS, in 2016 the United States Congress established by Joint Resolution the America 250 Commission to encourage observance of the 250 years of our nation's existence; and

WHEREAS, the Colorado legislature established the America 250 – Colorado 150 Commission with the passage of Bill 2022-011, and the Commission has determined its mission and purpose is to celebrate Colorado by acknowledging the completeness of our shared history, honor what makes Colorado unique, and strive towards a more perfect union; and

WHEREAS, a collaborative assemblage of Broomfield organizations has formed the Broomfield 2026! planning group to commemorate our national, state and local history; and

WHEREAS, it is appropriate that the City and County of Broomfield engages fully with our past and looks toward a shared future; and

WHEREAS, the mayor and city council of Broomfield thus encourages its residents to create and participate in programs that will commemorate the history of our city, our county, our state, and our nation; and

NOW, THEREFORE, be it resolved that I, Mayor Guyleen Castriotta, do hereby proclaim that the City and County of Broomfield will fully engage in commemorative activities leading up to and during the Commission's stated length of observance: July 4, 2025 through December 31, 2026.

I urge all community members to take advantage of the resources available from the America 250 – Colorado 150 Commission and the local Broomfield 2026! planning group to observe the Sesquisemiquincentennial and local anniversaries by participating in commemorative events, historical activities and educational opportunities. Broomfield pledges to uplift, support, and generate commemorative opportunities.

In witness whereof, I hereunto set my hand and official seal on this the 14th day of October, 2025.

____

Guyleen Castriotta

Mayor

A. Master Services Agreement Quarterly Report - September 2025

Meeting	Agenda Group
Tuesday, October 14, 2025, 6:00 PM	Reports Item: 5A.

Presented By
David Acevedo-Yates

Community Goals
☑ Financial Sustainability and Resilience

Overview

View Correspondence
View Presentation

Quarterly reporting of approved Master Service Agreements, including utilized budget, as requested for Resolution No. 2025-59.

Attachments

Memo for Master Service Agreement Budget Report- September 2025.pdf

Title of Memo: Master Services Agreement Quarterly Report- September 2025
Prepared By: Tracy Stibitz, Procurement Contract Administrator

Summary

View Correspondence
View Presentation

Resolution No. 2025-59 was authorized by City Council on March 25, 2025, permitting Departments to utilize their authorized budgets through purchase orders, up to the approved budget amount for on-call, on demand and emergency expenditures, with the approval from the City and County Manager, or designee.

Master service agreements with no dollar value have been used as the contracting method, which has increased efficiency for these types of expenditures.

The use of master services agreements are initially non-encumbering zero-sum contracts, and have Broomfield's standard terms and conditions. Encumbrances of funds occur when any on-call, on demand or emergency services are identified and purchase orders are issued confirming the work, and at that time encumbering any funds.

As part of the approval of this resolution, City Council has requested quarterly reporting of these approved agreements and the budgets being utilized.

Financial Considerations

Listed below are vendors who received purchase orders, as part of their Master Services Agreements to enter into projects with Broomfield. Columns have been added to reflect the current encumbered funds and the actual recorded financial data for each budget line. These are organized by the budget account code and vendor.

Budget Account Code	Total Budget	Actual Spent Funds	Encumbered Budget	Vendor	MSA Encumbrance	Department-Division	MSA Category	Total Purchase Orders
20-70011-55600	$1,287,016	$96,159	$359,408	Commercial Flooring Services Inc	$9,580	Public Works-Facilities Maintenance	Flooring Services	1
01-60330-52790	$179,054	$11,560	$139,769	Core and Main LP	$7,642	Parks - Irrigation	Water and Utility Supplies	1
22-70040-55200	$1,226,285	$233,733	$55,143	Core and Main LP	$11,400	CIP - Landscaping	Water and Utility Supplies	1

45-70621-55200	$9,474,620	$3,783,032	$1,830,757	Core and Main LP	$17,120	CIP - Sewer	Water and Utility Supplies	1
01-12200-53320	$472,000	$126,526	$350,721	Diversified Body and Paint Shop Inc	$35,532	Public Works - Fleet Maintenance and Risk Management	Vehicle Body Work Services	5
01-30200-52720	$462,350	$268,415	$292,219	Diversified Body and Paint Shop Inc	$6,757	Public Works - Fleet Maintenance	Vehicle Body Work Services	1
01-60300-52190	$79,120	$11,945	$48,988	Grandview Landscape Irrigation	$8,750	Parks - Parks Maintenance	Landscaping and Irrigation	1
01-60360-53690	$2,644,991	$938,585	$1,696,401	Grandview Landscape Irrigation	$31,320	Parks - Turf Mowing	Landscaping and Irrigation	1
22-70040-55200	$1,226,285	$233,733	$55,143	Grandview Landscape Irrigation	$11,410	CIP - Landscaping	Landscaping and Irrigation	2
22-70080-55200	$1,226,285	$960,933	$257,813	Grandview Landscape Irrigation	$16,125	CIP - Drainage & Stormwater	Landscaping and Irrigation	1
20-70110-55600	$306,500	$42,401	$219,723	High Altitude Equipment	$196,369	CIP - Parks & Recreation	Battery Powered Lawn Equipment	4
22-70080-55600	$220,932	$0	$182,274	High Altitude Equipment	$33,872	CIP - Parks & Recreation	Battery Powered Lawn Equipment	1

22-70040-55200	$1,226,285	$233,733	$55,143	L.T.A. Lawn Services LLC	$44,451	CIP - Landscaping	Landscaping and Irrigation	4
20-70110-55600	$306,500	$42,401	$233,457	MAC Equipment Inc	$47,427	CIP - Parks & Recreation	Battery Powered Lawn Equipment	1
22-70080-55600	$220,932	$0	$182,274	MAC Equipment Inc	$95,183	CIP - Parks & Recreation	Battery Powered Lawn Equipment	2
01-30200-52720	$462,350	$268,415	$292,219	McCandless Truck Center LLC	$42,395	Public Works - Fleet Maintenance	Vehicle Body Work Services	2
40-36100-53430	$10,350	$0	$13,751	Rexel USA Inc	$17,926	Public Works - Water Treatment	Water and Utility Supplies	1
22-70070-55200	$5,172,552	$900,999	$457,386	Richdell Construction Inc	$60,494	CIP- Trail Improvements	Landscaping and Irrigation	1
20-70011-55600	$1,287,016	$96,159	$359,408	Sport Tech Flooring LLC	$7,686	Public Works - Custodial Maintenance	Flooring Services	2

The following vendors were not utilized this quarter.

ABCO Contracting

Colorado Designscapes

Elite Industries

Hallmark, Inc.

Western States Reclamation

Prior Council or Other Entity Actions

March 25, 2025 - Council approved Resolution No. 2025-59 authorizing the use of master service agreements and delegating purchasing authority to the City and County Manager or her designee for specific vendors' on-call, on demand and emergency expenditures in excess of $200,000.

Boards and Commissions Prior Actions and Recommendations

NA

Proposed Actions / Recommendations

The Procurement team welcomes questions and comments from the City Council.

Alternatives

NA

City and County of Broomfield

City Council Regular Meeting

A. Minutes for Approval

Meeting	Agenda Group
Tuesday, October 14, 2025, 6:00 PM	Consent Items Item: 6A.

Presented By
Crystal Clemens, City Clerk

Community Goals

Overview

View Presentation

Approval of Minutes for the Regular City Council Meeting of September 23, 2025.

Attachments

Minutes of September 23 2025.pdf

Minutes for the City Council Regular Meeting

One DesCombes Drive, Broomfield, CO 80020

September 23, 2025, 6:00 PM - September 23, 2025, 9:30 PM

Roll Call: *(The following members were in attendance)*

- **James Marsh-Holschen,** Ward 1
- **Kenny Van Nguyen,** Ward 1
- **Paloma Delgadillo,** Ward 2 (remote)
- **Austin Ward,** Ward 2
- **Jean Lim,** Ward 3
- **Deven Shaff,** Mayor Pro Tem, Ward 3
- **Laurie Anderson,** Ward 4
- **Bruce Leslie,** Ward 4
- **Heidi Henkel,** Ward 5 (remote/excused early)
- **Todd Cohen,** Ward 5 (excused early)

Not Present:

- **Guyleen Castriotta,** Mayor

Also Present:

- Jennifer Hoffman, City and County Manager
- Anna Bertenzetti, Deputy City and County Manager
- Dan Casey, Deputy City and County Manager
- Nancy Rodgers, City and County Attorney
- Michelle Parker, Deputy City and County Clerk
- And various staff members

The Mayor Pro Tem called a recess at 8:00 p.m. The meeting reconvened at 8:10 p.m.

1. Meeting Commencement

1.A. Pledge of Allegiance- 6:01 PM

1.B. Review and Approval of Agenda- 6:02 PM

2. Petitions and Communications

2.A. Development Update - Broomfield Town Square (no memo)- 6:02 PM

3. Councilmember Reports

4. Public Comment

5. Reports

6. Consent Items

Councilmember Leslie moved to approve Consent Items 6A - 6H. The motion was seconded by Councilmember Marsh-Holschen, and passed 10-0.

6.A. Minutes for Approval- 7:08 PM

6.B. Resolution - Stoneybrook Retaining Wall Repair Construction Agreement- 7:08 PM

6.C. Resolution - Second Amendment to the Intergovernmental Agreement (IGA) with Colorado Department of Transportation (CDOT) for CO 7- 7:08 PM

6.D. Resolution - Social Services Expenditures Second Quarter 2025- 7:08 PM

6.E. Resolution - Aggregate Spend Memo with Thyssen-Krupp Elevator Corporation (TK Elevators)- 7:08 PM

6.F. Resolution - Supporting Adams 12 Five Star Schools' Ballot Initiative- 7:08 PM

6.G. Ordinance First Reading - Regarding Disposition of Unclaimed Property - 7:08 PM

6.H. Request for Executive Session Regarding Council's Annual Review and Evaluation of their Direct Reports- 7:08 PM

7. Action Items

7.A. Resolution - Agreement for Enterprise Resource Planning (ERP) System- 7:12 PM

Councilmember Ward moved to approve Resolution No. 2025-133 approving agreements with Mythics, LLC and Highstreet IT Solutions LLC relating to implementation of Broomfield's Enterprise Resource Planning (ERP) System utilizing Oracle Cloud Services. The motion was seconded by Councilmember Nguyen, and passed 10-0.

7.B. Resolution - Adoption of Broomfield Transportation Safety Action Plan - 8:12 PM

Councilmember Ward moved to approve Resolution No. 2025-135 to adopt the Broomfield Transportation Safety Action Plan. The motion, seconded by Councilmember Nguyen, passed 9-0.

Councilmember Cohen was absent.

7.C. Public Hearing - Ordinance Second Reading- Public Land Dedication - 9:21 PM
Public Hearing was opened at 9:21 PM and closed at 9:29 PM

Councilmember Leslie moved to approve Ordinance No. 2273 to amend the Broomfield Municipal Code, Title 16 and Title 17 related to Public Land Dedication and other Definintions related to Open Space and Recreation Facilities. The motion was seconded by Councilmember Marsh-Holschen, and passed 8-0. Councilmembers Cohen and Henkel were absent.

8. Mayor and Councilmember Requests for Future Action

9. Adjournment

APPROVED:

____

Mayor Pro Tem Shaff

____

Office of the City and County Clerk

City and County of Broomfield

City Council Regular Meeting

B. Resolution - The Trails at Westlake Development Proposal - Findings of Denial

Meeting	Agenda Group
Tuesday, October 14, 2025, 6:00 PM	Consent Items Item: 6B.

Presented By
Lynn Merwin

Community Goals
☑ Thriving, Diverse, Safe and Welcoming Community

Overview

View Correspondence and visit BroomfieldVoice.com

Consideration of Proposed Resolution No. 2025-150, denying the proposed application for:
The Trails at Westlake Filing No. 6 (43 lots) - requesting rezoning, PUD plan amendment, final plat, and site development plan
Westlake Farms Filing No. 1, Replat B (7 lots) - requesting PUD plan, final plat, and site development plan

Attachments

Trails at Westlake Findings of Denial Planning Memo.pdf

Denial Resolution No_ 2025-150 - Westlake Filing No_ 6.pdf

Summary

View Correspondence
View Presentation
Broomfield Voice Webpage - Regarding Trails at Westlake
Broomfield Voice Webpage - Regarding Westlake Farms

Tripointe Homes (the applicant) submitted an application for a planned unit development (PUD) plan amendment, PUD Plan, rezoning, two final plats, two site development plans (SDP) and a subdivision improvement agreement (SIA) for a 50-lot residential subdivision on two parcels of land generally located south of Misty St, east of Lowell Boulevard and north of King Circle. Specifically, the proposal was for:

> **The Trails at Westlake Filing No. 6 (43 lots)** - requesting rezoning, PUD plan amendment, final plat, and site development plan
>
> **Westlake Farms Filing No. 1, Replat B (7 lots)** - requesting PUD plan, final plat, and site development plan

The project locations are depicted in the following aerial photograph of the area.

Project Location - Eastern Property and Western Property

On September 9, 2025 (see link below), Council held a public hearing for the application. The public hearing was closed following presentations by staff, the applicant, and public comment from residents and stakeholders. Council indicated, prior to their vote, that the evidence at the public hearings showed that the proposal did not meet the applicable review criteria in Titles 16 and 17 of the Broomfield Municipal Code.

Council, by a vote of 8-1 (with one absence), denied a motion to adopt a resolution approving the application. Council directed staff to schedule the matter for the October 14, 2025, regular meeting and directed the City and County Attorney to prepare a resolution containing appropriate findings to affirm and formally deny the application.

Proposed Resolution No. 2025-150, if adopted, denies the proposed PUD Plan amendment, PUD Plan, rezoning, two final plats, and two SDPs, and contains findings of fact based on the September 9, 2025, public hearing.

Prior Council or Other Entity Actions

- July 28, 1987 - Council approved Westlake Village Filing No. 1, Amended Final Plat
- March 8, 2016 - Council approved a final plat, creating two residential lots for Westlake Farms
- November 23, 2004 - Council approved the Pinnacle North Filing No. 1 Final Plat, PUD Plan and Site Development Plan for the 20-lot residential and a 26,000 square-foot religious institution facility development immediately to the north of the Westlake Farms subdivision. This plat covers a small parcel being replatted by this application.
- September 29, 2020 - Council and the Land Use Review Commission (LURC) reviewed a concept plan for a 43-lot residential development associated with the Farm at Westlake (now referred to as The Trails at Westlake)
- May 10 - June 10, 2024 - Council and the LURC reviewed a concept plan via the online Broomfield Voice webpage for a 7-lot residential development for Westlake Farms. Please refer below to the Broomfield Voice project web pages for each site.
- August 12, 2025 - Council approved Ordinance No. 2275, which modernized zoning standards related to the existing R-3, R-5, and PUD residential districts, and created a new R-7 zone district for future higher-density housing.
- September 9, 2025 - Council held a public hearing for the proposed application.

Boards and Commissions Prior Actions and Recommendations

The Land Use Review Commission reviewed the proposed project on June 23, 2025, and voted 5-2 to recommend denial. The applicant provided a letter responding to LURC’s recommended denial.

Proposed Actions / Recommendations

Consistent with the vote that occurred on September 9, 2025, at the public hearing, if Council desires to formalize the denial of the application, it is recommended…

> **That Resolution 2025-150 be adopted.**

Alternatives

Do not approve the resolution as written, and direct the City and County Attorney to modify or change the proposed findings in the denial resolution.

RESOLUTION NO. 2025-150

A Resolution Denying the Trails at Westlake Filing No. 6 Planned Unit Development Plan, Final Plat, Site Development Plan and Rezoning and Westlake Farms Filing No. 1 Replat B Planned Unit Development Plan Amendment, Final Plan and Site Development Plan

Recitals

Whereas, the owner, Integrity Transitions Real Estate and the Farm at Westlake and applicant, TriPointe Homes, submitted a development review application for a Planned Unit Development (PUD) plan, final plat, site development plan (SDP) and rezoning of the Trails at Westlake Filing No. 6, and a PUD plan amendment, final plat, and site development plan for Westlake Farms Filing No. 1 relating to a new residential development across two non-contiguous parcels of land.

Whereas, a public hearing was heard by the Land Use Review Commission on June 23, 2025, at which time the Land Use Review Commission by formal resolution recommended denial of the proposal by a vote of 5 to 2.

Whereas, after proper notice was given in accordance with Chapter 17-52 of the Broomfield Municipal Code, a public hearing was heard by the City Council on September 9, 2025.

Now, therefore, be it resolved by the City Council of the City and County of Broomfield, Colorado:

Section 1. Findings

Giving consideration to the Broomfield master plan and the Broomfield Municipal Code, comments of public officials and agencies, and testimony and written comments from all interested parties, the City Council makes the following findings:

A. That proper posting and public notice was provided as required by law for the hearing before City Council and the case file is hereby incorporated into the record.

B. That the hearing before City Council was extensive and complete, that all pertinent facts, matters, and issues were submitted and that all interested parties were heard at this hearing.

PUD and SDP Findings:

C. The proposals are not consistent with the intent of the Planned Unit Development chapter as set forth in Section 17-38-010 of the Broomfield Municipal Code. The city is seeking a more diverse development of residential housing and that housing must be in appropriate areas and this development does not provide an innovative residential development that addresses the needs of the community for small homes.

D. The proposals are in general conformance with the master plan, but the type of residential development that is being proposed, single-unit 2,200 square foot residential homes, do not meet the needs of the community and are not compatible with the surrounding neighborhood which generally consists of smaller homes.

E. The proposals do not mitigate the potential negative impacts on nearby properties, other areas of the city, and the city as a whole, as there are easements that still need to be obtained for the drainage improvements, the traffic impacts have not been adequately addressed nor have the impacts to the open space and wildlife in the area been addressed.

F. The proposals do not maximize potential positive impacts on nearby properties, other areas of the city, and the city as a whole.

G. The proposals contain adequate facilities for pedestrians, bicyclists, but the facilities for motorists still need to be addressed as traffic remains a concern of the neighbors.

H. The proposals do not contain adequate public improvements (both on and off-site) as drainage easements for the property are still outstanding.

I. The proposals do not optimize conservation of energy, water, and other resources on a site-specific scale and on a broad scale.

J. The land uses within the proposals are not compatible with nearby properties as the impact of the addition of 50 single-family homes on small lot to the area is too great and the home sizes are collectively larger than many homes in the existing community which creates a disparity in the community; what is needed in this area is smaller homes or another residential product at a more affordable price point to be more compatible with the area.

K. The proposals provide for open area at a rate of not less than 40% of the developable site in residential areas, which is in compliance with the Broomfield Municipal Code requirements for residential development.

L. To the extent the proposal includes any common areas serving the site, adequate provisions are made for the ownership and maintenance of such areas.

M. The proposed deviations from the Broomfield Municipal Code relating to right of way width to allow for attached sidewalks, street tree requirements for landscaping, encroachments needed due to inadequate lot size, lot width and setbacks that collectively have not been justified and are not compatible with the community.

N. The proposals would be consistent with the approved PUD plan and the PUD plan amendment that is adopted concurrently with the site development plans if such plans were adopted, which City Council declines to approve.

O. For residential-use PUD plans and site development plans, the proposal should be consistent with adopted uniform standards; however, the requirements for uniform standards for medium density residential developments were recently removed with the adoption of Ordinance No. 2275, therefore there are no longer any standards to be met with these proposals.

Final Plat Findings:

P. The proposed final plats do not create, and do not mitigate the negative impacts on the surrounding property and additional easements for the development are still needed.

Q. The proposed final plats do not provide desirable settings for buildings, make use of natural contours, protect the view, and afford privacy and protection from noise and traffic for residents and the public. A different home product could be proposed on both parcels with the ability to have higher density close to the roadway for the parcel to the west, and smaller more affordable homes on the parcel to the east.

R. The proposed final plats do preserve natural features of the site.

S. The proposed final plats do not contain traffic flow and street locations which provide for safe and convenient movement.

T. The proposed final plat lots and tracts are not laid out to allow efficient use of the property to be platted.

U. The proposed final plats public facilities and services are adequate, consistent with the city's utility planning, and capable of being provided in a timely and efficient manner.

V. The proposed final plats comply with the design standards of chapter 16-28, B.M.C., the improvement requirements of chapter 16-32, B.M.C., and the standards and specifications of chapter 14-04, B.M.C.

W. The proposed final plats' public utilities and facilities, such as sewer, gas, electrical, and water systems, are located and designed to minimize flood damage. However, the proposed final plat for Westlake Farms Filing No. 1 is not consistent with the need to minimize flood damage as additional drainage easements are still needed for the development.

X. The proposed final plat for Westlake Farms Filing No. 1 has not adequately addressed drainage as additional drainage easements over adjacent properties are still needed to reduce exposure to flood damage.

Rezoning Findings:

Y. The proposal is not compatible with existing and allowable land uses in the surrounding area, while the property is still a residential use the density of the development is too high and single-unit 2,200 square foot homes are not a housing product needed for the surrounding area.

Z. The proposal does not mitigate the negative impacts to the surrounding area as great concerns have been raised about the traffic circulation and negative impacts to the wildlife and open space in the area as well as the compatibility of the single-unit 2,200 square foot residential housing product proposed.

AA. The proposal will result in substantial impacts to the health, safety and welfare of the residents and landowners in the surrounding area.

BB. The proposal is not the right opportunity or appropriate site for the density and style of residential development (i.e. 2,200 square foot single-unit homes on smaller lots) and will not help the city achieve a balance of land use, tax base, or housing types consistent with the city's overall planning and economic development goals.

Section 2. Action

On the basis of the above and pursuant to the provisions of Chapters 16-20, 17-38 and 17-48 of the Broomfield Municipal Code, City Council hereby denies the Trails at Westlake Filing No. 6 Planned Unit Development Plan, Final Plat, Site Development Plan, and Rezoning and the Westlake Farms Filing No. 1 Replat B Planned Unit Development Plan Amendment, Final Plat and Site Development Plan.

Approved on October 14, 2025.

The City and County of Broomfield, Colorado

____
Mayor

Attest:

____
City and County Clerk

Approved As To Form:

______________________________ NCR
City and County Attorney

C. Ordinance - First Reading - Water and Sewer License Purchase and Refund Requirements and Timing

Meeting	Agenda Group
Tuesday, October 14, 2025, 6:00 PM	Consent Items Item: 6C.

Presented By
Katie Allen

Community Goals
☑ Financial Sustainability and Resilience

Overview

View Correspondence
View Presentation

Proposed Ordinance 2287 contains updates to the Broomfield Municipal Code (BMC) regarding the purchase of water and sewer licenses. The proposed changes are being considered to prohibit advance purchases of water and sewer licenses. The draft ordinance will require that water and sewer licenses be purchased concurrently with the issuance of a building permit or irrigation tap request. The ordinance is necessary to accurately model the revenues and expenditures of the water and sewer enterprise funds and plan for rate adjustments accordingly.

Attachments

Memo - Water and Sewer License Timing 1st reading.pdf
Ordinance 2287 - Water and sewer license timing ord.pdf

Summary

View Correspondence
View Presentation

Proposed Ordinance 2287 contains updates to the Broomfield Municipal Code (BMC) regarding the purchase of water and sewer licenses. The proposed changes are being considered to prohibit advance purchases of water and sewer licenses. The ordinance, if adopted, will require that water and sewer licenses be purchased concurrently with the issuance of a building permit or irrigation tap request. The ordinance is necessary to accurately model the revenues and expenditures of the water and sewer enterprise funds and plan for rate adjustments accordingly.

Proposed Ordinance 2287 also clarifies and updates the application process for water and sewer licenses and provides a process for water and sewer license refunds. Refunds may be given if the project and associated building permit have been canceled within 12 months of purchase, or if a multi-tenant shell building overpurchased licenses because the future tenants were uncertain at the time of application. In the case of tenant finishes of shell buildings, the refund request must be made within 24 months of the date of purchase of the license.

Financial Considerations

Currently, developers may purchase water and sewer licenses before obtaining a building permit as a way to hedge against future water or sewer license fee increases, which can negatively impact the water and sewer enterprise fund revenue. By prohibiting the advance purchase of licenses, proposed Ordinance 2287 may increase revenues in the enterprise funds and will help accurately model revenues to better plan for necessary rate adjustments.

Prior Council or Other Entity Actions

These matters as set forth in the Broomfield Municipal Code have not been modified since 1984.

Boards and Commissions Prior Actions and Recommendations

N/A

Proposed Actions/Recommendations

If Council desires to make changes to the Broomfield Municipal Code related to the purchase of water and sewer licenses, the appropriate motion is…

> **That Ordinance No. 2287 be adopted on first reading and ordered published in full, and that a second and final reading of the Ordinance be held on October 28, 2025.**

Alternatives

Make no changes to the Broomfield Municipal Code.

Make changes to the Broomfield Municipal Code as directed by City Council.

Ordinance No. 2287

Proposed Ordinance No. 2287 amends Chapter 13-02 Water Licenses and Chapter 13-08 Sewer Licenses of the Broomfield Municipal Code to revise the requirements for the purchase of water and sewer licenses. If approved on first reading, proposed Ordinance No. 2287 will be published in full, and a public hearing will be scheduled for October 28, 2025.

Bold type indicates new material to be added to the Broomfield Municipal Code
~~Strikethrough type~~ indicates deletions from the Broomfield Municipal Code

ORDINANCE NO. 2287

An ordinance amending Chapter 13-02 Water Licenses and Chapter 13-08 Sewer Licenses regarding the purchase, process for, and refunds on such licenses

Be it ordained by the City Council of the City and County of Broomfield, Colorado:

Section 1.

Chapter 13-02 - Water Licenses of the Broomfield Municipal Code is amended as follows:

Chapter 13-02 - Water Licenses

13-02-010 - Required.

It shall be unlawful to make a service connection to the city's water system without a water license therefore except for temporary connections for construction purposes made with the permission of the director of **water utilities** ~~public works~~ and in accordance with chapter 13-16 of this title.

. . .

13-02-030 - Application.

Applications for water licenses may be made **when applying for a building permit or a stand-alone irrigation water tap** to the **water utilities** ~~public works~~ department on forms provided by that department by any person owning property within the city or by his or her agent. Applications~~ must be accompanied by the license fee and~~ must contain the following:

(A) A description of the lot, tract, or parcel owned and to be served, including a legal description, a street address, or such other description as may be required by the **water utilities** ~~public works~~ department.

(B) The size of the water tap and water meter requested.

(C) A description of the purposes for which the water is to be used**, including business types, the square footage for each business type, and the number and types of residential units**.

(D) **A water budget for landscape irrigation as described in BMC 17-70-060.**

(E) ~~(D)~~ The name, address, and signature of the applicant.

(F) Other information required by the **water utilities** ~~public works~~ department to assist in administering this chapter.

The number of three-quarter-inch tap equivalents required for the expected annual total water use will be calculated by the water utilities department based on the description of water uses and building types provided in the application. Additional tap equivalents may

be required if previously purchased tap equivalents do not provide the expected annual total water use as calculated by the water utilities department.

13-02-040 - Issuance.

The department of **water utilities** ~~public works~~ shall issue a water license **at the time of building permit issuance or when a stand-alone irrigation tap permit is approved** if the application complies with section 13-02-030 above. If the application does not comply with section 13-02-030 above, the department of **water utilities** ~~public works~~ shall deny the application.

13-02-050 - Required for building permit.

No building permit for a structure which will require a new water tap or connections shall be issued **without an accompanying** ~~unless the applicant has a~~ valid water license.

. . .

13-02-100 - ~~Definitions.~~ **Refunds.**

Except as provided in B.M.C. 13-02-080 (Prior Provisions), the department of water utilities will refund water licenses fees previously paid in connection with the issuance of a service license under the following conditions:

- **(A) For projects that are withdrawn and are not constructed:**
  - **(1) The request for the refund must be made in writing by the license holder and received by the city within 12 months of the date of purchase of the license from the permit holder. No refunds will be made thereafter.**
  - **(2) Any building or tap permits relating to the services must also be (i) withdrawn concurrently, and (ii) either the city will confirm no work was completed under the permit issued, or all the permitted work has been removed and returned to its previous condition, in order to receive such a refund.**
  - **(3) Any costs incurred by the city in connection with cancelling the license and disconnecting the service will be deducted from the refund amount as well as a $250 administration fee for such refund.**
- **(B) For refunds relating to shell building developments where future tenants are uncertain at the time of application:**
  - **(1) In the event the initial purchase of the water licenses is inaccurate for the actual tenants of the shell building, the license holder may request a refund on the following conditions:**
    - **(i) The refund request must be made in writing by the license holder and received by the City within 24 months of the date of purchase of the license.**
    - **(ii) Any building or tap permits relating to the tenant finish services must also be (a) withdrawn or revised concurrently consistent with the request for the refund, as applicable, and (b) the city will confirm additional water licenses are not needed for the current and proposed uses within the building at the time in order to receive such a refund. The license holder will be required to submit documentation consistent with BMC 13-02-030 to aid the city in**

determining the revised water usage for the building and potential refund amount.

(iii) Any costs incurred by the city in connection with cancelling the license and disconnecting the service will be deducted from the refund amount, if applicable, as well as a $250 administration fee for such refund.

13-020-110 Definitions.

As used in this chapter, unless the context clearly indicates otherwise, the following terms shall have the meanings indicated:

(A) Three-quarter-inch equivalent tap. The basic unit of comparison based on demand on the water system. Demand is compared to the demand characteristics of three-quarter-inch connections serving single-family detached housing. Equivalence is determined on a case-by-case basis by the public works department, except for the following:
  (1) Connections serving duplexes shall be equivalent to one three-quarter-inch equivalent tap per unit.
  (2) Connections serving mobile homes shall be equivalent to 80% of a three-quarter-inch equivalent tap per unit.
  (3) Connections serving townhouses or other single-family attached and detached housing with no individual outside irrigation shall be equivalent to 60% of a three-quarter-inch equivalent tap per unit.
  (4) Connections serving apartments or apartment-style condominium units with no individual outside irrigation shall be equivalent to 40% of a three-quarter-inch equivalent tap per unit.
  (5) Accessory dwelling units (ADUs) consistent with section 17-32-160 shall be tied into the existing water connection for the principal structure on a residential property and as such shall not require a separate water tap or additional water license.

(B) City water system. The water reservoir, plant, lines, pumps, facilities, assets, and appurtenances controlled by the city.

(C) Tap. A physical connection to a distribution main.

(D) Stub-in. A tap made to allow streets to be paved before a service connection is made. A stub-in line ordinarily extends only to just beyond the curb line. A stub-in does not provide service.

(E) Service connection. A tap and appurtenances capable of effecting water service to a water meter.

Section 2.

Chapter 13-08 - Sewer Licenses of the Broomfield Municipal Code is amended as follows:

. . .

13-08-030 - Application.

Applications for sewer licenses may be made to the **community development** ~~public works~~ department on forms provided by that department by any person owning property within the city or by his or her agent. Applications must be accompanied by the license fee and must contain the following:

(A) A description of the lot, tract, or parcel owned and to be served, including a legal description, a street address, or such other description as may be required by the public works department.

(B) The size of the sewer tap requested.

(C) A description of the purposes for which the sewer is to be used.

(D) The name, address, and signature of the applicant.

(E) Other information required by the **community development** ~~public works~~ department to assist in administering this chapter.

The number of equivalent sewer taps required will be determined by the community development department based on the description and information provided in the application. Additional equivalent sewer taps may be required if previously purchased licenses are not sufficient for the property as calculated by the community development department.

13-08-040 - Issuance.

The department of **community development** ~~public work~~ shall issue a sewer license **at the time of building permit issuance** if the application complies with section 13-08-030 above. If the application does not comply with section 13-08-030 above, the department of **community development** ~~public works~~ shall deny the application.

13-08-050 - Required for building permit.

No building permit for a structure which will require a new sewer tap or connection shall be issued **without an accompanying valid sewer license** ~~unless the application has a valid sewer license~~.

. . .

13-08-090 - ~~Definitions.~~ **Refunds.**

The department of community development will refund sewer licenses fees previously paid in connection with the issuance of a service license under the following conditions:

(C) For projects that are withdrawn and are not constructed:

(1) The request for the refund must be made in writing by the license holder and received by the city within 12 months of the date of purchase of the license from the permit holder. No refunds will be made thereafter.

(2) Any building or tap permits relating to the services must also be (i) withdrawn concurrently, and (ii) either the city will confirm no work was completed under the permit issued, or all the permitted work has been removed and returned to its previous condition, in order to receive such a refund.

(3) Any costs incurred by the city in connection with cancelling the license and disconnecting the service will be deducted from the refund amount as well as a $250 administration fee for such refund.

(D) For refunds relating to shell building developments where future tenants are uncertain at the time of application:

(1) In the event the initial purchase of the sewer licenses are inaccurate for the actual tenants of the shell building, the license holder may request a refund on the following conditions:

(i) The refund request must be made in writing by the license holder and received by the City within 24 months of the date of purchase of the license.

(ii) Any building or tap permits relating to the tenant finish services must also be (a) withdrawn or revised concurrently consistent with the request for the refund, as applicable, and (b) the city will confirm additional sewer licenses are not needed for the current and proposed uses within the building at the time in order to receive such a refund. The license holder will be required to submit such other information consistent with BMC 13-08-030 to aid the city in determining the revised sewer usage for the building and potential refund amount.

(A) Any costs incurred by the city in connection with cancelling the license and disconnecting the service will be deducted from the refund amount, if applicable, as well as a $250 administration fee for such refund.

13-080-100 Definitions.

As used in this chapter, unless the context clearly indicates otherwise, the following terms shall have the meanings indicated:

(A) Equivalent sewer tap. The basic unit of comparison based on demand on the sewer system. Demand is compared to the demand characteristics of sewer connections serving single-family detached housing. Nonresidential equivalence is determined on a case-by-case basis by the public works department and is based on 320 gallons of average daily flow per equivalent sewer tap. All residential uses, including single-family detached, attached, mobile home, condominiums, townhouses, apartments, and motels or hotel rooms with kitchen facilities, shall have one equivalent sewer tap per dwelling unit. Accessory dwelling units (ADUs) consistent with section 17-32-160 shall be tied into the existing sewer connection for the principal structure on a residential property and as such shall not require a separate sewer tap or additional sewer license.

(B) City sewer system. The wastewater plant, lines, pumps, facilities, assets, and appurtenances controlled by the city.

(C) Tap. A physical connection to a collection main.

(D) Service connection. A tap and appurtenances capable of effecting sewer service.

Section 3.

This ordinance is effective seven days after publication following final passage.

Introduced and approved after first reading on October 14, 2025, and ordered published in full.

Introduced a second time and approved on October 28, 2025, and ordered published.

The City and County of Broomfield, Colorado

____
Mayor

Attest:

____
Office of the City and County Clerk

Approved as to form:

NCR

____
City and County Attorney

D. Request for Executive Session Request Related Eagle Trace Golf Course

Meeting	Agenda Group
Tuesday, October 14, 2025, 6:00 PM	Consent Items Item: 6D.

Presented By
Nancy Rodgers, City and County Attorney

Community Goals

Overview

View Correspondence
View Presentation

The City and County Manager and City and County Attorney requests Council hold an executive session for the purpose of discussing, receiving instruction to negotiators, and receiving legal advice related to Eagle Trace golf course. The executive session is proposed to be held at the special meeting scheduled on October 21, 2025, following the Council meeting.

Attachments

Executive Session Request Related to Eagle Trace Golf Course (Request 10-14 for 10-21-2025).pdf

Memo for Executive Session Request Related Eagle Trace Golf Course
Prepared By: Nancy Rodgers, City and County Attorney; Karl Frundt, Senior Attorney

Summary

View Correspondence
View Presentation

The City and County Manager and City and County Attorney requests Council hold an executive session for the purpose of discussing real property, receiving instruction to negotiators, and receiving legal advice related to Eagle Trace golf course. The executive session is proposed to be held at the special meeting scheduled on October 21, 2025, following the Council regular meeting.

An executive session is permitted under C.R.S. § 24-6-402(4)(a), (b), and (e) (real estate transactions, legal advice, and instruction to negotiators) and requires an affirmative vote of 2/3rds of the quorum present.

The open meetings provision of the Colorado Sunshine Act of 1972 (Act) requires that any local public body announce in public the topic for discussion for the executive session. In addition, the local public body must include the specific citation in the Act that authorizes the local public body to meet in executive session. The local public body must also identify the particular matter to be discussed in as much detail as possible without compromising the purpose for which the executive session is authorized. C.R.S. § 24-6-402(4).

Executive sessions are electronically recorded. The record of an executive session must also state the specific citation in the Act authorizing the executive session. Portions of an executive session that are purely for purposes of obtaining legal advice do not need to be recorded.

Financial Considerations

N/A

Prior Council or Other Entity Actions

N/A

Boards and Commissions Prior Actions and Recommendations

N/A

Proposed Actions / Recommendations

Based on the above, it is recommended that Council approve, by 2/3rds vote, the following motion …

> That the City Council schedule an executive session to be held on October 21, 2025, following the Council meeting, for the purpose of discussing real property, receiving instruction to negotiators, and receiving legal advice related to a Eagle Trace golf course as permitted by C.R.S. § 24-6-402(4)(a), (b), and (e).

Alternatives

Deny motion and not schedule an executive session.

City and County of Broomfield

City Council Regular Meeting

A. Public Hearing - 2026 Operating and Capital Budgets

Meeting	Agenda Group
Tuesday, October 14, 2025, 6:00 PM	Action Items Item: 7A.

Presented By
Graham Clark, Director of Finance

Community Goals
☑ Financial Sustainability and Resilience ☑ Organizational Health

Overview

View Correspondence
View Presentation

The purpose of this public hearing is to provide all interested parties an opportunity to provide comments regarding the 2026 Proposed Budgets, including Capital Improvement Programs, prior to Council's and BURA's consideration for adoption of the budgets for the City and County of Broomfield, Arista Local Improvement District, and Broomfield Urban Renewal Authority. Additionally, Council will consider, on first reading, Ordinance 2286 - Amending Title 13 of the Broomfield Municipal Code to change water, wastewater, reclaimed wastewater, and stormwater fees and service charges, and Ordinances 2288, 2289, 2290 for two enterprise revenue bonds and police building certificate of participation.

Attachments

Memo for 10.14.2025_Public Hearing of 2026 Budgets for CCOB, ALID, BURA; Utility Rates; and Bonds.pdf

Resolution No. 2025-152 Intent to be Reimbursed for Certain Expenses Relating to the Construction of Water Improvements .pdf

Prepared By: J. Stephanie Chen, Budget Manager

Summary

View Correspondence
View Presentation

2026 Budget Public Hearing

The purpose of the public hearing is to allow all interested parties an opportunity to provide comments regarding the 2026 Proposed Budgets, including Capital Improvement Programs, before Council consideration for the adoption of the budgets for the City and County of Broomfield, Arista Local Improvement District, and the Broomfield Urban Renewal Authority.

The proposed budgets and related documents were available for public review and comment on Broomfield.org/Finance on September 4, 2025.

The Proposed Resolutions to approve the 2026 Budgets for each entity are scheduled for consideration by the City Council at the October 28, 2025, Council meeting.

Enterprise Rate Ordinance

City Council held quarterly enterprise study sessions on April 15, 2025, and July 15, 2025, to review staff's updates on the status of the enterprise funds. The April meeting covered capital projects, maintenance programs, 2024 financial results, steps for ensuring long-term financial sustainability, and the proposed FLOW Advisory Committee. The July meeting covered similar topics as well as an overview of development projections and future rate recommendations.

City Council also received updates on the Enterprise Funds during the Economic and Fiscal Update held at a Study Session on August 19, 2025. Topics addressed included CIP plan considerations, upcoming bond issuances, Enterprise Fund sustainability, and utility rate adjustments.

In 2025, the City and County of Broomfield implemented the first utility rate increase of a comprehensive five-year financial plan to address the financial sustainability of the enterprise funds. This increase was necessary because our utility rates had stayed significantly below market rates, while the costs of providing safe, reliable water service continued to rise due to aging infrastructure requiring increased maintenance and replacement, new regulatory requirements and unfunded mandates, and a substantial backlog of critical system repairs and upgrades. Recognizing the financial burden this placed on residents, the Council established the Utility Rate Assistance Fund (URAF) to help eligible households manage the impact.

The five-year plan includes a year two increase totaling $16.89 per month for the average single-family home starting in 2026. Staff anticipates that continued adjustments in future years should be expected due to the annual application of the utility's long-range model, the criticality of ongoing infrastructure support, and to accommodate costs from unknown, but anticipated, state and federal mandates. The URAF to help eligible households remains in the budget for 2026, with minor adjustments.

Bond Ordinances

Police Building/Courts Remodel

This item is presented for the City Council's consideration and authorization to issue $100M in bonds to fund the Police Building/Courts Remodel. This financing utilizes Certificates of Participation (COPS), where the City will finance the project's construction by collateralizing existing City facilities via a Site Lease Agreement, Lease Purchase Agreement, Sale Certificate, and Escrow Agreement. A Preliminary Offering Statement, Indenture, and Disclosure Certificate are also required. Selected facilities that will be borrowed against include Paul Derda Recreation Center, the Broomfield Community Center, the Detention Center, and the Service Center Administration Building. The anticipated maximum annual debt payment resulting from the financing will not exceed $7.9M and the annual payments will come from the City's general fund; however, the debt does not create a general obligation debt or multiple-year fiscal obligation, as the annual debt service payment is subject to annual appropriation.

As part of the 2023 property tax revenue increase, funding was designated to support the construction of the new Police building. In collaboration with our financial advisors, staff determined that using the set-aside property tax dollars to retire the 2017 Certificates of Participation (COPs) represents a sound long-term financial strategy. By applying these funds and coordinating the payoff of prior debt, the City can help offset the financial impact of issuing new debt for the upcoming Police and Courts facility. Recent credit rating upgrades and the City's strong financial position further reinforce confidence in our ability to manage debt responsibly.

The term of the financing will mature on or before December 31, 2047. The anticipated net effective interest rate will not exceed 5.50%. Additionally, as part of this financing, the City will also pay off its 2017 Certificates of Participation (COP) that have a current outstanding balance of $10.89M utilizing unencumbered cash on hand. The 2017 COPs were to mature on December 1, 2027. They were originally issued in 2010 to fund facilities needed to provide county services and for parks and recreation activities, and were refinanced in 2017.

Water Tanks

This item is presented for the City Council's consideration and authorization to issue $80M in Water Revenue bonds for funding the new water tanks. Broomfield's water system model identifies capital improvements that will be needed as Broomfield develops, including the construction of the proposed Water Tanks. The model specifically focuses on the phased development of the areas north of W. 144th Avenue that are quickly developing. The anticipated maximum annual debt payment resulting from the bonds shall not exceed $5.9M and the term of the bonds will mature on or before December 1, 2047. The anticipated net effective interest rate will not exceed 5.50%. The debt will originate from the Water Activity Enterprise and does not impact the City's general fund. Related documents the City Council will be asked to approve include the Preliminary Official Statement of the Bonds, Paying Agent Agreement, Disclosure Certificate, and Bond Purchase Agreement.

Related to the issuance of the Water Bonds, staff will be presenting to the City Council on October 28, 2025, proposed Resolution No. 2025-152 authorizing the reimbursement to the general fund from bond proceeds for advancements made by the City for the project prior to the bonds closing in early 2026. This process enables the City to award a construction contract up to the amount of the advanced funds and begin construction before the bonds' closing. It is expected that a construction contract will be presented to the City Council for approval in November and construction to begin on or about January 1, 2026.

An amendment to the construction contract would then be presented to the City Council for approval once the bond proceeds are available for appropriation. Construction of the water tanks is projected to last 36 months.

Wastewater Treatment Facility Improvements
This item is presented for the City Council's consideration and authorization to issue $125M in Sewer Revenue and Refunding bonds for funding the Wastewater Treatment Facility Expansion. The anticipated maximum annual debt payment resulting from the bonds shall not exceed $11M and the term of the bonds will mature on or before December 1, 2047. The anticipated net effective interest rate will not exceed 5.50%. The debt will originate from the Sewer Activity Enterprise and does not impact the City's general fund. As a part of this financing, the City will also refund and discharge its 2012 Sewer Revenue Refunding Bonds with an outstanding balance of $15.315M that mature on December 1, 2031. Related documents the City Council will be asked to approve include the Preliminary Official Statement of the Bonds, Paying Agent Agreement, Disclosure Certificate, Bond Purchase Agreement, and Escrow Agreement.

The Wastewater Treatment Facility Improvements are being driven by expected future increases in population and regulatory requirements from the CDPHE that will require significant expansion to the current facility to adequately treat the increase in wastewater and maintain compliance with current and future regulatory requirements. Project drivers include capacity, asset renewal, biosolids, reuse, and regulation. Construction is to begin in 2026.

Financial Considerations

2026 Budget
The 2026 Proposed Budget document outlines the financial considerations related to this agenda item. Specifically, it provides the 2026 budget information for the City and County of Broomfield, the Arista Local Improvement District, and the Broomfield Urban Renewal Authority.

Enterprise Ordinances
Ordinance No. 2286 Amending Water, Sewer, Reclaim Water, and Stormwater Fees outlines the financial considerations related to this agenda item.

Bond Ordinances
Ordinance No. 2288 upon approval authorizes debt financing of up to $80M for the Water Tanks and approves as to form the Preliminary Official Statement for the Bonds, Paying Agent Agreement, Disclosure Certificate, and Bond Purchase Agreement related thereto..
Ordinance No. 2289 upon approval authorizes debt financing of up to $125M for the Wastewater Treatment Facility Improvements and approves as to form the Preliminary Official Statement for the Bonds, Paying Agent Agreement, Disclosure Certificate, Bond Purchase Agreement, and Escrow Agreement related thereto.
Ordinance No. 2290 upon approval authorizes debt financing of up to $100M for the Police Building/ Courts Remodel and approves as to form the Preliminary Official Statement, Indenture, Site Lease Agreement, Lease Purchase Agreement, Sale Certificate, Disclosure Certificate, Escrow Agreement related thereto.

Prior Council or Other Entity Actions

2026 Budget

August 19, 2025: Staff provided information and insights to inform the Council on Broomfield's economic and financial outlook, influencing the 2025 revised budget and the 2026 operating and capital proposed budgets.
August 21, 2025: Staff provided an overview of how Broomfield intends to fulfill the community goal of financial sustainability and resilience at the Broomfield 101: Economic and Fiscal Update Community Forum.
September 3, 2025: The City Council received the 2026 Proposed Budget and supporting documentation.
September 4, 2025: The 2026 Proposed Budget and supporting documents were made available for public view and comments on the City's website.
September 18 and September 25, 2025: Study Sessions to discuss the 2026 Proposed Operating and Capital Budgets with department representatives.

Enterprise Ordinances

April 15, 2025: Staff held the first 2025 quarterly Enterprise Funds study session and provided an overview to City Council on status of the enterprise funds.
May 13, 2025: Creation of Advisory Committee approved by City Council.
July 15, 2025: Staff held the second 2025 quarterly Enterprise Funds study session, providing an update on the enterprise funds and initial recommendations on utility rate adjustments, along with a presentation by subject matter expert consultant AECOM.
October 21, 2025: Staff will provide an overview to City Council in a Broomfields Enterprise Funds study session and initial results of additional repair and replacement capital added during the 2025 budget.

Bond Ordinances

August 19, 2025: Staff provided information and insights to City Council on Broomfield's high credit rating and the organization's "superior ability to repay short-term debt obligations," providing guidance to ensure Broomfield's financial stability while requesting for new bonds to finance the 2026 capital improvement projects for the new Police Building / Courts Remodel and Water and Sewer infrastructure improvements.

Boards and Commissions Prior Actions and Recommendations

N/A

Proposed Actions / Recommendations

2026 Budget

No action is required at this time. The purpose of this item is to hold the public hearing as required by the Charter.

Amending the Enterprise Ordinance

If directed to approve the changes to the Broomfield Municipal Code, it is recommended…

- That Ordinance No. 2286 be adopted on the first reading and ordered published in full.
- That a public hearing on the ordinance be held at 6:00 pm on October 28, 2025, as allowed by City Council Procedures and Rules of Order.
- That a second and final reading of the ordinance be scheduled on October 28, 2025, following the public hearing.

Effective Date: If approved, changes to the Broomfield Municipal Code related to water, sewer, water reclamation, and stormwater charges and fees, as outlined in these ordinances, will be effective January 1, 2026.

Two Enterprise Revenue Bonds and Police Building Certificate of Participation Ordinances

If directed to pursue the debt financings to support the new Police Building / Courts Remodel and construction of the new Water Tanks and Wastewater Treatment Facility Expansion, it is recommended…

- That Ordinance No. 2288 Authorizing Water Activity Enterprise Water Revenue Bonds, Series 2026(Water Tanks) be adopted on the first reading and ordered published in full.
- That Ordinance No. 2289 Authorizing Sewer Activity Enterprise Revenue and Refunding Bonds, Series 2026 (Wastewater Treatment - Phase 1B) be adopted on the first reading and ordered published in full.
- That Ordinance No. 2290 approving a Preliminary Official Statement, Indenture, Site Lease Agreement, Lease Purchase Agreement, Sale Certificate, Disclosure Certificate, and Escrow Agreement concerning the financing of police and courts buildings be adopted on the first reading and ordered published in full.
- That a second and final reading of the ordinances be scheduled on October 28, 2025.

Alternatives

Approve or modify the 2026 Proposed Budget. Non-material modifications would be amended for the October 28, 2025 final approval. Larger, material changes would be approved as proposed and later amended in an amendment early in 2026.

Background - Budget

Broomfield has grown and evolved significantly over the past twenty years from an emerging suburban community into a large, thriving, and maturing urban-suburban community. Since the consolidation of our community in 2001, Broomfield has provided effective and efficient city and county programs and services. Today, Broomfield is home to nearly 80,000 residents, living in more than 34,000 housing units and thousands of businesses. While much of Broomfield's 34 square miles is built out, there is a continued focus on developing and evolving while maintaining long-term financial sustainability and resilience.

Planning for Increased Financial Stability

The City and County are guided by conservative revenue projections, reasonable cost assumptions (expenses), deploying strategic development decisions, effectively managing staffing patterns, and using data-driven decision-making models to keep operational costs in check.

Transitioning into 2026, Broomfield's economic and financial position is fundamentally sound, but we remain in an ever-increasing volatile environment. This reality reinforces the need for prudent financial flexibility, conservative planning assumptions, and disciplined decision-making to ensure long-term sustainability. Broomfield's two largest primary revenue sources are property tax and sales/use tax, with sales tax showing minimal growth in 2025 (measured at the halfway point through the year, sales tax is projected to end 1-2% higher than 2024). The minimal sales tax growth is expected to continue to build in 2026, a trend anticipated to continue into 2027. Additional retail and commercial investments in the pipeline begin to come online in 2027 (e.g. Macerich's HiFi area at FlatIron and the initial phase of McWhinney's Center Street area). Conversely, the property tax revenue is expected to fall in 2026 and remain stable in 2027. The property tax revenue reduction is occurring due to State changes in the property assessment rates and the decline in property market values.

Due to decreased property assessment rates, property owners will see lower tax bills, which correlates to the decreased county property tax revenue by approximately $6.5-7.5 million annually. This revenue decline is expected to be long-term, representing the new baseline for county property tax collections.

The 2026 proposed budget reflects the organization's continued focus on balancing current needs and obligations while preparing to meet the organization's and community's future needs by prioritizing expenditures into Mandates, Obligations, and Critical needs. Broomfield's economic fundamentals continue to provide sustained economic and employment opportunities while ensuring a sound fiscal base for CCOB budgets.

Guiding Principle: Residential Growth and Service Capacity

Broomfield currently has the revenue to sustain current service levels, but each new residential development adds demand and costs to systems already operating near capacity. Sales tax revenue growth—expected as new commercial development comes online in 2027—will help, but will not fully offset rising expenditures. Property taxes remain outside local control and subject to state formulas and market values; those factors created a $6.6M - $7.5 decrease in general fund revenue, which is not anticipated to return.

Balancing Housing Needs with Community Capacity

While the Front Range continues to face an affordable housing shortage that calls for regional solutions, Broomfield must thoughtfully balance this need with our community's existing capacity. Demand for services is strong — recreation programs often fill quickly, fields are well used, the Library serves at or near capacity, and our core utilities, such as the wastewater treatment facility, are preparing for future growth.

Broomfield has also made prior commitments to additional residential development through business development agreements. Looking ahead, future decisions will shape how we continue to provide high-quality services, invest in infrastructure, and remain fiscally responsible, while also contributing to broader housing solutions across the region.

Disciplined Development and Long-Term Financial Sustainability

Broomfield continues to take a thoughtful, yet disciplined, approach to development as the foundation for achieving long-term financial strength and sustainability. Our strategy emphasizes balanced growth and a diversified economy—ensuring that both residential and commercial development occur in alignment with community needs and fiscal realities.

Maintaining and strengthening the ratio of residential to commercial development is paramount as we move into the future. A healthy balance not only supports a diversified tax base and resilient economy but also ensures that service demands and infrastructure investments are financially sustainable over time.
By adhering to this disciplined approach, Broomfield positions itself to manage near-term fiscal challenges while preserving the flexibility to invest in community priorities and future opportunities.
Broomfield recognizes that a strong community is made up of thriving neighborhoods and residential areas, combined with commercial areas and developments home to businesses in key sectors, such as finance, information technology, aerospace, and business/professional services. Broomfield is also successful in attracting and growing businesses in next-generation economic sectors, such as quantum computing, phonetics, and advanced manufacturing. Recent firms choosing and growing in Broomfield include Sierra Space, SiNaptic, Quantinuum, and Raven Space Systems.

Development and increasing redevelopment in the community continue to build on this economic and financial foundation. These developments provide sought-after locations for businesses to locate and grow, places for residents and visitors to shop, dine, and gather, and places where existing and new residents will call home. Current construction is underway around FlatIrons Crossing (the HiFi area: both the Novel FlatIron residential and new commercial space), MidPoint's flex/innovation space (255 Midway), the Simms Technology Park, and Harvest Hill apartments. Horizontal construction will soon start in Baseline's mixed-use Center Street development. Combined, these current developments total nearly 500 new residential units (over 200 income-aligned), about 500,000 square feet of new work space, and over 100,000 square feet of (already leased) shopping and dining space.

The 2026 proposed spending plan recognizes that our community looks to its local government as innovators and leaders. It supports this influential work by refocusing and committing to the identified Community Goals, with the fundamental goal of Fiscal Sustainability remaining paramount to a healthy and robust future.

Emphasis on Prioritizing Needs

As Broomfield continues to maintain economic and fiscal stability, our strategic approach includes a prudent and pragmatic fiscal approach to anticipate and withstand future economic or financial disruptions in the short and long term.

The proposed 2026 budget prioritizes expenditures in the following categories:

- **Mandates**: Regulatory requirements issued by the federal or state level that result in the need for funding.
- **Obligations**: Contractual requirement or agreement.
- **Critical Need**: This is essential to the organization's effective operations. Failure to fund it would threaten public health, the environment, or community safety, or create a more significant liability or risk to the organization.

Any funding request not categorized by a mandate, obligation, or critical need but necessary to provide ongoing programs and services would be defined as an ‘other’ this year. In 2026, only projects classified as ‘other’ that were moved forward were partially funded by grants.

The 2026 Recommended Budget reflects a profound, collaborative effort across all departments. New services and their associated costs will be strategically timed for review only when budget flexibility improves – something not anticipated in 2026, and possibly not until the second half of 2027.

Additionally, in close partnership with departments, the budget team conducted an in-depth review of multiple years of actual expenditures. Finance staff met with every department to perform a detailed analysis of historical spending patterns. The goal was to align the 2026 budget with these patterns, while also considering external factors that may impact future expenditures, thereby reducing the variance between budgeted and actual amounts.

Through departmental collaboration, the discretionary spending category was thoroughly analyzed, resulting in budget reductions that better reflect historical usage patterns. This optimization exercise produced meaningful reductions in both the 2025 revised and 2026 original budgets.

This comprehensive approach provides the discipline needed to carefully consider what is truly necessary to accomplish Broomfield’s mission to serve the community. Each year, the budget process must be based on solid data analytics regarding generated revenue, expenses, future forecasts, and trends, and a clear understanding of organizational and community goals. In the near term, existing service levels will be carefully evaluated within the broader financial context to ensure maximum community benefit. This presents an opportunity to review programs through the lens of their community impact relative to delivery costs, ensuring resources are directed to where they create the greatest positive outcomes. A disciplined, comprehensive, and strategic approach will guide these decisions moving forward.

Broomfield anticipates applying the same methodology and due diligence with both development opportunities and new debt as it continues its current conversations with the Council, specifically, recognizing the challenges and opportunities upcoming from constrained resources.

All departments determined needs based on the following high-level categories and corresponding thought-provoking questions, serving as the foundational lens through which all budgeting and resource allocation requests were reviewed:

- **Safety**: Eliminating or reducing a hazard/threat
- **Operational Cost vs. Revenue**: Is there a revenue offset that will help reduce costs?
- **Asset Maintenance**: Ability to extend the life cycle of a current asset
- **Comprehensive Plan**: Approach and alignment with existing roadmap
- **Operational Support**: Will the request create additional demand on existing resources or require new support?
- **Alternatives**: Does the alternative require greater resources, financially or otherwise?
- **Cost Sharing Opportunities**: Ability to leverage outside funding awards
- **Urgency**: Is there an immediate need that the request will satisfy?
- **Public Benefit and Quality of Life Impact**: Ability to benefit across various sectors
- **Socio-Economic Equity**: Determining the applicability within Broomfield's vulnerable populations or underrepresented
- **Sustainability**: Ability to address/correct the construct that will benefit the environment

For the fifth consecutive year, staff recommends maintaining Public Safety, Public Works, and Water Utilities as a top priority while continuing to adapt to growth, addressing deferred maintenance while moving forward with an asset management approach, and shifting to new and long-term fiscal realities.

Public Safety: This commitment is demonstrated by keeping the Broomfield Police Department organizationally separate from general employee groups. This approach has enabled the City and County of Broomfield to strengthen its police force effectively, resulting in a substantial increase in essential personnel to better serve the community. The Full-Time Equivalents (FTEs) grew from 242 in 2021 to 277 in 2025, a 14% increase. Concurrently, the police budget expanded from $34 million in 2021 to $44 million in 2025, marking a 27% increase. This investment is directly linked to Broomfield maintaining the lowest crime rate per capita in the metro area.

District Attorney – 17th Judicial District

The proposed budget for Broomfield's population share of the District Attorney's office is based on preliminary calculations received from Adams County in August 2025. On August 12, 2025, the District Attorney submitted his budget documents to Broomfield staff. Following that submission, Broomfield requested a meeting with the Adams County Board of Commissioners and leadership to discuss the request.

This meeting, held in mid-September, included the Mayor, Mayor Pro Tem, City Manager, and City Attorney. The discussion focused on the scope of services included in the DA's request, as well as the Family Justice Center, which is addressed in greater detail below.

Adams County is also in the process of finalizing its budget. On October 1, 2025, the District Attorney presented his budget request to the Adams County Board of Commissioners; however, the Board has not yet approved the request. Broomfield staff attended the presentation and will continue to monitor developments to ensure Broomfield's final budget reflects only its proportional share of approved expenses.

Broomfield's proposed budgeted amount for the DA will be reduced before Council's formal consideration on October 28, 2025, to reflect a budgeted amount that does not include costs for the proposed Family Justice Center (FJC). Per statute, Broomfield is only responsible for its per-population share for "the necessary expenses of maintaining an office for the transaction of official business" of the District Attorney.

While the intent of the FJC is admirable, the District Attorney has indicated that 75% of individuals to be served will be non-judicial clients. This represents not an expansion of existing prosecutorial services, but rather the creation of an entirely new entity, infrastructure, and team—as shown by 9 FTE in his budget request to Adams and Broomfield counties. While there is a connection with the domestic violence case work completed by the DA's office, this is a separate endeavor that warrants further scrutiny and should be subject to discussions about the creation of a regional and distinct intergovernmental entity before Broomfield commits taxpayer resources.

In addition, the revised proposed budgeted amount for the District Attorney will not include the cost of one FTE (an attorney) that Broomfield has solely funded since 2021 to reduce backlog following COVID. This was a separate agreement with the DA, and three years later, after that backlog has been addressed, that cost should not be part of the base budget.

Public Works and Water Utilities: Our focus on infrastructure over the past several years has led to significant growth in resources dedicated to roads, streets, maintenance, and water. Full-time equivalents (FTEs) increased from 158 in 2021 to 220 in 2025 – a 39% rise (note: this includes 14 FTEs transferred to Public Works/Water Utilities from Community Development and Strategic Initiatives related to Construction Inspections and Energy and Sustainability, respectively). Investments in Public Works and Water Utilities have enabled staff to optimize infrastructure, boost productivity, and better manage assets. This directly impacts overall operations and effectiveness.

Broomfield has made major strides in core infrastructure and utility maintenance over the past five years. The Street Pavement Management Program expanded significantly, with more miles treated and a dramatic increase in crack sealing. Water Utilities strengthened operations with annual waterline replacements, full fire hydrant flushing and maintenance, and near-complete valve maintenance. The Sewer Collections Program has advanced to completing annual program system cleaning and inspection on a regular cycle. Meanwhile, the Stormwater Maintenance Program, established in 2021, now conducts annual program system cleaning and inspections each year. These operational improvements are supported by a five-year financial sustainability plan that ensures the long-term health of infrastructure, high-quality service delivery, and protection of public health and the environment.

Given the challenges and uncertainty in the economy and marketplace, the 2026 Proposed Budget relies on conservative fiscal policies and projections supporting balanced annual spending. The 2026 Proposed Budget was built using a combination of Council direction with existing planning documents, including, but not limited to, the Comprehensive Plan, the Long Range Financial Plan, and financial/economic modeling, to synthesize the work over the past several years of taking a comprehensive methodological approach to Broomfield's future.

2026 Areas of Focus and Key Highlights

- Broomfield has not acquired any additional general obligation (GO) debt since 2017. Broomfield will be defeasing prior debt and remains committed to maintaining and increasing our existing Aa2 bond rating, which means the organization has a "superior ability to repay short-term debt obligations." The rating is one of the highest within the state of Colorado. This high rating is essential. Having debt of 5% of revenues is considered appropriately leveraged and reflects the government's ability to repay debt.
- Broomfield will continue to leverage grant funding as part of efforts to diversify revenue sources. In 2025, overall, less grant revenue was available on the Federal and State levels. As of August 2025, CCOB has received 91 grants, representing an increase from 69 grants in 2024. This total reflects both new grant applications and recurring awards that continue from year to year.
- In 2025 alone, more than 35 new grant applications have been submitted, with 28 awarded to date. These awards total approximately $5.6 million, compared to $4 million last year. We will continue to seek grants in 2026 to pursue funding from private, local, and state sources. New grant funding to be explored in 2026 includes: Courts' First Defense Counsel Appearance, incentives for Norm Smith UST removal reimbursement, the Recycling Rebate Program, and Special Supplemental Nutritional Funds for Women, Infants, and Children.
- Police Facility construction is anticipated to begin in early 2026.
- Courts Remodel design to begin in 2026.
- Maintain the achieved goal of 20% reserves into 2026 and future years.
- Continue to explore opportunities for development of the former Event Center site: This development is expected to be a revenue generator for the community.
- Implementation of the selected City and County Enterprise Resource Planning (ERP) Software that will modernize our existing 30+ year manual/spreadsheet system to begin early 2026.
- Update the 2016 Comprehensive Plan in 2026, providing the Council, community, and our organization an opportunity to play a critical role in shaping the vision for the next decade and beyond.
- Implementing the first organizational strategic plan to guide the 2026 work plan.
- Issuance of three bonds: Quarter one 2026, Certificate of Participation for the PD/Courts, and two in the Enterprise Funds for the Water Tanks and Wastewater Expansion - Phase IB.

This list alone requires us to be especially prudent in the upcoming year and beyond. We are operating in a constrained environment – both financially and with staffing capacity – and must therefore be intentional and strategic in every decision we make. The 2026 and 2027 budgets will require a **reallocation** methodology, not a **reprioritization** model – meaning that to add anything, other programs must be reduced or removed to accommodate new or enhanced funding. As we gain clearer insights into programmatic outcomes, we must be willing to have courageous conversations about whether programs and services are being fully maximized, widely utilized, effectively measured, and delivering the intended outcomes. If they are not, we must work together to thoughtfully realign our efforts and resources toward initiatives that deliver the greatest benefit to our community.

Budget Process and Philosophy

The budget is a planning tool that is used to meet the results of the March 3, 2023, Council Focus Session, where the Community Goals were solidified with an emphasis on Goal #1: Financial Sustainability and Resilience. Therefore, the budget process is flexible and responsive to organizational and community needs and economic conditions.

In addition, staff will continue with a comprehensive, clear, and transparent approach by bringing forth a consolidated number of budget amendments for the Council's review and consideration, and for transparency for Broomfield residents. Each budget amendment is designed to address specific topic areas outlined below.

- **Budget Amendment 1** (Q1): reflects the carryover of capital and grant projects from the prior fiscal year and any additions to operational budgets (i.e., increased cost for Spring Cleanup).

- **Budget Amendment 2** (In conjunction with adopting the following fiscal year's budget; Q4): reflects the current state of actual revenues and expenditures, including any supplemental requests, and sets the foundation for the following year's budget.
  This amendment also includes the prior year's audited financials (actual beginning fund balances), which helps inform the ability to fund future year financial shifts.

- **Budget Amendment 3** (Q4): if needed, addresses grants, which often require financial adjustments based on project or program status of implementation and execution due to the timing of the grant award.

Current and future budgeting processes are designed to ensure operational and capital success, focusing on creating a culture of accountability and intentionality while basing the budget on revenue and expenses. This helps to drive forward a sustainable, disciplined structure of reallocating funds and not continuing to increase expenditures arbitrarily.

2026 Budget Highlights

Revenue Projections

Broomfield's two largest primary revenue sources are property tax and sales/use tax, accounting for 60% of Broomfield's revenue base. Sales tax is showing minimal growth for 2026. The minimal growth in sales tax is a trend anticipated to continue into 2027, while retail and commercial investments in the pipeline begin to come online in late 2027 (ie, Macerich development).

Conversely, the property tax rates are not expected to move in any direction but downward. Due to decreased property assessment rates, property owners will see lower tax bills. This reduction will decrease county property tax revenues by approximately $6.5-7.5 million annually – $3-4 million from residential properties and $3.5 million from commercial properties. This revenue decline is expected to be long-term, representing the new baseline for county property tax collections.

Across all revenue streams,[1] 2026 proposed projected revenues are expected to increase by 5.2% from $332 million to $349 million compared to the 2025 revised budget per Table 1C of the proposed budget. This increase is primarily driven by anticipated revenues from Fiber contracts, building permits, and use tax revenues.

The 2026 proposed budget was built with the projected increases in Utility Rates for water, sewer, reclaimed water, and stormwater.

[1] Excludes Fiduciary Funds and Budgeted Bond Revenues

Expenditure Projections

Broomfield continues to monitor the ongoing uncertainties surrounding the economic environment and is prepared to react as needed. The budget process is an example of staff working collaboratively to mitigate the impacts of these uncertainties.

Operational expenditures are expected to increase by 5.9% from the 2025 original budget to the 2026 proposed budget.

Total expenditures (Table 3B), which include the operating, capital, additions to reserves, and debt service obligations across all funds, are an estimated $897 million, excluding inter-fund transfers.
This represents an increase of 41% in expenditures from the 2025 original budget to the 2026 proposed budget. This increase is primarily driven by large capital projects, such as the new Police building, Court building remodel, and the Water and Sewer projects.

Personnel

Over the last four years, Broomfield has implemented a market-driven, competitive compensation philosophy to lead the market. This was based on the legal requirements to comply with new federal equal pay mandates and aligned with the City Council's direction on employee compensation. In year five, Broomfield is working to maintain the progress while navigating economic uncertainties. Human Resources completes market evaluations every other year to ensure positions within CCOB are paid competitively against the Denver Metro market. This data is used to project salaries and personnel costs for the proposed budget. In 2026, Human Resources will not be conducting market evaluations.

Ongoing personnel costs and adding new positions to meet the community's needs are the primary drivers of the 5.9% operational budget increase referenced in the expenditures section.

Below is a list of the Personnel Changes implemented as part of the 2026 operating budget.

Expenditures: 2026 Personnel Changes*			
Department	**FTE Change**	**Personnel Costs****	**Notes**
Human Services	0.10	13,463	Business Solutions and System Administrator (0.1FT)
Information Technology	-1.00	0-	Accessibility Specialist LTA Expiration (-1.0FT)
Parks, Recreation and Senior Services	2.25	219,958	Lead Parks Tech (1.0FT), Parks Tech II PT to FT (0.25FT), Preschool Director (1.0FT)
Public Health and Environment	0.40	18,982	Business Solutions and System Administrator (-0.1FT), Administrative Support II PT to FT LTA (0.5FT)
Water Utilities	3.00	334,561	Cross Connection Foreman (1.0FT), Senior Water Utilities Locator (1.0FT), Senior Sewer Utilities Locator (1.0FT)
Total	**4.75**	**$ 586,964**	
*Includes internal transfers.			
**Personnel Costs are based on 2025 Actual for filled positions and Mid-Point for vacant positions and est. taxes and benefits			

Non-Personnel

Non-personnel-related expenses include the supplies, equipment, and contractual service costs necessary to provide the programs and services in Broomfield. Some examples include:

- Fuel
- Vehicle Maintenance Supplies (i.e. air and oil filters, tires, etc)
- Electronic Equipment (i.e. telephones, computers, headsets, etc)
- Training and Development of staff
- Professional Services (i.e. outside auditors, specialized legal services)
- Insurance expenses
- Utilities
- Software (Annual License Fees such as Google)

As part of the annual budget process, the budget staff meets with departments to discuss non-personnel requests and the drivers of individual items. Items like fuel are a basic necessity for the organization to accomplish its work and are subject to market conditions; thus, Broomfield has very little control over this type of expenditure. For other non-personnel items, the organization manages costs by finding alternatives or adjusting work procedures to eliminate or minimize expenses wherever possible.

Operating Budget Highlights

Below is a list of some highlights of the 2026 operating budget.

2026 Operating Budget Highlights		
Department or Category	**Description**	**Amount**
Assessor	One (1) 5-Month Overlap (Assessment Supervisor)	$ 66,708
City and County Clerk	Two (2) 2-Month Overlap (Recording and Motor Vehicle Specialist, Recording and Licensing Specialist)	25,141
City and County Manager	Hazardous Mitigation Plan Update - FEMA Mandate	65,000
Community Development	Two (2) Reclassifications (Senior Landscape Architect to Landscape Manager, Combination Inspector to Landscape Associate/Tech)	54,272
Parks, Recreation and Senior Services	One (1) FT (Lead Parks Technician)	-
Parks, Recreation and Senior Services	One (1) PT to FT (Parks Technician II)	-
Parks, Recreation and Senior Services	One (1) TM to FT (Preschool Director)	21,401
Police	One (1) FT Continuation (Victim Advocate) if Grant is discontinued	112,712
Police	Three (3) Reclassifications (Records Specialist to Records Supervisor, Budget Analyst to Budget Supervisor/Manager, Office Manager to Senior Operations Manager)	73,871
Public Health and Environment	Personnel Costs Transitions	(8,555)
Public Health and Environment	One (1) PT to FT LTA (Admin Support II)	33,899
Public Health and Environment	One (1) Reclassification (Environmental Health Specialist I to Environmental Health Specialist II)	5,953
Water Utilities	Three (3) New FT (Cross Connection Foreman, Senior Water Utility Locator, Senior Sewer Utility Locator)	381,107
Water Utilities	SCADA Environment Security Scanning Software (w/IT)	69,571
	Total	**$ 901,081**

2026 Capital Improvement Plan Considerations

Using a conservative approach and understanding the constraints of Broomfield's finances, staff will continue to evaluate and prioritize projects based on mission essentials and those that affect the health and safety of the community. To proactively prevent unintended consequences with any changes in the funding of CIP, staff will continue to seek guidance from the Council.

The 2026 Five Year Capital Improvement Project (CIP) Plan was developed in a parallel process at the same time as Broomfield's operating budgets. This process included an extensive year-long collaboration across all departments to ensure that all projects and community requests were considered. CIP requests are rated and prioritized using the same "buckets" described earlier in the document. Ensuring that our limited resources are focused on mandates, obligations, and critical infrastructure projects reinforces our financial sustainability and resilience goal. Finally, staff have worked to shift the focus of funding from new capital projects towards preventative maintenance, repair, and rehabilitation to ensure that Broomfield is focusing efforts on adequately addressing its existing infrastructure.

The 2026 budget for Capital Projects includes

- $142.9 million in expenditures for the General Governmental Funds
  - $100 million for the police building and courts remodeling projects
- $217.2 million in expenditures for the Enterprise (Utility) Funds.
  - $70 million for the two new water tanks project
  - $114 million for wastewater treatment facility expansion project

2026 Broomfield Urban Renewal Authority Budget

The Broomfield Urban Renewal Authority (BURA) was organized to finance various improvement projects within the Authority's boundaries. Incremental tax revenues, including sales, use, and property, are the primary funding sources for BURA.

2026 BURA revenues are budgeted at $65.1 million, representing a 7.7% decrease compared to the 2025 original BURA budget. BURA expenditures in 2026 are budgeted at $50.0 million. BURA also pays the City and County of Broomfield to cover administration costs and professional services related to the development of urban renewal areas. The 2026 budget includes $5.5 million for administrative and professional services expenditures.

2026 Arista Local Improvement District Budget

The Arista Local Improvement District (ALID) was established to facilitate the construction of transportation facilities in the Arista Development. The ALID is supported by a 0.2% sales tax collected on all taxable sales within its boundaries, and the revenue generated by the tax has been pledged to support the Arista Metro District's (AMD) debt service on bonds sold to construct the parking structure.

The only allowable use of the revenue is to support the funding of public transportation services or improvements. The 2026 budget for the ALID exists solely to authorize payments to AMD, as noted. The 2026 proposed ALID budget includes $45,000 in sales tax revenue and $45,000 in expenditures related to the AMD debt service for the construction of the parking structure.

Background - Enterprise/Utility Fee

Utilities are funded by four enterprise funds that are specifically dedicated to the Water, Wastewater, Reclaimed, and Stormwater/Flood Management utilities. Each enterprise operates as a self-supporting entity. Revenues generated from monthly utility bills are the largest source of revenue for each utility, accounting for generally between 85% to 90% of revenues in each fund. Other significant sources of funds include development fees and funding from the Mile High Flood District (MHFD). These cumulative funding sources cover day-to-day operations, capital and rehabilitation projects, and annual programs. A robust enterprise fund presents a significant strategic advantage, empowering the city to issue revenue bonds.

This mechanism is crucial for financing substantial capital projects, much like the extensive bonded projects anticipated in 2026. The ability to leverage revenue bonds ensures that vital infrastructure and development initiatives can proceed.

As previously noted, to prepare for critical utility infrastructure needs, Broomfield adjusted water and sewer rates last year. This was, in part, to support two upcoming enterprise bond issues – one to fund two new water storage tanks and another to expand our wastewater treatment facility. Staff has contracted with bond underwriting firms, Stifle & Piper Jeffrey, who have extensive Colorado market experience in issuing Enterprise Fund bonds. CCOB is still targeting issuance in quarter one 2026.

Staff has provided additional detailed information on how water and sewer rates are directly influenced by the process of repairing and replacing aging infrastructure, known as asset renewal. Here is the linked document - Water Utilities System Asset Renewal - Key Aspects of Establishing Rates.

2026 Proposed Recommendations: Water, Sewer, Reclaimed, and Stormwater Rates

As detailed in the budget adopted by the Council in 2025, the five-year plan includes a year two increase totaling $16.89 per month for the average single-family home starting in 2026. This represents a 15% increase for utility rates across all funds, with a 9% ($1.00) increase for stormwater service fees, and aligns with projections presented in the original five-year plan presented in 2024 (also see October 22, 2024, memorandum).

Staff has completed a comprehensive fiscal analysis to evaluate anticipated revenues from utility rates as well as projected expenses based on necessary costs associated with day-to-day operations, capital and rehabilitation projects, and annual maintenance requirements. The fiscal analysis includes multiple interdependent variables, and adjusting any one component impacts several other variables within the model, requiring a holistic re-evaluation of all dependencies within the five-year comprehensive plan.

This increase is essential to ensure the long-term financial sustainability of our enterprise funds while maintaining essential services and infrastructure. The recommended rate structure ensures sufficient funding for both ongoing maintenance of existing water infrastructure and necessary capital improvements. The proposed increase allows the utility to maintain a proactive maintenance schedule consistent with capital improvement planning recommendations, protecting the community's investment in water infrastructure while avoiding more costly emergency repairs. Deferring maintenance on water system components creates significant financial risk, as delayed repairs typically result in substantially higher replacement costs and potential service disruptions that impact the entire community.

It is important to understand why this rate increase cannot easily be reduced to a lesser amount. Each percentage point reduction in the proposed rate change would result in approximately $500,000 less annual revenue to the enterprise fund. Such reductions would necessitate corresponding cuts to maintenance programs, capital projects, or service levels to maintain a balanced budget.

Given the essential nature of water services and the potential for deferred maintenance to compound costs over time, the proposed increase represents the minimum funding level necessary to ensure reliable, long-term service delivery to our community.

In 2025, the increase for the water utility bill was only on the base fees, and there was no increase for the water usage rates. As discussed and presented last year, in 2026, the proposal also includes an increase to the water usage rate, and therefore, the monthly difference in the water bill will be dependent on how much water the residence typically utilizes.
The projected impact on an average monthly bill for a single-family home and a multi-family home are shown in the tables below.

The example provided below uses an average single-family home bill of 9,000 gallons for water and 6,000 gallons for sewer. The 9,000 gallons/month for water is based on a 4-year historical average of 107,000 gallons per year for a single-family 0.75-inch. Staff will be providing a Residential Monthly Bill Calculator Tool and linking it on our website to help residents calculate how the proposed increase would apply to their home utility bill based on their specific household water usage (to be available before final consideration of the ordinance).

Impact on Average Monthly Bill for a Single Family Home (6000 gal)

	Rates		Average Bill *		
Fee Type	2025	2026	2025	2026	Difference
Water Meter Base Charge	$36.91	$42.45	$36.91	$42.45	$5.54
Water Usage Charge Tier 1	*$2.39*	*$2.75*	*$11.95*	*$13.75*	*$1.80*
Water Usage Charge Tier 2	*$3.82*	*$4.39*	*$15.28*	*$17.56*	*$2.28*
Water Usage Charge Tier 3	*$5.41*	*$6.22*	*$0.00*	*$0.00*	*$0.00*
Sewer Service Charge	$5.44	$6.26	$32.64	$37.56	$4.92
Sewer Fed Mandate Charge	$0.52	$0.52	$3.12	$3.12	$0.00
Sewer Env Comp Base Charge	$9.00	$10.35	$9.00	$10.35	$1.35
Stormwater Base Charge	$11.00	$12.00	$11.00	$12.00	$1.00
Total Bill			**$119.90**	**$136.79**	**$16.89**

Projected 4-Year Outlook for Single-Family Home Bill

	2025	2026	2027	2028
Anticipated Bill	$119.90	$136.79	$146.37	$156.61
Percentage Change		*14%*	*7%*	*7%*

Impact on Average Monthly Bill for a Multi-Family Home (1000 gal)

	Rates		Average Bill *		Difference
	2025 Rate	2026 Rate	2025	2026	Difference
Water Fixed Base Fee	$36.91	$42.45	$36.91	$42.45	$5.54
Water Usage Fee / 1,000 gal	*$2.55*	*$2.93*	*$7.65*	*$8.79*	*$1.14*
Sewer Cost/1,000 gallons	$5.44	$6.26	$21.76	$25.04	$3.28
Fed Mandate Charge	$0.52	$0.52	$2.08	$2.08	$0.00
Env Compliance Fee	$9.00	$10.35	$9.00	$10.35	$1.35
Stormwater Fee	$6.60	$7.20	$6.60	$7.20	$0.60
Total Bill			**$84.00**	**$95.91**	**$11.91**

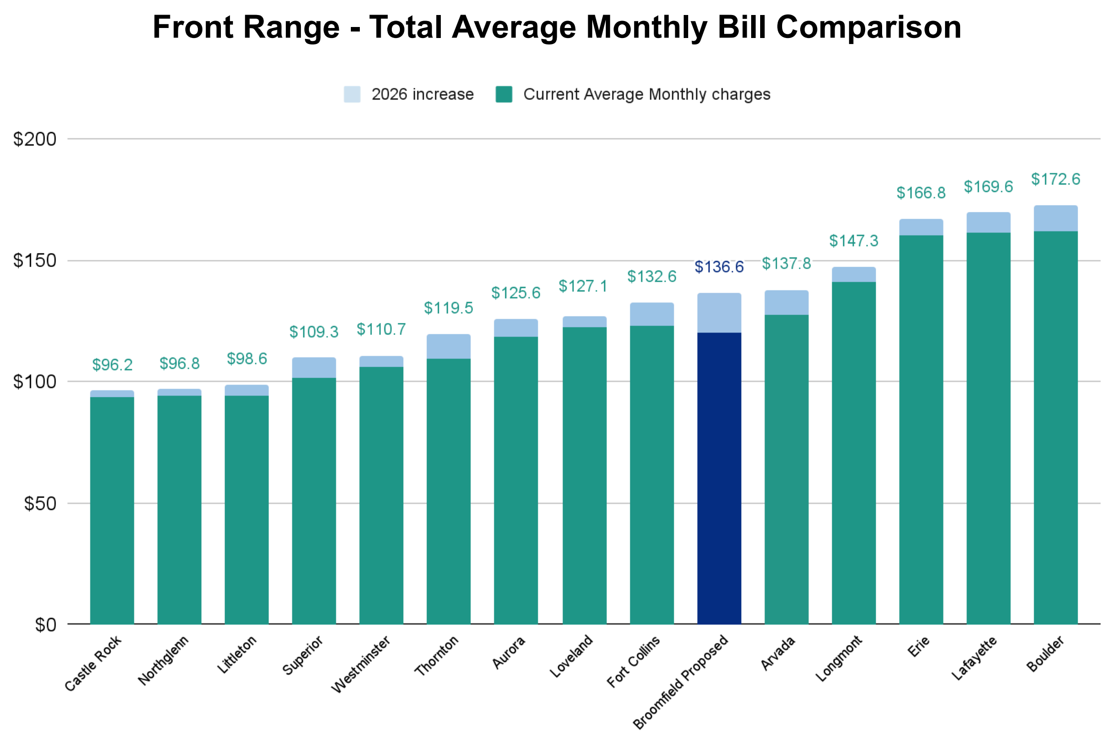
Projected 4-Year Outlook for Multi-Family Home Bill

	2025	2026	2027	2028
Anticipated Bill	$84.00	$95.91	$102.62	$109.81
Percentage Change		*14%*	*7%*	*7%*

Front Range - Average Monthly Bill Comparison

The graph below includes Broomfield’s total average monthly utility bill for water, sewer, and stormwater compared to our neighboring municipalities. The comparison reflects where Broomfield is currently and how it would compare if the Council approves the proposed utility rates. The average monthly bill is normalized across all municipalities based on 9,000 gallons of water usage and 6,000 gallons of Average Winter Consumption (AWC) for sewer charges.

The 2026 rate increases shown in the graph below are not finalized, as the communities are going through a similar budget process as Broomfield, but staff have added the projected/proposed increases for municipalities where a projected increase is available, as shown in the light blue.



The degree to which neighboring municipalities increase their utility rates depends highly on how well they have managed their Enterprise funds over the past decade, the growth versus expense challenges the municipality faces, and other factors unique to each entity.

Communication Plan:
Staff will be providing information for the community to learn about the proposed fee increase and how it could impact them directly. Updates will be made to the Broomfield.org website, including adding a Utility Bill Estimator tool for residents' use. Website updates will also include estimated impacts for specific types of multifamily residential developments such as apartments, townhomes, and condominiums. Staff will also include information on the City and County of Broomfield's communications channels and work with Our Broomfield magazine, which was indicated in the Community Survey as a common place where residents seek to learn about Broomfield events, to share information about the rate change.

Additional information will be shared in late 2025 before the new rates take effect.

Utility Rate Assistance

Understanding that any increase in fees can be challenging for our residents, the staff has included the continuation of the Utility Rate Assistance Fund (URAF) program in the 2026 budget. A review of URAF applications received by the Housing Division revealed that the vast majority of applicants requesting assistance were at or below 60% Area Median Income (AMI), representing 78% of total applicants. Total applications processed through the date of memo drafting are 1,770.

While the 2025 URAF program allowed residents with incomes up to 100% of AMI to request water utility bill assistance, staff recommended reducing the eligibility threshold to 60% of AMI for the 2026 program. This potential change was first discussed at the second quarterly update for the Enterprise Funds, which

occurred in July 2025. In 2025, the monthly reimbursement for residents was $20 for single-family detached, $18 for townhomes/duplex/mobile homes, and $17 for apartments/condominiums, which represented approximately 50% of the total monthly difference in 2024 to 2025 utility fees. In 2026, the proposal is to keep the same level of assistance for eligible residents.

The program will continue to be administered by Broomfield's Housing Division, which also administers the partial property tax refund program. Operating these two programs together streamlines the process for many residents who may qualify for both programs. Based on feedback and discussion from the July 2025 quarter enterprise funds update, the program will maintain quarterly payouts/refunds. The Housing Division will continue to advertise the URAF, along with other programs available to residents, throughout 2026, similar to what was done in 2025. Resolutions regarding this program will be presented to Council for their consideration during the Council meeting on October 28, 2025.

Background - Bond Issuances

Until 2021, Broomfield did not have a formal Debt Policy. Since adopting one, we have aligned with industry and government standards by capping total debt at no more than 10% of the City's assessed value. As of the close of fiscal year 2024, Broomfield's total debt was at 5.25% of assessed value – well below industry standards.

In 2023, debt service accounted for 4.6% of total revenues, and in 2024, that decreased slightly to 4.2%, reflecting our intentional focus on managing and reducing outstanding obligations. For context, debt service levels under 5% of total revenue are typically considered "best in class."

As we look ahead, the staff has strategically timed the issuance of new debt to coincide with the defeasance of the 2017 Certificates of Participation (COP) for the County building. This approach will help offset the impact of new debt issuance for the upcoming Police and Courts facility. While we expect to slightly exceed the 5% debt-to-revenue ratio following issuance, our strong financial standing provides confidence in our ability to manage this responsibly. In the past two years, Broomfield has earned three credit rating upgrades, which is a significant achievement.

Next Steps

2026 Proposed Budget

Staff is seeking Council and public comments regarding the proposed 2026 Operating and Capital Budgets for the City and County of Broomfield, Arista Local Improvement District, and Broomfield Urban Renewal Authority. The proposed 2026 budgets for all entities will be presented to the City Council on October 28, 2024, for consideration and final adoption.

2026 Enterprise Funds

If the City Council adopts Ordinance No. 2286 on first reading, then a public hearing and second reading of the ordinance will be scheduled for October 28, 2025, to be held concurrently, considering the 2026 proposed budget. Pending approval of Ordinance No. 2286, the rates will be effective beginning January 1, 2026, with the first bills due in February 2026 (billed in arrears).

2026 Bonds

If the City Council adopts Ordinance No. 2288 on first reading, then a second reading of the ordinance will be scheduled for October 28, 2025, to be held concurrently considering the 2026 proposed budget. Pending approval of Ordinance No. 2288, the Staff will proceed with the issuance of the Water Revenue Bonds, Series 2026 as early as January 1, 2026.

If the City Council adopts Ordinance No. 2289 on first reading, then a second reading of the ordinance will be scheduled for October 28, 2025, to be held concurrently considering the 2026 proposed budget. Pending approval of Ordinance No. 2289, the Staff will proceed with the issuance of the Sewer Revenue and Refunding Bonds, Series 2026, as early as January 1, 2026.

If the City Council adopts Ordinance No. 2290 on first reading, then a second reading of the ordinance will be scheduled for October 28, 2025, to be held concurrently considering the 2026 proposed budget. Pending approval of Ordinance No. 2290, the Staff will proceed with the issuance of the Certificates of Participation to finance the new Police Building and Courts Remodel as early as January 1, 2026.

RESOLUTION NO. 2025-152

A resolution expressing the intent of the City and County of Broomfield to be reimbursed for certain expenses relating to the construction of water improvements

Recitals.

Whereas, the City and County of Broomfield (the "City"), is a duly organized and existing home rule municipality of the State of Colorado, created and operating pursuant to Article XX, Section 6 of the Constitution of the State of Colorado and the home rule charter of the City;

Whereas, the members of the City Council of the City (the "Council") have been duly appointed and qualified;

Whereas, it is the current intent of the City to construct certain capital improvements to the water system of the City (the "Water Project");

Whereas, the City has determined that it is in the best interest of the City to finance the Water Project through a tax-exempt financing which may include the issuance of Water enterprise revenue bonds; or by any other means legally available to the City;

Whereas, the City has determined that it is necessary to make capital expenditures to acquire and construct the Water Project prior to the time that the City arranges for the specific financing of such Water Project;

Whereas, it is the City's reasonable expectation that when such financing occurs, the capital expenditures will be reimbursed with the proceeds of the financing;

Whereas, in order to comply with the provisions of the Internal Revenue Code of 1986, as amended (the "Code"), it is the City's desire that this resolution shall constitute the "official intent" of the Council to reimburse such capital expenditures within the meaning of Treasury Regulation §1.150-2.

Now, therefore, be it resolved by the City Council of the City and County of Broomfield, Colorado:

Section 1.

All action (not inconsistent with the provisions of this resolution) taken by the City and the officers, employees and agents of the City directed toward the tax-exempt financing is hereby ratified, approved and confirmed.

Section 2.

The City intends to finance approximately $80,000,000 to pay the costs of the Water Project, including the reimbursement of certain costs incurred by the City prior to the receipt of any proceeds of a financing, upon terms acceptable to the City, as authorized in an ordinance to be hereafter adopted and to take all further action which is necessary or desirable in connection therewith.

Section 3.

The officers, employees and agents of the City shall take all action necessary or reasonably required to carry out, give effect to and consummate the transactions contemplated hereby and shall take all action necessary or desirable to finance the Water Project and to otherwise carry out the transactions contemplated by this resolution.

Section 4.

The officers and employees of the City are hereby authorized and directed to take all action necessary or appropriate to effectuate the provision of this resolution.

Section 5.

The City shall not use reimbursed moneys for purposes prohibited by Treasury Regulation §1.150-2(h).

Section 6.

This resolution is intended to be a declaration of “official intent” to reimburse expenditures within the meaning of Treasury Regulation §1.150-2

Section 7.

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

Section 8.

All acts, orders and resolutions of the City, and parts thereof, inconsistent with this resolution are hereby repealed to the extent only of such inconsistency.

Section 9.

This resolution is effective upon its approval by the City Council.

Approved on October 28, 2025

The City and County of Broomfield, Colorado

Mayor

Attest:

Office of the City and County Clerk

Approved as to form:

City and County Attorney

City and County of Broomfield

City Council Regular Meeting

B. Ordinance - First Reading - Amending Water, Sewer, Reclaimed and Stormwater Fees

Meeting	Agenda Group
Tuesday, October 14, 2025, 6:00 PM	Action Items Item: 7B.

Presented By
Graham Clark, Director of Finance

Community Goals

Overview

View Correspondence
View Presentation

The purpose of this public hearing is to provide all interested parties an opportunity to provide comments regarding the 2026 Proposed Budgets, including Capital Improvement Programs, prior to Council's and BURA's consideration for adoption of the budgets for the City and County of Broomfield, Arista Local Improvement District, and Broomfield Urban Renewal Authority. Additionally, Council will consider, on first reading, Ordinance 2286 - Amending Title 13 of the Broomfield Municipal Code to change water, wastewater, reclaimed wastewater, and stormwater fees and service charges, and Ordinances 2288, 2289, 2290 for two enterprise revenue bonds and police building certificate of participation.

Attachments

Memo for 10.14.2025_Public Hearing of 2026 Budgets for CCOB, ALID, BURA; Utility Rates; and Bonds.pdf
Ordinance No. 2286 Amending Water, Sewer, Reclaim Water, and Stormwater Fees.pdf

Prepared By: J. Stephanie Chen, Budget Manager

Summary

View Correspondence
View Presentation

2026 Budget Public Hearing

The purpose of the public hearing is to allow all interested parties an opportunity to provide comments regarding the 2026 Proposed Budgets, including Capital Improvement Programs, before Council consideration for the adoption of the budgets for the City and County of Broomfield, Arista Local Improvement District, and the Broomfield Urban Renewal Authority.

The proposed budgets and related documents were available for public review and comment on Broomfield.org/Finance on September 4, 2025.

The Proposed Resolutions to approve the 2026 Budgets for each entity are scheduled for consideration by the City Council at the October 28, 2025, Council meeting.

Enterprise Rate Ordinance

City Council held quarterly enterprise study sessions on April 15, 2025, and July 15, 2025, to review staff's updates on the status of the enterprise funds. The April meeting covered capital projects, maintenance programs, 2024 financial results, steps for ensuring long-term financial sustainability, and the proposed FLOW Advisory Committee. The July meeting covered similar topics as well as an overview of development projections and future rate recommendations.

City Council also received updates on the Enterprise Funds during the Economic and Fiscal Update held at a Study Session on August 19, 2025. Topics addressed included CIP plan considerations, upcoming bond issuances, Enterprise Fund sustainability, and utility rate adjustments.

In 2025, the City and County of Broomfield implemented the first utility rate increase of a comprehensive five-year financial plan to address the financial sustainability of the enterprise funds. This increase was necessary because our utility rates had stayed significantly below market rates, while the costs of providing safe, reliable water service continued to rise due to aging infrastructure requiring increased maintenance and replacement, new regulatory requirements and unfunded mandates, and a substantial backlog of critical system repairs and upgrades. Recognizing the financial burden this placed on residents, the Council established the Utility Rate Assistance Fund (URAF) to help eligible households manage the impact.

The five-year plan includes a year two increase totaling $16.89 per month for the average single-family home starting in 2026. Staff anticipates that continued adjustments in future years should be expected due to the annual application of the utility's long-range model, the criticality of ongoing infrastructure support, and to accommodate costs from unknown, but anticipated, state and federal mandates. The URAF to help eligible households remains in the budget for 2026, with minor adjustments.

Bond Ordinances

Police Building/Courts Remodel

This item is presented for the City Council's consideration and authorization to issue $100M in bonds to fund the Police Building/Courts Remodel. This financing utilizes Certificates of Participation (COPS), where the City will finance the project's construction by collateralizing existing City facilities via a Site Lease Agreement, Lease Purchase Agreement, Sale Certificate, and Escrow Agreement. A Preliminary Offering Statement, Indenture, and Disclosure Certificate are also required. Selected facilities that will be borrowed against include Paul Derda Recreation Center, the Broomfield Community Center, the Detention Center, and the Service Center Administration Building. The anticipated maximum annual debt payment resulting from the financing will not exceed $7.9M and the annual payments will come from the City's general fund; however, the debt does not create a general obligation debt or multiple-year fiscal obligation, as the annual debt service payment is subject to annual appropriation.

As part of the 2023 property tax revenue increase, funding was designated to support the construction of the new Police building. In collaboration with our financial advisors, staff determined that using the set-aside property tax dollars to retire the 2017 Certificates of Participation (COPs) represents a sound long-term financial strategy. By applying these funds and coordinating the payoff of prior debt, the City can help offset the financial impact of issuing new debt for the upcoming Police and Courts facility. Recent credit rating upgrades and the City's strong financial position further reinforce confidence in our ability to manage debt responsibly.

The term of the financing will mature on or before December 31, 2047. The anticipated net effective interest rate will not exceed 5.50%. Additionally, as part of this financing, the City will also pay off its 2017 Certificates of Participation (COP) that have a current outstanding balance of $10.89M utilizing unencumbered cash on hand. The 2017 COPs were to mature on December 1, 2027. They were originally issued in 2010 to fund facilities needed to provide county services and for parks and recreation activities, and were refinanced in 2017.

Water Tanks

This item is presented for the City Council's consideration and authorization to issue $80M in Water Revenue bonds for funding the new water tanks. Broomfield's water system model identifies capital improvements that will be needed as Broomfield develops, including the construction of the proposed Water Tanks. The model specifically focuses on the phased development of the areas north of W. 144th Avenue that are quickly developing. The anticipated maximum annual debt payment resulting from the bonds shall not exceed $5.9M and the term of the bonds will mature on or before December 1, 2047. The anticipated net effective interest rate will not exceed 5.50%. The debt will originate from the Water Activity Enterprise and does not impact the City's general fund. Related documents the City Council will be asked to approve include the Preliminary Official Statement of the Bonds, Paying Agent Agreement, Disclosure Certificate, and Bond Purchase Agreement.

Related to the issuance of the Water Bonds, staff will be presenting to the City Council on October 28, 2025, proposed Resolution No. 2025-152 authorizing the reimbursement to the general fund from bond proceeds for advancements made by the City for the project prior to the bonds closing in early 2026. This process enables the City to award a construction contract up to the amount of the advanced funds and begin construction before the bonds' closing. It is expected that a construction contract will be presented to the City Council for approval in November and construction to begin on or about January 1, 2026.

An amendment to the construction contract would then be presented to the City Council for approval once the bond proceeds are available for appropriation. Construction of the water tanks is projected to last 36 months.

Wastewater Treatment Facility Improvements
This item is presented for the City Council's consideration and authorization to issue $125M in Sewer Revenue and Refunding bonds for funding the Wastewater Treatment Facility Expansion. The anticipated maximum annual debt payment resulting from the bonds shall not exceed $11M and the term of the bonds will mature on or before December 1, 2047. The anticipated net effective interest rate will not exceed 5.50%. The debt will originate from the Sewer Activity Enterprise and does not impact the City's general fund. As a part of this financing, the City will also refund and discharge its 2012 Sewer Revenue Refunding Bonds with an outstanding balance of $15.315M that mature on December 1, 2031. Related documents the City Council will be asked to approve include the Preliminary Official Statement of the Bonds, Paying Agent Agreement, Disclosure Certificate, Bond Purchase Agreement, and Escrow Agreement.

The Wastewater Treatment Facility Improvements are being driven by expected future increases in population and regulatory requirements from the CDPHE that will require significant expansion to the current facility to adequately treat the increase in wastewater and maintain compliance with current and future regulatory requirements. Project drivers include capacity, asset renewal, biosolids, reuse, and regulation. Construction is to begin in 2026.

Financial Considerations

2026 Budget
The 2026 Proposed Budget document outlines the financial considerations related to this agenda item. Specifically, it provides the 2026 budget information for the City and County of Broomfield, the Arista Local Improvement District, and the Broomfield Urban Renewal Authority.

Enterprise Ordinances
Ordinance No. 2286 Amending Water, Sewer, Reclaim Water, and Stormwater Fees outlines the financial considerations related to this agenda item.

Bond Ordinances
Ordinance No. 2288 upon approval authorizes debt financing of up to $80M for the Water Tanks and approves as to form the Preliminary Official Statement for the Bonds, Paying Agent Agreement, Disclosure Certificate, and Bond Purchase Agreement related thereto..
Ordinance No. 2289 upon approval authorizes debt financing of up to $125M for the Wastewater Treatment Facility Improvements and approves as to form the Preliminary Official Statement for the Bonds, Paying Agent Agreement, Disclosure Certificate, Bond Purchase Agreement, and Escrow Agreement related thereto.
Ordinance No. 2290 upon approval authorizes debt financing of up to $100M for the Police Building/ Courts Remodel and approves as to form the Preliminary Official Statement, Indenture, Site Lease Agreement, Lease Purchase Agreement, Sale Certificate, Disclosure Certificate, Escrow Agreement related thereto.

Prior Council or Other Entity Actions

2026 Budget

August 19, 2025: Staff provided information and insights to inform the Council on Broomfield's economic and financial outlook, influencing the 2025 revised budget and the 2026 operating and capital proposed budgets.
August 21, 2025: Staff provided an overview of how Broomfield intends to fulfill the community goal of financial sustainability and resilience at the Broomfield 101: Economic and Fiscal Update Community Forum.
September 3, 2025: The City Council received the 2026 Proposed Budget and supporting documentation.
September 4, 2025: The 2026 Proposed Budget and supporting documents were made available for public view and comments on the City's website.
September 18 and September 25, 2025: Study Sessions to discuss the 2026 Proposed Operating and Capital Budgets with department representatives.

Enterprise Ordinances

April 15, 2025: Staff held the first 2025 quarterly Enterprise Funds study session and provided an overview to City Council on status of the enterprise funds.
May 13, 2025: Creation of Advisory Committee approved by City Council.
July 15, 2025: Staff held the second 2025 quarterly Enterprise Funds study session, providing an update on the enterprise funds and initial recommendations on utility rate adjustments, along with a presentation by subject matter expert consultant AECOM.
October 21, 2025: Staff will provide an overview to City Council in a Broomfields Enterprise Funds study session and initial results of additional repair and replacement capital added during the 2025 budget.

Bond Ordinances

August 19, 2025: Staff provided information and insights to City Council on Broomfield's high credit rating and the organization's "superior ability to repay short-term debt obligations," providing guidance to ensure Broomfield's financial stability while requesting for new bonds to finance the 2026 capital improvement projects for the new Police Building / Courts Remodel and Water and Sewer infrastructure improvements.

Boards and Commissions Prior Actions and Recommendations

N/A

Proposed Actions / Recommendations

2026 Budget

No action is required at this time. The purpose of this item is to hold the public hearing as required by the Charter.

Amending the Enterprise Ordinance

If directed to approve the changes to the Broomfield Municipal Code, it is recommended…

- That Ordinance No. 2286 be adopted on the first reading and ordered published in full.
- That a public hearing on the ordinance be held at 6:00 pm on October 28, 2025, as allowed by City Council Procedures and Rules of Order.
- That a second and final reading of the ordinance be scheduled on October 28, 2025, following the public hearing.

Effective Date: If approved, changes to the Broomfield Municipal Code related to water, sewer, water reclamation, and stormwater charges and fees, as outlined in these ordinances, will be effective January 1, 2026.

Two Enterprise Revenue Bonds and Police Building Certificate of Participation Ordinances

If directed to pursue the debt financings to support the new Police Building / Courts Remodel and construction of the new Water Tanks and Wastewater Treatment Facility Expansion, it is recommended…

- That Ordinance No. 2288 Authorizing Water Activity Enterprise Water Revenue Bonds, Series 2026(Water Tanks) be adopted on the first reading and ordered published in full.
- That Ordinance No. 2289 Authorizing Sewer Activity Enterprise Revenue and Refunding Bonds, Series 2026 (Wastewater Treatment - Phase 1B) be adopted on the first reading and ordered published in full.
- That Ordinance No. 2290 approving a Preliminary Official Statement, Indenture, Site Lease Agreement, Lease Purchase Agreement, Sale Certificate, Disclosure Certificate, and Escrow Agreement concerning the financing of police and courts buildings be adopted on the first reading and ordered published in full.
- That a second and final reading of the ordinances be scheduled on October 28, 2025.

Alternatives

Approve or modify the 2026 Proposed Budget. Non-material modifications would be amended for the October 28, 2025 final approval. Larger, material changes would be approved as proposed and later amended in an amendment early in 2026.

Background - Budget

Broomfield has grown and evolved significantly over the past twenty years from an emerging suburban community into a large, thriving, and maturing urban-suburban community. Since the consolidation of our community in 2001, Broomfield has provided effective and efficient city and county programs and services. Today, Broomfield is home to nearly 80,000 residents, living in more than 34,000 housing units and thousands of businesses. While much of Broomfield's 34 square miles is built out, there is a continued focus on developing and evolving while maintaining long-term financial sustainability and resilience.

Planning for Increased Financial Stability

The City and County are guided by conservative revenue projections, reasonable cost assumptions (expenses), deploying strategic development decisions, effectively managing staffing patterns, and using data-driven decision-making models to keep operational costs in check.

Transitioning into 2026, Broomfield's economic and financial position is fundamentally sound, but we remain in an ever-increasing volatile environment. This reality reinforces the need for prudent financial flexibility, conservative planning assumptions, and disciplined decision-making to ensure long-term sustainability. Broomfield's two largest primary revenue sources are property tax and sales/use tax, with sales tax showing minimal growth in 2025 (measured at the halfway point through the year, sales tax is projected to end 1-2% higher than 2024). The minimal sales tax growth is expected to continue to build in 2026, a trend anticipated to continue into 2027. Additional retail and commercial investments in the pipeline begin to come online in 2027 (e.g. Macerich's HiFi area at FlatIron and the initial phase of McWhinney's Center Street area). Conversely, the property tax revenue is expected to fall in 2026 and remain stable in 2027. The property tax revenue reduction is occurring due to State changes in the property assessment rates and the decline in property market values.

Due to decreased property assessment rates, property owners will see lower tax bills, which correlates to the decreased county property tax revenue by approximately $6.5-7.5 million annually. This revenue decline is expected to be long-term, representing the new baseline for county property tax collections.

The 2026 proposed budget reflects the organization's continued focus on balancing current needs and obligations while preparing to meet the organization's and community's future needs by prioritizing expenditures into Mandates, Obligations, and Critical needs. Broomfield's economic fundamentals continue to provide sustained economic and employment opportunities while ensuring a sound fiscal base for CCOB budgets.

Guiding Principle: Residential Growth and Service Capacity

Broomfield currently has the revenue to sustain current service levels, but each new residential development adds demand and costs to systems already operating near capacity. Sales tax revenue growth—expected as new commercial development comes online in 2027—will help, but will not fully offset rising expenditures. Property taxes remain outside local control and subject to state formulas and market values; those factors created a $6.6M - $7.5 decrease in general fund revenue, which is not anticipated to return.

Balancing Housing Needs with Community Capacity

While the Front Range continues to face an affordable housing shortage that calls for regional solutions, Broomfield must thoughtfully balance this need with our community's existing capacity. Demand for services is strong — recreation programs often fill quickly, fields are well used, the Library serves at or near capacity, and our core utilities, such as the wastewater treatment facility, are preparing for future growth.

Broomfield has also made prior commitments to additional residential development through business development agreements. Looking ahead, future decisions will shape how we continue to provide high-quality services, invest in infrastructure, and remain fiscally responsible, while also contributing to broader housing solutions across the region.

Disciplined Development and Long-Term Financial Sustainability

Broomfield continues to take a thoughtful, yet disciplined, approach to development as the foundation for achieving long-term financial strength and sustainability. Our strategy emphasizes balanced growth and a diversified economy—ensuring that both residential and commercial development occur in alignment with community needs and fiscal realities.

Maintaining and strengthening the ratio of residential to commercial development is paramount as we move into the future. A healthy balance not only supports a diversified tax base and resilient economy but also ensures that service demands and infrastructure investments are financially sustainable over time.
By adhering to this disciplined approach, Broomfield positions itself to manage near-term fiscal challenges while preserving the flexibility to invest in community priorities and future opportunities.
Broomfield recognizes that a strong community is made up of thriving neighborhoods and residential areas, combined with commercial areas and developments home to businesses in key sectors, such as finance, information technology, aerospace, and business/professional services. Broomfield is also successful in attracting and growing businesses in next-generation economic sectors, such as quantum computing, phonetics, and advanced manufacturing. Recent firms choosing and growing in Broomfield include Sierra Space, SiNaptic, Quantinuum, and Raven Space Systems.

Development and increasing redevelopment in the community continue to build on this economic and financial foundation. These developments provide sought-after locations for businesses to locate and grow, places for residents and visitors to shop, dine, and gather, and places where existing and new residents will call home. Current construction is underway around FlatIrons Crossing (the HiFi area: both the Novel FlatIron residential and new commercial space), MidPoint's flex/innovation space (255 Midway), the Simms Technology Park, and Harvest Hill apartments. Horizontal construction will soon start in Baseline's mixed-use Center Street development. Combined, these current developments total nearly 500 new residential units (over 200 income-aligned), about 500,000 square feet of new work space, and over 100,000 square feet of (already leased) shopping and dining space.

The 2026 proposed spending plan recognizes that our community looks to its local government as innovators and leaders. It supports this influential work by refocusing and committing to the identified Community Goals, with the fundamental goal of Fiscal Sustainability remaining paramount to a healthy and robust future.

Emphasis on Prioritizing Needs

As Broomfield continues to maintain economic and fiscal stability, our strategic approach includes a prudent and pragmatic fiscal approach to anticipate and withstand future economic or financial disruptions in the short and long term.

The proposed 2026 budget prioritizes expenditures in the following categories:

- **Mandates**: Regulatory requirements issued by the federal or state level that result in the need for funding.
- **Obligations**: Contractual requirement or agreement.
- **Critical Need**: This is essential to the organization's effective operations. Failure to fund it would threaten public health, the environment, or community safety, or create a more significant liability or risk to the organization.

Any funding request not categorized by a mandate, obligation, or critical need but necessary to provide ongoing programs and services would be defined as an ‘other’ this year. In 2026, only projects classified as ‘other’ that were moved forward were partially funded by grants.

The 2026 Recommended Budget reflects a profound, collaborative effort across all departments. New services and their associated costs will be strategically timed for review only when budget flexibility improves – something not anticipated in 2026, and possibly not until the second half of 2027.

Additionally, in close partnership with departments, the budget team conducted an in-depth review of multiple years of actual expenditures. Finance staff met with every department to perform a detailed analysis of historical spending patterns. The goal was to align the 2026 budget with these patterns, while also considering external factors that may impact future expenditures, thereby reducing the variance between budgeted and actual amounts.

Through departmental collaboration, the discretionary spending category was thoroughly analyzed, resulting in budget reductions that better reflect historical usage patterns. This optimization exercise produced meaningful reductions in both the 2025 revised and 2026 original budgets.

This comprehensive approach provides the discipline needed to carefully consider what is truly necessary to accomplish Broomfield’s mission to serve the community. Each year, the budget process must be based on solid data analytics regarding generated revenue, expenses, future forecasts, and trends, and a clear understanding of organizational and community goals. In the near term, existing service levels will be carefully evaluated within the broader financial context to ensure maximum community benefit. This presents an opportunity to review programs through the lens of their community impact relative to delivery costs, ensuring resources are directed to where they create the greatest positive outcomes. A disciplined, comprehensive, and strategic approach will guide these decisions moving forward.

Broomfield anticipates applying the same methodology and due diligence with both development opportunities and new debt as it continues its current conversations with the Council, specifically, recognizing the challenges and opportunities upcoming from constrained resources.

All departments determined needs based on the following high-level categories and corresponding thought-provoking questions, serving as the foundational lens through which all budgeting and resource allocation requests were reviewed:

- **Safety**: Eliminating or reducing a hazard/threat
- **Operational Cost vs. Revenue**: Is there a revenue offset that will help reduce costs?
- **Asset Maintenance**: Ability to extend the life cycle of a current asset
- **Comprehensive Plan**: Approach and alignment with existing roadmap
- **Operational Support**: Will the request create additional demand on existing resources or require new support?
- **Alternatives**: Does the alternative require greater resources, financially or otherwise?
- **Cost Sharing Opportunities**: Ability to leverage outside funding awards
- **Urgency**: Is there an immediate need that the request will satisfy?
- **Public Benefit and Quality of Life Impact**: Ability to benefit across various sectors
- **Socio-Economic Equity**: Determining the applicability within Broomfield's vulnerable populations or underrepresented
- **Sustainability**: Ability to address/correct the construct that will benefit the environment

For the fifth consecutive year, staff recommends maintaining Public Safety, Public Works, and Water Utilities as a top priority while continuing to adapt to growth, addressing deferred maintenance while moving forward with an asset management approach, and shifting to new and long-term fiscal realities.

Public Safety: This commitment is demonstrated by keeping the Broomfield Police Department organizationally separate from general employee groups. This approach has enabled the City and County of Broomfield to strengthen its police force effectively, resulting in a substantial increase in essential personnel to better serve the community. The Full-Time Equivalents (FTEs) grew from 242 in 2021 to 277 in 2025, a 14% increase. Concurrently, the police budget expanded from $34 million in 2021 to $44 million in 2025, marking a 27% increase. This investment is directly linked to Broomfield maintaining the lowest crime rate per capita in the metro area.

District Attorney – 17th Judicial District

The proposed budget for Broomfield's population share of the District Attorney's office is based on preliminary calculations received from Adams County in August 2025. On August 12, 2025, the District Attorney submitted his budget documents to Broomfield staff. Following that submission, Broomfield requested a meeting with the Adams County Board of Commissioners and leadership to discuss the request.

This meeting, held in mid-September, included the Mayor, Mayor Pro Tem, City Manager, and City Attorney. The discussion focused on the scope of services included in the DA's request, as well as the Family Justice Center, which is addressed in greater detail below.

Adams County is also in the process of finalizing its budget. On October 1, 2025, the District Attorney presented his budget request to the Adams County Board of Commissioners; however, the Board has not yet approved the request. Broomfield staff attended the presentation and will continue to monitor developments to ensure Broomfield's final budget reflects only its proportional share of approved expenses.

Broomfield's proposed budgeted amount for the DA will be reduced before Council's formal consideration on October 28, 2025, to reflect a budgeted amount that does not include costs for the proposed Family Justice Center (FJC). Per statute, Broomfield is only responsible for its per-population share for "the necessary expenses of maintaining an office for the transaction of official business" of the District Attorney.

While the intent of the FJC is admirable, the District Attorney has indicated that 75% of individuals to be served will be non-judicial clients. This represents not an expansion of existing prosecutorial services, but rather the creation of an entirely new entity, infrastructure, and team—as shown by 9 FTE in his budget request to Adams and Broomfield counties. While there is a connection with the domestic violence case work completed by the DA's office, this is a separate endeavor that warrants further scrutiny and should be subject to discussions about the creation of a regional and distinct intergovernmental entity before Broomfield commits taxpayer resources.

In addition, the revised proposed budgeted amount for the District Attorney will not include the cost of one FTE (an attorney) that Broomfield has solely funded since 2021 to reduce backlog following COVID. This was a separate agreement with the DA, and three years later, after that backlog has been addressed, that cost should not be part of the base budget.

Public Works and Water Utilities: Our focus on infrastructure over the past several years has led to significant growth in resources dedicated to roads, streets, maintenance, and water. Full-time equivalents (FTEs) increased from 158 in 2021 to 220 in 2025 – a 39% rise (note: this includes 14 FTEs transferred to Public Works/Water Utilities from Community Development and Strategic Initiatives related to Construction Inspections and Energy and Sustainability, respectively). Investments in Public Works and Water Utilities have enabled staff to optimize infrastructure, boost productivity, and better manage assets. This directly impacts overall operations and effectiveness.

Broomfield has made major strides in core infrastructure and utility maintenance over the past five years. The Street Pavement Management Program expanded significantly, with more miles treated and a dramatic increase in crack sealing. Water Utilities strengthened operations with annual waterline replacements, full fire hydrant flushing and maintenance, and near-complete valve maintenance. The Sewer Collections Program has advanced to completing annual program system cleaning and inspection on a regular cycle. Meanwhile, the Stormwater Maintenance Program, established in 2021, now conducts annual program system cleaning and inspections each year. These operational improvements are supported by a five-year financial sustainability plan that ensures the long-term health of infrastructure, high-quality service delivery, and protection of public health and the environment.

Given the challenges and uncertainty in the economy and marketplace, the 2026 Proposed Budget relies on conservative fiscal policies and projections supporting balanced annual spending. The 2026 Proposed Budget was built using a combination of Council direction with existing planning documents, including, but not limited to, the Comprehensive Plan, the Long Range Financial Plan, and financial/economic modeling, to synthesize the work over the past several years of taking a comprehensive methodological approach to Broomfield's future.

2026 Areas of Focus and Key Highlights

- Broomfield has not acquired any additional general obligation (GO) debt since 2017. Broomfield will be defeasing prior debt and remains committed to maintaining and increasing our existing Aa2 bond rating, which means the organization has a "superior ability to repay short-term debt obligations." The rating is one of the highest within the state of Colorado. This high rating is essential. Having debt of 5% of revenues is considered appropriately leveraged and reflects the government's ability to repay debt.
- Broomfield will continue to leverage grant funding as part of efforts to diversify revenue sources. In 2025, overall, less grant revenue was available on the Federal and State levels. As of August 2025, CCOB has received 91 grants, representing an increase from 69 grants in 2024. This total reflects both new grant applications and recurring awards that continue from year to year.
- In 2025 alone, more than 35 new grant applications have been submitted, with 28 awarded to date. These awards total approximately $5.6 million, compared to $4 million last year. We will continue to seek grants in 2026 to pursue funding from private, local, and state sources. New grant funding to be explored in 2026 includes: Courts' First Defense Counsel Appearance, incentives for Norm Smith UST removal reimbursement, the Recycling Rebate Program, and Special Supplemental Nutritional Funds for Women, Infants, and Children.
- Police Facility construction is anticipated to begin in early 2026.
- Courts Remodel design to begin in 2026.
- Maintain the achieved goal of 20% reserves into 2026 and future years.
- Continue to explore opportunities for development of the former Event Center site: This development is expected to be a revenue generator for the community.
- Implementation of the selected City and County Enterprise Resource Planning (ERP) Software that will modernize our existing 30+ year manual/spreadsheet system to begin early 2026.
- Update the 2016 Comprehensive Plan in 2026, providing the Council, community, and our organization an opportunity to play a critical role in shaping the vision for the next decade and beyond.
- Implementing the first organizational strategic plan to guide the 2026 work plan.
- Issuance of three bonds: Quarter one 2026, Certificate of Participation for the PD/Courts, and two in the Enterprise Funds for the Water Tanks and Wastewater Expansion - Phase IB.

This list alone requires us to be especially prudent in the upcoming year and beyond. We are operating in a constrained environment – both financially and with staffing capacity – and must therefore be intentional and strategic in every decision we make. The 2026 and 2027 budgets will require a **reallocation** methodology, not a **reprioritization** model – meaning that to add anything, other programs must be reduced or removed to accommodate new or enhanced funding. As we gain clearer insights into programmatic outcomes, we must be willing to have courageous conversations about whether programs and services are being fully maximized, widely utilized, effectively measured, and delivering the intended outcomes. If they are not, we must work together to thoughtfully realign our efforts and resources toward initiatives that deliver the greatest benefit to our community.

Budget Process and Philosophy

The budget is a planning tool that is used to meet the results of the March 3, 2023, Council Focus Session, where the Community Goals were solidified with an emphasis on Goal #1: Financial Sustainability and Resilience. Therefore, the budget process is flexible and responsive to organizational and community needs and economic conditions.

In addition, staff will continue with a comprehensive, clear, and transparent approach by bringing forth a consolidated number of budget amendments for the Council's review and consideration, and for transparency for Broomfield residents. Each budget amendment is designed to address specific topic areas outlined below.

- **Budget Amendment 1** (Q1): reflects the carryover of capital and grant projects from the prior fiscal year and any additions to operational budgets (i.e., increased cost for Spring Cleanup).

- **Budget Amendment 2** (In conjunction with adopting the following fiscal year's budget; Q4): reflects the current state of actual revenues and expenditures, including any supplemental requests, and sets the foundation for the following year's budget.
  This amendment also includes the prior year's audited financials (actual beginning fund balances), which helps inform the ability to fund future year financial shifts.

- **Budget Amendment 3** (Q4): if needed, addresses grants, which often require financial adjustments based on project or program status of implementation and execution due to the timing of the grant award.

Current and future budgeting processes are designed to ensure operational and capital success, focusing on creating a culture of accountability and intentionality while basing the budget on revenue and expenses. This helps to drive forward a sustainable, disciplined structure of reallocating funds and not continuing to increase expenditures arbitrarily.

2026 Budget Highlights

Revenue Projections

Broomfield's two largest primary revenue sources are property tax and sales/use tax, accounting for 60% of Broomfield's revenue base. Sales tax is showing minimal growth for 2026. The minimal growth in sales tax is a trend anticipated to continue into 2027, while retail and commercial investments in the pipeline begin to come online in late 2027 (ie, Macerich development).

Conversely, the property tax rates are not expected to move in any direction but downward. Due to decreased property assessment rates, property owners will see lower tax bills. This reduction will decrease county property tax revenues by approximately $6.5-7.5 million annually – $3-4 million from residential properties and $3.5 million from commercial properties. This revenue decline is expected to be long-term, representing the new baseline for county property tax collections.

Across all revenue streams,[1] 2026 proposed projected revenues are expected to increase by 5.2% from $332 million to $349 million compared to the 2025 revised budget per Table 1C of the proposed budget. This increase is primarily driven by anticipated revenues from Fiber contracts, building permits, and use tax revenues.

The 2026 proposed budget was built with the projected increases in Utility Rates for water, sewer, reclaimed water, and stormwater.

[1] Excludes Fiduciary Funds and Budgeted Bond Revenues

Expenditure Projections

Broomfield continues to monitor the ongoing uncertainties surrounding the economic environment and is prepared to react as needed. The budget process is an example of staff working collaboratively to mitigate the impacts of these uncertainties.

Operational expenditures are expected to increase by 5.9% from the 2025 original budget to the 2026 proposed budget.

Total expenditures (Table 3B), which include the operating, capital, additions to reserves, and debt service obligations across all funds, are an estimated $897 million, excluding inter-fund transfers.
This represents an increase of 41% in expenditures from the 2025 original budget to the 2026 proposed budget. This increase is primarily driven by large capital projects, such as the new Police building, Court building remodel, and the Water and Sewer projects.

Personnel

Over the last four years, Broomfield has implemented a market-driven, competitive compensation philosophy to lead the market. This was based on the legal requirements to comply with new federal equal pay mandates and aligned with the City Council's direction on employee compensation. In year five, Broomfield is working to maintain the progress while navigating economic uncertainties. Human Resources completes market evaluations every other year to ensure positions within CCOB are paid competitively against the Denver Metro market. This data is used to project salaries and personnel costs for the proposed budget. In 2026, Human Resources will not be conducting market evaluations.

Ongoing personnel costs and adding new positions to meet the community's needs are the primary drivers of the 5.9% operational budget increase referenced in the expenditures section.

Below is a list of the Personnel Changes implemented as part of the 2026 operating budget.

Expenditures: 2026 Personnel Changes*			
Department	**FTE Change**	**Personnel Costs****	**Notes**
Human Services	0.10	13,463	Business Solutions and System Administrator (0.1FT)
Information Technology	-1.00	0-	Accessibility Specialist LTA Expiration (-1.0FT)
Parks, Recreation and Senior Services	2.25	219,958	Lead Parks Tech (1.0FT), Parks Tech II PT to FT (0.25FT), Preschool Director (1.0FT)
Public Health and Environment	0.40	18,982	Business Solutions and System Administrator (-0.1FT), Administrative Support II PT to FT LTA (0.5FT)
Water Utilities	3.00	334,561	Cross Connection Foreman (1.0FT), Senior Water Utilities Locator (1.0FT), Senior Sewer Utilities Locator (1.0FT)
Total	**4.75**	**$ 586,964**	
*Includes internal transfers.			
**Personnel Costs are based on 2025 Actual for filled positions and Mid-Point for vacant positions and est. taxes and benefits			

Non-Personnel

Non-personnel-related expenses include the supplies, equipment, and contractual service costs necessary to provide the programs and services in Broomfield. Some examples include:

- Fuel
- Vehicle Maintenance Supplies (i.e. air and oil filters, tires, etc)
- Electronic Equipment (i.e. telephones, computers, headsets, etc)
- Training and Development of staff
- Professional Services (i.e. outside auditors, specialized legal services)
- Insurance expenses
- Utilities
- Software (Annual License Fees such as Google)

As part of the annual budget process, the budget staff meets with departments to discuss non-personnel requests and the drivers of individual items. Items like fuel are a basic necessity for the organization to accomplish its work and are subject to market conditions; thus, Broomfield has very little control over this type of expenditure. For other non-personnel items, the organization manages costs by finding alternatives or adjusting work procedures to eliminate or minimize expenses wherever possible.

Operating Budget Highlights

Below is a list of some highlights of the 2026 operating budget.

2026 Operating Budget Highlights		
Department or Category	**Description**	**Amount**
Assessor	One (1) 5-Month Overlap (Assessment Supervisor)	$ 66,708
City and County Clerk	Two (2) 2-Month Overlap (Recording and Motor Vehicle Specialist, Recording and Licensing Specialist)	25,141
City and County Manager	Hazardous Mitigation Plan Update - FEMA Mandate	65,000
Community Development	Two (2) Reclassifications (Senior Landscape Architect to Landscape Manager, Combination Inspector to Landscape Associate/Tech)	54,272
Parks, Recreation and Senior Services	One (1) FT (Lead Parks Technician)	-
Parks, Recreation and Senior Services	One (1) PT to FT (Parks Technician II)	-
Parks, Recreation and Senior Services	One (1) TM to FT (Preschool Director)	21,401
Police	One (1) FT Continuation (Victim Advocate) if Grant is discontinued	112,712
Police	Three (3) Reclassifications (Records Specialist to Records Supervisor, Budget Analyst to Budget Supervisor/Manager, Office Manager to Senior Operations Manager)	73,871
Public Health and Environment	Personnel Costs Transitions	(8,555)
Public Health and Environment	One (1) PT to FT LTA (Admin Support II)	33,899
Public Health and Environment	One (1) Reclassification (Environmental Health Specialist I to Environmental Health Specialist II)	5,953
Water Utilities	Three (3) New FT (Cross Connection Foreman, Senior Water Utility Locator, Senior Sewer Utility Locator)	381,107
Water Utilities	SCADA Environment Security Scanning Software (w/IT)	69,571
	Total	**$ 901,081**

2026 Capital Improvement Plan Considerations

Using a conservative approach and understanding the constraints of Broomfield's finances, staff will continue to evaluate and prioritize projects based on mission essentials and those that affect the health and safety of the community. To proactively prevent unintended consequences with any changes in the funding of CIP, staff will continue to seek guidance from the Council.

The 2026 Five Year Capital Improvement Project (CIP) Plan was developed in a parallel process at the same time as Broomfield's operating budgets. This process included an extensive year-long collaboration across all departments to ensure that all projects and community requests were considered. CIP requests are rated and prioritized using the same "buckets" described earlier in the document. Ensuring that our limited resources are focused on mandates, obligations, and critical infrastructure projects reinforces our financial sustainability and resilience goal. Finally, staff have worked to shift the focus of funding from new capital projects towards preventative maintenance, repair, and rehabilitation to ensure that Broomfield is focusing efforts on adequately addressing its existing infrastructure.

The 2026 budget for Capital Projects includes

- $142.9 million in expenditures for the General Governmental Funds
  - $100 million for the police building and courts remodeling projects
- $217.2 million in expenditures for the Enterprise (Utility) Funds.
  - $70 million for the two new water tanks project
  - $114 million for wastewater treatment facility expansion project

2026 Broomfield Urban Renewal Authority Budget

The Broomfield Urban Renewal Authority (BURA) was organized to finance various improvement projects within the Authority's boundaries. Incremental tax revenues, including sales, use, and property, are the primary funding sources for BURA.

2026 BURA revenues are budgeted at $65.1 million, representing a 7.7% decrease compared to the 2025 original BURA budget. BURA expenditures in 2026 are budgeted at $50.0 million. BURA also pays the City and County of Broomfield to cover administration costs and professional services related to the development of urban renewal areas. The 2026 budget includes $5.5 million for administrative and professional services expenditures.

2026 Arista Local Improvement District Budget

The Arista Local Improvement District (ALID) was established to facilitate the construction of transportation facilities in the Arista Development. The ALID is supported by a 0.2% sales tax collected on all taxable sales within its boundaries, and the revenue generated by the tax has been pledged to support the Arista Metro District's (AMD) debt service on bonds sold to construct the parking structure.

The only allowable use of the revenue is to support the funding of public transportation services or improvements. The 2026 budget for the ALID exists solely to authorize payments to AMD, as noted. The 2026 proposed ALID budget includes $45,000 in sales tax revenue and $45,000 in expenditures related to the AMD debt service for the construction of the parking structure.

Background - Enterprise/Utility Fee

Utilities are funded by four enterprise funds that are specifically dedicated to the Water, Wastewater, Reclaimed, and Stormwater/Flood Management utilities. Each enterprise operates as a self-supporting entity. Revenues generated from monthly utility bills are the largest source of revenue for each utility, accounting for generally between 85% to 90% of revenues in each fund. Other significant sources of funds include development fees and funding from the Mile High Flood District (MHFD). These cumulative funding sources cover day-to-day operations, capital and rehabilitation projects, and annual programs. A robust enterprise fund presents a significant strategic advantage, empowering the city to issue revenue bonds.

This mechanism is crucial for financing substantial capital projects, much like the extensive bonded projects anticipated in 2026. The ability to leverage revenue bonds ensures that vital infrastructure and development initiatives can proceed.

As previously noted, to prepare for critical utility infrastructure needs, Broomfield adjusted water and sewer rates last year. This was, in part, to support two upcoming enterprise bond issues – one to fund two new water storage tanks and another to expand our wastewater treatment facility. Staff has contracted with bond underwriting firms, Stifle & Piper Jeffrey, who have extensive Colorado market experience in issuing Enterprise Fund bonds. CCOB is still targeting issuance in quarter one 2026.

Staff has provided additional detailed information on how water and sewer rates are directly influenced by the process of repairing and replacing aging infrastructure, known as asset renewal. Here is the linked document - Water Utilities System Asset Renewal - Key Aspects of Establishing Rates.

2026 Proposed Recommendations: Water, Sewer, Reclaimed, and Stormwater Rates

As detailed in the budget adopted by the Council in 2025, the five-year plan includes a year two increase totaling $16.89 per month for the average single-family home starting in 2026. This represents a 15% increase for utility rates across all funds, with a 9% ($1.00) increase for stormwater service fees, and aligns with projections presented in the original five-year plan presented in 2024 (also see October 22, 2024, memorandum).

Staff has completed a comprehensive fiscal analysis to evaluate anticipated revenues from utility rates as well as projected expenses based on necessary costs associated with day-to-day operations, capital and rehabilitation projects, and annual maintenance requirements. The fiscal analysis includes multiple interdependent variables, and adjusting any one component impacts several other variables within the model, requiring a holistic re-evaluation of all dependencies within the five-year comprehensive plan.

This increase is essential to ensure the long-term financial sustainability of our enterprise funds while maintaining essential services and infrastructure. The recommended rate structure ensures sufficient funding for both ongoing maintenance of existing water infrastructure and necessary capital improvements. The proposed increase allows the utility to maintain a proactive maintenance schedule consistent with capital improvement planning recommendations, protecting the community's investment in water infrastructure while avoiding more costly emergency repairs. Deferring maintenance on water system components creates significant financial risk, as delayed repairs typically result in substantially higher replacement costs and potential service disruptions that impact the entire community.

It is important to understand why this rate increase cannot easily be reduced to a lesser amount. Each percentage point reduction in the proposed rate change would result in approximately $500,000 less annual revenue to the enterprise fund. Such reductions would necessitate corresponding cuts to maintenance programs, capital projects, or service levels to maintain a balanced budget.

Given the essential nature of water services and the potential for deferred maintenance to compound costs over time, the proposed increase represents the minimum funding level necessary to ensure reliable, long-term service delivery to our community.

In 2025, the increase for the water utility bill was only on the base fees, and there was no increase for the water usage rates. As discussed and presented last year, in 2026, the proposal also includes an increase to the water usage rate, and therefore, the monthly difference in the water bill will be dependent on how much water the residence typically utilizes.
The projected impact on an average monthly bill for a single-family home and a multi-family home are shown in the tables below.

The example provided below uses an average single-family home bill of 9,000 gallons for water and 6,000 gallons for sewer. The 9,000 gallons/month for water is based on a 4-year historical average of 107,000 gallons per year for a single-family 0.75-inch. Staff will be providing a Residential Monthly Bill Calculator Tool and linking it on our website to help residents calculate how the proposed increase would apply to their home utility bill based on their specific household water usage (to be available before final consideration of the ordinance).

Impact on Average Monthly Bill for a Single Family Home (6000 gal)

	Rates		Average Bill *		
Fee Type	2025	2026	2025	2026	Difference
Water Meter Base Charge	$36.91	$42.45	$36.91	$42.45	$5.54
Water Usage Charge Tier 1	*$2.39*	*$2.75*	*$11.95*	*$13.75*	*$1.80*
Water Usage Charge Tier 2	*$3.82*	*$4.39*	*$15.28*	*$17.56*	*$2.28*
Water Usage Charge Tier 3	*$5.41*	*$6.22*	*$0.00*	*$0.00*	*$0.00*
Sewer Service Charge	$5.44	$6.26	$32.64	$37.56	$4.92
Sewer Fed Mandate Charge	$0.52	$0.52	$3.12	$3.12	$0.00
Sewer Env Comp Base Charge	$9.00	$10.35	$9.00	$10.35	$1.35
Stormwater Base Charge	$11.00	$12.00	$11.00	$12.00	$1.00
Total Bill			**$119.90**	**$136.79**	**$16.89**

Projected 4-Year Outlook for Single-Family Home Bill

	2025	2026	2027	2028
Anticipated Bill	$119.90	$136.79	$146.37	$156.61
Percentage Change		*14%*	*7%*	*7%*

Impact on Average Monthly Bill for a Multi-Family Home (1000 gal)

	Rates		Average Bill *		Difference
	2025 Rate	2026 Rate	2025	2026	Difference
Water Fixed Base Fee	$36.91	$42.45	$36.91	$42.45	$5.54
Water Usage Fee / 1,000 gal	*$2.55*	*$2.93*	*$7.65*	*$8.79*	*$1.14*
Sewer Cost/1,000 gallons	$5.44	$6.26	$21.76	$25.04	$3.28
Fed Mandate Charge	$0.52	$0.52	$2.08	$2.08	$0.00
Env Compliance Fee	$9.00	$10.35	$9.00	$10.35	$1.35
Stormwater Fee	$6.60	$7.20	$6.60	$7.20	$0.60
Total Bill			**$84.00**	**$95.91**	**$11.91**

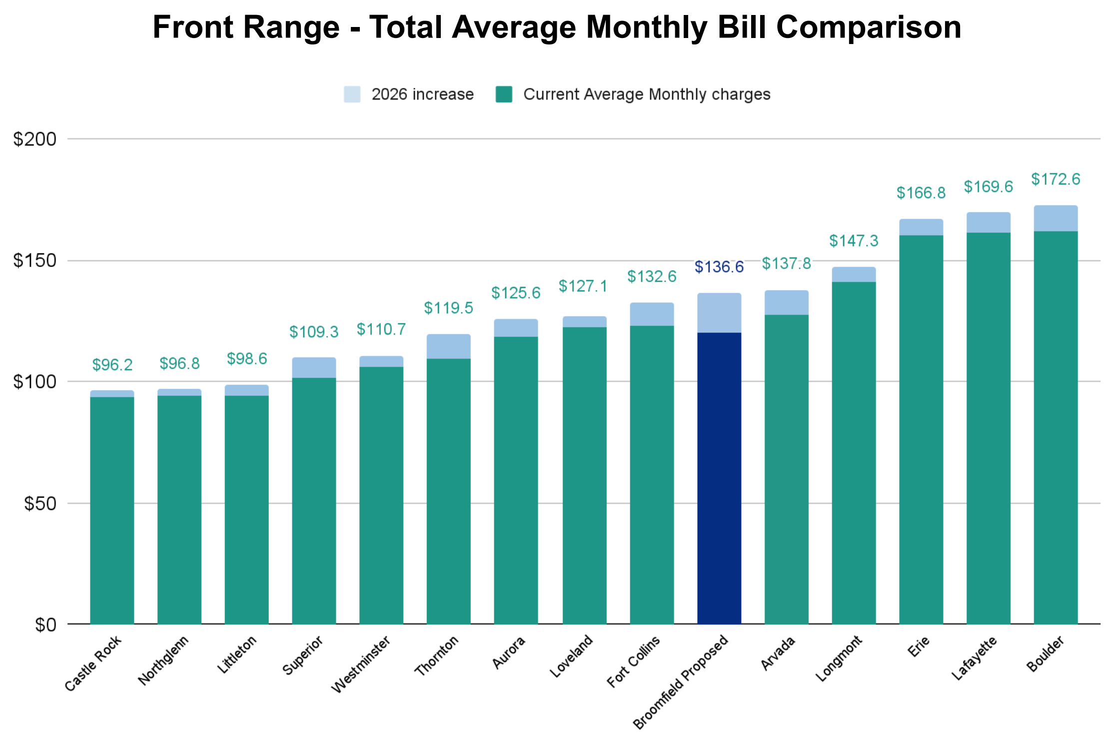
Projected 4-Year Outlook for Multi-Family Home Bill

	2025	2026	2027	2028
Anticipated Bill	$84.00	$95.91	$102.62	$109.81
Percentage Change		*14%*	*7%*	*7%*

Front Range - Average Monthly Bill Comparison

The graph below includes Broomfield's total average monthly utility bill for water, sewer, and stormwater compared to our neighboring municipalities. The comparison reflects where Broomfield is currently and how it would compare if the Council approves the proposed utility rates. The average monthly bill is normalized across all municipalities based on 9,000 gallons of water usage and 6,000 gallons of Average Winter Consumption (AWC) for sewer charges.

The 2026 rate increases shown in the graph below are not finalized, as the communities are going through a similar budget process as Broomfield, but staff have added the projected/proposed increases for municipalities where a projected increase is available, as shown in the light blue.



The degree to which neighboring municipalities increase their utility rates depends highly on how well they have managed their Enterprise funds over the past decade, the growth versus expense challenges the municipality faces, and other factors unique to each entity.

Communication Plan:
Staff will be providing information for the community to learn about the proposed fee increase and how it could impact them directly. Updates will be made to the Broomfield.org website, including adding a Utility Bill Estimator tool for residents' use. Website updates will also include estimated impacts for specific types of multifamily residential developments such as apartments, townhomes, and condominiums. Staff will also include information on the City and County of Broomfield's communications channels and work with Our Broomfield magazine, which was indicated in the Community Survey as a common place where residents seek to learn about Broomfield events, to share information about the rate change.

Additional information will be shared in late 2025 before the new rates take effect.

Utility Rate Assistance

Understanding that any increase in fees can be challenging for our residents, the staff has included the continuation of the Utility Rate Assistance Fund (URAF) program in the 2026 budget. A review of URAF applications received by the Housing Division revealed that the vast majority of applicants requesting assistance were at or below 60% Area Median Income (AMI), representing 78% of total applicants. Total applications processed through the date of memo drafting are 1,770.

While the 2025 URAF program allowed residents with incomes up to 100% of AMI to request water utility bill assistance, staff recommended reducing the eligibility threshold to 60% of AMI for the 2026 program. This potential change was first discussed at the second quarterly update for the Enterprise Funds, which

occurred in July 2025. In 2025, the monthly reimbursement for residents was $20 for single-family detached, $18 for townhomes/duplex/mobile homes, and $17 for apartments/condominiums, which represented approximately 50% of the total monthly difference in 2024 to 2025 utility fees. In 2026, the proposal is to keep the same level of assistance for eligible residents.

The program will continue to be administered by Broomfield's Housing Division, which also administers the partial property tax refund program. Operating these two programs together streamlines the process for many residents who may qualify for both programs. Based on feedback and discussion from the July 2025 quarter enterprise funds update, the program will maintain quarterly payouts/refunds. The Housing Division will continue to advertise the URAF, along with other programs available to residents, throughout 2026, similar to what was done in 2025. Resolutions regarding this program will be presented to Council for their consideration during the Council meeting on October 28, 2025.

Background - Bond Issuances

Until 2021, Broomfield did not have a formal Debt Policy. Since adopting one, we have aligned with industry and government standards by capping total debt at no more than 10% of the City's assessed value. As of the close of fiscal year 2024, Broomfield's total debt was at 5.25% of assessed value – well below industry standards.

In 2023, debt service accounted for 4.6% of total revenues, and in 2024, that decreased slightly to 4.2%, reflecting our intentional focus on managing and reducing outstanding obligations. For context, debt service levels under 5% of total revenue are typically considered "best in class."

As we look ahead, the staff has strategically timed the issuance of new debt to coincide with the defeasance of the 2017 Certificates of Participation (COP) for the County building. This approach will help offset the impact of new debt issuance for the upcoming Police and Courts facility. While we expect to slightly exceed the 5% debt-to-revenue ratio following issuance, our strong financial standing provides confidence in our ability to manage this responsibly. In the past two years, Broomfield has earned three credit rating upgrades, which is a significant achievement.

Next Steps

2026 Proposed Budget

Staff is seeking Council and public comments regarding the proposed 2026 Operating and Capital Budgets for the City and County of Broomfield, Arista Local Improvement District, and Broomfield Urban Renewal Authority. The proposed 2026 budgets for all entities will be presented to the City Council on October 28, 2024, for consideration and final adoption.

2026 Enterprise Funds

If the City Council adopts Ordinance No. 2286 on first reading, then a public hearing and second reading of the ordinance will be scheduled for October 28, 2025, to be held concurrently, considering the 2026 proposed budget. Pending approval of Ordinance No. 2286, the rates will be effective beginning January 1, 2026, with the first bills due in February 2026 (billed in arrears).

2026 Bonds

If the City Council adopts Ordinance No. 2288 on first reading, then a second reading of the ordinance will be scheduled for October 28, 2025, to be held concurrently considering the 2026 proposed budget. Pending approval of Ordinance No. 2288, the Staff will proceed with the issuance of the Water Revenue Bonds, Series 2026 as early as January 1, 2026.

If the City Council adopts Ordinance No. 2289 on first reading, then a second reading of the ordinance will be scheduled for October 28, 2025, to be held concurrently considering the 2026 proposed budget. Pending approval of Ordinance No. 2289, the Staff will proceed with the issuance of the Sewer Revenue and Refunding Bonds, Series 2026, as early as January 1, 2026.

If the City Council adopts Ordinance No. 2290 on first reading, then a second reading of the ordinance will be scheduled for October 28, 2025, to be held concurrently considering the 2026 proposed budget. Pending approval of Ordinance No. 2290, the Staff will proceed with the issuance of the Certificates of Participation to finance the new Police Building and Courts Remodel as early as January 1, 2026.

Bold type indicates new material to be added to the Broomfield Municipal Code
~~Strikethrough type~~ indicates deletions from the Broomfield Municipal Code

ORDINANCE NO.2286

An ordinance Amending Title 13 of the Broomfield Municipal Code to change water, wastewater, reclaimed wastewater, and stormwater fees and service charges

Be it ordained by the City Council of the City and County of Broomfield, Colorado:

Section 1. Water License

Section 13-02-020 of the Broomfield Municipal Code is hereby amended to read as follows:

13-02-020 Water license fee.

Water licenses may be purchased from the city at a fee of ~~$37,850.00~~ **$39,350.00** per three-quarter-inch equivalent tap. Tap fees and meter fees are separate and additional.

Section 2. Sewer License

Section 13-08-020 of the Broomfield Municipal Code is hereby amended to read as follows:

13-08-020 Sewer license fee.

Sewer licenses may be purchased from the city at a fee of ~~$14,900.00~~ **$15,500.00** per equivalent sewer tap.

Section 3. Water Service Charges

Section 13-12-010 of the Broomfield Municipal Code is hereby amended to read as follows:

13-12-010 Monthly water service charges.

(A) Residential water service charges. Residential customers shall be charged a flat monthly charge and for the monthly volume of water used from the city water system as set forth below:

(1) Flat monthly charge (no gallonage included):

Customer Type	Flat Monthly Charge

Single-Family ¾ inch	~~$ 36.91~~ **$42.45**
Single-Family 1 inch	~~$ 36.91~~ **$42.45**
Multi-Family (per dwelling unit)	~~$ 36.91~~ **$42.45**

(2) Charge for all water use:

Monthly Volume of Water Used	Charge (per 1,000 gallons)
1,000-5,999 gallons: defined as the first 5,999 gallons of water used in one month	~~$ 2.39~~ **$2.75**
6,000-9,999	~~$ 3.82~~ **$4.39**
>9,000 gallons	~~$ 5.41~~ **$6.22**
Multi-Family - All Use	~~$ 2.55~~ **$2.93**

(B) Nonresidential water service charges. All nonresidential customers shall be charged a flat monthly charge and for the monthly volume of water used from the city water system. A standby fire protection charge will also be imposed. The nonresidential water service charges are as set forth below:

(1) Flat monthly charge (no gallonage included):

Connection Size	Flat Monthly Charge
¾”	~~$ 36.91~~ **$42.45**
1”	~~$ 61.50~~ **$70.73**
1 ½”	~~$ 123.00~~ **$141.46**
2”	~~$ 196.79~~ **$226.33**
3”	~~$ 369.00~~ **$424.39**
4”	~~$ 615.02~~ **$707.33**
6”	~~$ 1,230.02~~ **$1,414.64**
8”	~~$ 1,968.04~~ **$2,263.43**
10”	~~$ 2,829.07~~ **$3,253.70**

(2) Charge for all water use: ~~$3.22~~ **$3.70** per 1,000 gallons. Nonresidential accounts shall include schools, churches, public or institutional buildings, parks, and irrigation accounts.

(3) Standby fire protection charges:

Connection Size	Flat Monthly Charge
2”	~~$ 35.69~~ **$41.04**
3”	~~$ 66.93~~ **$76.96**
4”	~~$ 111.56~~ **$128.28**
6”	~~$ 223.10~~ **$256.55**
8”	~~$ 356.96~~ **$410.47**
10”	~~$ 513.13~~ **$590.05**

(D) Rates effective until changed. All monthly water service charges and nonresidential water service charges established by this section 13-12-010 shall be in accordance with the schedule set forth herein and shall remain in effect until said charges are amended or changed by the city council.

Section 4. Sewer Service Charges

Section 13-12-020 of the Broomfield Municipal Code is hereby amended to read as follows:

13-12-020 Monthly sewer service charges.

(A) Residential sewer service charges.

(1) All residential accounts shall be charged a gallonage charge based on average winter water consumption. The monthly charge is ~~$5.44~~ **$6.26** per 1,000 gallons, or ~~$21.76~~ **$25.02** per dwelling unit, whichever is greater.

(2) Any new occupant of a residential unit served by a separate connection and any new residential unit shall be charged a ~~$32.64~~ **$37.56** monthly sewer charge until average winter water consumption is established.

(3) Any new multi-unit account shall be charged a monthly sewer charge of ~~$32.64~~ **$37.56** per dwelling unit until average winter water consumption is established.

(4) Average winter water consumption shall be the average water consumption for the monthly bills reflecting usage between November 1 and the following March 31, depending on the billing cycle. The average winter water consumption for each account shall be calculated once annually and shall be the basis for determining charges for the following twelve months.

(B) Nonresidential sewer service charge.

(1) Each nonresidential account shall be assigned by the director of public works to the most appropriate category listed in Table 13-12A, attached hereto and incorporated herein by reference. Values for concentration of BOD, COD, and TSS, as those terms are defined in chapter 13-28 of this code, will be as set forth in Table 13-12A, unless values are determined by the director of public works based on actual sampling of the effluent. Any sample taken for such purposes shall be a composite sample, as defined in chapter 13-28, B.M.C. Analysis shall be done in accordance with the procedures described in the latest edition of "Standard Methods for the Examination of Water and Wastewater," as published by the American Public Health Association, the American Water Works Association, and the Water Pollution Control Federation. Such individual sampling and analysis will be offered by the department of public works on request of the user, at such user's expense and if requested, the sample will be split and half of the sample will be given to such user for analysis by an independent laboratory. If analysis ordered by the department of public works and that obtained by user are significantly different, the director of public works may accept the user's analysis, or may order a new sample and analysis done at city expense. Each nonresidential customer must provide suitable access for sampling purposes.

(2) The monthly charge for each nonresidential account shall consist of the following elements:

a. A gallonage charge based on year-round non irrigation water consumption. The charge is ~~$5.44~~ **$6.26** per 1,000 gallons, or ~~$21.76~~ **$25.02** per equivalent sewer tap, whichever is greater.

b. A surcharge for excess BOD, COD, and TSS, as determined by whichever of the following formulae produces the higher surcharge:

S = Q (0.00833ARA + 0.00833 CRC) or where:

S = Q (0.00833BRB + 0.00833 CRC)
S = Amount of surcharge (cannot be less than zero)
Q = 100% of year-round non irrigation water consumption for the account, expressed in thousands of gallons per month (until year-round non irrigation water consumption is established, Q = 100% of total water consumption).
A = Average BOD strength of wastewater expressed in mg/l minus 200 mg/l
B = Average COD strength of wastewater expressed in mg/l minus 300 mg/l
C = Average TSS strength of wastewater expressed in mg/l minus 200 mg/l
RA = $0.27 per pound of excess BOD
RB = $0.27 per pound of excess COD
RC = $0.19 per pound of excess TSS

(3) Any new nonresidential account shall be charged a monthly gallonage charge of ~~$32.64~~ **$37.56** for each equivalent sewer tap until year-round non irrigation water consumption is established. In addition, any surcharges under subparagraph (2)b. above shall apply.

(4) Year-round non irrigation water consumption shall be based on the average water consumption for the monthly bills reflecting usage between November 1 and the following March 31, depending on the billing cycle, calculated once annually and used as the basis for determining charges for the following twelve months. As an alternative, it may be based on the consumption shown on a metering system indicating non irrigation use only.

(5) Equivalent sewer tap shall be as defined in chapter 13-08, B.M.C.

(C) Annual notification. Each user will be notified, at least annually, in conjunction with a regular bill of the rate and that portion of the user charges which are attributable to wastewater treatment services.

(D) All residential and nonresidential accounts shall be charged an unfunded mandate charge based on average winter water consumption of $0.52 per 1,000 gallons.

(E) All residential and nonresidential accounts shall be charged a monthly environmental compliance fee based on ~~$9.00~~ **$10.35** per equivalent sewer tap.

(F) Rates Effective Until Changed. All sewer charges established by this Section 13-12-020 shall be in accordance with the schedule set forth herein and shall remain in effect until said charges are amended or changed by the city council.

Section 5. Reclaimed Wastewater

Section 13-32-060 of the Broomfield Municipal Code is hereby amended to read as follows:

13-32-060 - Connection fee.

For all reclaimed wastewater contracts following adoption of this chapter, the connection fee for reclaimed wastewater service shall be ~~$13,780.00~~ **$14,350.00**.

Section 6. Stormwater Service Charges

Section 13-38-010 of the Broomfield Municipal Code is hereby amended to read as follows:

13-38-020 - Monthly stormwater service charges.

(A) Residential stormwater service charges.

(1) Flat monthly charge shall be charged as set forth below:

Customer Type	Flat Monthly Charge
Single-Family Home	~~$ 11.00~~ **$12.00**
Multi-Family: Townhome I Duplex	~~$ 8.80~~ **$9.60**
Multi-Family: Apartment	~~$ 6.60~~ **$7.20**

(B) Nonresidential stormwater service charges. All nonresidential customers shall be charged monthly based on the amount of impervious square feet on the customer's property. The monthly charge will be equal to ~~$2.50~~ **$2.88** per 1,000 impervious square feet.

(C) Rates effective until changed. All monthly stormwater service charges and nonresidential stormwater service charges established by this chapter 13-38 shall be in accordance with the rates and schedule set forth herein and shall remain in effect until said charges are amended or changed by the city council.

Section 7.

This ordinance shall be published following final passage and shall be effective beginning on January 1, 2026.

Introduced and approved after first reading on October 14, 2025, and ordered published in full.

Introduced a second time and approved on October 28, 2025, and ordered published.

The City and County of Broomfield, Colorado

____

Mayor

Attest:

____

Office of the City and County Clerk

Approved as to form:

NCR

____

City and County Attorney

City and County of Broomfield

City Council Regular Meeting

C. Ordinances - First Reading - Enterprise Revenue Bonds and Police Building Certificate of Participation

Meeting	Agenda Group
Tuesday, October 14, 2025, 6:00 PM	Action Items Item: 7C.

Presented By
Graham Clark, Director of Finance

Community Goals
☑ Financial Sustainability and Resilience ☑ Organizational Health

Overview

View Correspondence
View Presentation

The purpose of this public hearing is to provide all interested parties an opportunity to provide comments regarding the 2026 Proposed Budgets, including Capital Improvement Programs, prior to Council's and BURA's consideration for adoption of the budgets for the City and County of Broomfield, Arista Local Improvement District, and Broomfield Urban Renewal Authority. Additionally, Council will consider, on first reading, Ordinance 2286 - Amending Title 13 of the Broomfield Municipal Code to change water, wastewater, reclaimed wastewater, and stormwater fees and service charges, and Ordinances 2288, 2289, 2290 for two enterprise revenue bonds and police building certificate of participation.

Attachments

Memo for 10.14.2025_Public Hearing of 2026 Budgets for CCOB, ALID, BURA; Utility Rates; and Bonds.pdf

Ordinance No. 2288 Authorizing Water Activity Enterprise Water Revenue Bonds, Series 2026 (Water Tanks).pdf

Ordinance No. 2289 Authorizing Sewer Activity Enterprise Revenue and Refunding Bonds, Series 2026 (Wastewater Treatment - Phase 1B).pdf

Ordinance No. 2290 Certificate of Participation Financing for Police and Courts Buildings .pdf

Summary

View Correspondence
View Presentation

2026 Budget Public Hearing

The purpose of the public hearing is to allow all interested parties an opportunity to provide comments regarding the 2026 Proposed Budgets, including Capital Improvement Programs, before Council consideration for the adoption of the budgets for the City and County of Broomfield, Arista Local Improvement District, and the Broomfield Urban Renewal Authority.

The proposed budgets and related documents were available for public review and comment on Broomfield.org/Finance on September 4, 2025.

The Proposed Resolutions to approve the 2026 Budgets for each entity are scheduled for consideration by the City Council at the October 28, 2025, Council meeting.

Enterprise Rate Ordinance

City Council held quarterly enterprise study sessions on April 15, 2025, and July 15, 2025, to review staff's updates on the status of the enterprise funds. The April meeting covered capital projects, maintenance programs, 2024 financial results, steps for ensuring long-term financial sustainability, and the proposed FLOW Advisory Committee. The July meeting covered similar topics as well as an overview of development projections and future rate recommendations.

City Council also received updates on the Enterprise Funds during the Economic and Fiscal Update held at a Study Session on August 19, 2025. Topics addressed included CIP plan considerations, upcoming bond issuances, Enterprise Fund sustainability, and utility rate adjustments.

In 2025, the City and County of Broomfield implemented the first utility rate increase of a comprehensive five-year financial plan to address the financial sustainability of the enterprise funds. This increase was necessary because our utility rates had stayed significantly below market rates, while the costs of providing safe, reliable water service continued to rise due to aging infrastructure requiring increased maintenance and replacement, new regulatory requirements and unfunded mandates, and a substantial backlog of critical system repairs and upgrades. Recognizing the financial burden this placed on residents, the Council established the Utility Rate Assistance Fund (URAF) to help eligible households manage the impact.

The five-year plan includes a year two increase totaling $16.89 per month for the average single-family home starting in 2026. Staff anticipates that continued adjustments in future years should be expected due to the annual application of the utility's long-range model, the criticality of ongoing infrastructure support, and to accommodate costs from unknown, but anticipated, state and federal mandates. The URAF to help eligible households remains in the budget for 2026, with minor adjustments.

Bond Ordinances

Police Building/Courts Remodel

This item is presented for the City Council's consideration and authorization to issue $100M in bonds to fund the Police Building/Courts Remodel. This financing utilizes Certificates of Participation (COPS), where the City will finance the project's construction by collateralizing existing City facilities via a Site Lease Agreement, Lease Purchase Agreement, Sale Certificate, and Escrow Agreement. A Preliminary Offering Statement, Indenture, and Disclosure Certificate are also required. Selected facilities that will be borrowed against include Paul Derda Recreation Center, the Broomfield Community Center, the Detention Center, and the Service Center Administration Building. The anticipated maximum annual debt payment resulting from the financing will not exceed $7.9M and the annual payments will come from the City's general fund; however, the debt does not create a general obligation debt or multiple-year fiscal obligation, as the annual debt service payment is subject to annual appropriation.

As part of the 2023 property tax revenue increase, funding was designated to support the construction of the new Police building. In collaboration with our financial advisors, staff determined that using the set-aside property tax dollars to retire the 2017 Certificates of Participation (COPs) represents a sound long-term financial strategy. By applying these funds and coordinating the payoff of prior debt, the City can help offset the financial impact of issuing new debt for the upcoming Police and Courts facility. Recent credit rating upgrades and the City's strong financial position further reinforce confidence in our ability to manage debt responsibly.

The term of the financing will mature on or before December 31, 2047. The anticipated net effective interest rate will not exceed 5.50%. Additionally, as part of this financing, the City will also pay off its 2017 Certificates of Participation (COP) that have a current outstanding balance of $10.89M utilizing unencumbered cash on hand. The 2017 COPs were to mature on December 1, 2027. They were originally issued in 2010 to fund facilities needed to provide county services and for parks and recreation activities, and were refinanced in 2017.

Water Tanks

This item is presented for the City Council's consideration and authorization to issue $80M in Water Revenue bonds for funding the new water tanks. Broomfield's water system model identifies capital improvements that will be needed as Broomfield develops, including the construction of the proposed Water Tanks. The model specifically focuses on the phased development of the areas north of W. 144th Avenue that are quickly developing. The anticipated maximum annual debt payment resulting from the bonds shall not exceed $5.9M and the term of the bonds will mature on or before December 1, 2047. The anticipated net effective interest rate will not exceed 5.50%. The debt will originate from the Water Activity Enterprise and does not impact the City's general fund. Related documents the City Council will be asked to approve include the Preliminary Official Statement of the Bonds, Paying Agent Agreement, Disclosure Certificate, and Bond Purchase Agreement.

Related to the issuance of the Water Bonds, staff will be presenting to the City Council on October 28, 2025, proposed Resolution No. 2025-152 authorizing the reimbursement to the general fund from bond proceeds for advancements made by the City for the project prior to the bonds closing in early 2026. This process enables the City to award a construction contract up to the amount of the advanced funds and begin construction before the bonds' closing. It is expected that a construction contract will be presented to the City Council for approval in November and construction to begin on or about January 1, 2026.

An amendment to the construction contract would then be presented to the City Council for approval once the bond proceeds are available for appropriation. Construction of the water tanks is projected to last 36 months.

Wastewater Treatment Facility Improvements
This item is presented for the City Council's consideration and authorization to issue $125M in Sewer Revenue and Refunding bonds for funding the Wastewater Treatment Facility Expansion. The anticipated maximum annual debt payment resulting from the bonds shall not exceed $11M and the term of the bonds will mature on or before December 1, 2047. The anticipated net effective interest rate will not exceed 5.50%. The debt will originate from the Sewer Activity Enterprise and does not impact the City's general fund. As a part of this financing, the City will also refund and discharge its 2012 Sewer Revenue Refunding Bonds with an outstanding balance of $15.315M that mature on December 1, 2031. Related documents the City Council will be asked to approve include the Preliminary Official Statement of the Bonds, Paying Agent Agreement, Disclosure Certificate, Bond Purchase Agreement, and Escrow Agreement.

The Wastewater Treatment Facility Improvements are being driven by expected future increases in population and regulatory requirements from the CDPHE that will require significant expansion to the current facility to adequately treat the increase in wastewater and maintain compliance with current and future regulatory requirements. Project drivers include capacity, asset renewal, biosolids, reuse, and regulation. Construction is to begin in 2026.

Financial Considerations

2026 Budget
The 2026 Proposed Budget document outlines the financial considerations related to this agenda item. Specifically, it provides the 2026 budget information for the City and County of Broomfield, the Arista Local Improvement District, and the Broomfield Urban Renewal Authority.

Enterprise Ordinances
Ordinance No. 2286 Amending Water, Sewer, Reclaim Water, and Stormwater Fees outlines the financial considerations related to this agenda item.

Bond Ordinances
Ordinance No. 2288 upon approval authorizes debt financing of up to $80M for the Water Tanks and approves as to form the Preliminary Official Statement for the Bonds, Paying Agent Agreement, Disclosure Certificate, and Bond Purchase Agreement related thereto..
Ordinance No. 2289 upon approval authorizes debt financing of up to $125M for the Wastewater Treatment Facility Improvements and approves as to form the Preliminary Official Statement for the Bonds, Paying Agent Agreement, Disclosure Certificate, Bond Purchase Agreement, and Escrow Agreement related thereto.
Ordinance No. 2290 upon approval authorizes debt financing of up to $100M for the Police Building/ Courts Remodel and approves as to form the Preliminary Official Statement, Indenture, Site Lease Agreement, Lease Purchase Agreement, Sale Certificate, Disclosure Certificate, Escrow Agreement related thereto.

Prior Council or Other Entity Actions

2026 Budget

August 19, 2025: Staff provided information and insights to inform the Council on Broomfield's economic and financial outlook, influencing the 2025 revised budget and the 2026 operating and capital proposed budgets.
August 21, 2025: Staff provided an overview of how Broomfield intends to fulfill the community goal of financial sustainability and resilience at the Broomfield 101: Economic and Fiscal Update Community Forum.
September 3, 2025: The City Council received the 2026 Proposed Budget and supporting documentation.
September 4, 2025: The 2026 Proposed Budget and supporting documents were made available for public view and comments on the City's website.
September 18 and September 25, 2025: Study Sessions to discuss the 2026 Proposed Operating and Capital Budgets with department representatives.

Enterprise Ordinances

April 15, 2025: Staff held the first 2025 quarterly Enterprise Funds study session and provided an overview to City Council on status of the enterprise funds.
May 13, 2025: Creation of Advisory Committee approved by City Council.
July 15, 2025: Staff held the second 2025 quarterly Enterprise Funds study session, providing an update on the enterprise funds and initial recommendations on utility rate adjustments, along with a presentation by subject matter expert consultant AECOM.
October 21, 2025: Staff will provide an overview to City Council in a Broomfields Enterprise Funds study session and initial results of additional repair and replacement capital added during the 2025 budget.

Bond Ordinances

August 19, 2025: Staff provided information and insights to City Council on Broomfield's high credit rating and the organization's "superior ability to repay short-term debt obligations," providing guidance to ensure Broomfield's financial stability while requesting for new bonds to finance the 2026 capital improvement projects for the new Police Building / Courts Remodel and Water and Sewer infrastructure improvements.

Boards and Commissions Prior Actions and Recommendations

N/A

Proposed Actions / Recommendations

2026 Budget

No action is required at this time. The purpose of this item is to hold the public hearing as required by the Charter.

Amending the Enterprise Ordinance

If directed to approve the changes to the Broomfield Municipal Code, it is recommended…

- That Ordinance No. 2286 be adopted on the first reading and ordered published in full.
- That a public hearing on the ordinance be held at 6:00 pm on October 28, 2025, as allowed by City Council Procedures and Rules of Order.
- That a second and final reading of the ordinance be scheduled on October 28, 2025, following the public hearing.

Effective Date: If approved, changes to the Broomfield Municipal Code related to water, sewer, water reclamation, and stormwater charges and fees, as outlined in these ordinances, will be effective January 1, 2026.

Two Enterprise Revenue Bonds and Police Building Certificate of Participation Ordinances

If directed to pursue the debt financings to support the new Police Building / Courts Remodel and construction of the new Water Tanks and Wastewater Treatment Facility Expansion, it is recommended…

- That Ordinance No. 2288 Authorizing Water Activity Enterprise Water Revenue Bonds, Series 2026(Water Tanks) be adopted on the first reading and ordered published in full.
- That Ordinance No. 2289 Authorizing Sewer Activity Enterprise Revenue and Refunding Bonds, Series 2026 (Wastewater Treatment - Phase 1B) be adopted on the first reading and ordered published in full.
- That Ordinance No. 2290 approving a Preliminary Official Statement, Indenture, Site Lease Agreement, Lease Purchase Agreement, Sale Certificate, Disclosure Certificate, and Escrow Agreement concerning the financing of police and courts buildings be adopted on the first reading and ordered published in full.
- That a second and final reading of the ordinances be scheduled on October 28, 2025.

Alternatives

Approve or modify the 2026 Proposed Budget. Non-material modifications would be amended for the October 28, 2025 final approval. Larger, material changes would be approved as proposed and later amended in an amendment early in 2026.

Background - Budget

Broomfield has grown and evolved significantly over the past twenty years from an emerging suburban community into a large, thriving, and maturing urban-suburban community. Since the consolidation of our community in 2001, Broomfield has provided effective and efficient city and county programs and services. Today, Broomfield is home to nearly 80,000 residents, living in more than 34,000 housing units and thousands of businesses. While much of Broomfield's 34 square miles is built out, there is a continued focus on developing and evolving while maintaining long-term financial sustainability and resilience.

Planning for Increased Financial Stability

The City and County are guided by conservative revenue projections, reasonable cost assumptions (expenses), deploying strategic development decisions, effectively managing staffing patterns, and using data-driven decision-making models to keep operational costs in check.

Transitioning into 2026, Broomfield's economic and financial position is fundamentally sound, but we remain in an ever-increasing volatile environment. This reality reinforces the need for prudent financial flexibility, conservative planning assumptions, and disciplined decision-making to ensure long-term sustainability. Broomfield's two largest primary revenue sources are property tax and sales/use tax, with sales tax showing minimal growth in 2025 (measured at the halfway point through the year, sales tax is projected to end 1-2% higher than 2024). The minimal sales tax growth is expected to continue to build in 2026, a trend anticipated to continue into 2027. Additional retail and commercial investments in the pipeline begin to come online in 2027 (e.g. Macerich's HiFi area at FlatIron and the initial phase of McWhinney's Center Street area). Conversely, the property tax revenue is expected to fall in 2026 and remain stable in 2027. The property tax revenue reduction is occurring due to State changes in the property assessment rates and the decline in property market values.

Due to decreased property assessment rates, property owners will see lower tax bills, which correlates to the decreased county property tax revenue by approximately $6.5-7.5 million annually. This revenue decline is expected to be long-term, representing the new baseline for county property tax collections.

The 2026 proposed budget reflects the organization's continued focus on balancing current needs and obligations while preparing to meet the organization's and community's future needs by prioritizing expenditures into Mandates, Obligations, and Critical needs. Broomfield's economic fundamentals continue to provide sustained economic and employment opportunities while ensuring a sound fiscal base for CCOB budgets.

Guiding Principle: Residential Growth and Service Capacity

Broomfield currently has the revenue to sustain current service levels, but each new residential development adds demand and costs to systems already operating near capacity. Sales tax revenue growth—expected as new commercial development comes online in 2027—will help, but will not fully offset rising expenditures. Property taxes remain outside local control and subject to state formulas and market values; those factors created a $6.6M - $7.5 decrease in general fund revenue, which is not anticipated to return.

Balancing Housing Needs with Community Capacity

While the Front Range continues to face an affordable housing shortage that calls for regional solutions, Broomfield must thoughtfully balance this need with our community's existing capacity. Demand for services is strong — recreation programs often fill quickly, fields are well used, the Library serves at or near capacity, and our core utilities, such as the wastewater treatment facility, are preparing for future growth.

Broomfield has also made prior commitments to additional residential development through business development agreements. Looking ahead, future decisions will shape how we continue to provide high-quality services, invest in infrastructure, and remain fiscally responsible, while also contributing to broader housing solutions across the region.

Disciplined Development and Long-Term Financial Sustainability

Broomfield continues to take a thoughtful, yet disciplined, approach to development as the foundation for achieving long-term financial strength and sustainability. Our strategy emphasizes balanced growth and a diversified economy—ensuring that both residential and commercial development occur in alignment with community needs and fiscal realities.

Maintaining and strengthening the ratio of residential to commercial development is paramount as we move into the future. A healthy balance not only supports a diversified tax base and resilient economy but also ensures that service demands and infrastructure investments are financially sustainable over time.
By adhering to this disciplined approach, Broomfield positions itself to manage near-term fiscal challenges while preserving the flexibility to invest in community priorities and future opportunities.
Broomfield recognizes that a strong community is made up of thriving neighborhoods and residential areas, combined with commercial areas and developments home to businesses in key sectors, such as finance, information technology, aerospace, and business/professional services. Broomfield is also successful in attracting and growing businesses in next-generation economic sectors, such as quantum computing, phonetics, and advanced manufacturing. Recent firms choosing and growing in Broomfield include Sierra Space, SiNaptic, Quantinuum, and Raven Space Systems.

Development and increasing redevelopment in the community continue to build on this economic and financial foundation. These developments provide sought-after locations for businesses to locate and grow, places for residents and visitors to shop, dine, and gather, and places where existing and new residents will call home. Current construction is underway around FlatIrons Crossing (the HiFi area: both the Novel FlatIron residential and new commercial space), MidPoint's flex/innovation space (255 Midway), the Simms Technology Park, and Harvest Hill apartments. Horizontal construction will soon start in Baseline's mixed-use Center Street development. Combined, these current developments total nearly 500 new residential units (over 200 income-aligned), about 500,000 square feet of new work space, and over 100,000 square feet of (already leased) shopping and dining space.

The 2026 proposed spending plan recognizes that our community looks to its local government as innovators and leaders. It supports this influential work by refocusing and committing to the identified Community Goals, with the fundamental goal of Fiscal Sustainability remaining paramount to a healthy and robust future.

Emphasis on Prioritizing Needs

As Broomfield continues to maintain economic and fiscal stability, our strategic approach includes a prudent and pragmatic fiscal approach to anticipate and withstand future economic or financial disruptions in the short and long term.

The proposed 2026 budget prioritizes expenditures in the following categories:

- **Mandates**: Regulatory requirements issued by the federal or state level that result in the need for funding.
- **Obligations**: Contractual requirement or agreement.
- **Critical Need**: This is essential to the organization's effective operations. Failure to fund it would threaten public health, the environment, or community safety, or create a more significant liability or risk to the organization.

Any funding request not categorized by a mandate, obligation, or critical need but necessary to provide ongoing programs and services would be defined as an 'other' this year. In 2026, only projects classified as 'other' that were moved forward were partially funded by grants.

The 2026 Recommended Budget reflects a profound, collaborative effort across all departments. New services and their associated costs will be strategically timed for review only when budget flexibility improves – something not anticipated in 2026, and possibly not until the second half of 2027.

Additionally, in close partnership with departments, the budget team conducted an in-depth review of multiple years of actual expenditures. Finance staff met with every department to perform a detailed analysis of historical spending patterns. The goal was to align the 2026 budget with these patterns, while also considering external factors that may impact future expenditures, thereby reducing the variance between budgeted and actual amounts.

Through departmental collaboration, the discretionary spending category was thoroughly analyzed, resulting in budget reductions that better reflect historical usage patterns. This optimization exercise produced meaningful reductions in both the 2025 revised and 2026 original budgets.

This comprehensive approach provides the discipline needed to carefully consider what is truly necessary to accomplish Broomfield's mission to serve the community. Each year, the budget process must be based on solid data analytics regarding generated revenue, expenses, future forecasts, and trends, and a clear understanding of organizational and community goals. In the near term, existing service levels will be carefully evaluated within the broader financial context to ensure maximum community benefit. This presents an opportunity to review programs through the lens of their community impact relative to delivery costs, ensuring resources are directed to where they create the greatest positive outcomes. A disciplined, comprehensive, and strategic approach will guide these decisions moving forward.

Broomfield anticipates applying the same methodology and due diligence with both development opportunities and new debt as it continues its current conversations with the Council, specifically, recognizing the challenges and opportunities upcoming from constrained resources.

All departments determined needs based on the following high-level categories and corresponding thought-provoking questions, serving as the foundational lens through which all budgeting and resource allocation requests were reviewed:

- **Safety**: Eliminating or reducing a hazard/threat
- **Operational Cost vs. Revenue**: Is there a revenue offset that will help reduce costs?
- **Asset Maintenance**: Ability to extend the life cycle of a current asset
- **Comprehensive Plan**: Approach and alignment with existing roadmap
- **Operational Support**: Will the request create additional demand on existing resources or require new support?
- **Alternatives**: Does the alternative require greater resources, financially or otherwise?
- **Cost Sharing Opportunities**: Ability to leverage outside funding awards
- **Urgency**: Is there an immediate need that the request will satisfy?
- **Public Benefit and Quality of Life Impact**: Ability to benefit across various sectors
- **Socio-Economic Equity**: Determining the applicability within Broomfield's vulnerable populations or underrepresented
- **Sustainability**: Ability to address/correct the construct that will benefit the environment

For the fifth consecutive year, staff recommends maintaining Public Safety, Public Works, and Water Utilities as a top priority while continuing to adapt to growth, addressing deferred maintenance while moving forward with an asset management approach, and shifting to new and long-term fiscal realities.

Public Safety: This commitment is demonstrated by keeping the Broomfield Police Department organizationally separate from general employee groups. This approach has enabled the City and County of Broomfield to strengthen its police force effectively, resulting in a substantial increase in essential personnel to better serve the community. The Full-Time Equivalents (FTEs) grew from 242 in 2021 to 277 in 2025, a 14% increase. Concurrently, the police budget expanded from $34 million in 2021 to $44 million in 2025, marking a 27% increase. This investment is directly linked to Broomfield maintaining the lowest crime rate per capita in the metro area.

District Attorney – 17th Judicial District

The proposed budget for Broomfield's population share of the District Attorney's office is based on preliminary calculations received from Adams County in August 2025. On August 12, 2025, the District Attorney submitted his budget documents to Broomfield staff. Following that submission, Broomfield requested a meeting with the Adams County Board of Commissioners and leadership to discuss the request.

This meeting, held in mid-September, included the Mayor, Mayor Pro Tem, City Manager, and City Attorney. The discussion focused on the scope of services included in the DA's request, as well as the Family Justice Center, which is addressed in greater detail below.

Adams County is also in the process of finalizing its budget. On October 1, 2025, the District Attorney presented his budget request to the Adams County Board of Commissioners; however, the Board has not yet approved the request. Broomfield staff attended the presentation and will continue to monitor developments to ensure Broomfield's final budget reflects only its proportional share of approved expenses.

Broomfield's proposed budgeted amount for the DA will be reduced before Council's formal consideration on October 28, 2025, to reflect a budgeted amount that does not include costs for the proposed Family Justice Center (FJC). Per statute, Broomfield is only responsible for its per-population share for "the necessary expenses of maintaining an office for the transaction of official business" of the District Attorney.

While the intent of the FJC is admirable, the District Attorney has indicated that 75% of individuals to be served will be non-judicial clients. This represents not an expansion of existing prosecutorial services, but rather the creation of an entirely new entity, infrastructure, and team—as shown by 9 FTE in his budget request to Adams and Broomfield counties. While there is a connection with the domestic violence case work completed by the DA's office, this is a separate endeavor that warrants further scrutiny and should be subject to discussions about the creation of a regional and distinct intergovernmental entity before Broomfield commits taxpayer resources.

In addition, the revised proposed budgeted amount for the District Attorney will not include the cost of one FTE (an attorney) that Broomfield has solely funded since 2021 to reduce backlog following COVID. This was a separate agreement with the DA, and three years later, after that backlog has been addressed, that cost should not be part of the base budget.

Public Works and Water Utilities: Our focus on infrastructure over the past several years has led to significant growth in resources dedicated to roads, streets, maintenance, and water. Full-time equivalents (FTEs) increased from 158 in 2021 to 220 in 2025 – a 39% rise (note: this includes 14 FTEs transferred to Public Works/Water Utilities from Community Development and Strategic Initiatives related to Construction Inspections and Energy and Sustainability, respectively). Investments in Public Works and Water Utilities have enabled staff to optimize infrastructure, boost productivity, and better manage assets. This directly impacts overall operations and effectiveness.

Broomfield has made major strides in core infrastructure and utility maintenance over the past five years. The Street Pavement Management Program expanded significantly, with more miles treated and a dramatic increase in crack sealing. Water Utilities strengthened operations with annual waterline replacements, full fire hydrant flushing and maintenance, and near-complete valve maintenance. The Sewer Collections Program has advanced to completing annual program system cleaning and inspection on a regular cycle. Meanwhile, the Stormwater Maintenance Program, established in 2021, now conducts annual program system cleaning and inspections each year. These operational improvements are supported by a five-year financial sustainability plan that ensures the long-term health of infrastructure, high-quality service delivery, and protection of public health and the environment.

Given the challenges and uncertainty in the economy and marketplace, the 2026 Proposed Budget relies on conservative fiscal policies and projections supporting balanced annual spending. The 2026 Proposed Budget was built using a combination of Council direction with existing planning documents, including, but not limited to, the Comprehensive Plan, the Long Range Financial Plan, and financial/economic modeling, to synthesize the work over the past several years of taking a comprehensive methodological approach to Broomfield's future.

2026 Areas of Focus and Key Highlights

- Broomfield has not acquired any additional general obligation (GO) debt since 2017. Broomfield will be defeasing prior debt and remains committed to maintaining and increasing our existing Aa2 bond rating, which means the organization has a "superior ability to repay short-term debt obligations." The rating is one of the highest within the state of Colorado. This high rating is essential. Having debt of 5% of revenues is considered appropriately leveraged and reflects the government's ability to repay debt.
- Broomfield will continue to leverage grant funding as part of efforts to diversify revenue sources. In 2025, overall, less grant revenue was available on the Federal and State levels. As of August 2025, CCOB has received 91 grants, representing an increase from 69 grants in 2024. This total reflects both new grant applications and recurring awards that continue from year to year.
- In 2025 alone, more than 35 new grant applications have been submitted, with 28 awarded to date. These awards total approximately $5.6 million, compared to $4 million last year. We will continue to seek grants in 2026 to pursue funding from private, local, and state sources. New grant funding to be explored in 2026 includes: Courts' First Defense Counsel Appearance, incentives for Norm Smith UST removal reimbursement, the Recycling Rebate Program, and Special Supplemental Nutritional Funds for Women, Infants, and Children.
- Police Facility construction is anticipated to begin in early 2026.
- Courts Remodel design to begin in 2026.
- Maintain the achieved goal of 20% reserves into 2026 and future years.
- Continue to explore opportunities for development of the former Event Center site: This development is expected to be a revenue generator for the community.
- Implementation of the selected City and County Enterprise Resource Planning (ERP) Software that will modernize our existing 30+ year manual/spreadsheet system to begin early 2026.
- Update the 2016 Comprehensive Plan in 2026, providing the Council, community, and our organization an opportunity to play a critical role in shaping the vision for the next decade and beyond.
- Implementing the first organizational strategic plan to guide the 2026 work plan.
- Issuance of three bonds: Quarter one 2026, Certificate of Participation for the PD/Courts, and two in the Enterprise Funds for the Water Tanks and Wastewater Expansion - Phase IB.

This list alone requires us to be especially prudent in the upcoming year and beyond. We are operating in a constrained environment – both financially and with staffing capacity – and must therefore be intentional and strategic in every decision we make. The 2026 and 2027 budgets will require a **reallocation** methodology, not a **reprioritization** model – meaning that to add anything, other programs must be reduced or removed to accommodate new or enhanced funding. As we gain clearer insights into programmatic outcomes, we must be willing to have courageous conversations about whether programs and services are being fully maximized, widely utilized, effectively measured, and delivering the intended outcomes. If they are not, we must work together to thoughtfully realign our efforts and resources toward initiatives that deliver the greatest benefit to our community.

Budget Process and Philosophy

The budget is a planning tool that is used to meet the results of the March 3, 2023, Council Focus Session, where the Community Goals were solidified with an emphasis on Goal #1: Financial Sustainability and Resilience. Therefore, the budget process is flexible and responsive to organizational and community needs and economic conditions.

In addition, staff will continue with a comprehensive, clear, and transparent approach by bringing forth a consolidated number of budget amendments for the Council's review and consideration, and for transparency for Broomfield residents. Each budget amendment is designed to address specific topic areas outlined below.

- **Budget Amendment 1** (Q1): reflects the carryover of capital and grant projects from the prior fiscal year and any additions to operational budgets (i.e., increased cost for Spring Cleanup).

- **Budget Amendment 2** (In conjunction with adopting the following fiscal year's budget; Q4): reflects the current state of actual revenues and expenditures, including any supplemental requests, and sets the foundation for the following year's budget.
  This amendment also includes the prior year's audited financials (actual beginning fund balances), which helps inform the ability to fund future year financial shifts.

- **Budget Amendment 3** (Q4): if needed, addresses grants, which often require financial adjustments based on project or program status of implementation and execution due to the timing of the grant award.

Current and future budgeting processes are designed to ensure operational and capital success, focusing on creating a culture of accountability and intentionality while basing the budget on revenue and expenses. This helps to drive forward a sustainable, disciplined structure of reallocating funds and not continuing to increase expenditures arbitrarily.

2026 Budget Highlights

Revenue Projections

Broomfield's two largest primary revenue sources are property tax and sales/use tax, accounting for 60% of Broomfield's revenue base. Sales tax is showing minimal growth for 2026. The minimal growth in sales tax is a trend anticipated to continue into 2027, while retail and commercial investments in the pipeline begin to come online in late 2027 (ie, Macerich development).

Conversely, the property tax rates are not expected to move in any direction but downward. Due to decreased property assessment rates, property owners will see lower tax bills. This reduction will decrease county property tax revenues by approximately \$6.5-7.5 million annually – \$3-4 million from residential properties and \$3.5 million from commercial properties. This revenue decline is expected to be long-term, representing the new baseline for county property tax collections.

Across all revenue streams,[1] 2026 proposed projected revenues are expected to increase by 5.2% from \$332 million to \$349 million compared to the 2025 revised budget per Table 1C of the proposed budget. This increase is primarily driven by anticipated revenues from Fiber contracts, building permits, and use tax revenues.

The 2026 proposed budget was built with the projected increases in Utility Rates for water, sewer, reclaimed water, and stormwater.

[1] Excludes Fiduciary Funds and Budgeted Bond Revenues

Expenditure Projections

Broomfield continues to monitor the ongoing uncertainties surrounding the economic environment and is prepared to react as needed. The budget process is an example of staff working collaboratively to mitigate the impacts of these uncertainties.

Operational expenditures are expected to increase by 5.9% from the 2025 original budget to the 2026 proposed budget.

Total expenditures (Table 3B), which include the operating, capital, additions to reserves, and debt service obligations across all funds, are an estimated $897 million, excluding inter-fund transfers.
This represents an increase of 41% in expenditures from the 2025 original budget to the 2026 proposed budget. This increase is primarily driven by large capital projects, such as the new Police building, Court building remodel, and the Water and Sewer projects.

Personnel

Over the last four years, Broomfield has implemented a market-driven, competitive compensation philosophy to lead the market. This was based on the legal requirements to comply with new federal equal pay mandates and aligned with the City Council's direction on employee compensation. In year five, Broomfield is working to maintain the progress while navigating economic uncertainties. Human Resources completes market evaluations every other year to ensure positions within CCOB are paid competitively against the Denver Metro market. This data is used to project salaries and personnel costs for the proposed budget. In 2026, Human Resources will not be conducting market evaluations.

Ongoing personnel costs and adding new positions to meet the community's needs are the primary drivers of the 5.9% operational budget increase referenced in the expenditures section.

Below is a list of the Personnel Changes implemented as part of the 2026 operating budget.

Expenditures: 2026 Personnel Changes*			
Department	FTE Change	Personnel Costs**	Notes
Human Services	0.10	13,463	Business Solutions and System Administrator (0.1FT)
Information Technology	-1.00	0-	Accessibility Specialist LTA Expiration (-1.0FT)
Parks, Recreation and Senior Services	2.25	219,958	Lead Parks Tech (1.0FT), Parks Tech II PT to FT (0.25FT), Preschool Director (1.0FT)
Public Health and Environment	0.40	18,982	Business Solutions and System Administrator (-0.1FT), Administrative Support II PT to FT LTA (0.5FT)
Water Utilities	3.00	334,561	Cross Connection Foreman (1.0FT), Senior Water Utilities Locator (1.0FT), Senior Sewer Utilities Locator (1.0FT)
Total	**4.75**	**$ 586,964**	
*Includes internal transfers.			
**Personnel Costs are based on 2025 Actual for filled positions and Mid-Point for vacant positions and est. taxes and benefits			

Non-Personnel

Non-personnel-related expenses include the supplies, equipment, and contractual service costs necessary to provide the programs and services in Broomfield. Some examples include:

- Fuel
- Vehicle Maintenance Supplies (i.e. air and oil filters, tires, etc)
- Electronic Equipment (i.e. telephones, computers, headsets, etc)
- Training and Development of staff
- Professional Services (i.e. outside auditors, specialized legal services)
- Insurance expenses
- Utilities
- Software (Annual License Fees such as Google)

As part of the annual budget process, the budget staff meets with departments to discuss non-personnel requests and the drivers of individual items. Items like fuel are a basic necessity for the organization to accomplish its work and are subject to market conditions; thus, Broomfield has very little control over this type of expenditure. For other non-personnel items, the organization manages costs by finding alternatives or adjusting work procedures to eliminate or minimize expenses wherever possible.

Operating Budget Highlights

Below is a list of some highlights of the 2026 operating budget.

2026 Operating Budget Highlights		
Department or Category	**Description**	**Amount**
Assessor	One (1) 5-Month Overlap (Assessment Supervisor)	$ 66,708
City and County Clerk	Two (2) 2-Month Overlap (Recording and Motor Vehicle Specialist, Recording and Licensing Specialist)	25,141
City and County Manager	Hazardous Mitigation Plan Update - FEMA Mandate	65,000
Community Development	Two (2) Reclassifications (Senior Landscape Architect to Landscape Manager, Combination Inspector to Landscape Associate/Tech)	54,272
Parks, Recreation and Senior Services	One (1) FT (Lead Parks Technician)	-
Parks, Recreation and Senior Services	One (1) PT to FT (Parks Technician II)	-
Parks, Recreation and Senior Services	One (1) TM to FT (Preschool Director)	21,401
Police	One (1) FT Continuation (Victim Advocate) if Grant is discontinued	112,712
Police	Three (3) Reclassifications (Records Specialist to Records Supervisor, Budget Analyst to Budget Supervisor/Manager, Office Manager to Senior Operations Manager)	73,871
Public Health and Environment	Personnel Costs Transitions	(8,555)
Public Health and Environment	One (1) PT to FT LTA (Admin Support II)	33,899
Public Health and Environment	One (1) Reclassification (Environmental Health Specialist I to Environmental Health Specialist II)	5,953
Water Utilities	Three (3) New FT (Cross Connection Foreman, Senior Water Utility Locator, Senior Sewer Utility Locator)	381,107
Water Utilities	SCADA Environment Security Scanning Software (w/IT)	69,571
	Total	**$ 901,081**

2026 Capital Improvement Plan Considerations

Using a conservative approach and understanding the constraints of Broomfield's finances, staff will continue to evaluate and prioritize projects based on mission essentials and those that affect the health and safety of the community. To proactively prevent unintended consequences with any changes in the funding of CIP, staff will continue to seek guidance from the Council.

The 2026 Five Year Capital Improvement Project (CIP) Plan was developed in a parallel process at the same time as Broomfield's operating budgets. This process included an extensive year-long collaboration across all departments to ensure that all projects and community requests were considered. CIP requests are rated and prioritized using the same "buckets" described earlier in the document. Ensuring that our limited resources are focused on mandates, obligations, and critical infrastructure projects reinforces our financial sustainability and resilience goal. Finally, staff have worked to shift the focus of funding from new capital projects towards preventative maintenance, repair, and rehabilitation to ensure that Broomfield is focusing efforts on adequately addressing its existing infrastructure.

The 2026 budget for Capital Projects includes
- $142.9 million in expenditures for the General Governmental Funds
    - $100 million for the police building and courts remodeling projects
- $217.2 million in expenditures for the Enterprise (Utility) Funds.
    - $70 million for the two new water tanks project
    - $114 million for wastewater treatment facility expansion project

2026 Broomfield Urban Renewal Authority Budget

The Broomfield Urban Renewal Authority (BURA) was organized to finance various improvement projects within the Authority's boundaries. Incremental tax revenues, including sales, use, and property, are the primary funding sources for BURA.

2026 BURA revenues are budgeted at $65.1 million, representing a 7.7% decrease compared to the 2025 original BURA budget. BURA expenditures in 2026 are budgeted at $50.0 million. BURA also pays the City and County of Broomfield to cover administration costs and professional services related to the development of urban renewal areas. The 2026 budget includes $5.5 million for administrative and professional services expenditures.

2026 Arista Local Improvement District Budget

The Arista Local Improvement District (ALID) was established to facilitate the construction of transportation facilities in the Arista Development. The ALID is supported by a 0.2% sales tax collected on all taxable sales within its boundaries, and the revenue generated by the tax has been pledged to support the Arista Metro District's (AMD) debt service on bonds sold to construct the parking structure.

The only allowable use of the revenue is to support the funding of public transportation services or improvements. The 2026 budget for the ALID exists solely to authorize payments to AMD, as noted. The 2026 proposed ALID budget includes $45,000 in sales tax revenue and $45,000 in expenditures related to the AMD debt service for the construction of the parking structure.

Background - Enterprise/Utility Fee

Utilities are funded by four enterprise funds that are specifically dedicated to the Water, Wastewater, Reclaimed, and Stormwater/Flood Management utilities. Each enterprise operates as a self-supporting entity. Revenues generated from monthly utility bills are the largest source of revenue for each utility, accounting for generally between 85% to 90% of revenues in each fund. Other significant sources of funds include development fees and funding from the Mile High Flood District (MHFD). These cumulative funding sources cover day-to-day operations, capital and rehabilitation projects, and annual programs. A robust enterprise fund presents a significant strategic advantage, empowering the city to issue revenue bonds.

This mechanism is crucial for financing substantial capital projects, much like the extensive bonded projects anticipated in 2026. The ability to leverage revenue bonds ensures that vital infrastructure and development initiatives can proceed.

As previously noted, to prepare for critical utility infrastructure needs, Broomfield adjusted water and sewer rates last year. This was, in part, to support two upcoming enterprise bond issues – one to fund two new water storage tanks and another to expand our wastewater treatment facility. Staff has contracted with bond underwriting firms, Stifle & Piper Jeffrey, who have extensive Colorado market experience in issuing Enterprise Fund bonds. CCOB is still targeting issuance in quarter one 2026.

Staff has provided additional detailed information on how water and sewer rates are directly influenced by the process of repairing and replacing aging infrastructure, known as asset renewal. Here is the linked document - Water Utilities System Asset Renewal - Key Aspects of Establishing Rates.

2026 Proposed Recommendations: Water, Sewer, Reclaimed, and Stormwater Rates

As detailed in the budget adopted by the Council in 2025, the five-year plan includes a year two increase totaling $16.89 per month for the average single-family home starting in 2026. This represents a 15% increase for utility rates across all funds, with a 9% ($1.00) increase for stormwater service fees, and aligns with projections presented in the original five-year plan presented in 2024 (also see October 22, 2024, memorandum).

Staff has completed a comprehensive fiscal analysis to evaluate anticipated revenues from utility rates as well as projected expenses based on necessary costs associated with day-to-day operations, capital and rehabilitation projects, and annual maintenance requirements. The fiscal analysis includes multiple interdependent variables, and adjusting any one component impacts several other variables within the model, requiring a holistic re-evaluation of all dependencies within the five-year comprehensive plan.

This increase is essential to ensure the long-term financial sustainability of our enterprise funds while maintaining essential services and infrastructure. The recommended rate structure ensures sufficient funding for both ongoing maintenance of existing water infrastructure and necessary capital improvements. The proposed increase allows the utility to maintain a proactive maintenance schedule consistent with capital improvement planning recommendations, protecting the community's investment in water infrastructure while avoiding more costly emergency repairs. Deferring maintenance on water system components creates significant financial risk, as delayed repairs typically result in substantially higher replacement costs and potential service disruptions that impact the entire community.

It is important to understand why this rate increase cannot easily be reduced to a lesser amount. Each percentage point reduction in the proposed rate change would result in approximately $500,000 less annual revenue to the enterprise fund. Such reductions would necessitate corresponding cuts to maintenance programs, capital projects, or service levels to maintain a balanced budget.

Given the essential nature of water services and the potential for deferred maintenance to compound costs over time, the proposed increase represents the minimum funding level necessary to ensure reliable, long-term service delivery to our community.

In 2025, the increase for the water utility bill was only on the base fees, and there was no increase for the water usage rates. As discussed and presented last year, in 2026, the proposal also includes an increase to the water usage rate, and therefore, the monthly difference in the water bill will be dependent on how much water the residence typically utilizes.
The projected impact on an average monthly bill for a single-family home and a multi-family home are shown in the tables below.

The example provided below uses an average single-family home bill of 9,000 gallons for water and 6,000 gallons for sewer. The 9,000 gallons/month for water is based on a 4-year historical average of 107,000 gallons per year for a single-family 0.75-inch. Staff will be providing a Residential Monthly Bill Calculator Tool and linking it on our website to help residents calculate how the proposed increase would apply to their home utility bill based on their specific household water usage (to be available before final consideration of the ordinance).

Impact on Average Monthly Bill for a Single Family Home (6000 gal)

	Rates		Average Bill *		
Fee Type	**2025**	**2026**	**2025**	**2026**	**Difference**
Water Meter Base Charge	$36.91	$42.45	$36.91	$42.45	$5.54
Water Usage Charge Tier 1	*$2.39*	*$2.75*	*$11.95*	*$13.75*	*$1.80*
Water Usage Charge Tier 2	*$3.82*	*$4.39*	*$15.28*	*$17.56*	*$2.28*
Water Usage Charge Tier 3	*$5.41*	*$6.22*	*$0.00*	*$0.00*	*$0.00*
Sewer Service Charge	$5.44	$6.26	$32.64	$37.56	$4.92
Sewer Fed Mandate Charge	$0.52	$0.52	$3.12	$3.12	$0.00
Sewer Env Comp Base Charge	$9.00	$10.35	$9.00	$10.35	$1.35
Stormwater Base Charge	$11.00	$12.00	$11.00	$12.00	$1.00
Total Bill			**$119.90**	**$136.79**	**$16.89**

Projected 4-Year Outlook for Single-Family Home Bill

	2025	2026	2027	2028
Anticipated Bill	$119.90	$136.79	$146.37	$156.61
Percentage Change		*14%*	*7%*	*7%*

Impact on Average Monthly Bill for a Multi-Family Home (1000 gal)

	Rates		Average Bill *		Difference
	2025 Rate	2026 Rate	2025	2026	Difference
Water Fixed Base Fee	$36.91	$42.45	$36.91	$42.45	$5.54
Water Usage Fee / 1,000 gal	*$2.55*	*$2.93*	*$7.65*	*$8.79*	*$1.14*
Sewer Cost/1,000 gallons	$5.44	$6.26	$21.76	$25.04	$3.28
Fed Mandate Charge	$0.52	$0.52	$2.08	$2.08	$0.00
Env Compliance Fee	$9.00	$10.35	$9.00	$10.35	$1.35
Stormwater Fee	$6.60	$7.20	$6.60	$7.20	$0.60
Total Bill			**$84.00**	**$95.91**	**$11.91**

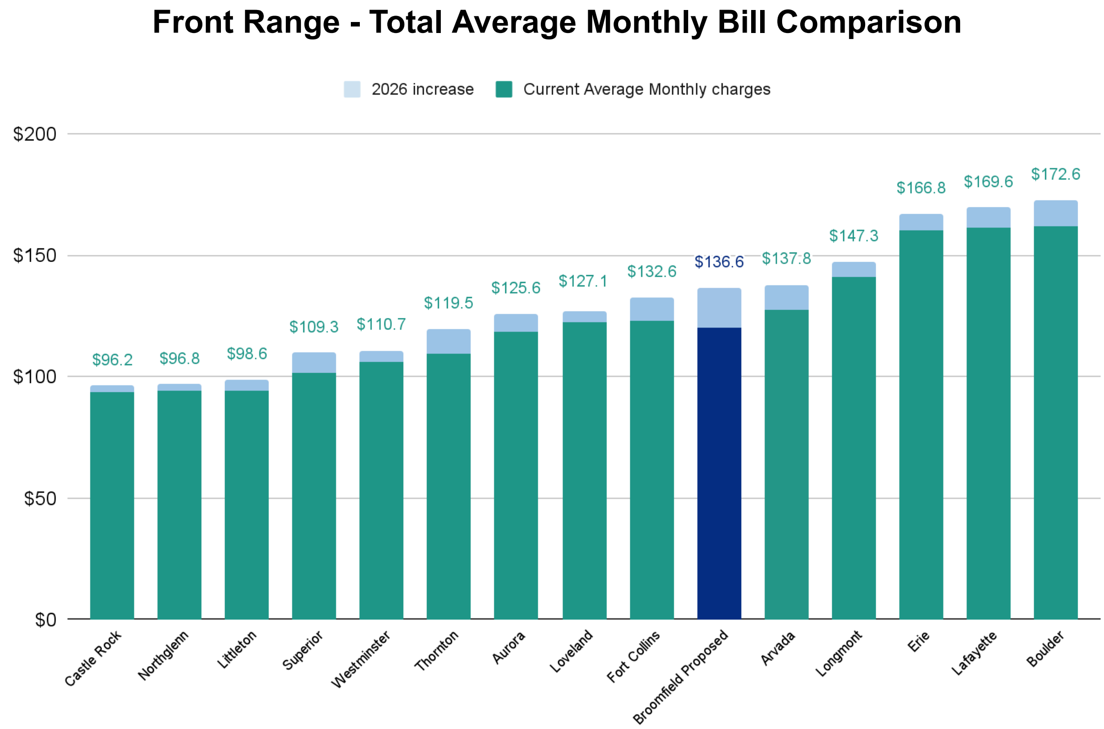
Projected 4-Year Outlook for Multi-Family Home Bill

	2025	2026	2027	2028
Anticipated Bill	$84.00	$95.91	$102.62	$109.81
Percentage Change		*14%*	*7%*	*7%*

Front Range - Average Monthly Bill Comparison

The graph below includes Broomfield’s total average monthly utility bill for water, sewer, and stormwater compared to our neighboring municipalities. The comparison reflects where Broomfield is currently and how it would compare if the Council approves the proposed utility rates. The average monthly bill is normalized across all municipalities based on 9,000 gallons of water usage and 6,000 gallons of Average Winter Consumption (AWC) for sewer charges.

The 2026 rate increases shown in the graph below are not finalized, as the communities are going through a similar budget process as Broomfield, but staff have added the projected/proposed increases for municipalities where a projected increase is available, as shown in the light blue.



The degree to which neighboring municipalities increase their utility rates depends highly on how well they have managed their Enterprise funds over the past decade, the growth versus expense challenges the municipality faces, and other factors unique to each entity.

Communication Plan:

Staff will be providing information for the community to learn about the proposed fee increase and how it could impact them directly. Updates will be made to the Broomfield.org website, including adding a Utility Bill Estimator tool for residents' use. Website updates will also include estimated impacts for specific types of multifamily residential developments such as apartments, townhomes, and condominiums. Staff will also include information on the City and County of Broomfield's communications channels and work with Our Broomfield magazine, which was indicated in the Community Survey as a common place where residents seek to learn about Broomfield events, to share information about the rate change.

Additional information will be shared in late 2025 before the new rates take effect.

Utility Rate Assistance

Understanding that any increase in fees can be challenging for our residents, the staff has included the continuation of the Utility Rate Assistance Fund (URAF) program in the 2026 budget. A review of URAF applications received by the Housing Division revealed that the vast majority of applicants requesting assistance were at or below 60% Area Median Income (AMI), representing 78% of total applicants. Total applications processed through the date of memo drafting are 1,770.

While the 2025 URAF program allowed residents with incomes up to 100% of AMI to request water utility bill assistance, staff recommended reducing the eligibility threshold to 60% of AMI for the 2026 program. This potential change was first discussed at the second quarterly update for the Enterprise Funds, which

occurred in July 2025. In 2025, the monthly reimbursement for residents was $20 for single-family detached, $18 for townhomes/duplex/mobile homes, and $17 for apartments/condominiums, which represented approximately 50% of the total monthly difference in 2024 to 2025 utility fees. In 2026, the proposal is to keep the same level of assistance for eligible residents.

The program will continue to be administered by Broomfield's Housing Division, which also administers the partial property tax refund program. Operating these two programs together streamlines the process for many residents who may qualify for both programs. Based on feedback and discussion from the July 2025 quarter enterprise funds update, the program will maintain quarterly payouts/refunds. The Housing Division will continue to advertise the URAF, along with other programs available to residents, throughout 2026, similar to what was done in 2025. Resolutions regarding this program will be presented to Council for their consideration during the Council meeting on October 28, 2025.

Background - Bond Issuances

Until 2021, Broomfield did not have a formal Debt Policy. Since adopting one, we have aligned with industry and government standards by capping total debt at no more than 10% of the City's assessed value. As of the close of fiscal year 2024, Broomfield's total debt was at 5.25% of assessed value – well below industry standards.

In 2023, debt service accounted for 4.6% of total revenues, and in 2024, that decreased slightly to 4.2%, reflecting our intentional focus on managing and reducing outstanding obligations. For context, debt service levels under 5% of total revenue are typically considered "best in class."

As we look ahead, the staff has strategically timed the issuance of new debt to coincide with the defeasance of the 2017 Certificates of Participation (COP) for the County building. This approach will help offset the impact of new debt issuance for the upcoming Police and Courts facility. While we expect to slightly exceed the 5% debt-to-revenue ratio following issuance, our strong financial standing provides confidence in our ability to manage this responsibly. In the past two years, Broomfield has earned three credit rating upgrades, which is a significant achievement.

Next Steps

2026 Proposed Budget

Staff is seeking Council and public comments regarding the proposed 2026 Operating and Capital Budgets for the City and County of Broomfield, Arista Local Improvement District, and Broomfield Urban Renewal Authority. The proposed 2026 budgets for all entities will be presented to the City Council on October 28, 2024, for consideration and final adoption.

2026 Enterprise Funds

If the City Council adopts Ordinance No. 2286 on first reading, then a public hearing and second reading of the ordinance will be scheduled for October 28, 2025, to be held concurrently, considering the 2026 proposed budget. Pending approval of Ordinance No. 2286, the rates will be effective beginning January 1, 2026, with the first bills due in February 2026 (billed in arrears).

2026 Bonds

If the City Council adopts Ordinance No. 2288 on first reading, then a second reading of the ordinance will be scheduled for October 28, 2025, to be held concurrently considering the 2026 proposed budget. Pending approval of Ordinance No. 2288, the Staff will proceed with the issuance of the Water Revenue Bonds, Series 2026 as early as January 1, 2026.

If the City Council adopts Ordinance No. 2289 on first reading, then a second reading of the ordinance will be scheduled for October 28, 2025, to be held concurrently considering the 2026 proposed budget. Pending approval of Ordinance No. 2289, the Staff will proceed with the issuance of the Sewer Revenue and Refunding Bonds, Series 2026, as early as January 1, 2026.

If the City Council adopts Ordinance No. 2290 on first reading, then a second reading of the ordinance will be scheduled for October 28, 2025, to be held concurrently considering the 2026 proposed budget. Pending approval of Ordinance No. 2290, the Staff will proceed with the issuance of the Certificates of Participation to finance the new Police Building and Courts Remodel as early as January 1, 2026.

ORDINANCE NO. 2288

An ordinance authorizing the issuance of the City and County of Broomfield, Colorado, Water Activity Enterprise Water Revenue Bonds, Series 2026

Recitals.

Whereas, the City and County of Broomfield (the “City”) is a political subdivision of the State of Colorado (the “State”) a body corporate and politic, a home-rule city and county pursuant to Article XX of the constitution and a city and county pursuant to Sections 10, 11, 12 and 13 of Article XX of the constitution;

Whereas, the members of the City Council of the City (the “Council”) have been duly elected or appointed and qualified;

Whereas, pursuant to Chapter XVII of the Charter and Chapter 3-30 of the City Municipal Code (the “Code”), the Council has established the City of Broomfield, Colorado, Water Activity Enterprise (the “Enterprise”), governed by the Council and having all lawful powers consistent with the Charter and ordinances of the City, including, without limitation, the power to issue and reissue bonds, notes, and other obligations, in the name of the City, payable solely from lawful revenues available to the enterprise for the purpose of operating the water system (the “System”);

Whereas, the Council has determined and hereby determines that the System constitutes an enterprise pursuant to Article X, Section 20 of the Colorado Constitution (“TABOR”) and Title 37, Article 45.1, C.R.S. (the “Enterprise Act”);

Whereas, pursuant to Section 14.4 of the Charter, the City is authorized, pursuant to ordinance, and without an election, to borrow money, issue bonds, or otherwise extend its credit for purchasing, constructing, condemning, otherwise acquiring, extending or improving a water, electric, gas or sewer system, or other public facility or income-producing project or for any other capital improvement; provided that the bonds or other obligations shall be made payable from the net revenues derived from the operation of such system, utility or other such project or capital improvement, and provided, further, that any two or more of such systems, utilities, projects or capital improvements may be combined, operated and maintained as joint municipal systems, utilities, projects or capital improvements, in which case such bonds or other obligations shall be made payable out of the net revenue derived from the operation of such joint systems, utilities or capital improvements;

Whereas, the Council proposes to extend, better, otherwise improve and equip the System, including the financing a portion of the costs of the constructing and/or acquiring water storage tanks (as more fully described herein, the “Project”);

Whereas, the City intends to issue certain water activity enterprise revenue bonds (the "Bonds") to defray in part the costs of the Project;

Whereas, the City has previously issued its Water Activity Enterprise Water Enterprise Revenue Bonds, Series 2021 (the "2021 Bonds"), which 2021 Bonds are currently outstanding in the aggregate principal amount of $119,325,000;

Whereas, except for the 2021 Bonds, the City has not pledged nor hypothecated the revenues derived or to be derived from the operation of the System, or any part thereof, to the payment of any outstanding bonds or other financial obligations or for any other purpose, with the result that the Net Pledged Revenues (defined below) may now be pledged lawfully and irrevocably for the payment of the Bonds on a parity with the Series 2021 Bonds, and the Bonds may be made payable from the Net Pledged Revenues;

Whereas, there are on file with the City Clerk: (i) the form of the Preliminary Official Statement for the Bonds; (ii) the form of the Paying Agent Agreement; (iii) the form of the Disclosure Certificate; (iv) the form of Bond Purchase Agreement;

Whereas, pursuant to Section 11-57-203, C.R.S., the City desires to delegate to the City Manager and the Director of Finance the independent authority to accept the proposal to purchase the Bonds by execution of the Bond Purchase Agreement and to make final determinations relating to the Bonds, subject to the parameters contained in Section 213 of this Ordinance;

Whereas, it is necessary to provide for the form of the Bonds, Bond details, the payment of the Bonds, and other provisions relating to the authorization, issuance, and sale of the Bonds.

Now, therefore, be it ordained by the City Council of the City and County of Broomfield, Colorado:

Table of Articles

ARTICLE I
DEFINITIONS, INTERPRETATION,
RATIFICATION AND EFFECTIVE DATE

Section 101. Meanings and Construction.

A. Definitions. The terms in this Section for all purposes of this Ordinance and of any ordinance amendatory hereof or supplemental hereto, or relating hereto, and of any other ordinance or any other document pertaining hereto, except where the context by clear implication otherwise requires, shall have the meanings herein specified:

"acquire" or "acquisition" means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the Federal Government, the State, any body corporate and politic therein, or any other Person, the endowment, bequest, devise, transfer, assignment, option to purchase, other contract, or other acquisition, or any combination thereof, of any properties pertaining to the System, or an interest therein, or any other properties herein designated.

"Bond Counsel" means an attorney or a firm of attorneys, designated by the City of nationally recognized standing in matters pertaining to the tax status of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

"Bond Fund" means the special fund designated as the "City and County of Broomfield, Colorado, Water Activity Enterprise Water Revenue Bonds, Series 2026, Bond Fund" created pursuant to Section 505 hereof.

"Bond Purchase Agreement" means the Bond Purchase Agreement concerning the purchase of the Bonds, between the City and the Purchaser.

"Bond Requirements" means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds, any Parity Bonds, or other securities payable from the Net Pledged Revenues and heretofore or hereafter issued, if any, or such part of such securities as may be designated.

"Bonds" means City's Water Activity Enterprise Water Revenue Bonds, Series 2026, with such title as confirmed in the Sale Certificate, issued pursuant to this Ordinance.

"Book-entry form" or "book-entry system" means, with respect to the Bonds, a form or system, as applicable, under which physical Bond certificates in fully registered form are registered only in the name of The Depository Trust Company or its nominee as Owner, with the physical Bond certificates "immobilized" in the custody of The Depository Trust Company. The book-entry system maintained by and the responsibility of The Depository Trust Company and not maintained by or the responsibility of the City or the Paying Agent is the record that identifies, and records the transfer of the interests of, the owners of book-entry interests in the Bonds.

"Business Day" means a day of the year, other than a Saturday or Sunday, other than a day on which commercial banks located in the city in which the principal corporate trust office of the Paying Agent is located are required or authorized to remain closed and other than a day on which the New York Stock Exchange is closed.

"Capital Improvements" means the acquisition of land, water or water rights, easements, facilities, and equipment, including two 3 million-gallon water storage tanks (other than ordinary repairs and replacements), and those property improvements or any combination of property improvements which will constitute enlargements, extensions or betterments to the System and will be incorporated into the System.

"Charter" means the home rule charter of the City, including all amendments thereto prior to the date hereof.

"City" means the City of and County of Broomfield, Colorado, a municipal corporation and political subdivision of the State.

"City Clerk" means the City Clerk of the City, or his or her successor in functions, if any.

"City Manager" means the City Manager of the City, or his or her successor in functions, if any.

"Closing Date" means the date of delivery of and payment for the Bonds.

"Combined Maximum Annual Principal and Interest Requirements" means the largest sum of the principal of and interest on the Bonds, any other Outstanding Parity Bonds and any additional Parity Bonds proposed to be issued, excluding any securities the principal of which is payable within less than one year from the date on which issued, to be paid during any one Fiscal Year for the period beginning with the Fiscal Year in which such computation is made and ending with the Fiscal Year in which any Bond or other such security last becomes due at maturity or on a Redemption Date, whichever time is later (but excluding any reserve requirement to secure such payments unless otherwise expressly provided), subject in all respects to the following, as applicable:

(1) The word "principal," as used in this definition, means the principal which must be paid to security Owners, whether on stated maturity dates or on mandatory Redemption Dates, or otherwise.

(2) Any computation made under this definition shall be adjusted for all purposes in the same manner as is provided in Section 703 hereof.

"Commercial Bank" means a state or national bank or trust company which is a member of the Federal Deposit Insurance Corporation (or any successors thereto) and of the Federal

Reserve System, which has a capital and surplus of $10,000,000 or more, and which is located within the United States of America.

"<u>Continuing Disclosure Certificate</u>" means the Continuing Disclosure Certificate for the Bonds executed by the City.

"<u>Cost of the Project</u>" means all costs, as designated by the City, of the Project, or any interest therein, which cost, at the option of the City (except as may be otherwise limited by law) may include all, any one or other portion of the incidental costs pertaining to the Project, including, without limitation:

(i) All preliminary expenses or other costs advanced by the City or advanced by the Federal Government, the State or by any other Person from any source, with the approval of the Council, or any combination thereof, or otherwise;

(ii) The costs of making surveys and tests, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries;

(iii) The costs of contingencies;

(iv) The costs of premiums on any builders' risk insurance and performance bonds during the construction, installation and other acquisition of the Project, or a reasonably allocated share thereof;

(v) The costs of appraising, printing, estimates, advice, inspection, other services of engineers, architects, accountants, financial consultants, attorneys at law, clerical help and other agents and employees;

(vi) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project and the issuance of the Bonds;

(vii) All costs and expenses of issuing the Bonds including, without limitation, fees of the Paying Agent, Bond Counsel, counsel to the Purchaser, counsel to the City, financial advisor, rating agencies and printers to the extent not defrayed as an Operation and Maintenance Expense;

(viii) The costs of the filing or recording of instruments and the cost of any title insurance premiums;

(ix) The costs of funding any construction loans and other temporary loans pertaining to the Project and of the incidental expenses incurred in connection with such loans;

(x) The costs of demolishing, removing, or relocating any buildings, structures, or other facilities on land acquired for the Project, and of acquiring lands to which such buildings, structures or other facilities may be moved or relocated;

(xi) The costs of machinery and equipment, including storage tanks;

(xii) The costs of any properties, rights, easements or other interests in properties, or any licenses, privileges, agreements and franchises;

(xiii) The payment of the premium for the Insurance Policy issued by the Insurer and Reserve Fund Insurance Policy issued by the Surety Provider;

(xiv) The costs of labor, material and obligations incurred to contractors, builders and materialmen in connection with the acquisition and construction of the Project;

(xv) The costs of amending any ordinance or other instrument pertaining to the Bonds or otherwise to the System; and

(xvi) All other expenses pertaining to the Project.

"Council" means the City Council of the City.

"C.R.S." means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

"Director of Finance" means the Director of Finance of the City, or his or her successor in functions, if any.

"Events of Default" means the events stated in Section 903 hereof.

"Federal Government" means the United States of America and any agency, instrumentality or corporation thereof.

"Federal Securities" means bills, certificates of indebtedness, notes, or bonds which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America.

"Fiscal Year" means the calendar year or any other 12-month period hereafter selected by the City as its fiscal year.

"Gross Pledged Revenues" all income from rates, fees, tolls and charges and tap fees, or any combination thereof, but not special assessments, for the services furnished by, or the direct or indirect connection with, or the use of, or any commodity from the System, including without limiting the generality of the foregoing, minimum charges, charges for the availability of service, disconnection fees, reconnection fees and reasonable penalties for any delinquencies, and all income or other realized gain, if any, from any investment of Gross Pledged Revenues and of the proceeds of securities payable from Net Pledged Revenues (except income or other gain from any investment of moneys held in an escrow fund or account for the defeasance of securities payable from the Net Pledged Revenues or any other similar fund) to the extent not required to be rebated to the federal government. Gross

Pledged Revenues shall also include amounts on deposit in a rate stabilization fund. Gross Pledged Revenues excludes any refund of rates, tolls and charges due to others.

"improve" or "improvement" means the extension, reconstruction, alteration, betterment or other improvement by the construction, purchase or other acquisition of facilities, including, without limitation, appurtenant machinery, apparatus, fixtures, structures and buildings.

"Independent Accountant" means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State:

(i) Who is, in fact, independent and not under the control of the City;

(ii) Who does not have any substantial interest, direct or indirect, with the City, and

(iii) Who is not connected with the City as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the City.

"Independent Engineer" means an individual, firm or corporation engaged in the engineering profession of recognized good standing and having specific experience in respect of business and properties of a character similar to those of the System, which individual, firm or corporation has no substantial interest, direct or indirect, in the City and in the case of an individual, is not a member of the Council, or an officer or employee of the City, and in the case of a firm or corporation, does not have a partner, director, officer or employee who is a member of the Council or an officer or employee of the City.

"Insurance Policy" means the municipal bond new issue insurance policy, if any, issued by the Insurer that guarantees payment of principal of and interest on the Bonds when due.

"Insurer" means the issuer of the Insurance Policy, if any, as set forth in the Sale Certificate.

"Insurance Agreement" means an agreement entered into between the City and any Insurer pursuant to Section 213 of this Ordinance.

"Investment Securities" means any securities or other obligations permitted as investments of moneys of the City under the laws of the State.

"Letter of Representations" means the Blanket Issuer Letter of Representations from the City to The Depository Trust Company in connection with the issuance of the Bonds in a book-entry system, as supplemented and amended from time to time.

"Mayor" means the Mayor of the City or his or her successor in functions, if any.

"Net Pledged Revenues" means the Gross Pledged Revenues remaining after the payment of the Operation and Maintenance Expenses of the System.

"Official Statement" means the Official Statement delivered in connection with the original issuance and sale of the Bonds.

"Operation and Maintenance Expenses" means such reasonable and necessary current expenses of the City, paid or accrued, of operating, maintaining and repairing the System as may be determined by the City, including, except as limited by contract or otherwise limited by law, without limiting the generality of the foregoing:

(a) Engineering, auditing, legal and other overhead expenses directly related and reasonably allocable to the administration, operation and maintenance of the System;

(b) Insurance, surety bond and interest rate cap agreement premiums appertaining to the System;

(c) The reasonable charges of any paying agent, registrar, transfer agent, depository or escrow bank appertaining to any securities payable from the Net Pledged Revenues;

(d) Annual payments to pension, retirement, health and hospitalization funds appertaining to the System;

(e) Any taxes, assessments, franchise fees or other charges or payments in lieu of the foregoing;

(f) Ordinary and current rentals or equipment or other property;

(g) Contractual services, professional services, salaries, administrative expenses and costs of labor appertaining to the System, the cost of water purchased for delivery through the System and the cost of materials and supplies used for current operation or routine maintenance or repair of the System;

(h) The costs incurred in the billing and collection of all or any part of the Gross Pledged Revenues;

(i) Any costs of utility services furnished to the System by the City or otherwise;

(j) Any other such expenses considered by· the· City in determining the amount of water rates, fees, tolls and charges imposed for operation and maintenance; and

(k) Expenses in connection with the issuance of bonds or other securities evidencing any loan to the City and payable from Gross Pledged Revenues.

"Operating Expenses" do not include:

(a) Any allowance for depreciation;

(b) Any costs of improvement, extension or betterment that qualify as capital items in accordance with generally accepted accounting principles;

(c) Any accumulation of reserves for capital replacements;

(d) Any reserves for operation, maintenance or repair of the System;

(e) Any allowance for the redemption of any bonds or other securities payable from the Net Pledged Revenues or the payment of any interest thereon;

(f) Any liabilities incurred in the acquisition of any facilities constituting part of the System; and

(g) Any other ground of legal liability not based on contract.

"Ordinance" means this ordinance of the City, which provides for the issuance and delivery of the Bonds.

"Outstanding" when used with reference to the Bonds, the Parity Bonds, or any other designated securities and as of any particular date means all the Bonds, the Parity Bonds, or any such other securities payable from the Net Pledged Revenues or otherwise pertaining to the System, as the case may be, in any manner theretofore and thereupon being executed and delivered:

(i) Except any Bond, Parity Bonds, or other security canceled by the City, by any paying agent, or otherwise on the City's behalf, at or before such date;

(ii) Except any Bond, Parity Bond, or other security deemed to be paid as provided in Section 1201 hereof or any similar provision of the ordinance authorizing the issuance of such other security; and

(iii) Except any Bond, Parity Bond, or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered pursuant to Sections 306, 307 or 1108 hereof or any similar provisions of the ordinance authorizing the issuance of such other security.

"Owner" means the registered owner of any designated Bond, Parity Bond, or other designated security.

"Parity Bonds" means the 2021 Bonds and any securities hereafter issued payable from and having an irrevocable lien upon the Net Pledged Revenues on a parity with the Bonds.

"Parity Bond Ordinances" means the 2021 Ordinance and any ordinances or agreements previously or hereafter entered into by the City with respect to or authorizing the issuance of Parity Bonds.

"Paying Agent" means UMB Bank, n.a., being an agent of the City for the payment of the Bond Requirements due in connection with the Bonds, the registrar for the Bonds and for other administration of moneys pertaining to the Bonds and includes any successor Commercial Bank as paying agent.

"Paying Agent Agreement" means the agreement between the City and the Paying Agent.

"Person" means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State, or any other body corporate and politic other than the City), partnership, limited liability company, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

"Policy Costs" means repayment of draws under the Reserve Fund Insurance Policy, if any, plus all related reasonable expenses incurred by the Surety Provider, plus accrued interest thereon.

"Preliminary Official Statement" means the Preliminary Official Statement delivered in connection with the original issuance and sale of the Bonds.

"Project" means, the land, facilities and rights constructed, installed, purchased and otherwise acquired for the System, the cost of which is to be defrayed with a portion of the proceeds of the Bonds and which constitutes Capital Improvements.

"Project Fund" means the special fund designated as the "City and County of Broomfield, Colorado, Water Activity Enterprise Water Revenue Bonds, Series 2026, Project Fund" created pursuant to Section 401 hereof.

"Purchaser" means the original purchaser of the Bonds as specified in the Sale Certificate.

"Rating Agency" means each nationally recognized securities rating agency then maintaining a rating on the Bonds.

"Rebate Fund" means the special fund designated as the "City and County of Broomfield, Colorado, Water Activity Enterprise Water Revenue Bonds, Series 2026, Rebate Fund" created pursuant to Section 510 hereof.

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

"Redemption Date" means the date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from Net Pledged Revenues in any notice of prior redemption or otherwise fixed and designated by the City.

"Reserve Fund" means the special fund designated as the "City and County of Broomfield, Colorado, Water Activity Enterprise Water Revenue Bonds, Series 2026, Reserve Fund" created pursuant to Section 506 hereof, if such an account is required as specified in the Sale Certificate. The Reserve Fund shall secure only principal of and interest on the Bonds.

"Reserve Fund Insurance Policy" means any insurance policy, surety bond, irrevocable letter of credit or similar instrument deposited in or credited to the Reserve Fund in lieu of or in partial substitution for moneys on deposit therein.

"Reserve Fund Requirement" has the meaning ascribed to such term in the Sale Certificate.

"Sale Certificate" means the sale certificate of the City relating to the Bonds issued pursuant to the Supplemental Public Securities Act and described in Section 213 hereof.

"Special Record Date" means the record date for determining ownership of the Bonds for purposes of paying accrued but unpaid interest, as such date may be determined pursuant to this Ordinance.

"State" means the State of Colorado.

"Subordinate Securities" means securities or other obligations payable from the Net Pledged Revenues subordinate and junior to the lien thereon of the Bonds and any Parity Bonds.

"Supplemental Public Securities Act" means Part 2 of Article 57 of Title 11, C.R.S., as amended.

"Supplemental Reserve Fund" means the special fund designated as the "City and County of Broomfield, Colorado, Water Activity Enterprise Water Revenue Bonds, Series 2026, Supplemental Reserve Fund" created pursuant to Section 507 hereof, if such an account is required as specified in the Sale Certificate. Any Supplemental Reserve Fund shall secure only the principal and interest on the Bonds.

"Supplemental Reserve Fund Requirement" means the amount set forth in the Sale Certificate, if any, for deposit into the Supplemental Reserve Fund.

"Surety Provider" means the Insurer or any other entity issuing a Reserve Fund Insurance Policy with respect to the Bonds.

"System" means the City's system for the collection, treatment and discharge of water and consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the City, whether situated within or without the City boundaries, used in connection with such system of the City, and in any way appertaining thereto, including all present or future improvements, extensions, enlargements, betterments, replacements or additions thereof or thereto and administrative facilities

"Tax Compliance Certificate" means the federal tax compliance certificate executed by the City in connection with the initial issuance and delivery of the Bonds.

"Tax Code" means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and the regulations promulgated thereunder.

"Term Bonds" means Bonds that are payable on or before their specified maturing dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

"Trust Bank" means a Commercial Bank which is authorized to exercise and is exercising trust powers located within or without the State, and also means any branch of the Federal Reserve Bank.

"Water Enterprise Fund" means the special fund maintained by the City and designated as the "Water Enterprise Fund".

"2021 Bond Ordinance" means Ordinance No. 2157 adopted by the City Council on September 16, 2021, authorizing the issuance of the 2021 Bonds.

"2021 Bonds" means City's Water Activity Enterprise Water Revenue Bonds, Series 2021, issued pursuant to the 2021 Bond Ordinance.

B. City-Held Securities. Any securities payable from any Net Pledged Revenues held by the City shall not be deemed to be Outstanding for the purpose of redemption nor Outstanding for the purpose of consents hereunder or for any other purpose herein, except for payment.

Section 102. Parties Interested Herein. Nothing herein expressed or implied confers any right, remedy or claim upon any Person, other than the City, the Council, the Paying Agent, the Insurer, the Surety Provider, the Owners of the Bonds and the Owners of any Parity Bonds or other securities payable from the Net Pledged Revenues when reference is expressly made thereto. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Council, the Paying Agent, the Insurer, the Surety Provider, the Owners of the Bonds and the Owners of any such other securities in the event of such a reference.

Section 103. Ratification; Approval of Documents. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Council, the officers of the City and otherwise taken by the City directed toward the Project and the sale and delivery of the Bonds for such purposes, be, and the same hereby is, ratified, approved and confirmed.

Section 104. Repealer. All bylaws, orders, resolutions, ordinances or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any such bylaw, order, resolution or ordinance, or part thereof, heretofore repealed. All rules of the Council, if any, which might prevent the final passage and adoption of this Ordinance are hereby suspended.

Section 105. Severability. If any section, subsection, paragraph, clause or other provision of this Ordinance for any reason is invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance.

Section 106. Ordinance Irrepealable. After any of the Bonds are issued, this Ordinance shall constitute an irrevocable contract between the City and the Owner or Owners of the Bonds and this Ordinance shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled, and discharged, except as herein otherwise provided.

Section 107. Conclusive Recitals. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, the Bonds shall contain a recital that they are issued pursuant to the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 108. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the City in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Ordinance, shall be commenced more than thirty days after the authorization of the Bonds.

ARTICLE II
DETERMINATION OF THE CITY'S AUTHORITY AND OBLIGATIONS; APPROVAL OF RELATED DOCUMENTS; AND ELECTION TO APPLY SUPPLEMENTAL PUBLIC SECURITIES ACT TO THE BONDS

Section 201. Authorization. The Bonds are issued in accordance with the Constitution and laws of the State, the Charter and the provisions of this Ordinance, specifically the Supplemental Public Securities Act; Title 37, Article 45.1, C.R.S., and all other laws of the State thereunto enabling. For the purpose of defraying the cost of the Project, the City hereby authorizes the Bonds to be issued in the aggregate principal amount provided in the Sale Certificate as approved by the City Manager or the Director of Finance, subject to the parameters and restrictions contained in this Ordinance.

Section 202. Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Owners of any and all of the Outstanding Bonds and any Outstanding Parity Bonds heretofore or hereafter authorized and issued, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of such securities over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

Section 203. Special Obligations. All of the Bond Requirements of the Bonds and the Policy Costs shall be payable and collectible solely out of the Net Pledged Revenues which revenues are so pledged; the Owner or Owners of the Bonds and the Surety Provider may not look to any general or other fund for the payment of such Bond Requirements, except the herein designated special funds pledged therefor; the Bonds and the Policy Costs shall not constitute an indebtedness or a debt within the meaning of any constitutional, or statutory provision or limitation; and the Bonds and the Policy Costs shall not be considered or held to be general obligations of the City but shall constitute its special obligations. No statutory, Charter, or constitutional provision enacted after the issuance of the Bonds shall in any manner be construed as limiting or impairing the obligation of the City to comply with the provisions of this Ordinance or to pay the Bond Requirements of the Bonds and the Policy Costs as herein provided.

Section 204. Character of Agreement. None of the covenants, agreements, representations and warranties contained herein or in the Bonds shall ever impose or shall be construed as imposing any liability, obligation or charge against the City (except the special funds pledged therefor), or against its general credit, or as payable out of its general fund or out of any funds derived from taxation or out of any other revenue source (other than those pledged therefor).

Section 205. No Pledge of Property. The payment of the Bonds and the Policy Costs is not secured by an encumbrance, mortgage or other pledge of property of the City, except for the Net Pledged Revenues and other moneys pledged for the payment of the Bond Requirements of the Bonds. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds or the Policy Costs.

Section 206. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Bonds or the Policy Costs or for any claim based thereon or otherwise upon this Ordinance or any other ordinance pertaining hereto, against any individual member of the Council or any officer, employee or other agent of the City, past, present or future, either directly or indirectly through the Council, or the City, or otherwise, whether by virtue of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bonds and as part of the consideration of their issuance specially waived and released.

Section 207. Authorization of the Project. The Council, on behalf of the City, does hereby determine to undertake the Project, which is hereby authorized, and the proceeds of the Bonds shall be used therefor.

Section 208. Enterprise Status. The Council, on behalf of the City, hereby confirms its determination that the System is an "enterprise" for the purposes of Article X, Section 20 of the State Constitution and Title 37 Article 45.1, C.R.S.

Section 209. Sale of Bonds. The Bonds shall be sold by negotiated sale to the Purchaser. Pursuant to the Supplemental Public Securities Act, the Council hereby delegates to the City

Manager or the Director of Finance the authority to execute the Bond Purchase Agreement and the Sale Certificate with respect to the sale of the Bonds.

Section 210. Official Statement. The preparation and use of the Preliminary Official Statement and of the final Official Statement are hereby authorized. The Director of Finance is hereby authorized to approve, on behalf of the City, the Official Statement. The execution of the Official Statement by the Director of Finance shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

Section 211. Paying Agent. The Council hereby determines to approve the Paying Agent Agreement in substantially the form as is on file with the City Clerk. The Paying Agent may resign at any time on 30 days' prior written notice to the City. The City may remove the Paying Agent upon 30 days' prior written notice to the Paying Agent. If the Paying Agent appointed thereunder shall resign, or if the City shall determine to remove the Paying Agent, then the City may appoint a successor Paying Agent, upon notice sent to each owner of any Bond at his address last shown on the registration records maintained by the Paying Agent or by electronic means to DTC or its successor. No resignation or dismissal of the Paying Agent may take effect until a successor has been appointed and has accepted the duties of the Paying Agent. Every such successor Paying Agent shall be a Commercial Bank.

Section 212. Other Related Documents. The forms, terms and provisions of, and the performance by the City of its obligations under the Preliminary Official Statement, the Paying Agent Agreement, and the Continuing Disclosure Certificate are hereby approved, and the Mayor or Mayor pro-tem and the City Clerk or Deputy City Clerk are hereby authorized and directed to execute each of such documents on behalf of and in the name of the City, and to deliver each of such documents, in substantially the form on file with the City Clerk, with such changes as are not inconsistent herewith. The Mayor, the City Manager or the Director of Finance are hereby authorized to execute and deliver any Insurance Agreement as may be required by an Insurer relating to the issuance of the Insurance Policy or a Surety Provider relating to the Reserve Fund Insurance Policy. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof.

Section 213. Elections to Apply Supplemental Public Securities Act to the Bonds. Pursuant to Section 11-57-204 of the Supplemental Public Securities Act, a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Public Securities Act. The Council hereby elects to apply all of the provisions of the Supplemental Public Securities Act to the Bonds. Pursuant to Section 11-57-205 of the Supplemental Public Securities Act, the Council hereby delegates to the City Manager or the Director of Finance the authority to make the following determinations with respect to the Bonds, subject to the parameters and restrictions contained in this Ordinance, without any requirement that the Council approve such determinations:

(i) Interest Rate. The net effective rate of interest to be borne by the Bonds, which shall not exceed 5.50%.

(ii) Redemption Provisions. The prior redemption provisions of the Bonds, provided that the Bonds shall be subject to optional redemption prior to maturity not later than December 1, 2036 at a redemption price not to exceed 100%.

(iii) Purchase Price. The price at which the Bonds will be sold to the Purchaser, provided that the purchase price of the Bonds shall not be less than 98% of the aggregate principal amount of the Bonds.

(iv) Principal Amount. The aggregate principal amount of the Bonds, provided that such principal amount shall not exceed $80,000,000.

(v) Maturity Schedule. The amount of principal of and interest on the Bonds maturing, or subject to mandatory sinking fund redemption in any particular year; provided that the maximum annual repayment cost shall not exceed $5,900,000 and the maximum total repayment cost shall not exceed $120,000,000.

(vi) Term of the Bonds. The Bonds shall not mature later than December 1, 2047.

(vii) Capitalized Interest. The existence and amount of any capitalized interest on the Bonds.

(viii) Reserve Fund. The amount to be deposited in the Reserve Fund, if any.

(ix) Supplemental Reserve Fund. The amount to be deposited in the Supplemental Reserve Fund, if any.

(x) Bond Insurance. Whether the Bonds will be secured by an Insurance Policy or a Reserve Fund Insurance Policy and the terms of any agreement with the provider of such Insurance Policy or Reserve Fund Insurance Policy.

Such determinations shall be evidenced by the Sale Certificate signed by the City Manager or the Director of Finance dated and delivered as of the Closing Date, which shall not be more than one year from the date of adoption of this Ordinance. If the City shall determine to not obtain an Insurance Policy to secure the payment of principal of and interest on the Bonds, or not to obtain a Reserve Fund Insurance Policy, any references to the Insurer, the Insurance Policy, the Reserve Fund Insurance Policy, the Surety Provider, Policy Costs, the Insurance Agreement, or other provisions relating to bond insurance shall be of no force or effect.

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 301. Bond Details.

A. Basic Provisions. The Bonds shall be issued in fully registered form (i.e. registered as to payment of both principal and interest), in denominations of $5,000 or any integral multiple thereof. The Bonds shall be lettered “R” and shall be numbered separately from 1 upward. The Bonds shall be dated as of the date of their delivery. The Bonds shall mature on December 1, in the years and amounts and subject to prior redemption as set forth herein and in the Sale Certificate. The Bonds shall bear interest from the most recent interest payment date to which interest has been paid, or if no interest has been paid, from their date until their respective maturities (or prior redemption) at the rates set forth in the Sale Certificate. No interest shall accrue on any Bonds owned by or on behalf of the City. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on each June 1 and December 1, commencing on the date provided in the Sale Certificate.

B. Payment of Bonds. The principal of each Bond shall be payable at the principal corporate trust office of the Paying Agent, or at such other office as the Paying Agent directs in writing to the Owners of the Bonds, or at the principal office of its successor, upon presentation and surrender of the Bond. Payment of interest on any Bond shall be made to the Owner thereof by the Paying Agent on or before each interest payment date, (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to such Owner at his or her address as it appears on the registration records kept by the Paying Agent on the Record Date; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date and the date fixed for payment of such defaulted interest shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owners not less than ten days prior to the Special Record Date by first-class mail to each such Owner as shown on the Paying Agent’s registration books on a date selected by the Paying Agent, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Paying Agent. If any Bond is not paid upon its presentation and surrender at or after its maturity or prior redemption, interest shall continue at its stated rate per annum until the principal thereof is paid in full. All such payments shall be made in lawful money of the United States of America.

Section 302. Execution of Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor, shall be sealed with the corporate seal of the City or a facsimile thereof thereunto affixed, imprinted, engraved or otherwise reproduced and shall be attested by the manual or facsimile signature of the City Clerk. Any Bond may be signed (manually or by facsimile), sealed or attested on behalf of the City by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of authentication, issuance or delivery, such person may have ceased to hold such office. The Mayor and the City Clerk may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears on any of the Bonds. Before the execution of any Bond, the Mayor and the City Clerk shall each file with the Colorado Secretary of State his or her manual signature certified by him or her under oath.

Section 303. Authentication Certificate. The authentication certificate upon the Bonds shall be substantially in the form and tenor provided in the form of the Bonds set forth in Section 309 hereof. No Bond shall be secured hereby or entitled to the benefit hereof, nor shall any Bond be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Paying Agent and such certificate of the Paying Agent upon any Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The certificate of authentication shall be deemed to have been duly executed by the Paying Agent if manually signed by an authorized officer or employee of the Paying Agent, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds.

Section 304. Registration and Payment. The Paying Agent shall keep or cause to be kept sufficient records for the registration and transfer of the Bonds, which shall at all times be open to inspection by the City. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said records, Bonds as herein provided. Except as provided in Section 306 hereof, the Person in whose name any Bond shall be registered on the registration records kept by the Paying Agent shall be deemed and regarded as the absolute owner thereof for the purpose of making payment of the Bond Requirements thereof and for all other purposes; and payment of or on account of the Bond Requirements of any Bond shall be made only to the Owner thereof or his or her legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid. The foregoing provisions of this Section are subject to the provisions of Section 307 hereof.

Section 305. Transfer and Exchange. Any Bond may be transferred upon the records required to be kept pursuant to the provisions of Section 304 hereof by the Person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Whenever any Bond or Bonds shall be surrendered for transfer, the Paying Agent shall authenticate and deliver a new Bond or Bonds for a like aggregate principal amount and of the same maturity and interest rate and of any authorized denominations. The Bonds may be exchanged by the Paying Agent for a like aggregate principal amount of Bonds of the same maturity and interest rate and of other authorized denominations. The execution by the City of any Bond of any denomination shall constitute full and due authorization of such denomination and the Paying Agent shall thereby be authorized to authenticate and deliver such Bond.

The Paying Agent shall not be required to transfer or exchange (a) any Bond subject to redemption during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day such notice is mailed, or (b) any Bond so selected for redemption in whole or in part after the mailing of notice calling such Bond or any portion thereof for prior redemption except the unredeemed portion of Bonds being redeemed in part.

The Paying Agent shall require the payment by any Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and may charge a sum sufficient to pay the cost of preparing each new Bond upon each exchange or transfer and any other expenses of the City or the Paying Agent incurred in connection therewith.

The foregoing provisions of this Section are subject to the provisions of Section 307 hereof.

Section 306. Bond Replacement. Upon receipt by the City and the Paying Agent of evidence satisfactory to them of the ownership of and the loss, theft, destruction or mutilation of any Bond and, in the case of a lost, stolen or destroyed Bond, of indemnity satisfactory to them, and in the case of a mutilated Bond upon surrender and cancellation of the Bond, (a) the City shall execute and the Paying Agent shall authenticate and deliver a new Bond of the same date, interest rate and denomination in lieu of such lost, stolen, destroyed or mutilated Bond, or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the City may pay such Bond. Any such new Bond shall bear a number not previously assigned. The applicant for any such new Bond may be required to pay all expenses and charges of the City and of the Paying Agent in connection with the issuance of such Bond. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

Section 307. Custodial Deposit.

A. Depository. Notwithstanding any contrary provision of this Ordinance, the Bonds initially shall be evidenced by one Bond of the same maturity and interest rate in denominations equal to the aggregate principal amount of the Bonds of the same maturity and interest rate. Such initially delivered Bonds shall be registered in the name of “Cede & Co.” as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:

(1) to any successor of The Depository Trust Company or its nominee, which successor must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended; or

(2) upon the resignation of The Depository Trust Company or a successor or new depository institution under clause (1) or this clause (2) of this paragraph A, or a determination by the Council that The Depository Trust Company or such successor or a new

depository institution is no longer able to carry out its functions, and the designation by the Council of another depository institution acceptable to the Council and to the depository then holding the Bonds, which new depository must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor new depository institution; or

(3) upon the resignation of The Depository Trust Company or a successor or new depository institution under clause (1) above or designation of a new depository institution pursuant to clause (2) above, or a determination of the Council that The Depository Trust Company or such successor or depository institution is no longer able to carry out its functions, and the failure by the Council, after reasonable investigation, to locate another depository institution under clause (2) to carry out such depository institution functions.

B. Successor. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) or (2) of paragraph A hereof, upon receipt of the outstanding Bonds by the Paying Agent together with written instructions for transfer satisfactory to the Paying Agent, a new Bond for each maturity and interest rate of the Bonds then outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of paragraph A hereof and the failure after reasonable investigation to located another qualified depository institution for the Bonds as provided in clause (3) of paragraph A hereof, and upon receipt of the outstanding Bonds by the Paying Agent, together with written instructions for transfer satisfactory to the Paying Agent, new Bonds shall be issued in authorized denominations as provided in and subject to the limitations of Sections 301, 304, and 305 hereof, registered in the names of such Persons, as are requested in such written transfer instructions; however, the Paying Agent shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. Absolute Owner. The Council and the Paying Agent shall be entitled to treat the Owner of any Bond as the absolute owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Council and the Paying Agent shall have no responsibility for transmitting payments or notices to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to paragraph A hereof.

D. Payment. The Council and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of paragraph A hereof in effectuating payment of the principal amount of the Bonds upon maturity or prior redemption by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

E. Redemption. Upon any partial redemption of any maturity and interest rate of the Bonds, Cede & Co. (or its successor) in its discretion may request the City to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Paying Agent prior to payment. The records of the Paying Agent shall govern in the case of any dispute as to the amount of any partial prepayment made to Cede & Co. (or its successor).

Section 308. Bond Cancellation. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled and destroyed by the Paying Agent in accordance with its customary practices and applicable retention laws.

Section 309. Bond Form. Subject to the provisions of this Ordinance, the Bonds shall be in substantially the following forms, with such omissions, insertions, endorsements and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Ordinance, be consistent with this Ordinance or be necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(FORM OF BOND)

Unless this 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 BROOMFIELD

CITY AND COUNTY OF BROOMFIELD, COLORADO
WATER ACTIVITY ENTERPRISE
WATER REVENUE BOND
SERIES 2026

No. R- $___________

INTEREST RATE	MATURITY DATE	DATED AS OF	CUSIP
______%	December __, 20__	[Date of Delivery]	_________

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ____ DOLLARS

The City and County of Broomfield (the "City"), for value received, hereby promises to pay to the registered owner specified above, or registered assigns, upon the presentation and surrender of this bond, solely from the special funds provided therefor, as hereinafter set forth, the principal amount set forth above on the maturity date specified above (unless this bond shall have been called for prior redemption, in which case on the Redemption Date) and to pay solely from such special funds interest hereon at the interest rate per annum specified above, payable semiannually on June 1 and December 1 in each year, beginning on __________, until the principal amount is paid or payment has been provided for, as described in an ordinance adopted by the City Council of the City on October 28, 2025 (the "Ordinance"). This is one of an authorized series of bonds issued under the Ordinance (the "Bonds"). The Bonds are all issued under and equally and ratably secured by and entitled to the security of the Ordinance. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the Ordinance. This Bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Ordinance.

Reference is made to the Ordinance and to all Ordinances supplemental thereto, with respect to the nature and extent of the security for the Bonds, the accounts, funds or revenues pledged, rights, duties and obligations of the City, the Paying Agent and the Insurer, the Surety Provider, the rights of the Owners of the Bonds, the events of defaults and remedies, the circumstances under which any Bond is no longer Outstanding, the issuance of additional bonds and the terms on which such additional bonds may be issued under and secured by the Ordinance, the ability to amend the Ordinance, and to all the provisions of which the Owner hereof by the acceptance of this Bond assents.

THE BONDS ARE ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE OF COLORADO, AND PURSUANT TO THE ORDINANCE. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, SECURED BY THE NET PLEDGED REVENUES. THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION DEBT OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE CITY, THE STATE NOR ANY OF THE POLITICAL SUBDIVISIONS THEREOF IS LIABLE THEREFOR. NEITHER THE MEMBERS OF THE CITY COUNCIL OF THE CITY NOR ANY PERSONS EXECUTING THIS BOND SHALL BE PERSONALLY LIABLE FOR THIS BOND.

It is certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the Constitution of the State, and with the Ordinance and any ordinances supplemental thereto; and that this Bond does not contravene any Constitutional or statutory limitation.

This Bond is one of a series of bonds issued pursuant to the Bond Ordinance (the "Bond Ordinance") designated as the "City and County of Broomfield, Colorado, Water Activity Enterprise Water Revenue Bonds, Series 2026" (the "Bonds") in the aggregate principal amount of $[________]. The Bonds have been duly authorized for the purpose of providing moneys to defray a portion of the cost of extending, bettering or otherwise improving and equipping the System, (the "System").

The bonds of the series of which this bond is one are issued under the authority of the City Charter; Title 37, Article 45.1, C.R.S.; and Title 11, Article 57, Part 2, C.R.S., and in full conformity therewith. Pursuant to Section 11-57-210, C.R.S., this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds and the Bonds shall be incontestable for any cause whatsoever after their delivery for value.

Payment of the principal of and interest of the Bonds shall be made solely from the Net Pledged Revenues. The Net Pledged Revenues are irrevocably (but not exclusively) pledged as security for such payment pursuant to the Ordinance.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the certificate of authentication hereon shall have been duly executed by the Paying Agent.

IN WITNESS WHEREOF, the City has caused this Bond to be signed and executed in its name and upon its behalf with the facsimile signature of its Mayor, has caused the facsimile of the seal of the City to be affixed hereon and has caused this Bond to be signed, executed and attested with the facsimile signature of its City Clerk, all as of the date specified above.

By ____________________________ (For Facsimile Signature)
MAYOR

(FACSIMILE SEAL)

Attest:

___________________________ (For Facsimile Signature)
OFFICE OF THE CITY CLERK

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within mentioned Ordinance.

UMB BANK, N.A., as Paying Agent

By ____________________________
Authorized Signatory

Date of Authentication and Registration: ___________________

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

(FORM OF ASSIGNMENT)

ASSIGNMENT

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

Dated: __________________________ Signed:_________________________

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever. The signature must be guaranteed by an eligible guarantor institution as defined in 17 CFR § 240.17 Ad-15(a)(2).

Signature Guaranteed:

____

Signature must be guaranteed by a member of a Medallion Signature Program.
Address of Transferee:

____
____
____

Social Security or other tax identification number of transferee:

____

TRANSFER FEES MAY BE CHARGED

(END OF FORM OF ASSIGNMENT)

(FORM OF PREPAYMENT PANEL)

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid in accordance with the terms of the Ordinance.

Date of Prepayment	Principal Prepaid	Signature of Authorized Representative of DTC

(END OF FORM OF PREPAYMENT PANEL)

(END OF FORM OF BOND)

Section 310. Optional Redemption. The Bonds will be subject to redemption, if any, at the option of the City in the time and manner, in the amounts and at the prices, and from the funds all as set forth in the Sale Certificate.

Notwithstanding the foregoing, the Bonds may not be redeemed pursuant to this Section unless all Policy Costs, if any, due and owing at the time to the Surety Provider have been paid.

Section 311. Mandatory Sinking Fund Redemption. The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times, in the amounts and at the prices provided in the Sale Certificate.

On or before the thirtieth day prior to each such sinking fund payment date, the Paying Agent shall proceed to call the Term Bonds, if any, as provided in the Sale Certificate (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next December 1, and give notice of such call without further instruction or notice from the City.

At its option, to be exercised on or before the sixtieth day next preceding each such sinking fund Redemption Date, the City may (a) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Term Bonds of the maturity and interest rate subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Paying Agent and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond so delivered or previously redeemed will be credited by the Paying Agent at the principal amount thereof against the obligation of the City on such sinking fund date and such sinking fund obligation will be accordingly reduced. The City will on or before the sixtieth day next preceding each sinking fund Redemption Date furnish the Paying Agent with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding sentence are to be availed with respect to such sinking fund payment. Failure of the City to deliver such certificate shall not affect the Paying Agent's duty to give notice of sinking fund redemption as provided in this paragraph.

Section 312. Partial Redemption. In the case of Bonds of a denomination larger than $5,000, a portion of such Bond ($5,000 or any integral multiple thereof) may be redeemed, in which case the Paying Agent shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof.

Section 313. Notice of Prior Redemption. Notice of optional or mandatory redemption shall be given by the Paying Agent in the name of the City by sending a copy of such notice by first-class, postage prepaid mail, or by electronic means to DTC or its successors, not more than sixty nor less than thirty days prior to the Redemption Date to each Owner at his address as it last appears on the registration books kept by the Paying Agent; but neither failure to give such notice nor any defect therein shall affect the redemption of any Bond. Such notice shall identify the Bonds to be so redeemed (if less than all are to be redeemed) and the Redemption Date, and shall further state that on such Redemption Date there will become and be due and payable upon each Bond so to be redeemed, at the principal office of the Paying Agent, the principal amount thereof, accrued interest to the Redemption Date, and the stipulated premium, if any, and that from and after such date interest will cease to accrue. Notice having been given in the manner hereinabove provided, the Bond or Bonds so called for redemption shall become due and payable on the Redemption Date so designated; and upon presentation thereof at the principal office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption. No further interest shall accrue on the principal of any such Bond called for redemption from and after the Redemption Date, provided sufficient funds are deposited with the Paying Agent and available on the Redemption Date.

Notwithstanding the provisions of this Section, any notice of redemption shall either (a) contain a statement that the redemption is conditioned upon the receipt by the Paying Agent on or before the Redemption Date of funds sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the Owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed, or (b) be given only if funds sufficient to pay the redemption price of the Bonds so called for redemption are on deposit with the Paying Agent in the applicable fund or account.

Section 314. Bonds Owned by the City. Bonds owned by or on behalf of the City shall not be subject to redemption. At any time the City may surrender any Bonds owned by or on behalf of the City to the Paying Agent, which shall promptly cancel such Bonds.

Section 315. No Partial Redemption After Default. Anything in this Ordinance to the contrary notwithstanding, if there shall have occurred and is continuing an Event of Default hereunder of which an officer of the Paying Agent has actual knowledge, there shall be no redemption of less than all of the Bonds at the time Outstanding (other than pursuant to Section 402 hereof).

ARTICLE IV
USE OF BOND PROCEEDS AND OTHER MONEYS

Section 401. Disposition of Bond Proceeds.

A. The proceeds of the Bonds (net of underwriting discount), upon the receipt thereof, shall be accounted for in the following manner and priority:

(i) Reserve Fund. An amount equal to the portion of the Reserve Fund Requirement as described in the Sale Certificate, if any, shall be credited to the special and separate fund hereby created and to be known as the “City and County of Broomfield, Colorado, Water Activity Enterprise Water Revenue Bonds, Series 2026 Reserve Fund.”

(ii) Project Fund. The remaining proceeds derived from the sale of the Bonds shall be credited to the special and separate account hereby created and to be known as the “City and County of Broomfield, Colorado, Water Activity Enterprise Water Revenue Bonds, Series 2026 Project Fund.” Except as otherwise provided herein, the moneys in the Project Fund shall be used solely for the purpose of paying the Cost of the Project and for the purposes set forth in Section 502 hereof.

Section 402. Payment of Expenses. Moneys deposited in the Project Fund pursuant to Section 501 hereof may be used and paid out by the City to defray the administrative costs of the Project, including, without limitation, amounts to be paid to the Paying Agent, legal fees, accounting fees, financial advisory fees, printing costs and rating fees. The City may defray any such administrative costs from time to time as Operation and Maintenance Expenses to the extent the moneys deposited in the Project Fund pursuant to Section 501 hereof are insufficient therefor.

Section 403. Completion of Project. When the Project is completed in accordance with the relevant plans and specifications and all amounts due therefor, including all proper incidental expenses and all administrative costs of the Project referred to in Section 502 hereof, are paid, or for which full provision is made, the Director of Finance, to the extent permitted by the Tax Compliance Certificate, shall cause all surplus moneys remaining in the Project Fund, if any, except for any moneys designated in the certificate to be retained to pay any unpaid accrued costs or contingent obligations, to be transferred as follows: (a) to the Rebate Fund so as to enable the City to comply with requirements of the Tax Compliance Certificate with respect to the Bonds, (b) to the Reserve Fund to such extent as shall not cause the amount in the Reserve Fund to exceed the Reserve Fund Requirement and (c) to the Bond Fund to the extent of any remaining balance of such moneys to be applied against the next principal payment or payments coming due on the Bonds. Nothing herein prevents the transfer from the Project Fund to the Bond Fund, at any time prior to the termination of the Project Fund, of any moneys which the Director of Finance by certificate determines will not be necessary for the Project and will not be designated to be transferred to the Rebate Fund.

Section 404. Lien on Bond Proceeds. Until the proceeds of the Bonds deposited in the Project Fund are applied as herein provided, such Bond proceeds are subject to a lien thereon and pledge thereof for the benefit of the Owners of the Outstanding Bonds as provided in Section 501 hereof.

Section 405. Purchaser Not Responsible. The validity of the Bonds is not dependent upon nor affected by the validity or regularity of any proceedings relating to the application of the Bond proceeds. The Purchaser and any subsequent Owners of any of the Bonds are not responsible for the application or disposal by the City or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

ARTICLE V
ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES

Section 501. Pledge Securing Bonds. Subject only to the right of the City to cause amounts to be withdrawn and paid on account of Operation and Maintenance Expenses of the System, the Gross Pledged Revenues and, subject to the right of the City to cause amounts to be withdrawn to pay the Cost of the Project as provided herein and other than moneys and securities held in the Rebate Fund to the extent such amounts are required to be paid to the United States, all moneys and securities paid or to be paid to or held or to be held in any fund or account under this Article or under Section 501 hereof are hereby pledged, and a lien thereon is hereby created, to secure the payment of the Bond Requirements of the Outstanding Bonds and to secure the obligations of the City to pay the Policy Costs. The pledge of the Net Pledged Revenues to secure the payment of the Bond Requirements of the Outstanding Bonds and the Parity Bonds is on a parity with the pledge of the Net Pledged Revenues for, and lien thereon of the Parity Bonds heretofore issued and any other Parity Bonds hereafter issued in compliance with the provisions of Article VII hereof. The pledge of Net Pledged Revenues to secure the payment of the Policy Costs is subordinate only to the pledge to pay the Bond Requirements with respect to the Bonds and any Parity Bonds. The pledge of the Net Pledged Revenues and the funds or accounts as described in this section shall be valid and binding from and after the date of the delivery of the Bonds, and the moneys as received by the City and hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act. The lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the City except any Outstanding Parity Bonds heretofore or hereafter authorized and any Policy Costs as provided herein. The lien of the pledge of the Net Pledged Revenues and the funds or accounts as described in this section shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City (except as herein otherwise provided) irrespective of whether such parties have notice thereof.

Section 502. Water Enterprise Fund Deposits. So long as any of the Bonds or any Parity Bonds shall be Outstanding, as to any Bond Requirements and Policy Costs related to the Bonds or any Parity Bonds, the entire Gross Pledged Revenues, upon their receipt from time to time by the City, shall be set aside and credited immediately to the special and separate account previously created and known as the “City of Broomfield, Enterprise Water Revenue Bonds, Water Enterprise Fund.”

Section 503. Administration of Water Enterprise Fund. So long as any of the Bonds or any Parity Bonds shall be Outstanding, as to any Bond Requirements and Policy Costs related to the Bonds or any Parity Bonds, the following payments shall be made from the Water Enterprise Fund, as provided in Sections 504 through 511 hereof.

Section 504. Operation and Maintenance Expenses. First, as a first charge on the Water Enterprise Fund, from time to time there shall continue to be held therein moneys sufficient to pay Operation and Maintenance Expenses, as they become due and payable, and thereupon they shall be promptly paid. Any surplus remaining in the Water Enterprise Fund at the end of the Fiscal Year and not needed for Operation and Maintenance Expenses shall be used for other purposes of the Water Enterprise Fund as herein provided.

Section 505. Bond Fund Payments. Second, from any remaining Net Pledged Revenues, there shall be credited, concurrently with each other and with amounts required to meet the Bond Requirements with respect to any Outstanding Parity Bonds, to the special and separate accounts hereby created and to be known as the "City and County of Broomfield, Colorado, Water Activity Enterprise Water Revenue Bonds, Series 2026, Bond Fund," the following amounts:

A. Interest Payments. Monthly to the Bond Fund, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, or commencing on the first day of the month six months next prior to the first interest payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the interest due and payable on the Outstanding Bonds on the next succeeding interest payment date.

B. Principal Payments. Monthly to the Bond Fund, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, or commencing on the first day of the month one year next prior to the first principal payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the principal and redemption premium, if any, due and payable on the Outstanding Bonds on the next succeeding principal payment date.

If prior to any interest payment date or principal payment date, there has been accumulated in the Bond Fund the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in paragraph A or B (whichever is applicable) of this Section 505 may be appropriately reduced; but the required annual amounts again shall be so credited to such account commencing on such interest payment date or principal payment date.

The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds then Outstanding, as such Bond Requirements become due, except as provided in Sections 508 and 1201 hereof.

Section 506. Reserve Fund Payments. In satisfaction of the Reserve Fund Requirement, upon delivery of the Bonds, and if so provided in the Sale Certificate, either proceeds of the Bonds, cash or a Reserve Fund Insurance Policy in the amount of the Reserve Fund Requirement being provided by Surety Provider shall be deposited in the special and separate fund hereby created and to be known as the "City and County of Broomfield, Colorado, Water Activity

Enterprise Water Revenue Bonds, Series 2026, Reserve Fund". The proceeds of the Bonds, cash or a Reserve Fund Insurance Policy shall be credited to Reserve Fund as provided in the Sale Certificate. Any Reserve Fund Insurance Policy shall be held by the Paying Agent. Any Reserve Fund Insurance Policy deposited to the credit of the Reserve Fund shall be valued at the amount available to be drawn or otherwise paid pursuant to such Reserve Fund Insurance Policy at the time of calculation. The Paying Agent shall maintain adequate records as to the amount available to be drawn at any time under the Reserve Fund Insurance Policy and as to the amounts, of which it has knowledge, of Policy Costs paid and owing to the Surety Provider. Such records shall be open to inspection and verification by the Surety Provider during business hours of the Paying Agent.

Upon the execution and delivery of the Bonds, there shall be deposited to the Reserve Fund, if a Reserve Fund is required and set forth in the Sale Certificate, and in the amount set forth in the Sale Certificate, from proceeds of the Bonds or a Reserve Fund Insurance Policy. Moneys on deposit in the Reserve Fund shall only be used to pay debt service on the Bonds to the extent of any deficiency in the Bond Fund or may be applied to the defeasance of the Bonds. Moneys shall be drawn from the Reserve Fund only after amounts on deposit in the Supplemental Reserve Fund have been exhausted.

Thereafter, third, except as provided in Section 508 and 509 hereof, and concurrently with any payments required to be made pursuant to any Parity Bond Ordinances with respect to any reserve funds which may be, but are not required to be, established thereby and concurrently with any repayment or similar obligations payable to any surety provider issuing any reserve fund insurance policy with respect to any Parity Bonds, from any moneys remaining in the Water Enterprise Fund there shall be credited to the Reserve Fund monthly, commencing on the first day of the month next succeeding each date on which the moneys accounted for in the Reserve Fund for any reason are less than the Reserve Fund Requirement, such amounts in substantially equal monthly payments on the first day of each month to re-accumulate the Reserve Fund Requirement by not more than 12 such monthly payments. If a Reserve Fund Insurance Policy is on deposit in the Reserve Fund to fund all or a part of the Reserve Fund Requirement, the amounts payable into the Reserve Fund pursuant to the immediately preceding sentence shall be paid by the City first to the Surety Provider to reimburse it for Policy Costs due and owing and second to replenish cash in the Reserve Fund. If there are insufficient Net Pledged Revenues to comply with the requirements of the first sentence of this paragraph, available Net Pledged Revenues shall be credited or paid to the Reserve Fund and to reserve funds which may be established by any Parity Bond Ordinances (or to the Surety Provider or any other surety provider issuing any reserve fund insurance policy with respect to any Parity Bonds) pro rata, based upon the aggregate principal amount of the Bonds and any such Parity Bonds then Outstanding; provided, however, that compliance with the provisions of this sentence shall not cure any Event of Default caused by non-compliance with the first sentence of this paragraph. If there are insufficient Net Pledged Revenues to comply with the requirements of the first sentence of this paragraph and more than one Reserve Fund Insurance Policy is on deposit in the Reserve Fund, available Net Pledged Revenues credited to or paid to the Reserve Fund shall be applied to reimburse the

Surety Provider and any other surety provider providing a Reserve Fund Insurance Policy pro rata, based upon the original amount available to be drawn on each. The Reserve Fund Requirement shall be accumulated and, if necessary, re-accumulated from time to time, in the Reserve Fund from Net Pledged Revenues, except to the extent other moneys are credited to the Reserve Fund, and maintained as a continuing reserve to be used, except as hereinafter provided in Sections 508, 509, 604 and 1201 hereof, only to prevent deficiencies in the payment of the Bond Requirements of the Bonds Outstanding from time to time from the failure to deposit into the Bond Fund sufficient moneys to pay such Bond Requirements as the same accrue and become due. No payment need be made into the Reserve Fund at any time so long as the moneys and/or the Reserve Fund Insurance Policy therein equal not less than the Reserve Fund Requirement and there are no Policy Costs due and owing. Unless otherwise provided in the Sale Certificate, the Reserve Fund Requirement shall be re-calculated upon (i) any principal payment, whether at stated maturity or upon redemption, or (ii) the defeasance of all or a portion of the Bonds.

The City may at any time substitute (a) cash or Investment Securities for a Reserve Fund Insurance Policy or (b) a Reserve Fund Insurance Policy for cash or Investment Securities, so long as the amount on deposit in the Reserve Fund after such substitution is at least equal to the Reserve Fund Requirement. Notwithstanding the foregoing, no Reserve Fund Insurance Policy shall be deposited by the City in the Reserve Fund for such substitution unless the City has received an opinion of Bond Counsel to the effect that such substitution and the intended use by the City of the cash or Investment Securities to be released from the Reserve Fund will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

Section 507. <u>Supplemental Reserve Fund</u>. Moneys in the Supplemental Reserve Fund, if such a fund is required and funded in an amount set forth in the Sale Certificate, shall held by the Paying Agent, and utilized, if necessary, only to prevent a default in the payment of the principal of, premium, if any, and interest on the Bonds when due, (including on any mandatory sinking fund redemption date or at final maturity) and the Supplemental Reserve Fund is pledged to the payment of the Bonds for such purpose.

Fourth, except as provided in Section 508 and 509 hereof, and concurrently with any payments required to be made pursuant to any Parity Bond Ordinances with respect to any supplemental reserve funds which may be, but are not required to be, established thereby, from any moneys remaining in the Water Enterprise Fund there shall be credited to the Supplemental Reserve Fund monthly, commencing on the first day of the month next succeeding each date on which the moneys accounted for in the Supplemental Reserve Fund are less than the Supplemental Reserve Fund Requirement, such amounts as is necessary to fund the Supplemental Reserve Fund to the Supplemental Reserve Fund Requirement. Any draws on the Supplemental Reserve Fund shall be replenished in the same manner as described in Section 5.06 above with respect to replenishment of the Reserve Fund and only to the extent of available revenue from the Water Enterprise Fund.

If on any date the amounts then on deposit in the Bond Fund are insufficient to pay the principal of, premium, if any, and/or interest on the Bonds on the next scheduled payment date, sinking fund installment date or at maturity, the Paying Agent shall transfer from the Supplemental Reserve Fund to the Bond Fund an amount which, when combined with moneys then on deposit therein, will be sufficient to make such payment of the Bonds when due. In the event that moneys in the Supplemental Reserve Fund, together with moneys in the Bond Fund, are insufficient to make such payment when due, the Paying Agent is to nonetheless transfer all moneys in the Supplemental Reserve Fund to the Bond Fund for the purpose of making partial payments on the Bonds. Bonds shall be selected for any such partial payments in the same manner as selected for mandatory sinking fund redemption.

Amounts in the Supplemental Reserve Fund are to be transferred to the Bond Fund prior to the transfer of moneys from the Reserve Fund to the Bond Fund.

Amounts on deposit in the Supplemental Reserve Fund may be invested or deposited at the direction of the District in Permitted Investments only and in accordance with the laws of the State and shall be valued on the basis of their current market value, as reasonably determined by the District, which value shall be determined at least annually.

Section 508. Termination of Deposits. No payment need be made into the Bond Fund or the Reserve Fund if there are no Policy Costs due and owing and if the amount in the Bond Fund and the amount in the Reserve Fund (exclusive of the amount available under a Reserve Fund Insurance Policy) total a sum at least sufficient so that all Bonds Outstanding are deemed to have been paid pursuant to Section 1201 hereof, in which case moneys therein (taking into account the known minimum gain from any investment if such moneys in Investment Securities from the time of any such investment or deposit shall be needed for such payment which will not be designated for transfer to the Rebate Fund) shall be used (together with any such gain from such investments) solely to pay the Bond Requirements of the Outstanding Bonds as the same become due; and any moneys in excess thereof in those two accounts and any other moneys derived from the Net Pledged Revenues or otherwise pertaining to the System may be used to make required payments into the Rebate Fund or in any other lawful manner determined by the Council.

Section 509. Defraying Delinquencies. If at any time the City shall for any reason fail to pay into the Bond Fund the full amount above stipulated from the Net Pledged Revenues, then an amount shall be paid into the Bond Fund at such time first from the Supplemental Reserve Fund and then from the Reserve Fund equal to the difference between that paid from the Net Pledged Revenues and the full amount so stipulated. The City shall use all cash in the Reserve Fund before drawing on a Reserve Fund Insurance Policy. If, (i) upon notice from the City requesting a draw or (ii) failure of the Paying Agent to receive the Bond Requirements by the third Business Day prior to June 1 or December 1 in each year, the Paying Agent determines that it is necessary to draw on the Reserve Fund Insurance Policy, the Paying Agent shall present a demand for payment, in the form and manner required by the Reserve Fund Insurance Policy, at least two Business Days before funds are needed. If there is more than one Reserve Fund Insurance Policy on deposit in the Reserve Fund, the Paying Agent shall draw on them on a pro rata basis, based upon the amount available to be drawn on each.

Any money so used or drawn shall be replaced as provided in Sections 506 and 507 hereof from the first Net Pledged Revenues thereafter received and not required to be otherwise applied by this Article. Except as provided in Sections 506 and 507 hereof, the moneys in the Bond Fund, the Supplemental Reserve Fund and in the Reserve Fund (including any Reserve Fund Insurance Policy) shall be used solely and only for the purpose of paying the Bond Requirements of the Bonds from time to time.

If the amount on deposit in the Reserve Fund exceeds the Reserve Fund Requirement for any reason, the amount to be released from the Reserve Fund shall be as directed in writing by the City Manager. Any excess amount released from the Reserve Fund may be deposited in the Bond Fund, or deposited into a defeasance escrow account, or may be applied for other purposes, as directed in writing by the City Manager for such purposes authorized by law.

Section 510. Rebate Fund. Fifth, concurrently with any payments required to be made pursuant to any Parity Bond Ordinances with respect to any rebate funds established thereby, there shall be deposited into the special and separate accounts hereby created and to be known as the "City and County of Broomfield, Colorado, Water Activity Enterprise Water Revenue Bonds, Series 2026, Rebate Fund" moneys in the amounts and at the times specified in the Tax Compliance Certificate so as to enable the City to comply with Section 830 hereof. Amounts on deposit in the Rebate Fund shall not be subject to the lien and pledge of this Ordinance to the extent that such amounts are required to be paid to the United States Treasury. The City shall cause amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury (at the address provided in the Tax Compliance Certificate) at the times and in the amounts set forth in the Tax Compliance Certificate.

If the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, the City shall transfer moneys in the amount of the insufficiency to the Rebate Fund from the Project Fund and, to the extent permitted by Section 509 hereof, from the Supplemental Reserve Fund, the Reserve Fund and the Bond Fund. Upon receipt by the City of an opinion of Bond Counsel to the effect that the amount in the Rebate Fund is in excess of the amount required to be contained therein, such excess may be transferred to the Water Enterprise Fund.

Section 511. Payment of Subordinate Securities. Sixth, and subject to the provisions hereinabove in this Article, but subsequent to the payments required by Sections 504, 505, 506, 507 and 510 hereof, any moneys remaining in the Water Enterprise Fund may be used by the City for the payment of Bond Requirements of Subordinate Securities, including reasonable reserves for such Subordinate Securities and for rebate of amounts to the United States Treasury with respect to such Subordinate Securities.

Section 512. Use of Remaining Revenues. After the payments hereinabove required to be made by Sections 502 through 511 hereof are made, any remaining Net Pledged Revenues in the Water Enterprise Fund shall be used, firstly, for any one or any combination of reasonably necessary purposes and in the Council's discretion relating to the operation, improvement or debt management of the System and, secondly, to the extent of any remaining surplus, for any one or any combination of lawful purposes as the Council may from time to time conclusively determine.

ARTICLE VI
GENERAL ADMINISTRATION

Section 601. Administration of Accounts. The special funds and accounts designated in Articles IV and V hereof shall be administered as provided in this Article (but not any account under Section 1201 hereof).

Section 602. Places and Times of Deposits. Except as hereinafter provided, each of such special funds and accounts shall be maintained by the City as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor. The moneys accounted for in such special book accounts may be in one or more bank accounts in one or more Commercial Banks. Each such bank account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall not be a Business Day, then such payment shall be made on or before the next preceding Business Day. Moneys shall be deposited with the Paying Agent for the Bonds not less than (a) three Business Days prior to each interest payment date and each maturity or mandatory Redemption Date, if funds are delivered by wire transfer, or (b) five Business Days prior to each payment date if funds are delivered by another method of payment, in immediately available amounts sufficient to pay the Bond Requirements then becoming due on the Outstanding Bonds.

Section 603. Investment of Moneys. Any moneys in the Project Fund, Water Enterprise Fund, Bond Fund, Supplemental Reserve Fund, Reserve Fund, and Rebate Fund and not needed for immediate use shall be invested or reinvested by the Director of Finance in Investment Securities. All such investments shall (a) either be subject to redemption at any time at a fixed value by the holder thereof at the option of such holder, or (b) mature not later than the estimated date or respective dates on which the proceeds are to be expended as estimated by the Director of Finance at the time of such investment or reinvestment; provided that (1) Investment Securities credited to the Reserve Fund shall not mature later than ten years from the date of such investment or reinvestment and (2) collateral securities of any Investment Securities may have a maturity of more than five years from the date of purchase thereof. For the purpose of any such investment or reinvestment, Investment Securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Section 604. Accounting for Investments. The Investment Securities so purchased as an investment or reinvestment of moneys in any such account hereunder shall be deemed at all times to be a part of the account. Any interest or other gain from any investments and reinvestments of moneys accounted for in the Water Enterprise Fund, the Project Fund, the Bond Fund, and the Rebate Fund shall be credited to such account, and any loss resulting from any such investments or reinvestments of moneys accounted for in the Water Enterprise Fund, the Project Fund, the Bond Fund, the Supplemental Reserve Fund, the Reserve Fund, and the Rebate Fund shall be charged or debited to such Fund.

Any interest or other gain from any investment or reinvestment of moneys accounted for in the Reserve Fund (a) shall be credited to the Rebate Fund or the Bond Fund, at the discretion of the Director of Finance, if the amount credited to the Reserve Fund immediately after such credit to the Rebate Fund or the Bond Fund is not less than the Reserve Fund Requirement and (b) if the amount credited to the Reserve Fund is less than the Reserve Fund Requirement, shall be credited to the Reserve Fund (up to the amount of the deficiency).

No loss or profit in any account on any investments or reinvestments in Investment Securities shall be deemed to take place as a result of market fluctuations of the Investment Securities prior to the sale or maturity thereof. In the computation of the amount in any account for any purpose hereunder, except as herein otherwise expressly provided or for rebate purposes, as described in the Tax Compliance Certificate, Investment Securities shall be valued at the cost thereof (including any amount paid as accrued interest at the time of purchase of the obligation); provided that any time or demand deposits shall be valued at the amounts deposited, in each case exclusive of any accrued interest or any other gain to the City until such gain is realized by the presentation of matured coupons for payment or otherwise.

Section 605. Redemption or Sale of Investment Securities. The Director of Finance shall present for redemption or sale on the prevailing market at the best price obtainable any Investment Securities so purchased as an investment or reinvestment of moneys in the account whenever it shall be necessary in order to provide moneys to meet any withdrawal, payment or transfer from such account. Neither the Director of Finance nor any other officer or employee of the City shall be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this Ordinance.

Section 606. Character of Funds. The moneys in any account designated in Articles IV and V hereof shall consist either of lawful money of the United States or Investment Securities, or both such money and such Investment Securities. Moneys deposited in a demand or time deposit account in a bank or savings and loan association, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 607. Payment of Bond Requirements. The moneys credited to any fund or account designated in Article V hereof for the payment of the Bond Requirements of any Bonds shall be used without requisition, voucher, warrant, further order or authority (other than is contained herein), or any other preliminaries, to pay promptly the Bond Requirements of any Bonds payable from such fund or account as such amounts are due, except to the extent any other moneys are available therefor.

ARTICLE VII
SECURITIES LIENS AND ADDITIONAL SECURITIES

Section 701. Lien of Bonds. The Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Net Pledged Revenues on a parity with the lien of the Net Pledged Revenues of the Parity Bonds. The Policy Costs constitute an irrevocable and subordinate lien (but not necessarily an exclusive subordinate lien) upon the Net Pledged Revenues.

Section 702. Equality of Bonds. The Bonds and any Parity Bonds heretofore issued or hereafter authorized to be issued and from time to time Outstanding are equitably and ratably secured by a lien on the Net Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Net Pledged Revenues regardless of the time or times of the issuance of the Bonds and any other such Parity Bonds, it being the intention of the Council that there shall be no priority among the Bonds and any such Parity Bonds regardless of the fact that they may be actually issued and delivered at different times, except that (a) moneys in the Project Fund, Bond Fund, the Supplemental Reserve Fund, and Reserve Fund shall secure only the Bonds and the moneys in any acquisition, bond, reserve or similar funds established for other Parity Bonds shall secure only such Parity Bonds; and (b) other Parity Bonds may have a lien on Net Pledged Revenues on a parity with the lien thereon of the Bonds even if no supplemental reserve fund or reserve fund is established for such Parity Bonds or a supplemental reserve fund or reserve fund is established but with a different requirement as to the amount of moneys (or the value of a supplemental reserve fund or reserve fund insurance policy with respect to such Parity Bonds) required to be on deposit therein or the manner in which such supplemental reserve fund or reserve fund is funded or the period of time over which such supplemental reserve fund or reserve fund is funded.

Section 703. Issuance of Parity Bonds. Nothing herein prevents the issuance by the City of additional securities payable from the Net Pledged Revenues and constituting a lien thereon on a parity with, but not prior nor superior to, the lien thereon of the Bonds; but before any such additional Parity Bonds, except as provided in Section 708, are authorized or actually issued all of the following conditions are satisfied:

A. Absence of Default. At the time of the adoption of the ordinance authorizing the issuance of the additional securities, the City shall not be in default in making any payments required by Article V hereof or other Parity Bond Ordinances, including any payments of Policy Costs.

B. Historic Earnings Test. The Net Pledged Revenues for any 12 consecutive months out of the 24 months preceding the month in which such securities are to be issued are at least equal to the sum of 110% of the Combined Maximum Annual Principal and Interest

Requirements of all Outstanding Bonds, Outstanding Parity Bonds and such additional Parity Bonds proposed to be issued.

C. Adjustment of Gross Pledged Revenues. In any computation under paragraph B of this Section, the amount of the Gross Pledged Revenues for the applicable period shall be decreased and may be increased by the amount of loss or gain conservatively estimated by an Independent Accountant, Independent Engineer or the Director of Finance, as the case may be, which results from any changes in any schedule of fees, rates and other charges constituting Gross Pledged Revenues based on the number of users during the applicable period as if such modified schedule of fees, rates and other charges shall have been in effect during such entire time period. However, the Gross Pledged Revenues need not be decreased by the amount of any such estimated loss to the extent the Independent Accountant, the Independent Engineer or the Director of Finance estimates the loss is temporary in nature or will be offset within a reasonable temporary period by an increase in revenues or a reduction in Operation and Maintenance Expenses not otherwise included in the calculations under this Section, and estimates any loss under this sentence will not at any time materially and adversely affect the City's apparent ability to comply with the rate maintenance covenant stated in Section 821 hereof without modification because of any restrictive legislation, regulation or other action under the police power exercised by any governmental body.

D. Reduction of Annual Requirements. The respective annual Bond Requirements (including as such a requirement the amount of any prior redemption premiums due on any Redemption Date) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective Fiscal Years with moneys held in trust or in escrow for that purpose by any Trust Bank, including the known minimum yield from any investment in Federal Securities and any bank deposits, including any certificate of deposit.

E. Consideration of Additional Expenses. In determining whether or not additional Parity Bonds may be issued as aforesaid, consideration shall be given to any probable increase (but not reduction) in the Operation and Maintenance Expenses of the System as estimated by the Director of Finance that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the additional securities; but the Director of Finance may reduce any such increase in Operation and Maintenance Expenses by the amount of any increase in revenues or any reduction in Operation and Maintenance Expenses resulting from the Capital Improvements to which such expenditure relates and not otherwise included in the calculations under this Section, if the Director of Finance also opines that any such increase in revenues or reduction in any increase in Operation and Maintenance Expenses will not materially and adversely affect the City's apparent ability to comply with the rate maintenance covenant stated in Section 821 hereof without modification because of any restrictive legislation, regulation or other action under the police power exercised by any governmental body.

Section 704. Certification of Revenues. A written certificate or written opinion by the Director of Finance that the annual revenues required under paragraph B of Section 703 hereof, when adjusted as hereinabove provided in paragraphs C, D, and E of Section 703 hereof, are sufficient to pay such amounts, as provided in paragraph B of Section 703 hereof, shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver additional securities on a parity with the Bonds.

Section 705. Subordinate Securities Permitted. Nothing herein prevents the City from issuing additional securities payable from the Net Pledged Revenues and having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

Section 706. Superior Securities Prohibited. Nothing herein permits the City to issue additional securities payable from the Net Pledged Revenues and having a lien thereon prior and superior to the lien thereon of the Bonds.

Section 707. Use of Proceeds. The proceeds of any Parity Bonds or other securities payable from any Net Pledged Revenues shall be used only to finance Capital Improvements or to refund all or any portion of the Bonds, Parity Bonds, or other securities payable from Net Pledged Revenues, regardless of the priority or the lien of such securities on Net Pledged Revenues.

Section 708. Issuance of Refunding Securities. The City may issue any refunding securities payable from Net Pledged Revenues to refund any Outstanding Bonds or Parity Bonds, with such details as the Council may by ordinance provide so long as there is no material impairment of any contractual obligation imposed upon the City by any proceedings authorizing the issuance of any unrefunded portion of such Outstanding securities of any one or more issues; but so long as the Bonds, or any part thereof, are Outstanding, refunding securities payable from Net Pledged Revenues may be issued on a parity with the unrefunded Bonds only if:

A. Prior Consent. The City first receives the consent of the Owner or Owners of the unrefunded portion of the Bonds; or

B. Requirements Not Increased. The Combined Maximum Annual Principal and Interest Requirements for the Bonds and Parity Bonds Outstanding immediately after the issuance of the refunding securities is not greater than the Combined Maximum Annual Principal and Interest Requirements for all Bonds and Parity Bonds Outstanding immediately prior to the issuance of the refunding securities and the lien of any refunding Parity Bonds on the Net Pledged Revenues is not raised to a higher priority than the lien thereon of any securities thereby refunded; or

C. Earnings Test. The refunding securities are issued in compliance with Section 703 hereof.

ARTICLE VIII
PROTECTIVE COVENANTS

Section 801. General. The City hereby covenants and agrees with the Owners of the Bonds and makes provisions which shall be a part of its contract with such Owners to the effect and with the purpose set forth in the following Sections of this Article.

Section 802. Performance of Duties. The City, acting by and through the Council or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Gross Pledged Revenues and the System required by the Constitution and laws of the State and the various ordinances of the City, including, without limitation, the making and collection of reasonable and sufficient fees, rates and other charges for services rendered or furnished by or the use of the System, as herein provided, and the proper segregation of the proceeds of the Bonds and of any securities hereafter authorized and the Gross Pledged Revenues and their application from time to time to the respective accounts provided therefor.

Section 803. Contractual Obligations. The City shall perform all contractual obligations undertaken by it under any agreements relating to the Bonds, the Gross Pledged Revenues, the Project, or the System, or any combination thereof, with any other Persons.

Section 804. Further Assurances. At any and all times the City shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be reasonably necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Gross Pledged Revenues and other moneys and accounts hereby pledged or assigned, or intended so to be, or which the City may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Ordinance and to comply with any instrument of the City amendatory thereof, or supplemental thereto. The City, acting by and through the Council, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Gross Pledged Revenues and other moneys and accounts pledged hereunder and all the rights of every Owner of any Bond hereunder against all claims and demands of all Persons whomsoever.

Section 805. Conditions Precedent. Upon the date of issuance of the Bonds, all conditions, acts and things required by the Federal or State Constitution, Title 37, Article 45.1, C.R.S., Title 11, Article 57, Part 2, C.R.S., this Ordinance, or any other applicable law to exist, to have happened and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened, and have been performed; and the Bonds, together with all other obligations of the City, shall not contravene any debt or other limitation prescribed by the State Constitution.

Section 806. Efficient Operation and Maintenance. The City shall at all times operate the System properly and in a sound and economical manner; and the City shall maintain, preserve and keep the same properly or cause the same so to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted. All salaries, fees, wages and other compensation paid by the City in connection with the maintenance, repair and operation of the System shall be reasonable and proper.

Section 807. Rules, Regulations and Other Details. The City, acting by and through the Council, shall establish and enforce reasonable rules and regulations governing the operation, use and services of the System. The City shall observe and perform all of the terms and conditions contained in this Ordinance, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System or to the City, except for any period during which the same are being contested in good faith by proper legal proceedings.

Section 808. Payment of Governmental Charges. The City shall pay or cause to be paid all taxes and assessments or other governmental charges, if any, lawfully levied or assessed upon or in respect of the System, or upon any part thereof, or upon any portion of the Gross Pledged Revenues, when the same shall become due, and shall duly observe and comply with all valid requirements of any governmental authority relative to the System or any part thereof, except for any period during which the same are being contested in good faith by proper legal proceedings. The City shall not create or suffer to be created any lien upon the System, or any part thereof, or upon the Gross Pledged Revenues, except the pledge and lien created by this Ordinance for the payment of the Bond Requirements of the Bonds and except as herein otherwise permitted. The City shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System, or any part thereof, or the Gross Pledged Revenues; but nothing herein requires the City to pay or cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 809. Protection of Security. The City, the officers, agents and employees of the City, and the Council shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of the Bonds, the Parity Bonds, and any other securities payable from the Net Pledged Revenues or any Policy Costs relating thereto according to the terms thereof. No contract shall be entered into nor any other action taken by which the rights of any Owner of any Bond or other security payable from Net Pledged Revenues or any Policy Costs relating thereto might be prejudicially and materially impaired or diminished.

Section 810. Prompt Payment of Bonds. The City shall promptly pay the Bond Requirements of the Bonds at the places, on the dates and in the manner specified herein and in the Bonds according to the true intent and meaning hereof.

Section 811. Use of Bond Fund, Supplemental Reserve and Reserve Funds. The Bond Fund, the Supplemental Reserve Fund and the Reserve Fund shall be used solely for and the moneys credited to such funds and accounts therein are hereby pledged, and a lien thereon is hereby created, for the purpose of paying the Bond Requirements of the Bonds to their respective maturities or any Redemption Date or Dates, subject to the provisions of Sections 506, 507, 508, 509, 604 and 1201 hereof.

Section 812. Other Liens. Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the System, or any part thereof, or on or against the Gross Pledged Revenues on a parity with or superior to the lien thereon of the Bonds.

Section 813. Corporate Existence. The City shall maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the City and is obligated by law to operate and maintain the System and to fix and collect the Gross Pledged Revenues as herein provided without adversely and materially affecting at any time the privileges and rights of any Owner of any Outstanding Bond.

Section 814. Disposal of System Prohibited. Except for the use of the System and services pertaining thereto in the normal course of business, or as provided in Section 815 hereof, neither all nor a substantial part of the System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of, until all the Bonds have been paid in full, as to all Bond Requirements, or unless provision has been made therefor, or until the Bonds have otherwise been redeemed, including, without limitation, the termination of the pledge as herein authorized; and the City shall not dispose of its title to the System or to any useful part thereof, including any property necessary to the operation and use of the System and the lands and interests in lands comprising the sites of the System.

Section 815. Disposal of Unnecessary Property. The City at any time and from time to time may sell, exchange, lease or otherwise dispose of any property constituting a part of the System and not useful in the construction, reconstruction or operation thereof, or which shall cease to be necessary for the efficient operation of the System, or which shall have been replaced by other property of at least equal value. Any proceeds of any such sale, exchange, lease or other disposition received and not used to replace such property so sold or so exchanged or otherwise so disposed of, shall be deposited by the City in the Water Enterprise Fund or into a special book account for the betterment, enlargement, extension, other improvement and equipment of the System, or any combination thereof, as the Council may determine, provided that any proceeds of any such lease received shall be deposited by the City as Gross Pledged Revenues in the Water Enterprise Fund.

Section 816. Competing System. So long as any of the Bonds are Outstanding, the City shall not grant any franchise or license to any competing facilities so that the Gross Pledged Revenues shall not be sufficient to satisfy the covenant in Section 821 hereof.

Section 817. Loss From Condemnation. If any part of the System is taken by the exercise of the power of eminent domain, the amount of any award received by the City as a result of such taking shall be paid into the Water Enterprise Fund or into a capital improvement account pertaining to the System for the purposes thereof, or, applied to the redemption of the Outstanding Bonds and any Outstanding Parity Bonds relating thereto, all as the City may determine.

Section 818. Employment of Management Engineers. If the City defaults in paying the Bond Requirements of the Bonds or any Parity Bonds, and any other securities or Policy Costs relating thereto payable from the Gross Pledged Revenues promptly as the same fall due, or an Event of Default has occurred and is continuing, or if the Net Pledged Revenues in any Fiscal Year fail to equal at least the amount of the Bond Requirements of the Outstanding Bonds, Parity Bonds, and any other securities (including all reserves therefor specified in the authorizing proceedings, including, without limitation, this Ordinance) or Policy Costs relating thereto payable from the Net Pledged Revenues in that Fiscal Year, the City shall retain a firm of competent management engineers skilled in the operation of such facilities to assist the management of the System so long as such default continues or so long as the Net Pledged Revenues are less than the amount hereinabove designated in this Section.

Section 819. Budgets. The Council and officials of the City shall annually and at such other times as may be provided by law prepare and adopt a budget pertaining to the System.

Section 820. Reasonable and Adequate Charges. While the Bonds remain Outstanding and unpaid, the fees, rates and other charges due to the City for the use of or otherwise pertaining to and services rendered by the System to the City, to its inhabitants and to all other users within and without the boundaries of the City shall be reasonable and just, taking into account and consideration public interests and needs, the cost and value of the System, the Operation and Maintenance Expenses thereof, and the amounts necessary to meet the Bond Requirements of all Bonds, the Parity Bonds, and any other securities payable from the Net Pledged Revenues, including, without limitation, reserves and any replacement accounts therefor.

Section 821. Adequacy and Applicability of Charges. There shall be charged against users of service pertaining to and users of the System, such fees, rates and other charges so that the Gross Pledged Revenues shall be adequate to meet the requirements of this and the preceding Sections hereof. Such charges pertaining to the System shall be at least sufficient so that the Gross Pledged Revenues annually are sufficient to pay in each Fiscal Year:

A. Operation and Maintenance Expenses. An amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year,

B. Principal and Interest. An amount equal to 110% of both the principal and interest on the Bonds and any Parity Bonds then Outstanding in that Fiscal Year (excluding the reserves therefor), and

C. Deficiencies. Any amounts required to pay all Policy Costs, if any, due and owing and all sums, if any, due and owing to meet then existing deficiencies pertaining to any fund or account relating to the Gross Pledged Revenues or any securities payable therefrom.

Section 822. Limitations Upon Free Service. No free service or facilities shall be furnished by the System, except that if the City elects to use for City purposes any water facilities, or other services and facilities provided by the System or otherwise to use the System or any part thereof, the City is not required to pay for such use.

Section 823. Levy of Charges. The City shall forthwith and in any event prior to the delivery of any of the Bonds, fix, establish and levy the fees, rates and other charges which are required by Section 821 of this Ordinance, if such action is necessary therefor. No reduction in any initial or existing rate schedule for the System may be made:

A. Proper Application. Unless the City has fully complied with the provisions of Article V of this Ordinance for at least the full Fiscal Year immediately preceding such reduction of the initial or any other existing rate schedule; and

B. Sufficient Revenues. Unless the audit required by the Independent Accountant by Section 827 hereof for the full Fiscal Year immediately preceding such reduction discloses that the estimated revenues resulting from the proposed rate schedule for the System, after the schedule's proposed reduction, shall be at least sufficient to produce the amounts required by Section 821 hereof.

Section 824. Collection of Charges. The City shall cause all fees, rates and other charges pertaining to the System to be collected as soon as is reasonable, shall reasonably prescribe and enforce rules and regulations or impose contractual obligations for the payment of such charges, and for the use of the System, and shall provide methods of collection and penalties, to the end that the Gross Pledged Revenues shall be adequate to meet the requirements of this Ordinance and any other ordinance supplemental thereto.

Section 825. Procedure for Collecting Charges. All bills for water services and all other services or facilities furnished or served by or through the System shall be rendered to customers on a regularly established basis. The fees, rates and other charges due shall be collected in a lawful manner, including, without limitation, discontinuance of service.

Section 826. Maintenance of Records. So long as any of the Bonds and any Parity Bonds payable from the Gross Pledged Revenues remain Outstanding, proper books of record and account pertaining to the Gross Pledged Revenues and the System shall be kept by the City, separate and apart from all other records and accounts.

Section 827. Audits Required. The City shall cause an audit for the Fiscal Year of the books and accounts pertaining to the Gross Pledged Revenues and the System to be completed by an Independent Accountant within 210 days following the close of each Fiscal Year.

Section 828. Accounting Principles. System records and accounts, and audits thereof, shall be currently kept and made, as nearly as practicable, in accordance with the then generally accepted accounting principles, methods and terminology followed and construed for utility operations comparable to the System, except as may be otherwise provided herein or required by applicable law or regulation or by contractual obligation existing on the effective date of this Ordinance.

Section 829. Insurance and Reconstruction. Except to the extent of any self-insurance, the City shall at all times maintain with responsible insurers fire and extended coverage insurance, worker's compensation insurance, public liability insurance and all such other insurance as is customarily maintained with respect to utilities of like character against loss of or damage to the System and against loss of revenues and against public and other liability to the extent reasonably necessary to protect the interests of the City and of each Owner of a Bond. If any useful part of the System shall be damaged or destroyed, the City shall, as expeditiously as may be possible, commence and diligently proceed with the repair or replacement of the damaged property so as to restore the same to use. The proceeds of any such insurance shall be payable to the City and (except for proceeds of any use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement and to the extent not so applied shall (together with the proceeds of any such use and occupancy insurance) be deposited in the Water Enterprise Fund by the City as revenues derived from the operation of the System. If the costs of such repair and replacement of the damaged property exceed the proceeds of such insurance available for the payment of the same, moneys in the Water Enterprise Fund shall be used to the extent necessary for such purposes, as permitted by Section 512 hereof.

Section 830. Federal Income Tax Exemption. The City covenants for the benefit of the Owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the City or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except to the extent that such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations; or (iii) would cause interest on the Bonds to lose its exclusion from State taxable income or State alternative minimum taxable income under present State law. In furtherance of this covenant, the City agrees to comply with the procedures set forth in the Tax Compliance Certificate with respect to the Bonds. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code and State law have been met.

Section 831. Continuing Disclosure. The City shall comply with the provisions of the Continuing Disclosure Certificate. Any failure by the City to perform in accordance with this Section shall not constitute an Event of Default under this Ordinance, and the rights and remedies provided by this Ordinance upon the occurrence of an Event of Default shall not apply to any such failure. The Paying Agent shall not have any power or duty to enforce this Section. No Owner of a Bond shall be entitled to damages for the City's non-compliance with its obligations under this Section; however, the Owners of the Bonds may enforce specific performance of the obligations contained in this Section by any judicial proceeding available.

ARTICLE IX
PRIVILEGES, RIGHTS AND REMEDIES

Section 901. Owners' Remedies. Each Owner of any Bond shall be entitled to all of the privileges, rights and remedies provided or permitted in this Ordinance, and as otherwise provided or permitted by law or in equity or by any statutes, except as provided in Sections 202 through 206 and 1201 hereof, but subject to the provisions herein concerning the pledge of and the covenants and the other contractual provisions concerning the Gross Pledged Revenues and the proceeds of the Bonds.

Section 902. Right to Enforce Payment. Nothing in this Article affects or impairs the right of any Owner of any Bond to enforce the payment of the Bond Requirements due in connection with his or her Bond or the obligation of the City to pay the Bond Requirements of each Bond to the Owner thereof at the time and the place expressed in the Bond.

Section 903. Events of Default. Each of the following events is hereby declared an "Event of Default," provided however, that in determining whether a payment default has occurred pursuant to paragraphs A or B of this Section, no effect shall be given to payments made under the Insurance Policy:

A. Nonpayment of Principal. Payment of the principal of any of the Bonds is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest on any of the Bonds is not made when the same becomes due and payable;

C. Cross Defaults. The occurrence and continuance of an "event of default," as defined in any Parity Bond Ordinance;

D. Failure to Reconstruct. The City unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any part of the System which is destroyed or damaged and is not promptly repaired or replaced (whether such failure promptly to repair the same is due to impracticability of such repair or replacement or is due to a lack of moneys therefor or for any other reason), but it shall not be an Event of Default if such reconstruction is not essential to the efficient operation of the System;

E. <u>Appointment of Receiver</u>. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the City appointing a receiver or receivers for the System or for the Gross Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or if an order or decree having been entered without the consent or acquiescence of the City is not vacated or discharged or stayed on appeal within 60 days after entry;

F. <u>Default Under Insurance Agreement</u>. If an event of default shall have occurred and be continuing under the provisions of the Insurance Agreement; and

G. <u>Default of Any Provision</u>. The City defaults in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Ordinance on its part to be performed (other than Section 831 hereof), and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the City and the Insurer specifying the failure and requiring that it be remedied, which notice may be given by the Paying Agent in its discretion and, except as provided in Section 1101 hereof, shall be given by the Paying Agent at the written request of the Owners of not less than 25 percent in aggregate principal amount of Bonds then Outstanding.

Section 904. <u>Remedies for Defaults</u>. Except as provided in Section 1101 hereof, upon the happening and continuance of any Event of Default, the Owner or Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the City and its agents, officers and employees to protect and to enforce the rights of any Owner of Bonds under this Ordinance by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper legal or equitable remedy as such Owner or Owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Bond, or to require the City to act as if it were the trustee of an expressed trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the Bonds.

Section 905. <u>Receiver’s Rights and Privileges</u>. Any receiver appointed in any proceedings to protect the rights of such Owners hereunder, the consent to any such appointment being hereby expressly granted by the City, may enter and may take possession of the System, may operate and maintain the same, may prescribe fees, rates and other charges, and may collect, receive and apply all Gross Pledged Revenues arising after the appointment of such receiver in the same manner as the City itself might do.

Section 906. Rights and Privileges Cumulative. The failure of any Owner of any Outstanding Bond to proceed in any manner herein provided shall not relieve the City, or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such Owner (or trustee thereof) is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any Owner shall not be deemed a waiver of any other right or privilege thereof.

Section 907. Duties upon Defaults. Upon the happening of any Event of Default, the City shall do and perform all proper acts on behalf of and for the Owners of Bonds to protect and to preserve the security created for the payment of the Bonds and to insure the payment of the Bond Requirements promptly as the same become due. While any Event of Default exists, except to the extent it may be unlawful to do so, all Gross Pledged Revenues shall be paid into the Bond Fund and into bond or similar funds established for any Parity Bonds then Outstanding, pro rata based upon the aggregate principal amount of the Bonds and Parity Bonds then Outstanding. Except as provided in Section 1101 hereof, if the City fails or refuses to proceed as in this Section provided, the Owner or Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Bonds as hereinabove provided, and to that end any such Owners of the Outstanding Bonds shall be subrogated to all rights of the City under any agreement, lease or other contract involving the System or the Gross Pledged Revenues entered into prior to the effective date of this Ordinance or thereafter while any of the Bonds are Outstanding.

ARTICLE X
AMENDMENT OF ORDINANCE

Section 1001. Privilege of Amendments.

A. Except as hereafter provided, this Ordinance may be amended or supplemented by ordinances adopted by the Council in accordance with law, without receipt by the City of any additional consideration, but with the written consent of the Insurer and, subject to Section 1101 hereof, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory or supplemental ordinance excluding, pursuant to Section 101 B hereof, any Bonds which may then be held or owned for the account of the City. Notwithstanding the foregoing, no such ordinance shall permit:

(1) Changing Payment. A change in the maturity, terms of redemption or interest payment of any Outstanding Bond; or

(2) Reducing Return. A reduction in the principal amount of any Bond or the rate of interest thereon, without the consent of the Owner of the Bond; or

(3) Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Ordinance; or

(4) Modifying Any Bond. A reduction of the principal amount or percentages or otherwise affecting the description of Bonds the consent of the Owners of which is required for any such modification or amendment; or

(5) Priorities Between Bonds. The establishment of priorities as between Bonds issued and Outstanding; or

(6) Modification of Less Than All the Bonds. The modification of or otherwise affecting the rights of the Owners of less than all of the Outstanding Bonds.

B. Notwithstanding the foregoing provisions of this Section, this Ordinance and the rights and obligations of the City and of the Owners of the Bonds may also be modified or amended at any time, with the written consent of the Insurer but without the consent of any Owners of the Bonds, but only to the extent permitted by law and only for any or all of the following purposes:

(1) to add to the covenants and agreements of the City in this Ordinance contained other covenants and agreements thereafter to be observed;

(2) to subject to the covenants and agreements of the City in this Ordinance additional System revenues, to be defined and treated as Gross Pledged Revenues, for the purpose of providing additional security for the Bonds and any Parity Bonds;

(3) in connection with the provision of a Reserve Fund Insurance Policy subsequent to the issuance of the Bonds;

(4) to provide for the appointment of a new Paying Agent;

(5) to make such provisions for the purpose of curing any ambiguity or of curing or correcting any formal defect or omission in this Ordinance, or in regard to questions arising under this Ordinance, as the City may deem necessary or desirable, and which shall not adversely affect the interests of the Owners of the Bonds; or

(6) in order to preserve or protect the excludability from gross income for federal income tax purposes of the interest allocable to the Bonds.

Section 1002. Notice of Amendment. Whenever the Council proposes to amend or modify this Ordinance under the provisions of this Article, it shall cause notice of the proposed amendment to be sent to Owners of all Outstanding Bonds at their addresses as the same last appear on the registration records maintained by the Paying Agent or by electronic means to DTC or its successors, and to the Insurer. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory ordinance is on file with the City Manager for public inspection. Notice of the proposed amendment, together with a copy of the proposed amendatory ordinance, shall be delivered to the Rating Agencies then maintaining a rating on the Bonds at least 15 days in advance of the adoption of the amendment. A full transcript of all proceedings relating to the execution of such amendatory ordinance shall be provided to the Insurer.

Section 1003. Time for Amendment. If the ordinance is required to be consented to by the Owners of the Bonds, whenever at any time within one year from the date of the giving of such notice there shall be filed with the City Manager an instrument or instruments executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory ordinance described in such notice and shall specifically consent to and approve the adoption of such ordinance, the Council may adopt such amendatory ordinance and such ordinance shall become effective. If the ordinance is not required to be consented to by the Owners of the Bonds, the amendatory ordinance may be adopted by the Council at any time.

Section 1004. Binding Consent to Amendment. If the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory ordinance requiring consent of the Owners of the Bonds, or the predecessors in title of such Owners, shall have consented to and approved the adoption thereof as herein provided, no Owner of any Bond, whether or not such Owner shall have consented to or shall have revoked any consent as in this Article provided, shall have any right or interest to object to the adoption of such amendatory ordinance or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City from taking any action pursuant to the provisions thereof.

Section 1005. Time Consent Binding. Any consent given by the Owner of a Bond pursuant to the provisions of this Article shall be irrevocable for a period of 6 months from the date of the giving of the notice above provided for and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after 6 months from the date of such giving of such notice by the Owner who gave such consent or by a successor in title by filing notice of such revocation with the City Manager, but such revocation shall not be effective if the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding as in this Article provided, prior to the attempted revocation, consented to and approved the amendatory ordinance referred to in such revocation.

Section 1006. Unanimous Consent. Notwithstanding anything in the foregoing provisions of this Article, the terms and provisions of this Ordinance or of any ordinance amendatory thereof or supplemental thereto and the rights and the obligations of the City and of the Owners of the Bonds thereunder may be modified or amended in any respect upon the adoption by the City and upon the filing with the City Manager of an ordinance to that effect and with the consent of the Insurer and the Owners of all the then Outstanding Bonds, such consent to be given as provided in Section 1003 hereof; and no notice to Owners of Bonds shall be required as provided in Section 1002 hereof, nor shall the time of consent be limited except as may be provided in such consent.

Section 1007. Exclusion of City's Bonds. At the time of any consent or of other action taken under this Article, the City shall furnish to the City Manager a certificate of the Director of Finance, upon which the City may rely, describing all Bonds to be excluded for the purpose of consent or of other action or of any calculation of Outstanding Bonds provided for in this Article, and the City shall not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this Article, as provided in Section 101 B hereof.

Section 1008. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the Council as to such action; and after the approval of such notation, then upon demand of the Owner of any Bond Outstanding and upon presentation of his or her Bond for that purpose at the principal office of the Paying Agent, suitable notation shall be made on such Bond by the Paying Agent as to any such action. If the Council so determines, new Bonds, so modified as in the opinion of the Council conform to such action, shall be prepared, executed, authenticated and delivered; and upon demand of the Owner of any Bond then Outstanding, shall be exchanged without cost to such Owner for Bonds then Outstanding upon surrender of such Bonds.

Section 1009. Proof of Instruments and Bonds. The fact and date of execution of any instrument under the provisions of this Article, the amount and number of the Bonds held by any Person executing such instrument, and the date of his or her holding the same may be proved as provided by Section 1203 hereof.

Section 1010. Copies of Supplemental Ordinances to Rating Agencies. Copies of any supplemental or amendatory ordinance shall be sent by the City to the Rating Agencies at least 10 days prior to the effective date thereof.

ARTICLE XI
INSURANCE POLICY AND RESERVE POLICY PROVISIONS

Section 1101. Insurer To Be Deemed Owner, Rights of the Insurer, Payments by the Insurer: Notices.

A. Notwithstanding any provision of this Ordinance to the contrary, so long as the Insurer is not in default in its payment obligations under the Insurance Policy, the Insurer shall at all times be deemed the sole and exclusive Owner of the Outstanding Bonds for the purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies pursuant to this Ordinance, including but not limited to approval of or consent to any amendment of or supplement to this Ordinance which requires the consent or approval of the Owners of not less than a majority of the aggregate principal amount of the Bonds then Outstanding pursuant to this Ordinance; provided, however, that the Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Bonds with respect to any amendment or supplement to this Ordinance which seeks to amend or supplement this Ordinance for the purposes set forth in clauses A (1) through A (6) of Section 1001 hereof, and provided, further, that the Insurer shall not have the right to direct or consent to City, Paying Agent or Owner action as provided herein, if:

(1) the Insurer shall be in default under the Insurance Policy;

(2) any material provision of the Insurance Policy shall be held to be invalid by a final, non-appealable order of a court of competent jurisdiction, or the validity or enforceability thereof shall be contested by the Insurer; or

(3) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Insurer and such proceeding is not terminated for a period of 90 consecutive days or such court enters an order granting the relief sought in such proceeding.

B. To the extent that the Insurer makes payment of any principal of or interest on a Bond, it shall be fully subrogated to all of the Owner's rights thereunder in accordance with the terms of the Insurance Policy to the extent of such payment, including the Owner's rights to payment thereof.

C. In the event that the principal of or interest on a Bond shall be paid by the Insurer pursuant to the terms of the Insurance Policy: (1) such Bond shall continue to be "Outstanding" under this Ordinance, and (2) the Insurer shall be fully subrogated to all of the rights of the Owner thereof in accordance with the terms and conditions of paragraph B of this Section and the Insurance Policy.

D. This Ordinance shall not be discharged unless and until all amounts due to the Insurer have been paid in full or duly provided for.

E. The rights granted under this Ordinance to the Insurer to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit of or on behalf of the Owners, nor does such action evidence any position of the Insurer, positive or negative, as to whether Owner consent is required in addition to consent of the Insurer.

F. No modification, amendment or supplement to this Ordinance shall become effective except upon obtaining the prior written consent of the Insurer.

G. No contract shall be entered into nor any action taken by the City or the Paying Agent pursuant to which the rights of the Insurer or security for or sources of payment of the Bonds under this Ordinance may be impaired or prejudiced except upon obtaining the prior written consent of the Insurer.

H. The provisions of this Article shall be of no force or effect if the Bonds are not insured by an Insurer.

ARTICLE XII
MISCELLANEOUS

Section 1201. Defeasance. If, when the Bonds shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), then this Ordinance and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding Bond shall prior to the maturity or Redemption Date thereof be deemed to have been provided for within the meaning and with the effect expressed in this Section if (a) in case said Bond is to be redeemed on any date prior to its maturity, the City shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 405 hereof, notice of redemption of such Bond on said Redemption Date, such notice to be given in accordance with the provisions of Section 405 hereof, (b) there shall have been deposited with the Paying Agent or a Trust Bank either moneys in an amount which shall be sufficient, and/or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Paying Agent or Trust Bank at the same time, shall be sufficient to pay when due the Bond Requirements due and to become due on said Bond on and prior to the Redemption Date or maturity date thereof, as the case may be, and (c) in the event said Bond is not by its terms subject to redemption within the next sixty days, the City shall have given the Paying Agent in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 405 hereof, a notice to the Owner of such Bond that the deposit required by (b) above has been made with the Paying Agent or Trust Bank and that payment of said Bond has been provided for in accordance with this Section and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the Bond Requirements of said Bond. Neither such securities nor moneys deposited with the Paying Agent or Trust Bank pursuant to this Section or principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Bond Requirements of said Bond; provided any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent or other Trust Bank, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in (b) of this paragraph maturing at times and in amounts sufficient to pay when due the Bond Requirements to become due on said Bond on or prior to such Redemption Date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Ordinance, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other Trust Bank.

The release of the obligations of the City under this Section shall be without prejudice to the right of the Paying Agent to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of and performance of its powers and duties hereunder.

Upon compliance with the foregoing provisions of this Section with respect to all Bonds then Outstanding, this Ordinance may be discharged in accordance with the provisions of this Section but the liability of the City in respect of the Bonds shall continue; provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Federal Securities deposited with the Paying Agent or other Trust Bank as provided in this Section.

Section 1202. Delegated Powers. The officers, employees and agents of the City be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

A. Final Certificates. the execution of such certificates as may be reasonably required by the Purchaser, including the Continuing Disclosure Certificate and Insurance Agreement, if any;

B. Paying Agent Agreement. the execution and delivery of an agreement with the Paying Agent necessary or desirable to evidence the acceptance by the Paying Agent of its duties hereunder;

C. Official Statement. the execution and delivery of the final Official Statement; and

D. Bond Purchase Agreement. the execution and delivery of the Bond Purchase Agreement from the Purchaser.

E. Electronic Signatures. The use of electronic signatures to execute any of the documents described in this Section 1202 or elsewhere in this Ordinance, as authorized by Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act.

Section 1203. Evidence of Bond Owners. Any request, consent or other instrument which this Ordinance may require or may permit to be signed and to be executed by the Owners of any Bonds may be in one or more instruments of similar tenor and shall be signed or shall be executed by each such Owner in person or by his or her attorney appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Ordinance (except as otherwise herein expressly provided) if made in the following manner:

A. Proof of Execution. The fact and the date of the execution by any Owner of any Bonds or his or her attorney of such instrument may be established by a certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the City Manager or Director of Finance of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act, that the individual signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate Owner of any securities may be established without further proof if such instrument is signed by an individual purporting to be the president or vice-president of such corporation with a corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if such instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity; and

B. Proof of Holdings. The amount of Bonds held by any Person and the numbers, date and other identification thereof, together with the date of his or her holding the Bonds, shall be proved by the registration records maintained by the Paying Agent.

Section 1204. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the City, the Paying Agent, the Insurer and the Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent, the Insurer, the Surety Provider and the Owners of the Bonds.

Section 1205. Notices. Except as otherwise may be provided in this Ordinance, all notices, certificates, requests or other communications pursuant to this Ordinance shall be in writing and shall be sufficiently given and shall be deemed given by personal delivery, electronic means, or when mailed by first class mail, and either delivered or addressed as follows:

If to the City at:

City and County of Broomfield
One DesCombes Drive
Broomfield, Colorado 80020
Attention: Director of Finance

If to the Paying Agent at:

UMB Bank, n.a.
1670 Broadway
Denver, Colorado 80202
Attention: Corporate Trust Services

Any of the foregoing Persons may, by notice given hereunder to each of the other Persons, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 1206. Additional Notices to Rating Agencies. The Paying Agent hereby agrees that if at any time (a) the City shall redeem any portion of the Bonds Outstanding prior to maturity, but excluding redemptions pursuant to Section 402 hereof, (b) the City shall provide for the payment of any portion of the Bonds pursuant to Section 1201 hereof, (c) a successor Paying Agent is appointed hereunder, or (d) any supplement to this Ordinance shall become effective or any Person shall waive any provision of this Ordinance, then, in each case, the Paying Agent shall give notice to each Rating Agency.

Section 1207. Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any rights, as provided in this Ordinance, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

Section 1208. Effective Date. This Ordinance shall be in full force and effect seven days after final publication.

Section 1209. Disposition of Ordinance. This Ordinance, as adopted by the Council, shall be numbered and recorded by the City Clerk in the official records of the City. The adoption and publication shall be authenticated by the signatures of the Mayor and City Clerk, and by the certificate of publication.

Introduced and approved after first reading on October 14, 2025, and ordered published in full.

Introduced a second time and approved on October 28, 2025, and ordered published.

The City and County of Broomfield, Colorado

____
Mayor

Attest:

____
Office of the City and County Clerk

Approved as to form:

____
City and County Attorney

ORDINANCE NO. 2289

An ordinance authorizing the issuance of the City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026

Recitals.

Whereas, the City and County of Broomfield (the “City”) is a political subdivision of the State of Colorado (the “State”) a body corporate and politic, a home-rule city and county pursuant to Article XX of the constitution and a city and county pursuant to Sections 10, 11, 12 and 13 of Article XX of the constitution;

Whereas, the members of the City Council of the City (the “Council”) have been duly elected or appointed and qualified;

Whereas, pursuant to Chapter XVII of the Charter and Chapter 3-32 of the City Municipal Code (the “Code”), the Council has established the City of Broomfield, Colorado, Sewer Activity Enterprise (the “Enterprise”), governed by the Council and having all lawful powers consistent with the Charter and ordinances of the City, including, without limitation, the power to issue and reissue bonds, notes, and other obligations, in the name of the City, payable solely from lawful revenues available to the enterprise for the purpose of operating the sewer system (the “System”);

Whereas, the Council has determined and hereby determines that the System constitutes an enterprise pursuant to Article X, Section 20 of the Colorado Constitution (“TABOR”) and Title 37, Article 45.1, C.R.S. (the “Enterprise Act”);

Whereas, pursuant to Section 14.4 of the Charter, the City is authorized, pursuant to ordinance, and without an election, to borrow money, issue bonds, or otherwise extend its credit for purchasing, constructing, condemning, otherwise acquiring, extending or improving a water, electric, gas or sewer system, or other public facility or income-producing project or for any other capital improvement; provided that the bonds or other obligations shall be made payable from the net revenues derived from the operation of such system, utility or other such project or capital improvement, and provided, further, that any two or more of such systems, utilities, projects or capital improvements may be combined, operated and maintained as joint municipal systems, utilities, projects or capital improvements, in which case such bonds or other obligations shall be made payable out of the net revenue derived from the operation of such joint systems, utilities or capital improvements;

Whereas, the Council proposes to extend, better, otherwise improve and equip the System, including the financing a portion of the costs of constructing and/or acquiring wastewater improvements for City purposes (the “Improvement Project”);

Whereas, the City has previously issued its Sewer and Wastewater Reclamation Activity Enterprise Sewer Revenue Refunding Bonds, Series 2012 (the “2012 Bonds”), which 2012 Bonds are currently outstanding in the aggregate principal amount of $15,315,000, and mature on December 1, 2031;

Whereas, the 2012 Bonds maturing on and after December 1, 2023 are subject to redemption prior to their respective maturities, at the option of the City, in whole or in part, in integral multiples of $5,000, selected as to maturity by the City, and if less than an entire maturity is to be redeemed, then by lot within such maturity, on December 1, 2022 and thereafter at par plus accrued interest to the redemption date;

Whereas, the City intends to issue certain Sewer Activity enterprise revenue bonds (the “Bonds”) to defray in part the costs of the Improvement Project, refund the 2012 Bonds (the “Refunding Project” and together with the Improvement Project, the “Project”) and the payment of the costs of issuance of the Bonds;

Whereas, except for the 2012 Bonds, which are expected to be fully redeemed, paid and discharged contemporaneously with the issuance of the Bonds, the City has not previously pledged nor hypothecated the revenues derived or to be derived from the operation of the System, or any part thereof, to the payment of any bonds or other financial obligations or for any other purpose with the result that the Net Pledged Revenues (defined below) may now be pledged lawfully and irrevocably for the payment of the Bonds on a parity with the 2012 Bonds, and the Bonds may be made payable from the Net Pledged Revenues;

Whereas, in connection with the discharge and defeasance of the 2012 Bonds, the City will enter into an escrow agreement (the “Escrow Agreement”) with UMB Bank, n.a., acting as Escrow Agent, if required, pursuant to which UMB Bank, n.a., will pay the principal of and interest on the 2012 Bonds on the Redemption date (defined below);

Whereas, there are on file with the City Clerk: (i) the form of the Preliminary Official Statement for the Bonds; (ii) the form of the Paying Agent Agreement; (iii) the form of the Disclosure Certificate; (iv) the form of Bond Purchase Agreement; and (v) a form of Escrow Agreement;

Whereas, pursuant to Section 11-57-203, C.R.S., the City desires to delegate to the City Manager and the Director of Finance the independent authority to accept the proposal to purchase the Bonds by execution of the Bond Purchase Agreement and to make final determinations relating to the Bonds, subject to the parameters contained in Section 213 of this Ordinance;

Whereas, it is necessary to provide for the form of the Bonds, Bond details, the payment of the Bonds, and other provisions relating to the authorization, issuance and sale of the Bonds.

Now, therefore, be it ordained by the City Council of the City and County of Broomfield, Colorado:

TABLE OF ARTICLES

ARTICLE I
DEFINITIONS, INTERPRETATION,
RATIFICATION AND EFFECTIVE DATE

Section 101. Meanings and Construction.

A. Definitions. The terms in this Section for all purposes of this Ordinance and of any ordinance amendatory hereof or supplemental hereto, or relating hereto, and of any other ordinance or any other document pertaining hereto, except where the context by clear implication otherwise requires, shall have the meanings herein specified:

"acquire" or "acquisition" means the opening, laying out, establishment, purchase, construction, securing, installation, reconstruction, lease, gift, grant from the Federal Government, the State, any body corporate and politic therein, or any other Person, the endowment, bequest, devise, transfer, assignment, option to purchase, other contract, or other acquisition, or any combination thereof, of any properties pertaining to the System, or an interest therein, or any other properties herein designated.

"Bond Counsel" means an attorney or a firm of attorneys, designated by the City of nationally recognized standing in matters pertaining to the tax status of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

"Bond Fund" means the special fund designated as the "City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026, Bond Fund" created pursuant to Section 505 hereof.

"Bond Purchase Agreement" means the Bond Purchase Agreement concerning the purchase of the Bonds, between the City and the Purchaser.

"Bond Requirements" means the principal of, any prior redemption premiums due in connection with, and the interest on the Bonds, any Parity Bonds, or other securities payable from the Net Pledged Revenues and heretofore or hereafter issued, if any, or such part of such securities as may be designated.

"Bonds" means City's Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026, with such title as confirmed in the Sale Certificate, issued pursuant to this Ordinance.

"Book-entry form" or "book-entry system" means, with respect to the Bonds, a form or system, as applicable, under which physical Bond certificates in fully registered form are registered only in the name of The Depository Trust Company or its nominee as Owner, with the physical Bond certificates "immobilized" in the custody of The Depository Trust Company. The book-entry system maintained by and the responsibility of The Depository Trust Company and not maintained by or the responsibility of the City or the Paying Agent is the record that identifies, and records the transfer of the interests of, the owners of book-entry interests in the Bonds.

"Business Day" means a day of the year, other than a Saturday or Sunday, other than a day on which commercial banks located in the city in which the principal corporate trust office of the Paying Agent is located are required or authorized to remain closed and other than a day on which the New York Stock Exchange is closed.

"Capital Improvements" means the acquisition of land, easements, facilities, and equipment (other than ordinary repairs and replacements), and those property improvements or any combination of property improvements which will constitute enlargements, extensions or betterments to the System and will be incorporated into the System.

"Charter" means the home rule charter of the City, including all amendments thereto prior to the date hereof.

"City" means the City of and County of Broomfield, Colorado, a municipal corporation and political subdivision of the State.

"City Clerk" means the City Clerk of the City, or his or her successor in functions, if any.

"City Manager" means the City Manager of the City, or his or her successor in functions, if any.

"Closing Date" means the date of delivery of and payment for the Bonds.

"Combined Maximum Annual Principal and Interest Requirements" means the largest sum of the principal of and interest on the Bonds, any other Outstanding Parity Bonds and any additional Parity Bonds proposed to be issued, excluding any securities the principal of which is payable within less than one year from the date on which issued, to be paid during any one Fiscal Year for the period beginning with the Fiscal Year in which such computation is made and ending with the Fiscal Year in which any Bond or other such security last becomes due at maturity or on a Redemption Date, whichever time is later (but excluding any reserve requirement to secure such payments unless otherwise expressly provided), subject in all respects to the following, as applicable:

(1) The word "principal," as used in this definition, means the principal which must be paid to security Owners, whether on stated maturity dates or on mandatory Redemption Dates, or otherwise.

(2) Any computation made under this definition shall be adjusted for all purposes in the same manner as is provided in Section 703 hereof.

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

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate for the Bonds executed by the City.

"Cost of the Project" means all costs, as designated by the City, of the Project, or any interest therein, which cost, at the option of the City (except as may be otherwise limited by law) may include all, any one or other portion of the incidental costs pertaining to the Project, including, without limitation:

(i) All preliminary expenses or other costs advanced by the City or advanced by the Federal Government, the State or by any other Person from any source, with the approval of the Council, or any combination thereof, or otherwise;

(ii) The costs of making surveys and tests, audits, preliminary plans, other plans, specifications, estimates of costs and other preliminaries;

(iii) The costs of contingencies;

(iv) The costs of premiums on any builders' risk insurance and performance bonds during the construction, installation and other acquisition of the Project, or a reasonably allocated share thereof;

(v) The costs of appraising, printing, estimates, advice, inspection, other services of engineers, architects, accountants, financial consultants, attorneys at law, clerical help and other agents and employees;

(vi) The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project and the issuance of the Bonds;

(vii) All costs and expenses of issuing the Bonds including, without limitation, fees of the Paying Agent, Bond Counsel, counsel to the Purchaser, counsel to the City, financial advisor, rating agencies and printers to the extent not defrayed as an Operation and Maintenance Expense;

(viii) The costs of the filing or recording of instruments and the cost of any title insurance premiums;

(ix) The costs of funding any construction loans and other temporary loans pertaining to the Project and of the incidental expenses incurred in connection with such loans;

(x) The costs of demolishing, removing, or relocating any buildings, structures, or other facilities on land acquired for the Project, and of acquiring lands to which such buildings, structures or other facilities may be moved or relocated;

(xi) The costs of machinery and equipment;

(xii) The costs of any properties, rights, easements or other interests in properties, or any licenses, privileges, agreements and franchises;

(xiii) The payment of the premium for the Insurance Policy issued by the Insurer and Reserve Fund Insurance Policy issued by the Surety Provider;

(xiv) The costs of labor, material and obligations incurred to contractors, builders and materialmen in connection with the acquisition and construction of the Project;

(xv) The costs of amending any ordinance or other instrument pertaining to the Bonds or otherwise to the System; and

(xvi) All other expenses pertaining to the Project.

"Council" means the City Council of the City.

"C.R.S." means the Colorado Revised Statutes, as amended and supplemented as of the date hereof.

"Director of Finance" means the Director of Finance of the City, or his or her successor in functions, if any.

"Escrow Account" means the account maintained by the Escrow Bank pursuant to the Escrow Agreement with respect to the defeasance of the 2012 Bonds, if required.

"Escrow Agreement" means the Escrow Agreement dated as of its date, between the Enterprise and the Escrow Bank relating to the defeasance of the 2012 Bonds, if required.

"Escrow Bank" means UMB Bank, n.a., or its successors and assigns, acting as Escrow Bank under the Escrow Agreement.

"Events of Default" means the events stated in Section 903 hereof.

"Federal Government" means the United States of America and any agency, instrumentality or corporation thereof.

"Federal Securities" means bills, certificates of indebtedness, notes, or bonds which are direct obligations of, or the principal and interest of which obligations are unconditionally guaranteed by, the United States of America.

"Fiscal Year" means the calendar year or any other 12-month period hereafter selected by the City as its fiscal year.

"Gross Pledged Revenues" all income from rates, fees, tolls and charges and tap fees, or any combination thereof, but not special assessments, for the services furnished by, or the direct or indirect connection with, or the use of, or any commodity from the System, including without limiting the generality of the foregoing, minimum charges, charges for the availability of service, disconnection fees, reconnection fees and reasonable penalties for any delinquencies, and all income or other realized gain, if any, from any investment of Gross Pledged Revenues and of the proceeds of securities payable from Net Pledged Revenues (except income or other gain from any investment of moneys held in an escrow fund or account for the defeasance of securities payable from the Net Pledged Revenues or any other similar fund) to the extent not required to be rebated to the federal government. Gross Pledged Revenues shall also include amounts on deposit in a rate stabilization fund. Gross Pledged Revenues excludes any refund of rates, tolls and charges due to others.

"improve" or "improvement" means the extension, reconstruction, alteration, betterment or other improvement by the construction, purchase or other acquisition of facilities, including, without limitation, appurtenant machinery, apparatus, fixtures, structures and buildings.

"Independent Accountant" means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State:

(i) Who is, in fact, independent and not under the control of the City;

(ii) Who does not have any substantial interest, direct or indirect, with the City, and

(iii) Who is not connected with the City as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the City.

"Independent Engineer" means an individual, firm or corporation engaged in the engineering profession of recognized good standing and having specific experience in respect of business and properties of a character similar to those of the System, which individual, firm or corporation has no substantial interest, direct or indirect, in the City and in the case of an individual, is not a member of the Council, or an officer or employee of the City, and in the case of a firm or corporation, does not have a partner, director, officer or employee who is a member of the Council or an officer or employee of the City.

"Insurance Policy" means the municipal bond new issue insurance policy, if any, issued by the Insurer that guarantees payment of principal of and interest on the Bonds when due.

"Insurer" means the issuer of the Insurance Policy, if any, as set forth in the Sale Certificate.

"Insurance Agreement" means an agreement entered into between the City and any Insurer pursuant to Section 213 of this Ordinance.

"Investment Securities" means any securities or other obligations permitted as investments of moneys of the City under the laws of the State.

"Letter of Representations" means the Blanket Issuer Letter of Representations from the City to The Depository Trust Company in connection with the issuance of the Bonds in a book-entry system, as supplemented and amended from time to time.

"Mayor" means the Mayor of the City or his or her successor in functions, if any.

"Net Pledged Revenues" means the Gross Pledged Revenues remaining after the payment of the Operation and Maintenance Expenses of the System.

"Official Statement" means the Official Statement delivered in connection with the original issuance and sale of the Bonds.

"Operation and Maintenance Expenses" means such reasonable and necessary current expenses of the City, paid or accrued, of operating, maintaining and repairing the System as may be determined by the City, including, except as limited by contract or otherwise limited by law, without limiting the generality of the foregoing:

(a) Engineering, auditing, legal and other overhead expenses directly related and reasonably allocable to the administration, operation and maintenance of the System;

(b) Insurance, surety bond and interest rate cap agreement premiums appertaining to the System;

(c) The reasonable charges of any paying agent, registrar, transfer agent, depository or escrow bank appertaining to any securities payable from the Net Pledged Revenues;

(d) Annual payments to pension, retirement, health and hospitalization funds appertaining to the System;

(e) Any taxes, assessments, franchise fees or other charges or payments in lieu of the foregoing;

(f) Ordinary and current rentals or equipment or other property;

(g) Contractual services, professional services, salaries, administrative expenses and costs of labor appertaining to the System, the cost of water purchased for delivery through the System and the cost of materials and supplies used for current operation or routine maintenance or repair of the System;

(h) The costs incurred in the billing and collection of all or any part of the Gross Pledged Revenues;

(i) Any costs of utility services furnished to the System by the City or otherwise;

(j) Any other such expenses considered by· the· City in determining the amount of water rates, fees, tolls and charges imposed for operation and maintenance; and

(k) Expenses in connection with the issuance of bonds or other securities evidencing any loan to the City and payable from Gross Pledged Revenues.

"Operating Expenses" do not include:

(a) Any allowance for depreciation;

(b) Any costs of improvement, extension or betterment that qualify as capital items in accordance with generally accepted accounting principles;

(c) Any accumulation of reserves for capital replacements;

(d) Any reserves for operation, maintenance or repair of the System;

(e) Any allowance for the redemption of any bonds or other securities payable from the Net Pledged Revenues or the payment of any interest thereon;

(f) Any liabilities incurred in the acquisition of any facilities constituting part of the System; and

(g) Any other ground of legal liability not based on contract.

"Ordinance" means this ordinance of the City, which provides for the issuance and delivery of the Bonds.

"Outstanding" when used with reference to the Bonds, the Parity Bonds, or any other designated securities and as of any particular date means all the Bonds, the Parity Bonds, or any such other securities payable from the Net Pledged Revenues or otherwise pertaining to the System, as the case may be, in any manner theretofore and thereupon being executed and delivered:

(i) Except any Bond, Parity Bonds, or other security canceled by the City, by any paying agent, or otherwise on the City's behalf, at or before such date;

(ii) Except any Bond, Parity Bond, or other security deemed to be paid as provided in Section 1201 hereof or any similar provision of the ordinance authorizing the issuance of such other security; and

(iii) Except any Bond, Parity Bond, or other security in lieu of or in substitution for which another Bond or other security shall have been executed and delivered pursuant to Sections 306, 307 or 1108 hereof or any similar provisions of the ordinance authorizing the issuance of such other security.

"Owner" means the registered owner of any designated Bond, Parity Bond, or other designated security.

"Parity Bonds" means any securities hereafter issued payable from and having an irrevocable lien upon the Net Pledged Revenues on a parity with the Bonds.

"Parity Bond Ordinances" means any ordinances or agreements previously or hereafter entered into by the City with respect to or authorizing the issuance of Parity Bonds.

"Paying Agent" means UMB Bank, n.a., being an agent of the City for the payment of the Bond Requirements due in connection with the Bonds, the registrar for the Bonds and for other administration of moneys pertaining to the Bonds and includes any successor Commercial Bank as paying agent.

"Paying Agent Agreement" means the agreement between the City and the Paying Agent.

"Person" means a corporation, firm, other body corporate (including, without limitation, the Federal Government, the State, or any other body corporate and politic other than the City), partnership, limited liability company, association or individual, and also includes an executor, administrator, trustee, receiver or other representative appointed according to law.

"Policy Costs" means repayment of draws under the Reserve Fund Insurance Policy, if any, plus all related reasonable expenses incurred by the Surety Provider, plus accrued interest thereon.

"Preliminary Official Statement" means the Preliminary Official Statement delivered in connection with the original issuance and sale of the Bonds.

"Project" means, the land, facilities and rights constructed, installed, purchased and otherwise acquired for the System, the cost of which is to be defrayed with a portion of the proceeds of the Bonds and which constitutes Capital Improvements.

"Project Fund" means the special fund designated as the "City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026, Project Fund" created pursuant to Section 501 hereof.

"Purchaser" means the original purchaser of the Bonds as specified in the Sale Certificate.

"Rating Agency" means each nationally recognized securities rating agency then maintaining a rating on the Bonds.

"Rebate Fund" means the special fund designated as the "City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026, Rebate Fund" created pursuant to Section 510 hereof.

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

“Redemption Date” means, with respect to the 2012 Bonds, the earliest date on which such 2012 Bonds can be called for prior redemption; and with respect to the Bonds, the date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from Net Pledged Revenues in any notice of prior redemption or otherwise fixed and designated by the City.

“Refunded Bond Requirements” means: (i) the payment of the interest due on the Refunded Bonds, both accrued and not accrued, as the same become due on and after the date of delivery of the Bonds and on and before the Redemption Date; (ii) the payment of principal of the Refunded Bonds as the same becomes due upon prior redemption on the Redemption Date; and (iii) the payment of any required redemption premium.

“Refunded Bonds” means any or all of the 2012 Bonds as designated in the Sale Certificate.

“Refunding Project” means the issuance of a portion of the Bonds for the purposes of defraying the costs of refunding the Refunded Bonds.

“Reserve Fund” means the special fund designated as the “City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026, Reserve Fund” created pursuant to Section 506 hereof, if such an account is required as specified in the Sale Certificate. The Reserve Fund shall secure only principal of and interest on the Bonds.

“Reserve Fund Insurance Policy” means any insurance policy, surety bond, irrevocable letter of credit or similar instrument deposited in or credited to the Reserve Fund in lieu of or in partial substitution for moneys on deposit therein.

“Reserve Fund Requirement” has the meaning ascribed to such term in the Sale Certificate.

“Sale Certificate” means the sale certificate of the City relating to the Bonds issued pursuant to the Supplemental Public Securities Act and described in Section 213 hereof.

“Sewer Enterprise Fund” means the special fund maintained by the City and designated as the “Sewer Enterprise Fund”.

“Special Record Date” means the record date for determining ownership of the Bonds for purposes of paying accrued but unpaid interest, as such date may be determined pursuant to this Ordinance.

“State” means the State of Colorado.

“Subordinate Securities” means securities or other obligations payable from the Net Pledged Revenues subordinate and junior to the lien thereon of the Bonds and any Parity Bonds.

“Supplemental Public Securities Act” means Part 2 of Article 57 of Title 11, C.R.S., as amended.

“Supplemental Reserve Fund” means the special fund designated as the “City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026, Supplemental Reserve Fund” created pursuant to Section 507 hereof, if such an account is required as specified in the Sale Certificate. Any Supplemental Reserve Fund shall secure only the principal and interest on the Bonds.

“Supplemental Reserve Fund Requirement” means the amount set forth in the Sale Certificate, if any, for deposit into the Supplemental Reserve Fund.

"Surety Provider" means the Insurer or any other entity issuing a Reserve Fund Insurance Policy with respect to the Bonds.

"System" means the City's system for the collection, treatment and discharge of water and consisting of all properties, real, personal, mixed or otherwise, now owned or hereafter acquired by the City, whether situated within or without the City boundaries, used in connection with such system of the City, and in any way appertaining thereto, including all present or future improvements, extensions, enlargements, betterments, replacements or additions thereof or thereto and administrative facilities

"Tax Compliance Certificate" means the federal tax compliance certificate executed by the City in connection with the initial issuance and delivery of the Bonds.

"Tax Code" means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds, and the regulations promulgated thereunder.

"Term Bonds" means Bonds that are payable on or before their specified maturing dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

"Trust Bank" means a Commercial Bank which is authorized to exercise and is exercising trust powers located within or without the State, and also means any branch of the Federal Reserve Bank.

"2012 Bonds" means the City and County of Broomfield, Colorado, Sewer and Wastewater Reclamation Revenue Refunding Bonds, Series 2012, which 2012 Bonds shall be fully discharged and defeased contemporaneously with the issuance of the Bonds and no longer outstanding.

B. City-Held Securities. Any securities payable from any Net Pledged Revenues held by the City shall not be deemed to be Outstanding for the purpose of redemption nor Outstanding for the purpose of consents hereunder or for any other purpose herein, except for payment.

Section 102. Parties Interested Herein. Nothing herein expressed or implied confers any right, remedy or claim upon any Person, other than the City, the Council, the Paying Agent, the Insurer, the Surety Provider, the Owners of the Bonds and the Owners of any Parity Bonds or other securities payable from the Net Pledged Revenues when reference is expressly made thereto. All the covenants, stipulations, promises and agreements herein contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Council, the Paying Agent, the Insurer, the Surety Provider, the Owners of the Bonds and the Owners of any such other securities in the event of such a reference.

Section 103. Ratification; Approval of Documents. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the Council, the officers of the City and otherwise taken by the City directed toward the Project and the sale and delivery of the Bonds for such purposes, be, and the same hereby is, ratified, approved and confirmed.

Section 104. Repealer. All bylaws, orders, resolutions, ordinances or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any such bylaw, order, resolution or ordinance, or part thereof, heretofore repealed. All rules of the Council, if any, which might prevent the final passage and adoption of this Ordinance are hereby suspended.

Section 105. Severability. If any section, subsection, paragraph, clause or other provision of this Ordinance for any reason is invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause or other provision shall not affect any of the remaining provisions of this Ordinance.

Section 106. Ordinance Irrepealable. After any of the Bonds are issued, this Ordinance shall constitute an irrevocable contract between the City and the Owner or Owners of the Bonds and this Ordinance shall be and shall remain irrepealable until the Bonds, as to all Bond Requirements, shall be fully paid, canceled, and discharged, except as herein otherwise provided.

Section 107. Conclusive Recitals. Pursuant to Section 11-57-210 of the Supplemental Public Securities Act, the Bonds shall contain a recital that they are issued pursuant to the Supplemental Public Securities Act. Such recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds after their delivery for value.

Section 108. Limitation of Actions. Pursuant to Section 11-57-212 of the Supplemental Public Securities Act, no legal or equitable action brought with respect to any legislative acts or proceedings of the City in connection with the authorization or issuance of the Bonds, including but not limited to the adoption of this Ordinance, shall be commenced more than thirty days after the authorization of the Bonds.

ARTICLE II
DETERMINATION OF THE CITY'S AUTHORITY AND OBLIGATIONS; APPROVAL OF RELATED DOCUMENTS; AND ELECTION TO APPLY SUPPLEMENTAL PUBLIC SECURITIES ACT TO THE BONDS

Section 201. Authorization. The Bonds are issued in accordance with the Constitution and laws of the State, the Charter and the provisions of this Ordinance, specifically the Supplemental Public Securities Act; Title 37, Article 45.1, C.R.S., and all other laws of the State thereunto enabling. For the purpose of defraying the cost of the Project, the City hereby authorizes the Bonds to be issued in the aggregate principal amount provided in the Sale Certificate as approved by the City Manager or the Director of Finance, subject to the parameters and restrictions contained in this Ordinance.

Section 202. Bonds Equally Secured. The covenants and agreements herein set forth to be performed on behalf of the City shall be for the equal benefit, protection and security of the Owners of any and all of the Outstanding Bonds and any Outstanding Parity Bonds heretofore or hereafter authorized and issued, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of such securities over any other thereof, except as otherwise expressly provided in or pursuant to this Ordinance.

Section 203. Special Obligations. All of the Bond Requirements of the Bonds and the Policy Costs shall be payable and collectible solely out of the Net Pledged Revenues which revenues are so pledged; the Owner or Owners of the Bonds and the Surety Provider may not look to any general or other fund for the payment of such Bond Requirements, except the herein designated special funds pledged therefor; the Bonds and the Policy Costs shall not constitute an indebtedness or a debt within the meaning of any constitutional, or statutory provision or limitation; and the Bonds and the Policy Costs shall not be considered or held to be general obligations of the City but shall constitute its special obligations. No statutory, Charter, or constitutional provision enacted after the issuance of the Bonds shall in any manner be construed as limiting or impairing the obligation of the City to comply with the provisions of this Ordinance or to pay the Bond Requirements of the Bonds and the Policy Costs as herein provided.

Section 204. Character of Agreement. None of the covenants, agreements, representations and warranties contained herein or in the Bonds shall ever impose or shall be construed as imposing any liability, obligation or charge against the City (except the special funds pledged therefor), or against its general credit, or as payable out of its general fund or out of any funds derived from taxation or out of any other revenue source (other than those pledged therefor).

Section 205. No Pledge of Property. The payment of the Bonds and the Policy Costs is not secured by an encumbrance, mortgage or other pledge of property of the City, except for the Net Pledged Revenues and other moneys pledged for the payment of the Bond Requirements of the Bonds. No property of the City, subject to such exception, shall be liable to be forfeited or taken in payment of the Bonds or the Policy Costs.

Section 206. No Recourse Against Officers and Agents. No recourse shall be had for the payment of the Bond Requirements of the Bonds or the Policy Costs or for any claim based thereon or otherwise upon this Ordinance or any other ordinance pertaining hereto, against any individual member of the Council or any officer, employee or other agent of the City, past, present or future, either directly or indirectly through the Council, or the City, or otherwise, whether by virtue of any penalty or otherwise, all such liability, if any, being by the acceptance of the Bonds and as part of the consideration of their issuance specially waived and released.

Section 207. Authorization of the Project. The Council, on behalf of the City, does hereby determine to undertake the Project, which is hereby authorized, and the proceeds of the Bonds shall be used therefor.

Section 208. Enterprise Status. The Council, on behalf of the City, hereby confirms its determination that the System is an "enterprise" for the purposes of Article X, Section 20 of the State Constitution and Title 37 Article 45.1, C.R.S.

Section 209. Sale of Bonds. The Bonds shall be sold by negotiated sale to the Purchaser. Pursuant to the Supplemental Public Securities Act, the Council hereby delegates to the City Manager or the Director of Finance the authority to execute the Bond Purchase Agreement and the Sale Certificate with respect to the sale of the Bonds.

Section 210. Official Statement. The preparation and use of the Preliminary Official Statement and of the final Official Statement are hereby authorized. The Director of Finance is hereby authorized to approve, on behalf of the City, the Official Statement. The execution of the Official Statement by the Director of Finance shall be conclusively deemed to evidence the approval of the form and contents thereof by the City.

Section 211. Paying Agent and Allotment Contract. The Council hereby determines to approve the Paying Agent Agreement. The Paying Agent may resign at any time on 30 days' prior written notice to the City. The City may remove the Paying Agent upon 30 days' prior written notice to the Paying Agent. If the Paying Agent appointed thereunder shall resign, or if the City shall determine to remove the Paying Agent, then the City may appoint a successor Paying Agent, upon notice sent to each owner of any Bond at his address last shown on the registration records maintained by the Paying Agent or by electronic means to DTC or its successor. No resignation or dismissal of the Paying Agent may take effect until a successor has been appointed and has accepted the duties of the Paying Agent. Every such successor Paying Agent shall be a Commercial Bank.

Section 212. Other Related Documents. The forms, terms and provisions of, and the performance by the City of its obligations under the Preliminary Official Statement, the Paying Agent Agreement, the Escrow Agreement and the Continuing Disclosure Certificate are hereby approved, and the Mayor or Mayor pro-tem and the City Clerk or Deputy City Clerk are hereby authorized and directed to execute each of such documents on behalf of and in the name of the City, and to deliver each of such documents, in substantially the form on file with the City Clerk, with such changes as are not inconsistent herewith. The Mayor, the City Manager or the Director of Finance are hereby authorized to execute and deliver any Insurance Agreement as may be required by an Insurer relating to the issuance of the Insurance Policy or a Surety Provider relating to the Reserve Fund Insurance Policy. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval by the City of such instrument in accordance with the terms hereof.

Section 213. Elections to Apply Supplemental Public Securities Act to the Bonds. Pursuant to Section 11-57-204 of the Supplemental Public Securities Act, a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Public Securities Act. The Council hereby elects to apply all of the provisions of the

Supplemental Public Securities Act to the Bonds. Pursuant to Section 11-57-205 of the Supplemental Public Securities Act, the Council hereby delegates to the City Manager or the Director of Finance the authority to make the following determinations with respect to the Bonds, subject to the parameters and restrictions contained in this Ordinance, without any requirement that the Council approve such determinations:

(i) Interest Rate. The net effective rate of interest to be borne by the Bonds, which shall not exceed 5.50%

(ii) Redemption Provisions. The prior redemption provisions of the Bonds, provided that the Bonds shall be subject to optional redemption prior to maturity not later than December 1, 2036 at a redemption price not to exceed 100%.

(iii) Purchase Price. The price at which the Bonds will be sold to the Purchaser, provided that the purchase price of the Bonds shall not be less than 98% of the aggregate principal amount of the Bonds.

(iv) Principal Amount. The aggregate principal amount of the Bonds, provided that such principal amount shall not exceed $125,000,000.

(v) Maturity Schedule. The amount of principal of and interest on the Bonds maturing, or subject to mandatory sinking fund redemption in any particular year; provided that the maximum annual repayment cost shall not exceed $11,000,000 and the maximum total repayment cost shall not exceed $220,000,000.

(vi) Term of the Bonds. The Bonds shall not mature later than December 1, 2047.

(vii) Capitalized Interest. The existence and amount of any capitalized interest on the Bonds.

(viii) Reserve Fund. The amount to be deposited in the Reserve Fund, if any.

(ix) Supplemental Reserve Fund. The amount to be deposited in the Supplemental Reserve Fund, if any.

(x) Bond Insurance. Whether the Bonds will be secured by an Insurance Policy or a Reserve Fund Insurance Policy and the terms of any agreement with the provider of such Insurance Policy or Reserve Fund Insurance Policy.

Such determinations shall be evidenced by the Sale Certificate signed by the City Manager, or the Director of Finance dated and delivered as of the Closing Date, which shall not be more than one year from the date of adoption of this Ordinance. If the City shall determine to not obtain an Insurance Policy to secure the payment of principal of and interest on the Bonds, or not to obtain a Reserve Fund Insurance Policy, any references to the Insurer, the Insurance Policy, the Reserve Fund Insurance Policy, the Surety Provider, Policy Costs, the Insurance Agreement, or other provisions relating to bond insurance shall be of no force or effect.

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 301. Bond Details.

A. Basic Provisions. The Bonds shall be issued in fully registered form (i.e., registered as to payment of both principal and interest), in denominations of $5,000 or any integral multiple thereof. The Bonds shall be lettered "R" and shall be numbered separately from 1 upward. The Bonds shall be dated as of the date of their delivery. The Bonds shall mature on December 1, in the years and amounts and subject to prior redemption as set forth herein and in the Sale Certificate. The Bonds shall bear interest from the most recent interest payment date to which interest has been paid, or if no interest has been paid, from their date until their respective maturities (or prior redemption) at the rates set forth in the Sale Certificate. No interest shall accrue on any Bonds owned by or on behalf of the City. Interest on the Bonds shall be calculated on the basis of a 360-day year of twelve 30-day months, payable semiannually on each June 1 and December 1, commencing on the date provided in the Sale Certificate.

B. Payment of Bonds. The principal of each Bond shall be payable at the principal corporate trust office of the Paying Agent, or at such other office as the Paying Agent directs in writing to the Owners of the Bonds, or at the principal office of its successor, upon presentation and surrender of the Bond. Payment of interest on any Bond shall be made to the Owner thereof by the Paying Agent on or before each interest payment date, (or, if such interest payment date is not a Business Day, on or before the next succeeding Business Day), to such Owner at his or her address as it appears on the registration records kept by the Paying Agent on the Record Date; but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Owner thereof at the close of business on the Record Date and shall be payable to the person who is the Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date and the date fixed for payment of such defaulted interest shall be fixed by the Paying Agent whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the Owners not less than ten days prior to the Special Record Date by first-class mail to each such Owner as shown on the Paying Agent's registration books on a date selected by the Paying Agent, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any Bond by such alternative means as may be mutually agreed to between the Owner of such Bond and the Paying Agent. If any Bond is not paid upon its presentation and surrender at or after its maturity or prior redemption, interest shall continue at its stated rate per annum until the principal thereof is paid in full. All such payments shall be made in lawful money of the United States of America.

Section 302. Execution of Bonds. The Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor, shall be sealed with the corporate seal of the City or a facsimile thereof thereunto affixed, imprinted, engraved or otherwise reproduced and shall be attested by the manual or facsimile signature of the City Clerk. Any Bond may be signed (manually or by facsimile), sealed or attested on behalf of the City by any person who, at the date of such act, shall hold the proper office, notwithstanding that at the date of authentication, issuance or delivery, such person may have ceased to hold such office. The Mayor and the City Clerk may adopt as and for his or her own facsimile signature the facsimile signature of his or her predecessor in office in the event that such facsimile signature appears on any of the Bonds. Before the execution of any Bond, the Mayor and the City Clerk shall each file with the Colorado Secretary of State his or her manual signature certified by him or her under oath.

Section 303. Authentication Certificate. The authentication certificate upon the Bonds shall be substantially in the form and tenor provided in the form of the Bonds set forth in Section 309 hereof. No Bond shall be secured hereby or entitled to the benefit hereof, nor shall any Bond be valid or obligatory for any purpose, unless the certificate of authentication, substantially in such form, has been duly executed by the Paying Agent and such certificate of the Paying Agent upon any Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The certificate of authentication shall be deemed to have been duly executed by the Paying Agent if manually signed by an authorized officer or employee of the Paying Agent, but it shall not be necessary that the same officer or employee sign the certificate of authentication on all of the Bonds.

Section 304. Registration and Payment. The Paying Agent shall keep or cause to be kept sufficient records for the registration and transfer of the Bonds, which shall at all times be open to inspection by the City. Upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said records, Bonds as herein provided. Except as provided in Section 306 hereof, the Person in whose name any Bond shall be registered on the registration records kept by the Paying Agent shall be deemed and regarded as the absolute owner thereof for the purpose of making payment of the Bond Requirements thereof and for all other purposes; and payment of or on account of the Bond Requirements of any Bond shall be made only to the Owner thereof or his or her legal representative, but such registration may be changed upon transfer of such Bond in the manner and subject to the conditions and limitations provided herein. All such payments shall be valid and effectual to discharge the liability upon such Bond to the extent of the sum or sums so paid. The foregoing provisions of this Section are subject to the provisions of Section 307 hereof.

Section 305. Transfer and Exchange. Any Bond may be transferred upon the records required to be kept pursuant to the provisions of Section 304 hereof by the Person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Whenever any Bond or Bonds shall be surrendered for transfer, the Paying Agent shall authenticate and deliver a new Bond or Bonds for a like aggregate principal amount and of the same maturity and interest rate and of any authorized denominations. The Bonds may be exchanged by the Paying Agent for a like aggregate principal amount of Bonds of the same maturity and interest rate and of other authorized denominations. The execution by the City of any Bond of any denomination shall constitute full and due authorization of such denomination and the Paying Agent shall thereby be authorized to authenticate and deliver such Bond.

The Paying Agent shall not be required to transfer or exchange (a) any Bond subject to redemption during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Bonds and ending at the close of business on the day such notice is mailed, or (b) any Bond so selected for redemption in whole or in part after the mailing of notice calling such Bond or any portion thereof for prior redemption except the unredeemed portion of Bonds being redeemed in part.

The Paying Agent shall require the payment by any Owner requesting exchange or transfer of any tax or other governmental charge required to be paid with respect to such exchange or transfer and may charge a sum sufficient to pay the cost of preparing each new Bond upon each exchange or transfer and any other expenses of the City or the Paying Agent incurred in connection therewith.

The foregoing provisions of this Section are subject to the provisions of Section 307 hereof.
Section 306. Bond Replacement. Upon receipt by the City and the Paying Agent of evidence satisfactory to them of the ownership of and the loss, theft, destruction or mutilation of any Bond and, in the case of a lost, stolen or destroyed Bond, of indemnity satisfactory to them, and in the case of a mutilated Bond upon surrender and cancellation of the Bond, (a) the City shall execute and the Paying Agent shall authenticate and deliver a new Bond of the same date, interest rate and denomination in lieu of such lost, stolen, destroyed or mutilated Bond, or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the City may pay such Bond. Any such new Bond shall bear a number not previously assigned. The applicant for any such new Bond may be required to pay all expenses and charges of the City and of the Paying Agent in connection with the issuance of such Bond. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

Section 307. Custodial Deposit.
A. Depository. Notwithstanding any contrary provision of this Ordinance, the Bonds initially shall be evidenced by one Bond of the same maturity and interest rate in denominations equal to the aggregate principal amount of the Bonds of the same maturity and interest rate. Such initially delivered Bonds shall be registered in the name of “Cede & Co.” as nominee for The Depository Trust Company, the securities depository for the Bonds. The Bonds may not thereafter be transferred or exchanged except:
(1) to any successor of The Depository Trust Company or its nominee, which successor must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered “clearing agency” under Section 17A of the Securities Exchange Act of 1934, as amended; or
(2) upon the resignation of The Depository Trust Company or a successor or new depository institution under clause (1) or this clause (2) of this paragraph A, or a determination by the Council that The Depository Trust Company or such successor or a new depository institution is no longer able to carry out its functions, and the designation by the Council of another depository institution acceptable to the Council and to the depository then holding the Bonds, which new depository must be both a “clearing corporation” as defined in Section 4-8-102(a)(5), C.R.S. and a qualified and registered “clearing agency” under Section

17A of the Securities Exchange Act of 1934, as amended, to carry out the functions of The Depository Trust Company or such successor new depository institution; or

(3) upon the resignation of The Depository Trust Company or a successor or new depository institution under clause (1) above or designation of a new depository institution pursuant to clause (2) above, or a determination of the Council that The Depository Trust Company or such successor or depository institution is no longer able to carry out its functions, and the failure by the Council, after reasonable investigation, to locate another depository institution under clause (2) to carry out such depository institution functions.

B. Successor. In the case of a transfer to a successor of The Depository Trust Company or its nominee as referred to in clause (1) or (2) of paragraph A hereof, upon receipt of the outstanding Bonds by the Paying Agent together with written instructions for transfer satisfactory to the Paying Agent, a new Bond for each maturity and interest rate of the Bonds then outstanding shall be issued to such successor or new depository, as the case may be, or its nominee, as is specified in such written transfer instructions. In the case of a resignation or determination under clause (3) of paragraph A hereof and the failure after reasonable investigation to located another qualified depository institution for the Bonds as provided in clause (3) of paragraph A hereof, and upon receipt of the outstanding Bonds by the Paying Agent, together with written instructions for transfer satisfactory to the Paying Agent, new Bonds shall be issued in authorized denominations as provided in and subject to the limitations of Sections 301, 304, and 305 hereof, registered in the names of such Persons, as are requested in such written transfer instructions; however, the Paying Agent shall not be required to deliver such new Bonds within a period of less than 60 days from the date of receipt of such written transfer instructions.

C. Absolute Owner. The Council and the Paying Agent shall be entitled to treat the Owner of any Bond as the absolute owner thereof for all purposes hereof and any applicable laws, notwithstanding any notice to the contrary received by any or all of them and the Council and the Paying Agent shall have no responsibility for transmitting payments or notices to the beneficial owners of the Bonds held by The Depository Trust Company or any successor or new depository named pursuant to paragraph A hereof.

D. Payment. The Council and the Paying Agent shall endeavor to cooperate with The Depository Trust Company or any successor or new depository named pursuant to clause (1) or (2) of paragraph A hereof in effectuating payment of the principal amount of the Bonds upon maturity or prior redemption by arranging for payment in such a manner that funds representing such payments are available to the depository on the date they are due.

E. Redemption. Upon any partial redemption of any maturity and interest rate of the Bonds, Cede & Co. (or its successor) in its discretion may request the City to issue and authenticate a new Bond or shall make an appropriate notation on the Bond indicating the date and amount of prepayment, except in the case of final maturity, in which case the Bond must be presented to the Paying Agent prior to payment. The records of the Paying Agent shall govern in the case of any dispute as to the amount of any partial prepayment made to Cede & Co. (or its successor).

Section 308. Bond Cancellation. Whenever any Bond shall be surrendered to the Paying Agent upon payment thereof, or to the Paying Agent for transfer, exchange or replacement as provided herein, such Bond shall be promptly canceled and destroyed by the Paying Agent in accordance with its customary practices and applicable retention laws.

Section 309. Bond Form. Subject to the provisions of this Ordinance, the Bonds shall be in substantially the following forms, with such omissions, insertions, endorsements and variations as to any recitals of fact or other provisions as may be required by the circumstances, be required or permitted by this Ordinance, be consistent with this Ordinance or be necessary or appropriate to conform to the rules and requirements of any governmental authority or any usage or requirement of law with respect thereto:

(FORM OF BOND)

Unless this 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 BROOMFIELD

CITY AND COUNTY OF BROOMFIELD, COLORADO
SEWER ACTIVITY ENTERPRISE
SEWER REVENUE BOND
SERIES 2026

No. R- $___________

INTEREST RATE	MATURITY DATE	DATED AS OF	CUSIP
______%	December __, 20__	[Date of Delivery]	_________

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ____ DOLLARS

The City and County of Broomfield (the "City"), for value received, hereby promises to pay to the registered owner specified above, or registered assigns, upon the presentation and surrender of this bond, solely from the special funds provided therefor, as hereinafter set forth, the principal amount set forth above on the maturity date specified above (unless this bond shall have been called for prior redemption, in which case on the Redemption Date) and to pay solely from such special funds interest hereon at the interest rate per annum specified above, payable semiannually on June 1 and December 1 in each year, beginning on __________, until the principal amount is paid or payment has been provided for, as described in an ordinance adopted by the City Council of the City on October __, 2025 (the "Ordinance"). This is one of an authorized series of bonds issued under the Ordinance (the "Bonds"). The Bonds are all issued under and equally and ratably secured by and entitled to the security of the Ordinance. To the extent not defined herein, terms used in this Bond shall have the same meanings as set forth in the Ordinance. This Bond bears interest, matures, is payable, is subject to redemption and is transferable as provided in the Ordinance.

Reference is made to the Ordinance and to all Ordinances supplemental thereto, with respect to the nature and extent of the security for the Bonds, the accounts, funds or revenues pledged, rights, duties and obligations of the City, the Paying Agent and the Insurer, the Surety Provider, the rights of the Owners of the Bonds, the events of defaults and remedies, the circumstances under which any Bond is no longer Outstanding, the issuance of additional bonds and the terms on which such additional bonds may be issued under and secured by the Ordinance, the ability to amend the Ordinance, and to all the provisions of which the Owner hereof by the acceptance of this Bond assents.

THE BONDS ARE ISSUED PURSUANT TO AND IN FULL COMPLIANCE WITH THE CONSTITUTION AND LAWS OF THE STATE, AND PURSUANT TO THE ORDINANCE. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE CITY, SECURED BY THE NET PLEDGED REVENUES. THE BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION DEBT OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE CITY, THE STATE NOR ANY OF THE POLITICAL SUBDIVISIONS THEREOF IS LIABLE THEREFOR. NEITHER THE MEMBERS OF THE CITY COUNCIL OF THE CITY NOR ANY PERSONS EXECUTING THIS BOND SHALL BE PERSONALLY LIABLE FOR THIS BOND.

It is certified, recited and warranted that all the requirements of law have been fully complied with by the proper officers of the City in the issuance of this Bond; that it is issued pursuant to and in strict conformity with the Constitution of the State, and with the Ordinance and any ordinances supplemental thereto; and that this Bond does not contravene any Constitutional or statutory limitation.

This Bond is one of a series of bonds issued pursuant to the Bond Ordinance (the “Bond Ordinance”) designated as the “City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026” (the “Bonds”) in the aggregate principal amount of $[________]. The Bonds have been duly authorized for the purpose of providing moneys to defray a portion of the cost of extending, bettering or otherwise improving and equipping the System, refund the City’s previously issued Sewer and Wastewater Reclamation Activity Enterprise Sewer Revenue Refunding Bonds, Series 2012 (the “2012 Bonds”), and to pay the costs of issuing the Bonds.

The bonds of the series of which this bond is one are issued under the authority of the City Charter; Title 37, Article 45.1, C.R.S.; and Title 11, Article 57, Part 2, C.R.S., and in full conformity therewith. Pursuant to Section 11-57-210, C.R.S., this recital shall be conclusive evidence of the validity and the regularity of the issuance of the Bonds and the Bonds shall be incontestable for any cause whatsoever after their delivery for value.

Payment of the principal of and interest of the Bonds shall be made solely from the Net Pledged Revenues. The Net Pledged Revenues are irrevocably (but not exclusively) pledged as security for such payment pursuant to the Ordinance.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Ordinance until the certificate of authentication hereon shall have been duly executed by the Paying Agent.

IN WITNESS WHEREOF, the City has caused this Bond to be signed and executed in its name and upon its behalf with the facsimile signature of its Mayor, has caused the facsimile of the seal of the City to be affixed hereon and has caused this Bond to be signed, executed and attested with the facsimile signature of its City Clerk, all as of the date specified above.

By______________________________ (For Facsimile Signature)
MAYOR

(FACSIMILE SEAL)

Attest:

__________________________(For Facsimile Signature)
OFFICE OF THE CITY CLERK

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within mentioned Ordinance.

UMB BANK, N.A., as Paying Agent

By______________________________
Authorized Signatory

Date of Authentication and Registration: ____________________

(END OF FORM OF CERTIFICATE OF AUTHENTICATION)

(FORM OF ASSIGNMENT)

ASSIGNMENT

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

Dated: ___________________________ Signed:____________________________

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration or enlargement or any change whatever. The signature must be guaranteed by an eligible guarantor institution as defined in 17 CFR § 240.17 Ad-15(a)(2).

Signature Guaranteed:

____

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

Address of Transferee:

____
____
____

Social Security or other tax
identification number of
Transferee:

____

TRANSFER FEES MAY BE CHARGED

(END OF FORM OF ASSIGNMENT)

(FORM OF PREPAYMENT PANEL)

PREPAYMENT PANEL

The following installments of principal (or portions thereof) of this Bond have been prepaid in accordance with the terms of the Ordinance.

Date of Prepayment	Principal Prepaid	Signature of Authorized Representative of DTC

(END OF FORM OF PREPAYMENT PANEL)

(END OF FORM OF BOND)

Section 310. Optional Redemption. The Bonds will be subject to redemption, if any, at the option of the City in the time and manner, in the amounts and at the prices, and from the funds all as set forth in the Sale Certificate.

Notwithstanding the foregoing, the Bonds may not be redeemed pursuant to this Section unless all Policy Costs, if any, due and owing at the time to the Surety Provider have been paid.

Section 311. Mandatory Sinking Fund Redemption. The Term Bonds, if any, shall be subject to mandatory sinking fund redemption at the times, in the amounts and at the prices provided in the Sale Certificate.

On or before the thirtieth day prior to each such sinking fund payment date, the Paying Agent shall proceed to call the Term Bonds, if any, as provided in the Sale Certificate (or any Term Bond or Term Bonds issued to replace such Term Bonds) for redemption from the sinking fund on the next December 1, and give notice of such call without further instruction or notice from the City.

At its option, to be exercised on or before the sixtieth day next preceding each such sinking fund Redemption Date, the City may (a) deliver to the Paying Agent for cancellation Term Bonds subject to mandatory sinking fund redemption on such date in an aggregate principal amount desired or (b) receive a credit in respect of its sinking fund redemption obligation for any Term Bonds of the maturity and interest rate subject to mandatory sinking fund redemption on such date, which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Paying Agent and not theretofore applied as a credit against any sinking fund redemption obligation. Each Term Bond so delivered or previously redeemed will be credited by the Paying Agent at the principal amount thereof against the obligation of the City on such sinking fund date and such sinking fund obligation will be accordingly reduced. The City will on or before the sixtieth day next preceding each sinking fund Redemption Date furnish the Paying Agent with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding sentence are to be availed with respect to such sinking fund payment. Failure of the City to deliver such certificate shall not affect the Paying Agent's duty to give notice of sinking fund redemption as provided in this paragraph.

Section 312. Partial Redemption. In the case of Bonds of a denomination larger than $5,000, a portion of such Bond ($5,000 or any integral multiple thereof) may be redeemed, in which case the Paying Agent shall, without charge to the owner of such Bond, authenticate and issue a replacement Bond or Bonds for the unredeemed portion thereof.

Section 313. Notice of Prior Redemption. Notice of optional or mandatory redemption shall be given by the Paying Agent in the name of the City by sending a copy of such notice by first-class, postage prepaid mail, or by electronic means to DTC or its successors, not more than sixty nor less than thirty days prior to the Redemption Date to each Owner at his address as it last appears on the registration books kept by the Paying Agent; but neither failure to give such notice nor any defect therein shall affect the redemption of any Bond. Such notice shall identify the Bonds to be so redeemed (if less than all are to be redeemed) and the Redemption Date, and shall further state that on such Redemption Date there will become and be due and payable upon each Bond so to be redeemed, at the principal office of the Paying Agent, the principal amount thereof, accrued interest to the Redemption Date, and the stipulated premium, if any, and that from and after such date interest will cease to accrue. Notice having been given in the manner hereinabove provided, the Bond or Bonds so called for redemption shall become due and payable on the Redemption Date so designated; and upon presentation thereof at the principal office of the Paying Agent, the Paying Agent will pay the Bond or Bonds so called for redemption. No further interest shall accrue on the principal of any such Bond called for redemption from and after the Redemption Date, provided sufficient funds are deposited with the Paying Agent and available on the Redemption Date.

Notwithstanding the provisions of this Section, any notice of redemption shall either (a) contain a statement that the redemption is conditioned upon the receipt by the Paying Agent on or before the Redemption Date of funds sufficient to pay the redemption price of the Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the Owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed, or (b) be given only if funds sufficient to pay the redemption price of the Bonds so called for redemption are on deposit with the Paying Agent in the applicable fund or account.

Section 314. Bonds Owned by the City. Bonds owned by or on behalf of the City shall not be subject to redemption. At any time, the City may surrender any Bonds owned by or on behalf of the City to the Paying Agent, which shall promptly cancel such Bonds.

Section 315. No Partial Redemption After Default. Anything in this Ordinance to the contrary notwithstanding, if there shall have occurred and is continuing an Event of Default hereunder of which an officer of the Paying Agent has actual knowledge, there shall be no redemption of less than all of the Bonds at the time Outstanding (other than pursuant to Section 402 hereof).

ARTICLE IV
USE OF BOND PROCEEDS AND OTHER MONEYS

Section 401. Disposition of Bond Proceeds.
A. The proceeds of the Bonds (net of underwriting discount), upon the receipt thereof, shall be accounted for in the following manner and priority:
(i) Reserve Fund. An amount equal to the portion of the Reserve Fund Requirement as described in the Sale Certificate, if any, shall be credited to the special and separate fund

hereby created and to be known as the "City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026 Reserve Fund."

(ii) Escrow Account. If required, an amount of the proceeds derived from the sale of the Bonds shall be credited to the special and separate account hereby and created and held by the Escrow Bank to be known as the "City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026 Escrow Account." Such deposit shall be sufficient to pay the Refunded Bond Requirements on the Redemption Date. Except as otherwise provided herein, the moneys in the Escrow Account shall be used solely for the purpose of paying the costs of the Refunding Project. If the City does not deposit proceeds of the Bonds to pay the Refunded Bond Requirements in such Escrow Account, then all references to the Escrow Account, the Escrow Agreement and the Escrow Bank are of no force or effect.

(iii) Project Fund. The remaining proceeds derived from the sale of the Bonds shall be credited to the special and separate account hereby created and to be known as the "City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026 Project Fund." Except as otherwise provided herein, the moneys in the Project Fund shall be used solely for the purpose of paying the Cost of the Project and for the purposes set forth in Section 502 hereof.

Section 402. Payment of Expenses. Moneys deposited in the Project Fund pursuant to Section 501 hereof may be used and paid out by the City to defray the administrative costs of the Project, including, without limitation, amounts to be paid to the Paying Agent, legal fees, accounting fees, financial advisory fees, printing costs and rating fees. The City may defray any such administrative costs from time to time as Operation and Maintenance Expenses to the extent the moneys deposited in the Project Fund pursuant to Section 501 hereof are insufficient therefor.

Section 403. Completion of Project. When the Project is completed in accordance with the relevant plans and specifications and all amounts due therefor, including all proper incidental expenses and all administrative costs of the Project referred to in Section 502 hereof, are paid, or for which full provision is made, the Director of Finance, to the extent permitted by the Tax Compliance Certificate, shall cause all surplus moneys remaining in the Project Fund, if any, except for any moneys designated in the certificate to be retained to pay any unpaid accrued costs or contingent obligations, to be transferred as follows: (a) to the Rebate Fund so as to enable the City to comply with requirements of the Tax Compliance Certificate with respect to the Bonds, (b) to the Reserve Fund to such extent as shall not cause the amount in the Reserve Fund to exceed the Reserve Fund Requirement and (c) to the Bond Fund to the extent of any remaining balance of such moneys to be applied against the next principal payment or payments coming due on the Bonds. Nothing herein prevents the transfer from the Project Fund to the Bond Fund, at any time prior to the termination of the Project Fund, of any moneys which the Director of Finance by certificate determines will not be necessary for the Project and will not be designated to be transferred to the Rebate Fund.

Section 404. Lien on Bond Proceeds. Until the proceeds of the Bonds deposited in the Project Fund are applied as herein provided, such Bond proceeds are subject to a lien thereon and pledge thereof for the benefit of the Owners of the Outstanding Bonds as provided in Section 501 hereof.

Section 405. Purchaser Not Responsible. The validity of the Bonds is not dependent upon nor affected by the validity or regularity of any proceedings relating to the application of the Bond proceeds. The Purchaser and any subsequent Owners of any of the Bonds are not responsible for the application or disposal by the City or by any of its officers, agents and employees of the moneys derived from the sale of the Bonds or of any other moneys herein designated.

ARTICLE V
ADMINISTRATION OF AND ACCOUNTING FOR PLEDGED REVENUES

Section 501. Pledge Securing Bonds. Subject only to the right of the City to cause amounts to be withdrawn and paid on account of Operation and Maintenance Expenses of the System, the Gross Pledged Revenues and, subject to the right of the City to cause amounts to be withdrawn to pay the Cost of the Project as provided herein and other than moneys and securities held in the Rebate Fund to the extent such amounts are required to be paid to the United States, all moneys and securities paid or to be paid to or held or to be held in any fund or account under this Article or under Section 501 hereof are hereby pledged, and a lien thereon is hereby created, to secure the payment of the Bond Requirements of the Outstanding Bonds and to secure the obligations of the City to pay the Policy Costs. The pledge of the Net Pledged Revenues to secure the payment of the Bond Requirements of the Outstanding Bonds and the Parity Bonds is on a parity with the pledge of the Net Pledged Revenues for, and lien thereon of the Parity Bonds heretofore issued and any other Parity Bonds hereafter issued in compliance with the provisions of Article VII hereof. The pledge of Net Pledged Revenues to secure the payment of the Policy Costs is subordinate only to the pledge to pay the Bond Requirements with respect to the Bonds and any Parity Bonds. The pledge of the Net Pledged Revenues and the funds or accounts as described in this section shall be valid and binding from and after the date of the delivery of the Bonds, and the moneys as received by the City and hereby pledged shall immediately be subject to the lien of this pledge without any physical delivery thereof, any filing, or further act. The lien of this pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the City except any Outstanding Parity Bonds heretofore or hereafter authorized and any Policy Costs as provided herein. The lien of the pledge of the Net Pledged Revenues and the funds or accounts as described in this section shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City (except as herein otherwise provided) irrespective of whether such parties have notice thereof.

Section 502. Sewer Enterprise Fund Deposits. So long as any of the Bonds or any Parity Bonds shall be Outstanding, as to any Bond Requirements and Policy Costs related to the Bonds or any Parity Bonds, the entire Gross Pledged Revenues, upon their receipt from time to time by the City, shall be set aside and credited immediately to the special and separate account previously created and known as the "City of Broomfield, Enterprise Sewer Revenue and Refunding Bonds, Sewer Enterprise Fund."

Section 503. Administration of Sewer Enterprise Fund. So long as any of the Bonds or any Parity Bonds shall be Outstanding, as to any Bond Requirements and Policy Costs related to the Bonds or any Parity Bonds, the following payments shall be made from the Sewer Enterprise Fund, as provided in Sections 504 through 511 hereof.

Section 504. Operation and Maintenance Expenses. First, as a first charge on the Sewer Enterprise Fund, from time to time there shall continue to be held therein moneys sufficient to pay Operation and Maintenance Expenses, as they become due and payable, and thereupon they shall be promptly paid. Any surplus remaining in the Sewer Enterprise Fund at the end of the Fiscal Year and not needed for Operation and Maintenance Expenses shall be used for other purposes of the Sewer Enterprise Fund as herein provided.

Section 505. Bond Fund Payments. Second, from any remaining Net Pledged Revenues, there shall be credited, concurrently with each other and with amounts required to meet the Bond Requirements with respect to any Outstanding Parity Bonds, to the special and separate accounts hereby created and to be known as the "City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026, Bond Fund," the following amounts:

A. Interest Payments. Monthly to the Bond Fund, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, or commencing on the first day of the month six months next prior to the first interest payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the interest due and payable on the Outstanding Bonds on the next succeeding interest payment date.

B. Principal Payments. Monthly to the Bond Fund, commencing on the first day of the month immediately succeeding the delivery of any of the Bonds, or commencing on the first day of the month one year next prior to the first principal payment date of any of the Bonds, whichever commencement date is later, an amount in equal monthly installments necessary, together with any moneys therein and available therefor, to pay the principal and redemption premium, if any, due and payable on the Outstanding Bonds on the next succeeding principal payment date.

If prior to any interest payment date or principal payment date, there has been accumulated in the Bond Fund the entire amount necessary to pay the next maturing installment of interest or principal, or both, the payment required in paragraph A or B (whichever is applicable) of this Section 505 may be appropriately reduced; but the required annual amounts again shall be so credited to such account commencing on such interest payment date or principal payment date.

The moneys credited to the Bond Fund shall be used to pay the Bond Requirements of the Bonds then Outstanding, as such Bond Requirements become due, except as provided in Sections 508 and 1201 hereof.

Section 506. Reserve Fund Payments. In satisfaction of the Reserve Fund Requirement, upon delivery of the Bonds, and if so provided in the Sale Certificate, either proceeds of the Bonds, cash or a Reserve Fund Insurance Policy in the amount of the Reserve Fund Requirement being provided by Surety Provider shall be deposited in the special and separate fund hereby created and to be known as the "City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026, Reserve Fund". The proceeds of the Bonds, cash or a Reserve Fund Insurance Policy shall be credited to Reserve Fund as provided in the Sale Certificate. Any Reserve Fund Insurance Policy shall be held by the Paying Agent. Any Reserve Fund Insurance Policy deposited to the credit of the Reserve Fund shall be valued at the amount available to be drawn or otherwise paid pursuant to such Reserve Fund Insurance Policy at the time of calculation. The Paying Agent shall maintain adequate records as to the amount available to be drawn at any time under the Reserve Fund Insurance Policy and as to the amounts, of which it has knowledge, of Policy Costs paid and owing to the Surety Provider. Such records shall be open to inspection and verification by the Surety Provider during business hours of the Paying Agent.

Upon the execution and delivery of the Bonds, there shall be deposited to the Reserve Fund, if a Reserve Fund is required and set forth in the Sale Certificate, and in the amount set forth in the Sale Certificate, from proceeds of the Bonds or a Reserve Fund Insurance Policy. Moneys on deposit in the Reserve Fund shall only be used to pay debt service on the Bonds to the extent of any deficiency in the Bond Fund or may be applied to the defeasance of the Bonds. Moneys shall be drawn from the Reserve Fund only after amounts on deposit in the Supplemental Reserve Fund have been exhausted.

Thereafter, third, except as provided in Section 508 and 509 hereof, and concurrently with any payments required to be made pursuant to any Parity Bond Ordinances with respect to any reserve funds which may be, but are not required to be, established thereby and concurrently with any repayment or similar obligations payable to any surety provider issuing any reserve fund insurance policy with respect to any Parity Bonds, from any moneys remaining in the Sewer Enterprise Fund there shall be credited to the Reserve Fund monthly, commencing on the first day of the month next succeeding each date on which the moneys accounted for in the Reserve Fund for any reason are less than the Reserve Fund Requirement, such amounts in substantially equal monthly payments on the first day of each month to re-accumulate the Reserve Fund Requirement by not more than 12 such monthly payments. If a Reserve Fund Insurance Policy is on deposit in the Reserve Fund to fund all or a part of the Reserve Fund Requirement, the amounts payable into the Reserve Fund pursuant to the immediately preceding sentence shall be paid by the City first to the Surety Provider to reimburse it for Policy Costs due and owing and second to replenish cash in the Reserve Fund. If there are insufficient Net Pledged Revenues to comply with the requirements of the first sentence of this paragraph, available Net Pledged Revenues shall be credited or paid to the Reserve Fund and to reserve funds which may be established by any Parity Bond Ordinances (or to the Surety Provider or any other surety provider issuing any reserve fund insurance policy with respect to any Parity Bonds) pro rata, based upon the aggregate principal amount of the Bonds and any such Parity Bonds then Outstanding; provided, however, that compliance with the provisions of this sentence shall not cure any Event of Default caused by non-compliance with the first sentence of this paragraph. If there are insufficient Net Pledged Revenues to comply with the requirements of the first sentence of this paragraph and more than one Reserve Fund Insurance Policy is on deposit in the Reserve Fund, available Net Pledged Revenues credited to or paid to the Reserve Fund shall be applied to reimburse the Surety Provider and any other surety provider providing a Reserve Fund Insurance Policy pro rata, based upon the original amount available to be drawn on each. The Reserve Fund Requirement shall be accumulated and, if necessary, re-accumulated from time to time, in the Reserve Fund from Net Pledged Revenues, except to the extent other moneys are credited to the Reserve Fund, and maintained as a continuing reserve to be used, except as hereinafter provided in Sections 508, 509, 604 and 1201 hereof, only to prevent deficiencies in the payment of the Bond Requirements of the Bonds Outstanding from time to time from the failure to deposit into the Bond Fund sufficient moneys to pay such Bond Requirements as the same accrue and become due. No payment need be made into the Reserve Fund at any time so long as the moneys and/or the Reserve Fund Insurance Policy therein equal not less than the Reserve Fund Requirement and there are no Policy Costs due and owing. Unless otherwise provided in the Sale Certificate, the Reserve Fund Requirement shall be re-calculated upon (i) any principal payment, whether at stated maturity or upon redemption, or (ii) the defeasance of all or a portion of the Bonds.

The City may at any time substitute (a) cash or Investment Securities for a Reserve Fund Insurance Policy or (b) a Reserve Fund Insurance Policy for cash or Investment Securities, so long as the amount on deposit in the Reserve Fund after such substitution is at least equal to the Reserve Fund Requirement. Notwithstanding the foregoing, no Reserve Fund Insurance Policy shall be deposited by the City in the Reserve Fund for such substitution unless the City has received an opinion of Bond Counsel to the effect that such substitution and the intended use by the City of the cash or Investment Securities to be released from the Reserve Fund will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

Section 507. Supplemental Reserve Fund. Moneys in the Supplemental Reserve Fund, if such a fund is required and funded in an amount set forth in the Sale Certificate, shall held by the Paying Agent, and utilized, if necessary, only to prevent a default in the payment of the principal of, premium, if any, and interest on the Bonds when due, (including on any mandatory sinking fund redemption date or at final maturity) and the Supplemental Reserve Fund is pledged to the payment of the Bonds for such purpose.

Fourth, except as provided in Section 508 and 509 hereof, and concurrently with any payments required to be made pursuant to any Parity Bond Ordinances with respect to any supplemental reserve funds which may be, but are not required to be, established thereby, from any moneys remaining in the Sewer Enterprise Fund there shall be credited to the Supplemental Reserve Fund monthly, commencing on the first day of the month next succeeding each date on which the moneys accounted for in the Supplemental Reserve Fund are less than the Supplemental Reserve Fund Requirement, such amounts as is necessary to fund the Supplemental Reserve Fund to the Supplemental Reserve Fund Requirement. Any draws on the Supplemental Reserve Fund shall be replenished in the same manner as described in Section 5.06 above with respect to replenishment of the Reserve Fund and only to the extent of available revenue from the Sewer Enterprise Fund.

If on any date the amounts then on deposit in the Bond Fund are insufficient to pay the principal of, premium, if any, and/or interest on the Bonds on the next scheduled payment date, sinking fund installment date or at maturity, the Paying Agent shall transfer from the Supplemental Reserve Fund to the Bond Fund an amount which, when combined with moneys then on deposit therein, will be sufficient to make such payment of the Bonds when due. In the event that moneys in the Supplemental Reserve Fund, together with moneys in the Bond Fund, are insufficient to make such payment when due, the Paying Agent is to nonetheless transfer all moneys in the Supplemental Reserve Fund to the Bond Fund for the purpose of making partial payments on the Bonds. Bonds shall be selected for any such partial payments in the same manner as selected for mandatory sinking fund redemption.

Amounts in the Supplemental Reserve Fund are to be transferred to the Bond Fund prior to the transfer of moneys from the Reserve Fund to the Bond Fund.

Amounts on deposit in the Supplemental Reserve Fund may be invested or deposited at the direction of the District in Permitted Investments only and in accordance with the laws of the State and shall be valued on the basis of their current market value, as reasonably determined by the District, which value shall be determined at least annually.

Section 508. Termination of Deposits. No payment need be made into the Bond Fund or the Reserve Fund if there are no Policy Costs due and owing and if the amount in the Bond Fund and the amount in the Reserve Fund (exclusive of the amount available under a Reserve Fund Insurance Policy) total a sum at least sufficient so that all Bonds Outstanding are deemed to have been paid pursuant to Section 1201 hereof, in which case moneys therein (taking into account the known minimum gain from any investment if such moneys in Investment Securities from the time of any such investment or deposit shall be needed for such payment which will not be designated for transfer to the Rebate Fund) shall be used (together with any such gain from such investments) solely to pay the Bond Requirements of the Outstanding Bonds as the same become due; and any moneys in excess thereof in those two accounts and any other moneys derived from the Net Pledged Revenues or otherwise pertaining to the System may be used to make required payments into the Rebate Fund or in any other lawful manner determined by the Council.

Section 509. <u>Defraying Delinquencies</u>. If at any time the City shall for any reason fail to pay into the Bond Fund the full amount above stipulated from the Net Pledged Revenues, then an amount shall be paid into the Bond Fund at such time first from the Supplemental Reserve Fund and then from the Reserve Fund equal to the difference between that paid from the Net Pledged Revenues and the full amount so stipulated. The City shall use all cash in the Reserve Fund before drawing on a Reserve Fund Insurance Policy. If, (i) upon notice from the City requesting a draw or (ii) failure of the Paying Agent to receive the Bond Requirements by the third Business Day prior to June 1 or December 1 in each year, the Paying Agent determines that it is necessary to draw on the Reserve Fund Insurance Policy, the Paying Agent shall present a demand for payment, in the form and manner required by the Reserve Fund Insurance Policy, at least two Business Days before funds are needed. If there is more than one Reserve Fund Insurance Policy on deposit in the Reserve Fund, the Paying Agent shall draw on them on a pro rata basis, based upon the amount available to be drawn on each.

Any money so used or drawn shall be replaced as provided in Sections 506 and 507 hereof from the first Net Pledged Revenues thereafter received and not required to be otherwise applied by this Article. Except as provided in Sections 506 and 507 hereof, the moneys in the Bond Fund, the Supplemental Reserve Fund and in the Reserve Fund (including any Reserve Fund Insurance Policy) shall be used solely and only for the purpose of paying the Bond Requirements of the Bonds from time to time.

If the amount on deposit in the Reserve Fund exceeds the Reserve Fund Requirement for any reason, the amount to be released from the Reserve Fund shall be as directed in writing by the City Manager. Any excess amount released from the Reserve Fund may be deposited in the Bond Fund, or deposited into a defeasance escrow account, or may be applied for other purposes, as directed in writing by the City Manager for such purposes authorized by law.

Section 510. <u>Rebate Fund</u>. Fifth, concurrently with any payments required to be made pursuant to any Parity Bond Ordinances with respect to any rebate funds established thereby, there shall be deposited into the special and separate accounts hereby created and to be known as the "City and County of Broomfield, Colorado, Sewer Activity Enterprise Sewer Revenue and Refunding Bonds, Series 2026, Rebate Fund" moneys in the amounts and at the times specified in the Tax Compliance Certificate so as to enable the City to comply with Section 830 hereof. Amounts on deposit in the Rebate Fund shall not be subject to the lien and pledge of this Ordinance to the extent that such amounts are required to be paid to the United States Treasury. The City shall cause amounts on deposit in the Rebate Fund to be forwarded to the United States Treasury (at the address provided in the Tax Compliance Certificate) at the times and in the amounts set forth in the Tax Compliance Certificate.

If the moneys on deposit in the Rebate Fund are insufficient for the purposes thereof, the City shall transfer moneys in the amount of the insufficiency to the Rebate Fund from the Project Fund and, to the extent permitted by Section 509 hereof, from the Supplemental Reserve Fund, the Reserve Fund and the Bond Fund. Upon receipt by the City of an opinion of Bond

Counsel to the effect that the amount in the Rebate Fund is in excess of the amount required to be contained therein, such excess may be transferred to the Sewer Enterprise Fund.

Section 511. Payment of Subordinate Securities. Sixth, and subject to the provisions hereinabove in this Article, but subsequent to the payments required by Sections 504, 505, 506, 507 and 510 hereof, any moneys remaining in the Sewer Enterprise Fund may be used by the City for the payment of Bond Requirements of Subordinate Securities, including reasonable reserves for such Subordinate Securities and for rebate of amounts to the United States Treasury with respect to such Subordinate Securities.

Section 512. Use of Remaining Revenues. After the payments hereinabove required to be made by Sections 502 through 511 hereof are made, any remaining Net Pledged Revenues in the Sewer Enterprise Fund shall be used, firstly, for any one or any combination of reasonably necessary purposes and in the Council's discretion relating to the operation, improvement or debt management of the System and, secondly, to the extent of any remaining surplus, for any one or any combination of lawful purposes as the Council may from time to time conclusively determine.

Section 513. Maintenance of the Escrow Account. The Escrow Account shall be maintained in an amount at the time of the initial deposits therein and at all times subsequently at least sufficient, together with the known minimum yield to be derived from the initial investment and any temporary reinvestment of the deposits therein or any part thereof in Federal Securities to pay the principal of and interest on the Refunded Bonds on and after the delivery of the Bonds to and including the first available Redemption Date for the Refunded Bonds. The form, terms and provisions of the Escrow Agreement are hereby approved in substantially the form as on file with the Clerk, and the Mayor and City Clerk are hereby authorized to execute and deliver the Escrow Agreement.

Section 514. Use of the Escrow Account. Moneys shall be withdrawn by the Escrow Bank from the Escrow Account in sufficient amounts and at such times to permit the payment without default of the principal of and interest on the Refunded Bonds and after the delivery of the Bonds to and including the first available Redemption Date for the Refunded Bonds. Any moneys remaining in the Escrow Account after provision shall have been made for the payment in full of the Refunded Bonds shall be applied to any lawful purpose of the City as the Council may hereafter determine.

ARTICLE VI
GENERAL ADMINISTRATION

Section 601. Administration of Accounts. The special funds and accounts designated in Articles IV and V hereof, except for the Escrow Account, shall be administered as provided in this Article (but not any account under Section 1201 hereof).

Section 602. Places and Times of Deposits. Except as hereinafter provided, each of such special funds and accounts shall be maintained by the City as a book account and kept separate from all other accounts as a trust account solely for the purposes herein designated therefor. The moneys accounted for in such special book accounts may be in one or more bank accounts in one or more Commercial Banks. Each such bank account shall be continuously secured to the fullest extent required or permitted by the laws of the State for the securing of public funds and shall be irrevocable and not withdrawable by anyone for any purpose other than the respective designated purposes. Each periodic payment shall be credited to the proper book account not later than the date therefor herein designated, except that when any such date shall not be a Business Day, then such payment shall be made on or before the next preceding Business Day. Moneys shall be deposited with the Paying Agent for the Bonds not less than (a) three Business Days prior to each interest payment date and each maturity or mandatory Redemption Date, if funds are delivered by wire transfer, or (b) five Business Days prior to each payment date if funds are delivered by another method of payment, in immediately available amounts sufficient to pay the Bond Requirements then becoming due on the Outstanding Bonds.

Section 603. Investment of Moneys. Any moneys in the Project Fund, Sewer Enterprise Fund, Bond Fund, Supplemental Reserve Fund, Reserve Fund, and Rebate Fund and not needed for immediate use shall be invested or reinvested by the Director of Finance in Investment Securities. All such investments shall (a) either be subject to redemption at any time at a fixed value by the holder thereof at the option of such holder, or (b) mature not later than the estimated date or respective dates on which the proceeds are to be expended as estimated by the Director of Finance at the time of such investment or reinvestment; provided that (1) Investment Securities credited to the Reserve Fund shall not mature later than ten years from the date of such investment or reinvestment and (2) collateral securities of any Investment Securities may have a maturity of more than five years from the date of purchase thereof. For the purpose of any such investment or reinvestment, Investment Securities shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such obligations.

Section 604. Accounting for Investments. The Investment Securities so purchased as an investment or reinvestment of moneys in any such account hereunder shall be deemed at all times to be a part of the account. Any interest or other gain from any investments and reinvestments of moneys accounted for in the Sewer Enterprise Fund, the Project Fund, the Bond Fund, and the Rebate Fund shall be credited to such account, and any loss resulting from any such investments or reinvestments of moneys accounted for in the Sewer Enterprise Fund, the Project Fund, the Bond Fund, the Supplemental Reserve Fund, the Reserve Fund, and the Rebate Fund shall be charged or debited to such Fund.

Any interest or other gain from any investment or reinvestment of moneys accounted for in the Reserve Fund (a) shall be credited to the Rebate Fund or the Bond Fund, at the discretion of the Director of Finance, if the amount credited to the Reserve Fund immediately after such credit to the Rebate Fund or the Bond Fund is not less than the Reserve Fund Requirement and (b) if the amount credited to the Reserve Fund is less than the Reserve Fund Requirement, shall be credited to the Reserve Fund (up to the amount of the deficiency).

No loss or profit in any account on any investments or reinvestments in Investment Securities shall be deemed to take place as a result of market fluctuations of the Investment Securities prior to the sale or maturity thereof. In the computation of the amount in any account for any purpose hereunder, except as herein otherwise expressly provided or for rebate purposes, as described in the Tax Compliance Certificate, Investment Securities shall be valued at the cost thereof (including any amount paid as accrued interest at the time of purchase of the obligation); provided that any time or demand deposits shall be valued at the amounts deposited, in each case exclusive of any accrued interest or any other gain to the City until such gain is realized by the presentation of matured coupons for payment or otherwise.

Section 605. Redemption or Sale of Investment Securities. The Director of Finance shall present for redemption or sale on the prevailing market at the best price obtainable any Investment Securities so purchased as an investment or reinvestment of moneys in the account whenever it shall be necessary in order to provide moneys to meet any withdrawal, payment or transfer from such account. Neither the Director of Finance nor any other officer or employee of the City shall be liable or responsible for any loss resulting from any such investment or reinvestment made in accordance with this Ordinance.

Section 606. Character of Funds. The moneys in any account designated in Articles IV and V hereof shall consist either of lawful money of the United States or Investment Securities, or both such money and such Investment Securities. Moneys deposited in a demand or time deposit account in a bank or savings and loan association, appropriately secured according to the laws of the State, shall be deemed lawful money of the United States.

Section 607. Payment of Bond Requirements. The moneys credited to any fund or account designated in Article V hereof for the payment of the Bond Requirements of any Bonds shall be used without requisition, voucher, warrant, further order or authority (other than is contained herein), or any other preliminaries, to pay promptly the Bond Requirements of any Bonds payable from such fund or account as such amounts are due, except to the extent any other moneys are available therefor.

ARTICLE VII
SECURITIES LIENS AND ADDITIONAL SECURITIES

Section 701. Lien of Bonds. The Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Net Pledged Revenues on a parity with the lien of the Net Pledged Revenues of the Parity Bonds. The Policy Costs constitute an irrevocable and subordinate lien (but not necessarily an exclusive subordinate lien) upon the Net Pledged Revenues.

Section 702. Equality of Bonds. The Bonds and any Parity Bonds heretofore issued or hereafter authorized to be issued and from time to time Outstanding are equitably and ratably secured by a lien on the Net Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Net Pledged Revenues regardless of the time or times of the issuance of the Bonds and any other such Parity Bonds, it being the intention of the Council that there shall be no priority among the Bonds and any such Parity Bonds regardless of the fact that they may be actually issued and delivered at different times, except that (a) moneys in the Project Fund, Bond Fund, the Supplemental Reserve Fund, and Reserve Fund shall secure only the Bonds and the moneys in any acquisition, bond, reserve or similar funds established for other Parity Bonds shall secure only such Parity Bonds; and (b) other Parity Bonds may have a lien on Net Pledged Revenues on a parity with the lien thereon of the Bonds even if no supplemental reserve fund or reserve fund is established for such Parity Bonds or a supplemental reserve fund or reserve fund is established but with a different requirement as to the amount of moneys (or the value of a supplemental reserve fund or reserve fund insurance policy with respect to such Parity Bonds) required to be on deposit therein or the manner in which such supplemental reserve fund or reserve fund is funded or the period of time over which such supplemental reserve fund or reserve fund is funded.

Section 703. Issuance of Parity Bonds. Nothing herein prevents the issuance by the City of additional securities payable from the Net Pledged Revenues and constituting a lien thereon on a parity with, but not prior nor superior to, the lien thereon of the Bonds; but before any such additional Parity Bonds, except as provided in Section 708, are authorized or actually issued all of the following conditions are satisfied:

A. Absence of Default. At the time of the adoption of the ordinance authorizing the issuance of the additional securities, the City shall not be in default in making any payments required by Article V hereof or other Parity Bond Ordinances, including any payments of Policy Costs.

B. Historic Earnings Test. The Net Pledged Revenues for any 12 consecutive months out of the 24 months preceding the month in which such securities are to be issued are at least equal to the sum of 110% of the Combined Maximum Annual Principal and Interest Requirements of all Outstanding Bonds, Outstanding Parity Bonds and such additional Parity Bonds proposed to be issued.

C. Adjustment of Gross Pledged Revenues. In any computation under paragraph B of this Section, the amount of the Gross Pledged Revenues for the applicable period shall be decreased and may be increased by the amount of loss or gain conservatively estimated by an Independent Accountant, Independent Engineer or the Director of Finance, as the case may be, which results from any changes in any schedule of fees, rates and other charges constituting Gross Pledged Revenues based on the number of users during the applicable period as if such modified schedule of fees, rates and other charges shall have been in effect during such entire time period. However, the Gross Pledged Revenues need not be decreased by the amount of any such estimated loss to the extent the Independent Accountant, the Independent Engineer or the Director of Finance estimates the loss is temporary in nature or will be offset within a reasonable temporary period by an increase in revenues or a reduction in Operation and Maintenance Expenses not otherwise included in the calculations under this Section, and estimates any loss under this sentence will not at any time materially and adversely affect the City's apparent ability to comply with the rate maintenance covenant stated in Section 821 hereof without modification because of any restrictive legislation, regulation or other action under the police power exercised by any governmental body.

D. Reduction of Annual Requirements. The respective annual Bond Requirements (including as such a requirement the amount of any prior redemption premiums due on any Redemption Date) shall be reduced to the extent such Bond Requirements are scheduled to be paid in each of the respective Fiscal Years with moneys held in trust or in escrow for that purpose by any Trust Bank, including the known minimum yield from any investment in Federal Securities and any bank deposits, including any certificate of deposit.

E. Consideration of Additional Expenses. In determining whether or not additional Parity Bonds may be issued as aforesaid, consideration shall be given to any probable increase (but not reduction) in the Operation and Maintenance Expenses of the System as estimated by the Director of Finance that will result from the expenditure of the funds proposed to be derived from the issuance and sale of the additional securities; but the Director of Finance may reduce any such increase in Operation and Maintenance Expenses by the amount of any increase in revenues or any reduction in Operation and Maintenance Expenses resulting from the Capital Improvements to which such expenditure relates and not otherwise included in the calculations under this Section, if the Director of Finance also opines that any such increase in revenues or reduction in any increase in Operation and Maintenance Expenses will not materially and adversely affect the City's apparent ability to comply with the rate maintenance covenant stated in Section 821 hereof without modification because of any restrictive legislation, regulation or other action under the police power exercised by any governmental body.

Section 704. Certification of Revenues. A written certificate or written opinion by the Director of Finance that the annual revenues required under paragraph B of Section 703 hereof, when adjusted as hereinabove provided in paragraphs C, D, and E of Section 703 hereof, are sufficient to pay such amounts, as provided in paragraph B of Section 703 hereof, shall be conclusively presumed to be accurate in determining the right of the City to authorize, issue, sell and deliver additional securities on a parity with the Bonds.

Section 705. Subordinate Securities Permitted. Nothing herein prevents the City from issuing additional securities payable from the Net Pledged Revenues and having a lien thereon subordinate, inferior and junior to the lien thereon of the Bonds.

Section 706. Superior Securities Prohibited. Nothing herein permits the City to issue additional securities payable from the Net Pledged Revenues and having a lien thereon prior and superior to the lien thereon of the Bonds.

Section 707. Use of Proceeds. The proceeds of any Parity Bonds or other securities payable from any Net Pledged Revenues shall be used only to finance Capital Improvements or to refund all or any portion of the Bonds, Parity Bonds, or other securities payable from Net Pledged Revenues, regardless of the priority or the lien of such securities on Net Pledged Revenues.

Section 708. Issuance of Refunding Securities. The City may issue any refunding securities payable from Net Pledged Revenues to refund any Outstanding Bonds or Parity Bonds, with such details as the Council may by ordinance provide so long as there is no material impairment of any contractual obligation imposed upon the City by any proceedings authorizing the issuance of any unrefunded portion of such Outstanding securities of any one or more issues; but so long as the Bonds, or any part thereof, are Outstanding, refunding securities payable from Net Pledged Revenues may be issued on a parity with the unrefunded Bonds only if:

A. Prior Consent. The City first receives the consent of the Owner or Owners of the unrefunded portion of the Bonds; or

B. Requirements Not Increased. The Combined Maximum Annual Principal and Interest Requirements for the Bonds and Parity Bonds Outstanding immediately after the issuance of the refunding securities is not greater than the Combined Maximum Annual Principal and Interest Requirements for all Bonds and Parity Bonds Outstanding immediately prior to the issuance of the refunding securities and the lien of any refunding Parity Bonds on the Net Pledged Revenues is not raised to a higher priority than the lien thereon of any securities thereby refunded; or

C. Earnings Test. The refunding securities are issued in compliance with Section 703 hereof.

ARTICLE VIII
PROTECTIVE COVENANTS

Section 801. General. The City hereby covenants and agrees with the Owners of the Bonds and makes provisions which shall be a part of its contract with such Owners to the effect and with the purpose set forth in the following Sections of this Article.

Section 802. Performance of Duties. The City, acting by and through the Council or otherwise, shall faithfully and punctually perform, or cause to be performed, all duties with respect to the Gross Pledged Revenues and the System required by the Constitution and laws of the State and the various ordinances of the City, including, without limitation, the making and collection of reasonable and sufficient fees, rates and other charges for services rendered or furnished by or the use of the System, as herein provided, and the proper segregation of the proceeds of the Bonds and of any securities hereafter authorized and the Gross Pledged Revenues and their application from time to time to the respective accounts provided therefor.

Section 803. Contractual Obligations. The City shall perform all contractual obligations undertaken by it under any agreements relating to the Bonds, the Gross Pledged Revenues, the Project, or the System, or any combination thereof, with any other Persons.

Section 804. Further Assurances. At any and all times the City shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, deliver and file or record all and every such further instruments, acts, deeds, conveyances, assignments, transfers, other documents and assurances as may be reasonably necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, the Gross Pledged Revenues and other moneys and accounts hereby pledged or assigned, or intended so to be, or which the City may hereafter become bound to pledge or to assign, or as may be reasonable and required to carry out the purposes of this Ordinance and to comply with any instrument of the City amendatory thereof, or supplemental thereto. The City, acting by and through the Council, or otherwise, shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Gross Pledged Revenues and other moneys and accounts pledged hereunder and all the rights of every Owner of any Bond hereunder against all claims and demands of all Persons whomsoever.

Section 805. Conditions Precedent. Upon the date of issuance of the Bonds, all conditions, acts and things required by the Federal or State Constitution, Title 37, Article 45.1, C.R.S., Title 11, Article 57, Part 2, C.R.S., this Ordinance, or any other applicable law to exist, to have happened and to have been performed precedent to or in the issuance of the Bonds shall exist, have happened, and have been performed; and the Bonds, together with all other obligations of the City, shall not contravene any debt or other limitation prescribed by the State Constitution.

Section 806. Efficient Operation and Maintenance. The City shall at all times operate the System properly and in a sound and economical manner; and the City shall maintain, preserve and keep the same properly or cause the same so to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof in good repair, working order and condition, and shall from time to time make or cause to be made all necessary and proper repairs, replacements and renewals so that at all times the operation of the System may be properly and advantageously conducted. All salaries, fees, wages and other compensation paid by the City in connection with the maintenance, repair and operation of the System shall be reasonable and proper.

Section 807. Rules, Regulations and Other Details. The City, acting by and through the Council, shall establish and enforce reasonable rules and regulations governing the operation, use and services of the System. The City shall observe and perform all of the terms and conditions contained in this Ordinance, and shall comply with all valid acts, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to the System or to the City, except for any period during which the same are being contested in good faith by proper legal proceedings.

Section 808. Payment of Governmental Charges. The City shall pay or cause to be paid all taxes and assessments or other governmental charges, if any, lawfully levied or assessed upon or in respect of the System, or upon any part thereof, or upon any portion of the Gross Pledged Revenues, when the same shall become due, and shall duly observe and comply with all valid requirements of any governmental authority relative to the System or any part thereof, except for any period during which the same are being contested in good faith by proper legal proceedings. The City shall not create or suffer to be created any lien upon the

System, or any part thereof, or upon the Gross Pledged Revenues, except the pledge and lien created by this Ordinance for the payment of the Bond Requirements of the Bonds and except as herein otherwise permitted. The City shall pay or cause to be discharged or shall make adequate provision to satisfy and to discharge, within 60 days after the same shall become payable, all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System, or any part thereof, or the Gross Pledged Revenues; but nothing herein requires the City to pay or cause to be discharged or to make provision for any such tax, assessment, lien or charge, so long as the validity thereof is contested in good faith and by appropriate legal proceedings.

Section 809. Protection of Security. The City, the officers, agents and employees of the City, and the Council shall not take any action in such manner or to such extent as might prejudice the security for the payment of the Bond Requirements of the Bonds, the Parity Bonds, and any other securities payable from the Net Pledged Revenues or any Policy Costs relating thereto according to the terms thereof. No contract shall be entered into, nor any other action taken by which the rights of any Owner of any Bond or other security payable from Net Pledged Revenues or any Policy Costs relating thereto might be prejudicially and materially impaired or diminished.

Section 810. Prompt Payment of Bonds. The City shall promptly pay the Bond Requirements of the Bonds at the places, on the dates and in the manner specified herein and, in the Bonds, according to the true intent and meaning hereof.

Section 811. Use of Bond Fund, Supplemental Reserve and Reserve Funds. The Bond Fund, the Supplemental Reserve Fund and the Reserve Fund shall be used solely for and the moneys credited to such funds and accounts therein are hereby pledged, and a lien thereon is hereby created, for the purpose of paying the Bond Requirements of the Bonds to their respective maturities or any Redemption Date or Dates, subject to the provisions of Sections 506, 507, 508, 509, 604 and 1201 hereof.

Section 812. Other Liens. Other than as provided herein, there are no liens or encumbrances of any nature whatsoever on or against the System, or any part thereof, or on or against the Gross Pledged Revenues on a parity with or superior to the lien thereon of the Bonds.

Section 813. Corporate Existence. The City shall maintain its corporate identity and existence so long as any of the Bonds remain Outstanding, unless another body corporate and politic by operation of law succeeds to the powers, privileges, rights, liabilities, disabilities, duties and immunities of the City and is obligated by law to operate and maintain the System and to fix and collect the Gross Pledged Revenues as herein provided without adversely and materially affecting at any time the privileges and rights of any Owner of any Outstanding Bond.

Section 814. Disposal of System Prohibited. Except for the use of the System and services pertaining thereto in the normal course of business, or as provided in Section 815 hereof, neither all nor a substantial part of the System shall be sold, leased, mortgaged, pledged, encumbered, alienated or otherwise disposed of, until all the Bonds have been paid in full, as to all Bond Requirements, or unless provision has been made therefor, or until the Bonds have otherwise been redeemed, including, without limitation, the termination of the pledge as herein authorized; and the City shall not dispose of its title to the System or to any useful part thereof, including any property necessary to the operation and use of the System and the lands and interests in lands comprising the sites of the System.

Section 815. Disposal of Unnecessary Property. The City at any time and from time to time may sell, exchange, lease or otherwise dispose of any property constituting a part of the System and not useful in the construction, reconstruction or operation thereof, or which shall cease to be necessary for the efficient operation of the System, or which shall have been replaced by other property of at least equal value. Any proceeds of any such sale, exchange, lease or other disposition received and not used to replace such property so sold or so exchanged or otherwise so disposed of, shall be deposited by the City in the Sewer Enterprise Fund or into a special book account for the betterment, enlargement, extension, other improvement and equipment of the System, or any combination thereof, as the Council may determine, provided that any proceeds of any such lease received shall be deposited by the City as Gross Pledged Revenues in the Sewer Enterprise Fund.

Section 816. Competing System. So long as any of the Bonds are Outstanding, the City shall not grant any franchise or license to any competing facilities so that the Gross Pledged Revenues shall not be sufficient to satisfy the covenant in Section 821 hereof.

Section 817. Loss From Condemnation. If any part of the System is taken by the exercise of the power of eminent domain, the amount of any award received by the City as a result of such taking shall be paid into the Sewer Enterprise Fund or into a capital improvement account pertaining to the System for the purposes thereof, or, applied to the redemption of the Outstanding Bonds and any Outstanding Parity Bonds relating thereto, all as the City may determine.

Section 818. Employment of Management Engineers. If the City defaults in paying the Bond Requirements of the Bonds or any Parity Bonds, and any other securities or Policy Costs relating thereto payable from the Gross Pledged Revenues promptly as the same fall due, or an Event of Default has occurred and is continuing, or if the Net Pledged Revenues in any Fiscal Year fail to equal at least the amount of the Bond Requirements of the Outstanding Bonds, Parity Bonds, and any other securities (including all reserves therefor specified in the authorizing proceedings, including, without limitation, this Ordinance) or Policy Costs relating thereto payable from the Net Pledged Revenues in that Fiscal Year, the City shall retain a firm of competent management engineers skilled in the operation of such facilities to assist the management of the System so long as such default continues or so long as the Net Pledged Revenues are less than the amount hereinabove designated in this Section.

Section 819. Budgets. The Council and officials of the City shall annually and at such other times as may be provided by law prepare and adopt a budget pertaining to the System.

Section 820. Reasonable and Adequate Charges. While the Bonds remain Outstanding and unpaid, the fees, rates and other charges due to the City for the use of or otherwise pertaining to and services rendered by the System to the City, to its inhabitants and to all other users within and without the boundaries of the City shall be reasonable and just, taking into account and consideration public interests and needs, the cost and value of the System, the Operation and Maintenance Expenses thereof, and the amounts necessary to meet the Bond Requirements of all Bonds, the Parity Bonds, and any other securities payable from the Net Pledged Revenues, including, without limitation, reserves and any replacement accounts therefor.

Section 821. Adequacy and Applicability of Charges. There shall be charged against users of service pertaining to and users of the System, such fees, rates and other charges so that the Gross Pledged Revenues shall be adequate to meet the requirements of this and the preceding Sections hereof. Such charges pertaining to the System shall be at least sufficient so that the Gross Pledged Revenues annually are sufficient to pay in each Fiscal Year:

A. Operation and Maintenance Expenses. An amount equal to the annual Operation and Maintenance Expenses for such Fiscal Year,

B. Principal and Interest. An amount equal to 110% of both the principal and interest on the Bonds and any Parity Bonds then Outstanding in that Fiscal Year (excluding the reserves therefor), and

C. Deficiencies. Any amounts required to pay all Policy Costs, if any, due and owing and all sums, if any, due and owing to meet then existing deficiencies pertaining to any fund or account relating to the Gross Pledged Revenues or any securities payable therefrom.

Section 822. Limitations Upon Free Service. No free service or facilities shall be furnished by the System, except that if the City elects to use for City purposes any water facilities, or other services and facilities provided by the System or otherwise to use the System or any part thereof, the City is not required to pay for such use.

Section 823. Levy of Charges. The City shall forthwith and in any event prior to the delivery of any of the Bonds, fix, establish and levy the fees, rates and other charges which are required by Section 821 of this Ordinance, if such action is necessary therefor. No reduction in any initial or existing rate schedule for the System may be made:

A. Proper Application. Unless the City has fully complied with the provisions of Article V of this Ordinance for at least the full Fiscal Year immediately preceding such reduction of the initial or any other existing rate schedule; and

B. Sufficient Revenues. Unless the audit required by the Independent Accountant by Section 827 hereof for the full Fiscal Year immediately preceding such reduction discloses that the estimated revenues resulting from the proposed rate schedule for the System, after the schedule's proposed reduction, shall be at least sufficient to produce the amounts required by Section 821 hereof.

Section 824. Collection of Charges. The City shall cause all fees, rates and other charges pertaining to the System to be collected as soon as is reasonable, shall reasonably prescribe and enforce rules and regulations or impose contractual obligations for the payment of such charges, and for the use of the System, and shall provide methods of collection and penalties, to the end that the Gross Pledged Revenues shall be adequate to meet the requirements of this Ordinance and any other ordinance supplemental thereto.

Section 825. Procedure for Collecting Charges. All bills for water services and all other services or facilities furnished or served by or through the System shall be rendered to customers on a regularly established basis. The fees, rates and other charges due shall be collected in a lawful manner, including, without limitation, discontinuance of service.

Section 826. Maintenance of Records. So long as any of the Bonds and any Parity Bonds payable from the Gross Pledged Revenues remain Outstanding, proper books of record and account pertaining to the Gross Pledged Revenues and the System shall be kept by the City, separate and apart from all other records and accounts.

Section 827. Audits Required. The City shall cause an audit for the Fiscal Year of the books and accounts pertaining to the Gross Pledged Revenues and the System to be completed by an Independent Accountant within 210 days following the close of each Fiscal Year.

Section 828. Accounting Principles. System records and accounts, and audits thereof, shall be currently kept and made, as nearly as practicable, in accordance with the then generally accepted accounting principles, methods and terminology followed and construed for utility operations comparable to the System, except as may be otherwise provided herein or required by applicable law or regulation or by contractual obligation existing on the effective date of this Ordinance.

Section 829. Insurance and Reconstruction. Except to the extent of any self-insurance, the City shall at all times maintain with responsible insurers fire and extended coverage insurance, worker's compensation insurance, public liability insurance and all such other insurance as is customarily maintained with respect to utilities of like character against loss of or damage to the System and against loss of revenues and against public and other liability to the extent reasonably necessary to protect the interests of the City and of each Owner of a Bond. If any useful part of the System shall be damaged or destroyed, the City shall, as expeditiously as may be possible, commence and diligently proceed with the repair or replacement of the damaged property so as to restore the same to use. The proceeds of any such insurance shall be payable to the City and (except for proceeds of any use and occupancy insurance) shall be applied to the necessary costs involved in such repair and replacement and to the extent not so applied shall (together with the proceeds of any such use and occupancy insurance) be deposited in the Sewer Enterprise Fund by the City as revenues derived from the operation of the System. If the costs of such repair and replacement of the damaged property exceed the proceeds of such insurance available for the payment of the same, moneys in the Sewer Enterprise Fund shall be used to the extent necessary for such purposes, as permitted by Section 512 hereof.

Section 830. Federal Income Tax Exemption. The City covenants for the benefit of the Owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the City or any facilities financed with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except to the extent that such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Tax Code) for the purpose of computing the alternative minimum tax imposed on corporations; or (iii) would cause interest on the Bonds to lose its exclusion from State taxable income or State alternative minimum taxable income under present State law. In furtherance of this covenant, the City agrees to comply with the procedures set forth in the Tax Compliance Certificate with respect to the Bonds. The foregoing covenant shall remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the City in fulfilling the above covenant under the Tax Code and State law have been met.

Section 831. Continuing Disclosure. The City shall comply with the provisions of the Continuing Disclosure Certificate. Any failure by the City to perform in accordance with this Section shall not constitute an Event of Default under this Ordinance, and the rights and remedies provided by this Ordinance upon the occurrence of an Event of Default shall not apply to any such failure. The Paying Agent shall not have any power or duty to enforce this Section. No Owner of a Bond shall be entitled to damages for the City's non-compliance with its obligations under this Section; however, the Owners of the Bonds may enforce specific performance of the obligations contained in this Section by any judicial proceeding available.

ARTICLE IX
PRIVILEGES, RIGHTS AND REMEDIES

Section 901. Owners' Remedies. Each Owner of any Bond shall be entitled to all of the privileges, rights and remedies provided or permitted in this Ordinance, and as otherwise provided or permitted by law or in equity or by any statutes, except as provided in Sections 202 through 206 and 1201 hereof, but subject to the provisions herein concerning the pledge of and the covenants and the other contractual provisions concerning the Gross Pledged Revenues and the proceeds of the Bonds.

Section 902. Right to Enforce Payment. Nothing in this Article affects or impairs the right of any Owner of any Bond to enforce the payment of the Bond Requirements due in connection with his or her Bond or the obligation of the City to pay the Bond Requirements of each Bond to the Owner thereof at the time and the place expressed in the Bond.

Section 903. Events of Default. Each of the following events is hereby declared an "Event of Default," provided however, that in determining whether a payment default has occurred pursuant to paragraphs A or B of this Section, no effect shall be given to payments made under the Insurance Policy:

A. Nonpayment of Principal. Payment of the principal of any of the Bonds is not made when the same becomes due and payable, either at maturity or by proceedings for prior redemption, or otherwise;

B. Nonpayment of Interest. Payment of any installment of interest on any of the Bonds is not made when the same becomes due and payable;

C. Cross Defaults. The occurrence and continuance of an "event of default," as defined in any Parity Bond Ordinance;

D. Failure to Reconstruct. The City unreasonably delays or fails to carry out with reasonable dispatch the reconstruction of any part of the System which is destroyed or damaged and is not promptly repaired or replaced (whether such failure promptly to repair the same is due to impracticability of such repair or replacement or is due to a lack of moneys therefor or for any other reason), but it shall not be an Event of Default if such reconstruction is not essential to the efficient operation of the System;

E. Appointment of Receiver. An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the City appointing a receiver or receivers for the System or for the Gross Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or if an order or decree having been entered without the consent or acquiescence of the City is not vacated or discharged or stayed on appeal within 60 days after entry;

F. Default Under Insurance Agreement. If an event of default shall have occurred and be continuing under the provisions of the Insurance Agreement; and

G. Default of Any Provision. The City defaults in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in this Ordinance on its part to be performed (other than Section 831 hereof), and such default continues for 60 days after written notice specifying such default and requiring the same to be remedied is given to the City and the Insurer specifying the failure and requiring that it be remedied, which notice may be given by the Paying Agent in its discretion and, except as provided in Section 1101 hereof, shall be given by the Paying Agent at the written request of the Owners of not less than 25 percent in aggregate principal amount of Bonds then Outstanding.

Section 904. Remedies for Defaults. Except as provided in Section 1101 hereof, upon the happening and continuance of any Event of Default, the Owner or Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the City and its agents, officers and employees to protect and to enforce the rights of any Owner of Bonds under this Ordinance by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained herein or in an award of execution of any power herein granted for the enforcement of any proper legal or equitable remedy as such Owner or Owners may deem most effectual to protect and to enforce the rights aforesaid, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any Owner of any Bond, or to require the City to act as if it were the trustee of an expressed trust, or any combination of such remedies. All such proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of the Bonds.

Section 905. Receiver's Rights and Privileges. Any receiver appointed in any proceedings to protect the rights of such Owners hereunder, the consent to any such appointment being hereby expressly granted by the City, may enter and may take possession of the System, may operate and maintain the same, may prescribe fees, rates and other charges, and may collect, receive and apply all Gross Pledged Revenues arising after the appointment of such receiver in the same manner as the City itself might do.

Section 906. Rights and Privileges Cumulative. The failure of any Owner of any Outstanding Bond to proceed in any manner herein provided shall not relieve the City, or any of its officers, agents or employees of any liability for failure to perform or carry out any duty, obligation or other commitment. Each right or privilege of any such Owner (or trustee thereof) is in addition and is cumulative to any other right or privilege, and the exercise of any right or privilege by or on behalf of any Owner shall not be deemed a waiver of any other right or privilege thereof.

Section 907. Duties upon Defaults. Upon the happening of any Event of Default, the City shall do and perform all proper acts on behalf of and for the Owners of Bonds to protect and to preserve the security created for the payment of the Bonds and to insure the payment of the Bond Requirements promptly as the same become due. While any Event of Default exists, except to the extent it may be unlawful to do so, all Gross Pledged Revenues shall be paid into the Bond Fund and into bond or similar funds established for any Parity Bonds then Outstanding, pro rata based upon the aggregate principal amount of the Bonds and Parity Bonds then Outstanding. Except as provided in Section 1101 hereof, if the City fails or refuses to proceed as in this Section provided, the Owner or Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding, after demand in writing, may proceed to protect and to enforce the rights of the Owners of the Bonds as hereinabove provided, and to that end any such Owners of the Outstanding Bonds shall be subrogated to all rights of the City under any agreement, lease or other contract involving the System or the Gross Pledged Revenues entered into prior to the effective date of this Ordinance or thereafter while any of the Bonds are Outstanding.

ARTICLE X
AMENDMENT OF ORDINANCE

Section 1001. Privilege of Amendments.

A. Except as hereafter provided, this Ordinance may be amended or supplemented by ordinances adopted by the Council in accordance with law, without receipt by the City of any additional consideration, but with the written consent of the Insurer and, subject to Section 1101 hereof, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory or supplemental ordinance excluding, pursuant to Section 101 B hereof, any Bonds which may then be held or owned for the account of the City. Notwithstanding the foregoing, no such ordinance shall permit:

(1) Changing Payment. A change in the maturity, terms of redemption or interest payment of any Outstanding Bond; or

(2) Reducing Return. A reduction in the principal amount of any Bond or the rate of interest thereon, without the consent of the Owner of the Bond; or

(3) Prior Lien. The creation of a lien upon or a pledge of revenues ranking prior to the lien or to the pledge created by this Ordinance; or

(4) Modifying Any Bond. A reduction of the principal amount or percentages or otherwise affecting the description of Bonds the consent of the Owners of which is required for any such modification or amendment; or

(5) Priorities Between Bonds. The establishment of priorities as between Bonds issued and Outstanding; or

(6) Modification of Less Than All the Bonds. The modification of or otherwise affecting the rights of the Owners of less than all of the Outstanding Bonds.

B. Notwithstanding the foregoing provisions of this Section, this Ordinance and the rights and obligations of the City and of the Owners of the Bonds may also be modified or amended at any time, with the written consent of the Insurer but without the consent of any Owners of the Bonds, but only to the extent permitted by law and only for any or all of the following purposes:

(1) to add to the covenants and agreements of the City in this Ordinance contained other covenants and agreements thereafter to be observed;

(2) to subject to the covenants and agreements of the City in this Ordinance additional System revenues, to be defined and treated as Gross Pledged Revenues, for the purpose of providing additional security for the Bonds and any Parity Bonds;

(3) in connection with the provision of a Reserve Fund Insurance Policy subsequent to the issuance of the Bonds;

(4) to provide for the appointment of a new Paying Agent;

(5) to make such provisions for the purpose of curing any ambiguity or of curing or correcting any formal defect or omission in this Ordinance, or in regard to questions arising under this Ordinance, as the City may deem necessary or desirable, and which shall not adversely affect the interests of the Owners of the Bonds; or

(6) in order to preserve or protect the excludability from gross income for federal income tax purposes of the interest allocable to the Bonds.

Section 1002. Notice of Amendment. Whenever the Council proposes to amend or modify this Ordinance under the provisions of this Article, it shall cause notice of the proposed amendment to be sent to Owners of all Outstanding Bonds at their addresses as the same last appear on the registration records maintained by the Paying Agent or by electronic means to DTC or its successors, and to the Insurer. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory ordinance is on file with the City Manager for public inspection. Notice of the proposed amendment, together with a copy of the proposed amendatory ordinance, shall be delivered to the Rating Agencies then maintaining a rating on the Bonds at least 15 days in advance of the adoption of the amendment. A full transcript of all proceedings relating to the execution of such amendatory ordinance shall be provided to the Insurer.

Section 1003. Time for Amendment. If the ordinance is required to be consented to by the Owners of the Bonds, whenever at any time within one year from the date of the giving of such notice there shall be filed with the City Manager an instrument or instruments executed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory ordinance described in such notice and shall specifically consent to and approve the adoption of such ordinance, the Council may adopt such amendatory ordinance and such ordinance shall become effective. If the ordinance is not required to be consented to by the Owners of the Bonds, the amendatory ordinance may be adopted by the Council at any time.

Section 1004. Binding Consent to Amendment. If the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the adoption of such amendatory ordinance requiring consent of the Owners of the Bonds, or the predecessors in title of such Owners, shall have consented to and approved the adoption thereof as herein provided, no Owner of any Bond, whether or not such Owner shall have consented to or shall have revoked any consent as in this Article provided, shall have any right or interest to object to the adoption of such amendatory ordinance or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City from taking any action pursuant to the provisions thereof.

Section 1005. Time Consent Binding. Any consent given by the Owner of a Bond pursuant to the provisions of this Article shall be irrevocable for a period of 6 months from the date of the giving of the notice above provided for and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after 6 months from the date of such giving of such notice by the Owner who gave such consent or by a successor in title by filing notice of such revocation with the City Manager, but such revocation shall not be effective if the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding as in this Article provided, prior to the attempted revocation, consented to and approved the amendatory ordinance referred to in such revocation.

Section 1006. Unanimous Consent. Notwithstanding anything in the foregoing provisions of this Article, the terms and provisions of this Ordinance or of any ordinance amendatory thereof or supplemental thereto and the rights and the obligations of the City and of the Owners of the Bonds thereunder may be modified or amended in any respect upon the adoption by the City and upon the filing with the City Manager of an ordinance to that effect and with the consent of the Insurer and the Owners of all the then Outstanding Bonds, such consent to be given as provided in Section 1003 hereof; and no notice to Owners of Bonds shall be required as provided in Section 1002 hereof, nor shall the time of consent be limited except as may be provided in such consent.

Section 1007. Exclusion of City's Bonds. At the time of any consent or of other action taken under this Article, the City shall furnish to the City Manager a certificate of the Director of Finance, upon which the City may rely, describing all Bonds to be excluded for the purpose of consent or of other action or of any calculation of Outstanding Bonds provided for in this Article, and the City shall not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this Article, as provided in Section 101 B hereof.

Section 1008. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article provided may bear a notation by endorsement or otherwise in form approved by the Council as to such action; and after the approval of such notation, then upon demand of the Owner of any Bond Outstanding and upon presentation of his or her Bond for that purpose at the principal office of the Paying Agent, suitable notation shall be made on such Bond by the Paying Agent as to any such action. If the Council so determines, new Bonds, so modified as in the opinion of the Council conform to such action, shall be prepared, executed, authenticated and delivered; and upon demand of the Owner of any Bond then Outstanding, shall be exchanged without cost to such Owner for Bonds then Outstanding upon surrender of such Bonds.

Section 1009. Proof of Instruments and Bonds. The fact and date of execution of any instrument under the provisions of this Article, the amount and number of the Bonds held by any Person executing such instrument, and the date of his or her holding the same may be proved as provided by Section 1203 hereof.

Section 1010. Copies of Supplemental Ordinances to Rating Agencies. Copies of any supplemental or amendatory ordinance shall be sent by the City to the Rating Agencies at least 10 days prior to the effective date thereof.

ARTICLE XI
INSURANCE POLICY AND RESERVE POLICY PROVISIONS

Section 1101. Insurer To Be Deemed Owner, Rights of the Insurer, Payments by the Insurer: Notices.

A. Notwithstanding any provision of this Ordinance to the contrary, so long as the Insurer is not in default in its payment obligations under the Insurance Policy, the Insurer shall at all times be deemed the sole and exclusive Owner of the Outstanding Bonds for the purposes of all approvals, consents, waivers, institution of any action, and the direction of all remedies pursuant to this Ordinance, including but not limited to approval of or consent to any amendment of or supplement to this Ordinance which requires the consent or approval of the Owners of not less than a majority of the aggregate principal amount of the Bonds then Outstanding pursuant to this Ordinance; provided, however, that the Insurer shall not be deemed to be the sole and exclusive Owner of the Outstanding Bonds with respect to any amendment or supplement to this Ordinance which seeks to amend or supplement this Ordinance for the purposes set forth in clauses A (1) through A (6) of Section 1001 hereof, and provided, further, that the Insurer shall not have the right to direct or consent to City, Paying Agent or Owner action as provided herein, if:

(1) the Insurer shall be in default under the Insurance Policy;

(2) any material provision of the Insurance Policy shall be held to be invalid by a final, non-appealable order of a court of competent jurisdiction, or the validity or enforceability thereof shall be contested by the Insurer; or

(3) a proceeding shall have been instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution in respect of the Insurer and such proceeding is not terminated for a period of 90 consecutive days or such court enters an order granting the relief sought in such proceeding.

B. To the extent that the Insurer makes payment of any principal of or interest on a Bond, it shall be fully subrogated to all of the Owner's rights thereunder in accordance with the terms of the Insurance Policy to the extent of such payment, including the Owner's rights to payment thereof.

C. In the event that the principal of or interest on a Bond shall be paid by the Insurer pursuant to the terms of the Insurance Policy: (1) such Bond shall continue to be "Outstanding" under this Ordinance, and (2) the Insurer shall be fully subrogated to all of the rights of the Owner thereof in accordance with the terms and conditions of paragraph B of this Section and the Insurance Policy.

D. This Ordinance shall not be discharged unless and until all amounts due to the Insurer have been paid in full or duly provided for.

E. The rights granted under this Ordinance to the Insurer to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit of or on behalf of the Owners, nor does such action evidence any position of the Insurer, positive or negative, as to whether Owner consent is required in addition to consent of the Insurer.

F. No modification, amendment or supplement to this Ordinance shall become effective except upon obtaining the prior written consent of the Insurer.

G. No contract shall be entered into, nor any action taken by the City or the Paying Agent pursuant to which the rights of the Insurer or security for or sources of payment of the Bonds under this Ordinance may be impaired or prejudiced except upon obtaining the prior written consent of the Insurer.

H. The provisions of this Article shall be of no force or effect if the Bonds are not insured by an Insurer.

ARTICLE XII
MISCELLANEOUS

Section 1201. Defeasance. If, when the Bonds shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), then this Ordinance and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied.

Payment of any Outstanding Bond shall prior to the maturity or Redemption Date thereof be deemed to have been provided for within the meaning and with the effect expressed in this Section if (a) in case said Bond is to be redeemed on any date prior to its maturity, the City shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give on a date in accordance with the provisions of Section 405 hereof, notice of redemption of such Bond on said Redemption Date, such notice to be given in accordance with the provisions of Section 405 hereof, (b) there shall have been deposited with the Paying Agent or a Trust Bank either moneys in an amount which shall be sufficient, and/or Federal Securities which shall not contain provisions permitting the redemption thereof at the option of the issuer, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Paying Agent or Trust Bank at the same time, shall be sufficient to pay when due the Bond Requirements due and to become due on said Bond on and prior to the Redemption Date or maturity date thereof, as the case may be, and (c) in the event said Bond is not by its terms subject to redemption within the next sixty days, the City shall have given the Paying Agent in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 405 hereof, a notice to the Owner of such Bond that the deposit required by (b) above has been made with the Paying Agent or Trust Bank and that payment of said Bond has been provided for in accordance with this Section and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the Bond Requirements of said Bond. Neither such securities nor moneys deposited with the Paying Agent or Trust Bank pursuant to this Section or principal or interest payments on any such Federal Securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the Bond Requirements of said Bond; provided any cash received from such principal or interest payments on such Federal Securities deposited with the Paying Agent or other Trust Bank, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in (b) of this paragraph maturing at times and in amounts sufficient to pay when due the Bond Requirements to become due on said Bond on or prior to such Redemption Date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Ordinance, except for the purpose of any payment from such moneys or securities deposited with the Paying Agent or other Trust Bank.

The release of the obligations of the City under this Section shall be without prejudice to the right of the Paying Agent to be paid reasonable compensation for all services rendered by it hereunder and all its reasonable expenses, charges and other disbursements incurred on or about the administration of and performance of its powers and duties hereunder.

Upon compliance with the foregoing provisions of this Section with respect to all Bonds then Outstanding, this Ordinance may be discharged in accordance with the provisions of this

Section but the liability of the City in respect of the Bonds shall continue; provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Federal Securities deposited with the Paying Agent or other Trust Bank as provided in this Section.

Section 1202. Delegated Powers. The officers, employees and agents of the City be, and they hereby are, authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance, including, without limitation:

A. Final Certificates. the execution of such certificates as may be reasonably required by the Purchaser, including the Continuing Disclosure Certificate and Insurance Agreement, if any;

B. Paying Agent Agreement. the execution and delivery of an agreement with the Paying Agent necessary or desirable to evidence the acceptance by the Paying Agent of its duties hereunder;

C. Escrow Agreement. the execution and delivery of an agreement with the Escrow Agent necessary or desirable to evidence the acceptance by the Paying Agent of its duties hereunder;

D. Official Statement. the execution and delivery of the final Official Statement; and

E. Bond Purchase Agreement. the execution and delivery of the Bond Purchase Agreement from the Purchaser.

F. Electronic Signatures. The use of electronic signatures to execute any of the documents described in this Section 1202 or elsewhere in this Ordinance, as authorized by Article 71.3 of Title 24, C.R.S., also known as the Uniform Electronic Transactions Act.

Section 1203. Evidence of Bond Owners. Any request, consent or other instrument which this Ordinance may require or may permit to be signed and to be executed by the Owners of any Bonds may be in one or more instruments of similar tenor and shall be signed or shall be executed by each such Owner in person or by his or her attorney appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the holding by any Person of the Bonds shall be sufficient for any purpose of this Ordinance (except as otherwise herein expressly provided) if made in the following manner:

A. Proof of Execution. The fact and the date of the execution by any Owner of any Bonds or his or her attorney of such instrument may be established by a certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the City Manager or Director of Finance of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he or she purports to act, that the individual signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer; the authority of the individual or individuals executing any such instrument on behalf of a corporate Owner of any securities may be established without further proof if such instrument is signed by an individual purporting to be the president or vice-president of such corporation with a corporate seal affixed and attested by an individual purporting to be its secretary or an assistant secretary; and the authority of any Person or Persons executing any such instrument in any fiduciary or representative capacity may be established without further proof if such instrument is signed by a Person or Persons purporting to act in such fiduciary or representative capacity; and

B. Proof of Holdings. The amount of Bonds held by any Person and the numbers, date and other identification thereof, together with the date of his or her holding the Bonds, shall be proved by the registration records maintained by the Paying Agent.

Section 1204. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the City, the Paying Agent, the Insurer and the Owners of the Bonds, any right, remedy or claim under or by reason of this Ordinance or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Ordinance contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Paying Agent, the Insurer, the Surety Provider and the Owners of the Bonds.

Section 1205. Notices. Except as otherwise may be provided in this Ordinance, all notices, certificates, requests or other communications pursuant to this Ordinance shall be in writing and shall be sufficiently given and shall be deemed given by personal delivery, electronic means, or when mailed by first class mail, and either delivered or addressed as follows:

If to the City at:

City and County of Broomfield
One DesCombes Drive
Broomfield, Colorado 80020
Attention: Director of Finance

If to the Paying Agent or Escrow Agent at:

UMB Bank, n.a.
1670 Broadway
Denver, Colorado 80202
Attention: Corporate Trust and Escrow Services

Any of the foregoing Persons may, by notice given hereunder to each of the other Persons, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

Section 1206. Additional Notices to Rating Agencies. The Paying Agent hereby agrees that if at any time (a) the City shall redeem any portion of the Bonds Outstanding prior to maturity, but excluding redemptions pursuant to Section 402 hereof, (b) the City shall provide for the payment of any portion of the Bonds pursuant to Section 1201 hereof, (c) a successor Paying Agent is appointed hereunder, or (d) any supplement to this Ordinance shall become effective or any Person shall waive any provision of this Ordinance, then, in each case, the Paying Agent shall give notice to each Rating Agency.

Section 1207. Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any rights, as provided in this Ordinance, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

Section 1208. Effective Date. This Ordinance shall be in full force and effect seven days after final publication.

Section 1209. Disposition of Ordinance. This Ordinance, as adopted by the Council, shall be numbered and recorded by the City Clerk in the official records of the City. The adoption and publication shall be authenticated by the signatures of the Mayor and City Clerk, and by the certificate of publication.

Introduced and approved after first reading on October 14, 2025, and ordered published in full.

Introduced a second time and approved on October 28, 2025, and ordered published.

The City and County of Broomfield, Colorado

____
Mayor

Attest:

____
Office of the City and County Clerk

Approved as to form:

____
City and County Attorney

ORDINANCE NO. 2290

An ordinance concerning the financing of police and courts buildings and approving the execution and delivery of a Site Lease Agreement, Lease Purchase Agreement, and related documents

Recitals.

Whereas, the City and County of Broomfield, Colorado (the “City”) is a political subdivision of the State of Colorado (the “State”) a body corporate and politic, a home-rule city and county pursuant to Article XX of the constitution and a city and county pursuant to Sections 10, 11, 12 and 13 of Article XX of the constitution;

Whereas, the City is authorized pursuant to Article XX, Section 6 of the Colorado Constitution and Section 2.1 of the Charter to purchase, lease, receive, hold, and enjoy, or sell and dispose of real and personal property;

Whereas, pursuant to Section 14.9(a) of the Charter, in order to provide necessary land, buildings, equipment and other property for governmental or proprietary purposes, the City may enter into rental or leasehold agreements;

Whereas, pursuant to Section 14.9(b) of the Charter, the City Council of the City (the “City Council”) may provide for payment of installments thereof out of the general ad valorem tax levy, by the imposition of rates, tolls, or service charges for the use of such property or any part thereof, out of any other available municipal revenues or by any combination of the foregoing methods;

Whereas, because there is a need for a police building and improvements to the existing courts building in the City, the City Council has determined and hereby determines that it is in the best interest of the City and its inhabitants and is a public purpose for the City to finance the acquisition, construction, installation and equipping of a police building and a courts building, including any legally permitted costs and expenditure in connection therewith (the “Project”);

Whereas, the City Council has determined and hereby determines that it is in the best interest of the City and its inhabitants for the City to finance a portion of the Project by entering into a lease financing as hereinafter provided;

Whereas, the City Council hereby determines that the leased property under the Site Lease and the Lease (hereinafter defined) will consist of certain land and buildings owned by the City (all as more particularly described in Exhibit A to the Site Lease and the Lease, the “Leased Property”);

Whereas, the City Council has determined and hereby determines that it is in the best interests of the City and its inhabitants to provide for the financing of the Project by entering into a Site Lease Agreement between the City, as lessor, and UMB Bank, n.a. (the “Trustee”), acting solely in its capacity of trustee, as lessee (the “Site Lease”), pursuant to which the City will lease the Leased Property to the Trustee, and a Lease Purchase Agreement between the Trustee, as lessor, and the City, as lessee (the “Lease”), pursuant to which the Trustee will lease the Leased Property back to the City;

Whereas, pursuant to the Lease, and subject to the right of the City to terminate the Lease and other limitations as therein provided, the City will pay certain Base Rentals and Additional Rentals (as such terms are defined in the Lease) in consideration for the right of the City to use the Leased Property;

Whereas, the City’s obligation under the Lease to pay Base Rentals and Additional Rentals shall be from year to year only; shall constitute currently budgeted expenditures of the City; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional, statutory, or Charter limitation or requirement concerning the creation of indebtedness or multiple fiscal year financial obligation, nor a mandatory payment obligation of the City in any ensuing fiscal year beyond any fiscal year during which the Lease shall be in effect;

Whereas, contemporaneously with the execution and delivery of the Site Lease and the Lease, the Trustee will execute and deliver an Indenture of Trust (the “Indenture”) pursuant to which there will be executed and delivered certain certificates of participation (the “Certificates”) dated as of their date of delivery that shall evidence proportionate interests in the right to receive certain Revenues (as defined in the Lease) under the Lease, shall be payable solely from the sources therein provided and shall not directly or indirectly obligate the City to make any payments beyond those appropriated for any fiscal year during which the Lease shall be in effect;

Whereas, the net proceeds of the Certificates will be used to finance the Project and pay the Costs of Execution and Delivery of the Certificates;

Whereas, the City has previously issued its of Certificates of Participation, Series 2017 (the “2017 Certificates”), which 2017 Certificates are currently outstanding in the aggregate principal amount of $10,890,000, and mature on December 1, 2027;

Whereas, contemporaneously with the issuance of the Certificates, the City has determined to utilize unrestricted funds of the City to fully discharge, pay and defease the 2017 Certificates;

Whereas, in connection with the discharge and defeasance of the 2017 Certificates, the City will enter into an escrow agreement (the “Escrow Agreement”) with UMB Bank, n.a., acting as Escrow Agent, pursuant to which UMB Bank, n.a., will pay the principal of and interest on the 2017 Certificates until final maturity on December 1, 2027;

Whereas, Section 11-57-204 of the Supplemental Public Securities Act, constituting Title 11, Article 57, Part 2, C.R.S., as amended (the “Supplemental Act”), provides that a public entity, including the City, may elect in an act of issuance to apply all or any of the provisions of the Supplemental Act;

Whereas, there has been presented to the City Council and are on file with the City Clerk of the City (the “City Clerk”) the following: (i) the proposed form of the Site Lease; (ii) the proposed form of the Lease; (iii) the proposed form of the Continuing Disclosure Certificate to be provided by the City in connection with the execution and delivery of the Certificates (the “Disclosure Certificate”); (iv) the proposed form of the Certificate Purchase Agreement (the “Certificate Purchase Agreement”) between the Trustee and the initial purchaser of the Certificates and acknowledged by the City; and (v) the Preliminary Official Statement (the “Preliminary Official Statement”) relating to the Certificates;

Whereas, pursuant to Section 11-57-203, C.R.S., the City desires to delegate to the City Manager and the Director of Finance the independent authority to accept the proposal to purchase the Certificates by execution of the Certificate Purchase Agreement and to make final determinations relating to the Certificates, subject to the parameters contained in Section 4 of this Ordinance;

Whereas, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Lease.

Now, therefore, be it ordained by the City Council of the City and County of Broomfield, Colorado:

Section 1. Recitals Incorporated. The foregoing recitals are incorporated herein by reference and adopted as findings and determinations of the City Council.

Section 2. Ratification and Approval of Prior Actions. All action heretofore taken (not inconsistent with the provisions of this Ordinance) by the City Council or the officers, agents or employees of the City relating to the Site Lease, the Lease, the Project, and the sale, execution and delivery of the Certificates is hereby ratified, approved and confirmed.

Section 3. Finding of Best Interests. The City Council hereby finds and determines, pursuant to the Constitution, the laws of the State, and the Charter, that undertaking the Project and financing the costs thereof pursuant to the terms set forth in the Site Lease, the Lease, and the Indenture are necessary, convenient, and in furtherance of the City’s purposes and are in the best interests of the inhabitants of the City, and the City Council hereby authorizes and approves the same.

Section 4. Supplemental Act; Parameters. The City Council hereby elects to apply all of the provisions of the Supplemental Act to the Site Lease and the Lease and in connection therewith delegates to each of the Mayor of the City (the "Mayor"), the City and County Manager of the City (the "City Manager") and the Finance Director of the City (the "Finance Director") the independent authority to make any determination delegable pursuant to Section 11-57-205 of the Supplemental Act, in relation to the Site Lease and the Lease, and to execute a sale certificate (the "Sale Certificate") setting forth such determinations, including without limitation, the term of the Site Lease, the term of the Lease, and the rental amount to be payable by the City pursuant to the Lease, subject to the following parameters and restrictions:

(a) the Site Lease Termination Date shall be no later than December 31, 2057;

(b) the Lease Term shall end no later than December 31, 2047;

(c) the aggregate principal amount of the Base Rentals payable by the City pursuant to the Lease shall not exceed $100,000,000;

(d) the maximum annual repayment amount of the Base Rentals payable by the City pursuant to the Lease shall not exceed $7,900,000;

(e) the maximum total repayment amount of Base Rentals payable by the City pursuant to the Lease shall not exceed $166,000,000;

(f) the purchase price of the Certificates shall not be less than 98% of the aggregate principal amount of the Certificates; and

(g) the maximum net effective interest rate on the interest component of the Base Rentals relating to the Certificates shall not exceed 5.50%.

Pursuant to Section 11-57-205 of the Supplemental Act, the City Council hereby delegates to each of the Mayor, the City Manager and the Finance Director the independent authority to acknowledge the Certificate Purchase Agreement for the purchase of the Certificates, in substantially the form presented to the City Council and on file with the City, and to execute any agreement or agreements in connection therewith; provided that the Certificate Purchase Agreement may be completed, corrected, or revised as deemed necessary or appropriate by the parties thereto in order to carry out the purposes of this Ordinance. In addition, the Mayor, the City Manager, and the Finance Director are hereby each independently authorized to determine if obtaining an insurance policy for all or a portion of the Certificates is in the best interests of the City, and if so, to select an insurer to issue an insurance policy, execute a commitment relating to the same and execute any related documents or agreements required by such commitment. Each of the Mayor, the City Manager, and the Finance Director are also hereby independently authorized to determine if obtaining a reserve fund insurance policy for the Certificates is in the best interests of the City, and if so, to select a surety provider to issue a reserve fund insurance policy and execute any related documents or agreements required by such commitment.

The delegation set forth in this Section 4 shall be effective for one year following the date hereof.

Section 5. Determination of Leased Property. The City Council hereby determines that the real property that will serve as the Leased Property under the Site Lease and the Lease shall consist of one or more of the following: (i) the Police Department detention Center/Training Building, Paul Derda Recreation Center, the Community Center on Spader Way and the Service Center Administration Building. The City Council hereby delegates to the City Manager the authority to determine whether any or all of the Police Department detention Center/Training Building, Paul Derda Recreation Center, the Community Center on Spader Way and the Service Center Administration Building will be included as the Leased Property under the Site Lease and the Lease in order to finance the Project. Such determination shall be set forth in a certificate signed by the City Manager.

Section 6. Approval of Documents. The Site Lease, the Lease, and the Disclosure Certificate, in substantially the forms on file with the City Clerk, are in all respects approved, authorized and confirmed, and the Mayor is hereby authorized and directed for and on behalf of the City to execute and deliver the Site Lease, the Lease, and the Disclosure Certificate, in substantially the forms and with substantially the same contents as are on file with the City Clerk, provided that such documents may be completed, corrected or revised as deemed necessary or appropriate by the parties thereto in order to carry out the purposes of this Ordinance and to comply with the terms of the Sale Certificate. The execution of the Site Lease, the Lease, and the Disclosure Certificate by the Mayor shall be conclusive evidence of the approval by the City Council of such documents in accordance with the terms hereof and thereof.

Section 7. Official Statement. The Mayor, the City Manager, and the Finance Director are hereby independently authorized to prepare or cause to be prepared the Preliminary Official Statement in connection with the offering and sale of the Certificates, and to deem the Preliminary Official Statement (in substantially the form of the Preliminary Official Statement on file with the City Clerk) as final for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Mayor, the City Manager and the Finance Director are hereby independently authorized to prepare or to cause to be prepared, and to approve a final Official Statement, in substantially the form of the Preliminary Official Statement on file with the City Clerk, and such preparation and approval is in all respects approved and authorized. The Mayor, the City Manager and the Finance Director are hereby independently authorized and directed to execute and deliver the final Official Statement, for and on behalf of the City, in substantially the form and with substantially the same content as the Preliminary Official Statement, provided that such document may be completed, corrected, or revised as deemed necessary or appropriate by the City Manager, the Finance Director, or the City Attorney of the City. The distribution of the Preliminary Official Statement and the final Official

Statement (in substantially the form of the Preliminary Official Statement) to prospective purchasers of the Certificates is hereby ratified, approved, and authorized.

Section 8. Authorization to Execute Collateral Documents. The City Clerk is hereby authorized and directed to attest all signatures and acts of any official of the City in connection with the matters authorized by this Ordinance and to place the seal of the City on any document authorized and approved by this Ordinance. The Mayor, the City Clerk, the City Manager, the Finance Director and other appropriate employees and officials of the City are hereby authorized and directed to execute and deliver for and on behalf of the City any and all additional certificates, documents, instruments and other papers, and to perform all other acts that they deem necessary or appropriate in order to implement and carry out the transactions and other matters authorized by this Ordinance. The approval hereby given to the various documents referred to above includes an approval of such additional details therein as may be necessary and appropriate for their completion, deletions therefrom and additions thereto as may be approved by bond counsel prior to the execution of the documents. The execution of any document or instrument by the aforementioned officials or employees of the City or members of the City Council shall be conclusive evidence of the approval by the City Council of such document or instrument in accordance with the terms hereof and thereof.

The Mayor, the City Clerk, the City Manager, the Finance Director and all other employees and officials of the City that are authorized or directed to execute any agreement, document, certificate, instrument, or other paper in accordance with this Ordinance (collectively, the "Authorized Documents") 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 9. No General Obligation Debt. No provision of this Ordinance, the Site Lease, the Lease, the Indenture, the Disclosure Certificate, the Certificate Purchase Agreement, the Certificates, the Preliminary Official Statement, or the final Official Statement shall be construed as creating or constituting a general obligation or other indebtedness or multiple fiscal year financial obligation of the City within the meaning of any constitutional, statutory, or Charter provision, nor a mandatory charge or requirement against the City in any ensuing fiscal year beyond the then current fiscal year. The City shall have no obligation to make any payment with respect to the Certificates except in connection with the payment of the Base Rentals and certain other payments under the Lease, which payments may be terminated by the City in accordance with the provisions of the Lease. Neither the Lease nor the Certificates shall constitute a mandatory charge or requirement of the City in any ensuing fiscal year beyond the then current fiscal year and shall not constitute or give rise to a general obligation or other indebtedness of the City within the meaning of any constitutional, statutory, or Charter debt limitation and shall not constitute a multiple fiscal year direct or indirect debt or other financial obligation whatsoever. No provision of the Site Lease, the Lease or the Certificates shall be construed or interpreted as creating an unlawful delegation of governmental powers nor as a donation by or a lending of the credit of the City within the meaning of Sections 1 or 2 of Article XI of the Colorado Constitution. Neither the Site Lease, the Lease nor the Certificates shall directly or indirectly obligate the City to make any payments beyond those budgeted and appropriated for the City's then current fiscal year.

Section 10. Reasonableness of Rentals. The City Council hereby determines and declares that the Base Rentals payable by the City under the Lease, in the maximum amount authorized pursuant to Section 4 hereof, constitute the fair rental value of the Leased Property and do not exceed a reasonable amount so as to place the City under an economic compulsion to renew the Lease or to exercise its option to purchase the Trustee's leasehold interest in the Leased Property pursuant to the Lease. The City Council hereby determines and declares that the period during which the City has an option to purchase the Trustee's leasehold interest in the Leased Property (i.e., the entire maximum term of the Lease) does not exceed the useful life of the Leased Property.

Section 11. No Recourse against Officers and Agents. Pursuant to Section 11-57-209 of the Supplemental Act, if a member of the City Council, or any officer or agent of the City acts in good faith, no civil recourse shall be available against such member, officer, or agent for payment of the principal, interest, or prior redemption premiums on the Certificates. Such recourse shall not be available either directly or indirectly through the City Council or the City, or otherwise, whether by virtue of any constitution, statute, rule of law, enforcement of penalty, or otherwise. By the acceptance of the Certificates and as a part of the consideration of their sale or purchase, any person purchasing or selling the Certificates specifically waives any such recourse.

Section 12. Repealer. All bylaws, orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revise any such bylaw, order, resolution or ordinance, or part thereof, heretofore repealed.

Section 13. Severability. If any section, subsection, paragraph, clause, or other provision of this Ordinance for any reason is invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, or other provision shall not affect any of the remaining provisions of this Ordinance, the intent being that the same are severable.

Section 14. Charter Controls. Pursuant to Article XX of the State Constitution and the Charter, all State statutes that might otherwise apply in connection with the provisions of this Ordinance are hereby superseded to the extent of any inconsistencies between the provisions of this Ordinance and such statutes. Any such inconsistency is intended by the City Council and shall be deemed made pursuant to the Charter.

Section 15. Ordinance Irrepealable. After the Certificates are executed and delivered, this Ordinance shall be and remain irrepealable until the Certificates have been fully paid, satisfied, and discharged, as provided in the Indenture.

Section 16. Effective Date. This Ordinance shall take effect seven (7) days after passage and publication pursuant to Section 6.5 of the Charter.

Introduced and approved after first reading on October 14, 2025, and ordered published in full.

Introduced a second time and approved on October 28, 2025, and ordered published.

The City and County of Broomfield, Colorado

____

Mayor

Attest:

____

Office of the City and County Clerk

Approved as to form:

____

City and County Attorney

City and County of Broomfield

City Council Regular Meeting

D. Public Hearing - Ordinance Second Reading - Disposition of Unclaimed Property

Meeting	Agenda Group
Tuesday, October 14, 2025, 6:00 PM	Action Items Item: 7D.

Presented By
Graham Clark, Director of Finance

Community Goals

Overview

View Correspondence
View Presentation

These proposed amendments to the Broomfield Municipal Code (BMC) Chapter 3-25 - Disposition of Unclaimed Intangible Property aim to modify the existing code so that it is consistent with Revised Uniform Unclaimed Property Act, C.R.S. 38-13-101 *et. seq*. and bring the Broomfield Municipal Code into alignment with changes to the Colorado Revised Uniform Unclaimed Property Act.

Attachments

Council Memo - Unclaimed Property (BMC 3-25) Update - Second Reading.pdf
Ordinance No. 2285 - Updates to Unclaimed Property - with HB 25-1224.pdf

Summary

View Correspondence
View Presentation

These proposed amendments to the Broomfield Municipal Code (BMC) Chapter 3-25 - Disposition of Unclaimed Intangible Property aim to modify the existing code so that it is consistent with Revised Uniform Unclaimed Property Act, C.R.S. 38-13-101 *et. seq*. and bring the Broomfield Municipal Code into alignment with changes to the Colorado Revised Uniform Unclaimed Property Act.

Chapter 3-25 of the Code was adopted by the Council in 1992 and provides for the administration and disposition of unclaimed intangible property that is in the possession of or under the control of the city. The primary example of unclaimed property is outstanding checks that have been issued from various City and County of Broomfield checking accounts, such as Accounts Payable, Treasury, Payroll, Court, and Inmate checking.

During the 2025 legislative session, HB25-1224 was passed by the state legislature and signed by the Governor on June 4, 2025. Effectively, the legislation repealed a previously granted exception from the Revised Uniform Unclaimed Property Act for local governments. As a result of the local government exemption being removed, Broomfield is treated as any other holder of unclaimed property and needs to make certain filings with the state treasurer's office on an annual basis and needs to send any unclaimed property to the State.

The proposed Broomfield Municipal Code revisions will align the definitions with the Colorado Revised Uniform Unclaimed Property Act. In order to comply with Colorado's Revised Uniform Unclaimed Property Act, Broomfield must provide certain prescribed information to the State Treasurer each year for any property that has been unclaimed for one year that was held by or under the control of the City, including a list of the owners and the value of the unclaimed property. The State Treasurer reports the unclaimed property through a state website known as the Great Colorado Payback.

For unclaimed property value $25.00 or more, staff will attempt to contact the owner by electronic mail, or by first class mail if no email address is available, and notify the owner about the unclaimed property. The notice will give the owner thirty days to contact the city to obtain the funds. If the owner fails to take action within thirty days, the property will be deemed abandoned, and Broomfield will include the item on the unclaimed property report provided to the State Treasurer. Property valued at less than $25.00 will be automatically sent to the State, and owners can make their claim to the property through the state system. All unclaimed property will remain on the State Treasurer unclaimed property until the rightful owner or heir comes forward to collect the funds. At any time, the rightful owner can contact the State and submit a claim for the funds.

These proposed code revisions in Ordinance 2285 will bring the Broomfield Municipal Code into conformance with the Colorado Revised Uniform Unclaimed Property Act and the repeal of the local government exemption.

Financial Considerations

The proposed code revisions align with the new state law and are more administrative in nature. Upon submitting a report to the State Treasurer, Broomfield will now be required to remit the unclaimed property to the State. The unclaimed property already reflects money outlays by the City so there is no impact on expenses, but now Broomfield will not retain the revenue from unclaimed property, the State will receive the benefit of any unclaimed property. With the holding period being reduced from five years to one year, the initial reporting year is estimated to be between $30,000 - $60,000, depending on the responses received from the correspondence sent to the property owners. Future years are expected to be much less since it will only include one fiscal year, but it will also depend on the specific property that is unclaimed in any given year.

Prior Council or Other Entity Actions

September 23, 2025 - Council approved Ordinance No. 2285 on first reading.

BMC Chapter 3-25 - Disposition of Unclaimed Property, Ord. 932 §1, Ord. 932 §1, was approved by the City Council in 1992 to provide for the administration and disposition of unclaimed intangible property that is in the possession of or under the control of the city.

Boards and Commissions Prior Actions and Recommendations

N/A

Proposed Actions / Recommendations

If Council desires to adopt the proposed ordinance, the appropriate motion is...

> **That Ordinance No. 2285 be adopted on second reading and further ordered published.**

Alternatives

- Make no changes to the Broomfield Municipal Code.
- Make changes to the Broomfield Municipal Code as directed by City Council.

Bold type indicates new material to be added to the Broomfield Municipal Code
~~Strikethrough type~~ indicates deletions from the Broomfield Municipal Code

ORDINANCE NO. 2285

An ordinance amending Chapter 3-25 of the Broomfield Municipal Code relating to the Disposition of Unclaimed Property

Be it ordained by the City Council of the City and County of Broomfield, Colorado:

Section 1.

Chapter 3-25 - Disposition of Unclaimed Intangible Property, of the Broomfield Municipal Code is amended as follows:

Chapter 3-25 - Disposition of Unclaimed Intangible Property

3-25-010 - Purpose.

The purpose of this chapter is to provide for the administration and disposition of unclaimed intangible property that is in the possession of or under the control of the city.

3-25-020 - Definitions.

Unless otherwise required by context or use, the words and terms used in this chapter are defined as follows:

(A) *Director* means the director of finance or designee thereof.

(B) *~~Intangible~~ Property* is that property described in section 38-13-102(~~7~~**24**), C.R.S.

(C) *Owner* **shall have the meaning set forth in section 38-13-102(21), C.R.S.**~~means a person or entity, including a corporation, partnership, association, governmental entity other than this city, or a duly authorized legal representative or successor in interest of same, that owns unclaimed property held by the municipality.~~

(D) *Revised Act* shall mean the Colorado Revised Uniform Unclaimed Property Act at C.R.S. 38-13-101 *et seq*. as amended from time-to-time.

(E) ~~(D)~~ *Unclaimed property* means any ~~intangible~~ property, including any income or increment derived therefrom, less any lawful charges, that is held by or under the control of the city and which has not been claimed by its owner for a period of **at least** ~~more than five~~ **one** year~~s~~ after it became payable or distributable **consistent with 38-13-201(1)(j), C.R.S**.

3-25-030 - Procedure for disposition of ~~intangible~~ **unclaimed** property.

(A) Prior to disposition of any unclaimed ~~intangible~~ property having an estimated value of $**25**5~~0~~.00 or more, the director will send **an electronic mail to the**

email address on record for the owner. If an email address is not available, a written notice by first class mail properly addressed to the last known address, if any, of any owner of unclaimed ~~intangible~~ property. The last known address of the owner is the last address of the owner as shown by the records of the city. The notice will include a description of the ~~intangible~~ property, the amount or estimated value of the ~~intangible~~ property, and, when available, the purpose for which the property was deposited or otherwise held. The notice shall be in compliance with 38-13-502, C.R.S. ~~will state where the owner may make inquiry of or claim the property.~~ The notice will also state that if the owner fails to provide the director with a written claim for the return of the property ~~within~~ **not less than thirty** ~~sixty~~ days of the date of the notice, the ~~intangible~~ property will **be turned over to the state treasurer in accordance with the Revised Act.** ~~becomes the sole property of the city and any claim of the owner to such intangible property is forfeited.~~

(B) ~~Prior to disposition of any~~ **U**nclaimed ~~intangible~~ property having an estimated value of less than $**25**5~~0~~.00 **shall be turned over with the state treasurer without further notice to the owner.** ~~,or having no last known address of the owner, the director will publish a notice in a newspaper of general circulation in the city. The notice will include a description of the intangible property, the owner of the intangible property, the amount or estimated value of the intangible property and, when available, the purpose for which the intangible property was deposited or otherwise held. The notice will state where the owner may make inquiry of or claim the intangible property. The notice will also state that if the owner fails to provide the director with a written claim for the return of the intangible property within sixty days of the date of the publication of the notice, the intangible property becomes the sole property of the city and any claim of the owner to such intangible property is forfeited.~~

(C) **Reports to the state treasurer in conformance with the Revised Act shall be filed by November 1 of each year and cover the twelve months preceding July 1 of that year.** ~~If the director receives no written claim within the~~ ~~**five year**~~ ~~sixty-day claim period, the intangible property becomes the sole property of the city and any claim of the owner to such intangible property is forfeited.~~

~~(D) If the director receives a written claim within the~~ ~~**five year**~~ ~~sixty-day claim period, the director will evaluate the claim and give written notice to the claimant within ninety days thereof that the claim has been accepted or denied in whole or in part. The director may investigate the validity of a claim and may request further supporting documentation from the claimant prior to disbursing or refusing to disburse the intangible property.~~

~~(E) If there is more than one claimant for the same intangible property, the director may, in the director's sole discretion, resolve said claims, or may resolve such claims by depositing the disputed property with the registry of the district court in an interpleader action.~~

~~(F) If the director denies~~ ~~**a**~~ ~~all claims filed, the intangible~~ ~~**owner may resubmit additional documentation proving their claim to the property at any time. At the expiration of the five year claim period, any property from**~~

~~**outstanding denied claims shall** property becomes the sole property of the city and any claim of the owner of such property is forfeited.~~

~~(G) Any legal action filed challenging a decision of the director will be filed pursuant to Rule 106 of the Colorado Rules of Civil Procedure within thirty days of such decision, or any action on the claim is forever barred. If a legal action is timely filed, the intangible property will be disbursed by the director pursuant to the order of the court having jurisdiction over the claim.~~

(H) The director is authorized to establish and administer procedures for the administration and disposition of unclaimed ~~intangible~~ property consistent with this chapter **and the Revised Act, as amended**, including compliance requirements for other city officers and employees in the identification and disposition of such ~~intangible~~ property.

Section 4.

This ordinance is effective seven days after publication following final passage.

Introduced and approved after first reading on September 23, 2025, and ordered published in full.

Introduced a second time and approved on October 14, 2025, and ordered published.

The City and County of Broomfield, Colorado

Mayor

Attest:

Office of the City and County Clerk

Approved as to form:

NCR

City and County Attorney